

# MR01

## Particulars of a charge

010116-23



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You may use this form to register  
a charge created or evidenced by  
an instrument

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register a charge where there  
instrument Use form MR08



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09/11/2016

#60

COMPANIES HOUSE

This form **must be delivered to the Registrar for registration within 21 days** beginning with the day after the date of creation of the charge. If delivered outside of the 21 days it will be rejected unless it is accompanied by a court order extending the time for delivery.



You **must** enclose a certified copy of the instrument with this form. This will be scanned and placed on the public record. **Do not send the original**

### 1 Company details

Company number 0 1 4 7 0 1 5 1

Company name in full BAE SYSTEMS PLC

48

For official use

#### → Filling in this form

Please complete in typescript or in  
bold black capitals

All fields are mandatory unless  
specified or indicated by \*

### 2 Charge creation date

Charge creation date/d 0 1 m 1 y 2 y 0 y 1 y 6

### 3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees  
entitled to the charge

Name JORDAN BROUGH SOUTH DEVELOPMENTS LLP

Name ALMA JORDAN (BUILDERS) LIMITED

Name RIPLINGHAM ESTATES LIMITED

Name

If there are more than four names, please supply any four of these names then  
tick the statement below



I confirm that there are more than four persons, security agents or  
trustees entitled to the charge

MR01

## Particulars of a charge

4

## Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument.

Brief description

Land forming part of title number HS31335 known as the site of an airfield at Brough, East Yorkshire, HU15 1EQ For more details of land charged please refer to the instrument

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"

Please limit the description to the available space

5

## Other charge or fixed security

Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☐ Yes

☒ No

6

## Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☐ Yes Continue

☒ No Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ Yes

7

## Negative Pledge

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ Yes

☐ No

8

Trustee statement <sup>①</sup>

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

<sup>①</sup> This statement may be filed after the registration of the charge (use form MR06)

9

## Signature

Please sign the form here

Signature

Signature

X *VR Chadderton* X

This form must be signed by a person with an interest in the charge

**Presenter information**

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **JOHN GARDHAM**

Company name **PEPPERELLS**

Address **100 ALFRED GELDER STREET**

Post town **HULL**

County/Region **EAST YORKSHIRE**

Postcode **H U 1 2 A E**

Country **ENGLAND**

DX **11906 HULL**

Telephone **(01482) 326511**

**Certificate**

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.

**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following**

- ☐ The company name and number match the information held on the public Register
- ☐ You have included a certified copy of the instrument with this form
- ☐ You have entered the date on which the charge was created
- ☐ You have shown the names of persons entitled to the charge
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☐ You have given a description in Section 4, if appropriate
- ☐ You have signed the form
- ☐ You have enclosed the correct fee
- ☐ Please do not send the original instrument, it must be a certified copy

**Important information**

Please note that all information on this form will appear on the public record.

**How to pay**

A fee of £23 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'

**Where to send**

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below.

**For companies registered in England and Wales**  
The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ  
DX 33050 Cardiff

**For companies registered in Scotland:**  
The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF  
DX ED235 Edinburgh 1  
or LP - 4 Edinburgh 2 (Legal Post)

**For companies registered in Northern Ireland**  
The Registrar of Companies, Companies House,  
Second Floor, The Linenhall, 32-38 Linenhall Street,  
Belfast, Northern Ireland, BT2 8BG  
DX 481 N R Belfast 1

**Further information**

For further information, please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)



FILE COPY

## CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 1470151

Charge code: 0147 0151 0048

The Registrar of Companies for England and Wales hereby certifies that a charge dated 1st November 2016 and created by BAE SYSTEMS PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 9th November 2016

DX

Given at Companies House, Cardiff on 15th November 2016



Companies House



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES

ashurst

We certify this to be a true  
copy of the original document  
in our possession

8/11/16 Pepperells

Pepperells Solicitors  
Incorporating Ivesons  
100 Alfred Gelder Street  
Hull, East Yorkshire, HU1 2AE  
Tel 01482 326511  
[www.pepperells.com](http://www.pepperells.com)

## Second Legal Charge

BAE Systems plc  
as Chargor

and

Jordan Brough South Developments LLP and others  
as Security Agent

1 November 2016

## CONTENTS

CLAUSE	PAGE
1 INTERPRETATION .....	1
2 COVENANT TO PAY .....	4
3 CHARGING CLAUSE .....	4
4. CONTINUING SECURITY. ....	4
5 FURTHER ASSURANCE . . . . .	4
6. NEGATIVE PLEDGE AND DISPOSAL RESTRICTIONS .....	5
7 ATTORNEY .....	5
8. ENFORCEMENT AND POWERS OF THE SECURITY AGENT , .. .	5
9. STATUS, POWERS, REMOVAL AND REMUNERATION OF RECEIVER. ....	6
10. APPLICATION OF MONEYS .....	8
11. PROTECTION OF SECURITY AGENT AND RECEIVER .....	9
12. ENFORCEMENT COSTS AND EXPENSES .....	10
13 CUMULATIVE POWERS AND AVOIDANCE OF PAYMENTS .. .	10
14. RULING OFF ACCOUNTS. . . . .	10
15. DELEGATION ... ..	10
16 REDEMPTION OF PRIOR CHARGES .....	11
17 SET-OFF .....	11
18 NOTICES. . . . .	11
19. CHANGES TO PARTIES .. .	11
20 MISCELLANEOUS .....	11
21 GOVERNING LAW ..	12
SCHEDULE . . . . .	13
Security Agent Provisions .. .	13

**THIS DEED** is made on **1 November** 2016

**BETWEEN:**

- (1) **BAE SYSTEMS PLC**, a company incorporated in England and Wales having its registered office at 6 Carlton Gardens, London, SW1Y 5AD with registered number 01470151 (the "**Chargor**"); and
- (2) **JORDAN BROUGH SOUTH DEVELOPMENTS LLP** (No OC404242) having its registered office at Tranby Croft Tranby Lane Anlaby East Yorkshire HU10 7EE **ALMA JORDAN (BUILDERS) LIMITED** (No 1251055) having its registered office at Tranby Croft Tranby Lane Anlaby East Yorkshire HU10 7EE **RIPLINGHAM ESTATES LIMITED** (No 00500070) having its registered office at Tranby Croft Tranby Lane Anlaby North Humberside HU10 7EE (the "**Security Agent**").

**THE PARTIES AGREE AS FOLLOWS:**

**1. INTERPRETATION**

**1.1 Definitions**

In this deed

**"Collaboration Agreement"** means the collaboration agreement dated 1 July 2016 and made between (1) the Chargor (2) Horncastle Group Plc and (3) Jordan Brough South Developments LLP, Alma Jordan (Builders) Limited and Ripplingham Estates Limited;

**"Charged Property"** means the assets mortgaged, charged or assigned to the Security Agent by this deed,

**"Deed of Priorities"** means the deed of priorities made between (1) Network Rail Infrastructure Limited (2) the Chargor and (3) the Security Agent,

**"Development Area"** has the meaning given to such expression in the Collaboration Agreement,

**"Disposal"** has the meaning given to such expression in the Collaboration Agreement;

**"Escrow Account"** has the meaning given to such expression in the Collaboration Agreement;

**"Event of Default"** means occurrence of the proceeds of Disposal of the Property not being paid into the Escrow Account in accordance with clause 8.3 of the Collaboration Agreement;

**"Finance Documents"** means the Collaboration Agreement, the Deed of Priorities and this deed;

**"Horncastle"** means Horncastle Group Plc a company incorporated in England and Wales with company number 00813569,

**"Indebtedness"** means all money or liabilities due, owing or incurred to any Secured Party by the Chargor pursuant to the Collaboration Agreement and/or pursuant to the Secured Agreements at present or in the future, in any manner whether actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety, together with all interest accruing thereon except for any money or liability which, if it were so included, would cause the infringement of section 678 of the Companies Act 2006;

**"Property"** means the area of land forming part of title number HS31335 shown hatched pink on the attached plan;

**"Receiver"** means a receiver and manager or (if the Security Agent so specifies in the relevant appointment) receiver in each case appointed under this deed,

**"Related Rights"** means, in relation to any asset:

- (a) the proceeds of Disposal of that asset or of any part of it,
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities, undertakings or covenants for title in respect of that asset, and
- (d) any moneys and proceeds paid or payable in respect of that asset;

**"Secured Agreements"** has the meaning given to such expression in the Collaboration Agreement,

**"Secured Parties"** means together Jordan and Horncastle and **"Secured Party"** shall mean either of them,

**"Security Interest"** means any mortgage charge right of set off lien or other security interest whatsoever including such as arises or is imposed by operation of law or any enactment

## 1 2 **Construction**

In this deed, unless a contrary intention appears, a reference to

- (a) an **"agreement"** includes any legally binding arrangement, concession, contract, deed or franchise (in each case whether oral or written),
- (b) an **"amendment"** includes any amendment, supplement, variation, novation, modification, replacement or restatement and **"amend"**, **"amending"** and **"amended"** shall be construed accordingly;
- (c) **"assets"** includes property, business, undertaking and rights of every kind, present, future and contingent (including uncalled share capital) and every kind of interest in an asset,
- (d) a **"consent"** includes an authorisation, approval, exemption, licence, order, permission or waiver,
- (e) **"including"** means including without limitation and **"includes"** and **"included"** shall be construed accordingly,
- (f) **"losses"** includes losses, actions, damages, claims, proceedings, costs, demands, expenses (including fees) and liabilities and **"loss"** shall be construed accordingly,
- (g) a **"month"** means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:
  - (i) if any such period would otherwise end on a day which is not a Business Day, it shall end on the next Business Day in the same calendar month or, if none, on the preceding Business Day, and



- (ii) if a period starts on the last Business Day in a calendar month, or if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last Business Day in that later month,

and references to "**months**" shall be construed accordingly,

- (h) a "**person**" includes any person, individual, firm, company, corporation, government, state or agency of a state or any undertaking (within the meaning of section 1161(1) of the Companies Act 2006) or any trust or partnership or other association (whether or not having separate legal personality) or any two or more of the foregoing,
- (i) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (j) unless the context otherwise requires or unless otherwise defined in this deed, words and expressions defined in the Collaboration Agreement have the same meanings when used in this deed;
- (k) the terms of the documents under which the Indebtedness arises and of any side letters between any Chargor and any Secured Party relating to the Indebtedness are incorporated in this deed to the extent required for any purported disposition of the Charged Property contained in this deed to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989,
- (l) section 1 of the Trustee Act 2000 shall not apply to the duties of the Security Agent in relation to the trusts created by this deed or any other Finance Document, and
- (m) the parties intend that this document shall take effect as a deed.

### 1 3 **Real Property**

A reference in this deed and any charge or assignment supplemental to this deed to a mortgage, assignment or charge of any freehold or leasehold property includes all buildings, fixtures and fittings from time to time on or forming part of that property and all Related Rights

### 1 4 **Other References**

In this deed, unless a contrary intention appears:

- (a) a reference to any person is, where relevant, deemed to be a reference to or to include, as appropriate, that person's successors in title, permitted assignees and transferees and in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents,
- (b) references to clauses and schedules are references to, respectively, clauses of and schedules to this deed and references to this deed include its schedules,
- (c) a reference to a statute, statutory instrument or accounting standard or any provision thereof is to be construed as a reference to that statute, statutory instrument or accounting standard or such provision thereof, as it may be amended or re-enacted from time to time,
- (d) the index to and the headings in this deed are inserted for convenience only and are to be ignored in construing this deed; and

- (e) words importing the plural shall include the singular and vice versa

**1 5 Implied covenants for title**

- (a) The covenants set out in Sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to clause 3 (Fixed Security)
- (b) It shall be implied in respect of clause 3 (Fixed Security) that the Chargor is disposing of the Charged Property free from all charges and encumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment) other than any such contemplated and regulated by the Deed of Priorities.

**2 COVENANT TO PAY**

The Chargor as primary obligor covenants with the Security Agent (for the benefit of itself and the other Secured Party) that it will on demand pay the Indebtedness when it falls due for payment

**3 CHARGING CLAUSE**

The Chargor, as security for the payment of the Indebtedness, charges the Property with full title guarantee by way of legal mortgage in favour of the Security Agent

**4 CONTINUING SECURITY**

This security is to be a continuing security notwithstanding any intermediate payment or settlement of all or any part of the Indebtedness or any other matter or thing.

**5 FURTHER ASSURANCE**

**5 1 General**

- (a) The Chargor will, at its own expense, promptly following request by the Security Agent, execute such deeds and other agreements and otherwise take whatever action the Security Agent may properly require.
- (i) to perfect and/or protect the security created (or intended to be created) under or evidenced by this deed,
- (ii) to facilitate the realisation or enforcement of such security,
- (iii) to facilitate the exercise of any of the Security Agent's or any Receiver's or Secured Party's rights, powers, discretions or remedies under this deed,
- (iv) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created by this deed
- (b) The Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Secured Parties by or pursuant to this deed

**5 2 The Land Registry**

- (a) The Chargor hereby irrevocably consents to the Security Agent applying to the Chief Land Registrar for a restriction to be entered on the Register of Title of the

Property on the prescribed Land Registry form and in the following or substantially similar terms

"No disposition of the registered estate by the proprietor of the registered estate or the registered proprietor of any charge registered subsequent to the charge dated [date] in favour of Jordan and Horncastle, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [1 November 2016] in favour of Jordan and Horncastle referred to in the charges register."

## **6. NEGATIVE PLEDGE AND DISPOSAL RESTRICTIONS**

- (a) The Chargor shall not.
  - (i) create or agree to create or permit to subsist any Security over the Property (save in respect of any security that is contemplated and regulated by the Deed of Priorities),
  - (ii) sell, transfer or otherwise dispose of the Property on terms whereby they are or may be leased to or re-acquired by the Chargor,
  - (iii) sell, transfer or otherwise dispose of any of its receivables on recourse terms.
- (b) The Chargor will not either in a single transaction or in a series of transactions whether related or not and whether voluntarily or involuntarily, sell, transfer, licence, lend, lease, surrender, renounce or otherwise dispose of the Property or Related Rights without the prior written consent of the Security Agent such consent not to be unreasonably withheld or delayed where permitted pursuant to the terms of the Collaboration Agreement.

## **7. ATTORNEY**

The Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any person nominated for the purpose by the Security Agent or any Receiver (in writing and signed by an officer of the Security Agent or Receiver) as its attorney (with full power of substitution and delegation) in its name and on its behalf and as its act and deed to execute, seal and deliver (using the company seal where appropriate) and otherwise perfect and do any deed, assurance, agreement, instrument, act or thing which it ought to execute and do under the terms of this deed, or which may be required or deemed proper in the exercise of any rights or powers conferred on the Security Agent or any Receiver under this deed or otherwise for any of the purposes of this deed, and the Chargor covenants with the Security Agent and each Receiver to ratify and confirm all such acts or things made, done or executed by that attorney

## **8 ENFORCEMENT AND POWERS OF THE SECURITY AGENT**

### **8.1 Statutory Restrictions**

The restriction on the consolidation of mortgages and on power of sale imposed by sections 93 and 103 respectively of the Law of Property Act 1925 shall not apply to the security constituted by this deed

### **8.2 Enforcement Powers**

For the purpose of all rights and powers implied or granted by statute, the Indebtedness is deemed to have fallen due on the date of this deed. The power of sale and other powers conferred by section 101 of the Law of Property Act 1925 and all other

enforcement powers conferred by this deed shall be immediately exercisable at any time after an Event of Default has occurred

### **8.3 Statutory Powers**

The powers conferred on mortgagees, receivers or administrative receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (as the case may be) shall apply to the security created by this deed, unless they are expressly or impliedly excluded. If there is ambiguity or conflict between the powers contained in those Acts and those contained in this deed, those contained in this deed shall prevail.

### **8.4 Appointment of Receiver or Administrator**

- (a) Subject to paragraph (d) below, at any time after an Event of Default has occurred, or if so requested by the Chargor, the Security Agent may (in accordance with the terms of the Deed of Priorities), by writing under hand signed by any officer or manager of the Security Agent, appoint any person (or persons) to be a Receiver of all or any part of the Charged Property.
- (b) Section 109(1) of the Law of Property Act 1925 shall not apply to this deed.
- (c) The Security Agent shall be entitled to appoint a Receiver save to the extent prohibited by section 72A Insolvency Act 1986.

### **8.5 Powers of Leasing**

- (a) The Security Agent may lease, make agreements for leases at a premium or otherwise, accept surrenders of leases and grant options or vary or reduce any sum payable under any leases or tenancy agreements as it thinks fit, without the need to comply with any of the provisions of sections 99 and 100 of the Law of Property Act 1925.
- (b) For the purposes of Sections 99 and 100 of the Law of Property Act 1925, the expression "Mortgagor" will include any encumbrancer deriving title under any Chargor and neither Sub-section (18) of Section 99 nor Sub-section (12) of Section 100 of the Law of Property Act 1925 will apply.

### **8.6 Exercise of Powers**

All or any of the powers conferred upon mortgagees by the Law of Property Act 1925 as varied or extended by this deed, and all or any of the rights and powers conferred by this deed on a Receiver (whether expressly or impliedly), may be exercised by the Security Agent without further notice to the Chargor at any time after an Event of Default has occurred, irrespective of whether the Security Agent has taken possession or appointed a Receiver of the Charged Property.

## **9 STATUS, POWERS, REMOVAL AND REMUNERATION OF RECEIVER**

### **9.1 Receiver as Agent**

Each Receiver shall be the agent of the Chargor which shall be solely responsible for his acts or defaults, and for his remuneration and expenses, and be liable on any agreements or engagements made or entered into by him. The Security Agent will not be responsible for any misconduct, negligence or default of a Receiver.

### **9.2 Powers of Receiver**

Each Receiver appointed under this deed shall have all the powers conferred from time to time on receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (each of

which is deemed incorporated in this deed), so that the powers set out in schedule 1 to the Insolvency Act 1986 shall extend to every Receiver, whether or not an administrative receiver. In addition, notwithstanding any liquidation of the Chargor, each Receiver shall have power to

- (a) take possession of, collect and get in any of the Charged Property and, for that purpose, take any proceedings in the name of the Chargor or otherwise generally manage the Charged Property and make or carry on, develop, reconstruct, amalgamate, diversify or concur in carrying on all or any part of the business of the Chargor,
- (b) make any arrangement or compromise, enter into or cancel any contracts on any terms or conditions,
- (c) raise or borrow money or incur any other liability on any terms, whether secured or unsecured, and whether to rank for payment in priority to this security or not,
- (d) sell, let or lease or concur in selling, letting or leasing, and vary the terms of, determine, surrender or accept surrenders of, leases or tenancies of, or grant options and licences over, or otherwise dispose of or deal with, all or any of the Charged Property, without being responsible for loss or damage. Any such sale, lease or disposition may be made for cash payable by instalments, loan stock, other debt obligations, shares or securities of another company, or other valuable consideration,
- (e) establish subsidiaries to acquire interests in any of the Charged Property and/or arrange for those subsidiaries to trade or cease to trade and acquire any of the Charged Property on any terms and conditions whether or not including payment by instalments, secured or unsecured,
- (f) make and effect all repairs, renewals and improvements to any of the Charged Property and maintain, renew, take out or increase insurances,
- (g) redeem any prior Security Interests on or relating to the Charged Property and settle and pass the accounts of the person entitled to those prior Security Interests, so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor and the money so paid shall be deemed to be an expense properly incurred by the Receiver,
- (h) appoint and discharge employees, officers, managers, agents, professionals and others for any of the purposes of this deed and/or to guard or protect the Charged Property upon terms as to remuneration or otherwise as it may think fit;
- (i) settle, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Chargor or relating to any of the Charged Property,
- (j) bring, prosecute, enforce, defend and discontinue all actions and proceedings or submit to arbitration in relation to all or any of the Charged Property,
- (k) sever and sell plant, machinery or other fixtures separately from the property to which they may be annexed,
- (l) implement or continue the development of (and obtain all consents required in connection therewith) and/or complete any buildings or structures on any real property comprised in the Charged Property,
- (m) purchase or acquire any land or any interest in or right over land;

- (n) make calls conditionally or unconditionally on the members of the Chargor in respect of uncalled capital,
- (o) exercise on behalf of the Chargor, and without the consent of or notice to the Chargor, all the powers conferred on a landlord or a tenant by any legislation from time to time in force in any relevant jurisdiction relating to rents or agriculture in respect of any part of the Properties; and
- (p) do all other acts and things (including signing and executing all documents and deeds) as the Receiver considers to be incidental or conducive to any of the matters or powers in this clause 9.2, or otherwise incidental or conducive to the preservation, improvement or realisation of the Charged Property, and use the name of the Chargor for all such purposes,
- (q) and in each case may use the name of the Chargor and exercise the relevant power in any manner which he may think fit.

### **9.3 Removal of Receiver**

The Security Agent may by notice remove from time to time any Receiver appointed by it (subject to the provisions of section 45 of the Insolvency Act 1986 in the case of an administrative receivership) and, whenever it may deem appropriate, appoint a new Receiver in the place of any Receiver whose appointment has terminated, for whatever reason.

### **9.4 Remuneration of Receiver**

The Security Agent may from time to time fix the remuneration of any Receiver appointed by it

### **9.5 Several Receivers**

If at any time there is more than one Receiver, each Receiver may separately exercise all of the powers conferred by this deed (unless the document appointing such Receiver states otherwise)

## **10 APPLICATION OF MONEYS**

### **10.1 Order of Application**

Subject to the terms of the Deed of Priorities, all moneys received or recovered by the Security Agent or any Receiver pursuant to this deed shall (subject to the claims of any person having prior rights thereto) be applied in the following order

- (a) in payment of the costs and losses incurred, and payments made, by the Security Agent and/or any Receiver (including the payment of preferential debts),
- (b) in payment of remuneration to the Receiver at such market rates as may be agreed between the Receiver and the Security Agent (acting reasonably) at or any time after the Receiver's appointment,
- (c) in or towards satisfaction of the Indebtedness in accordance with clause 10.3 (Application against Indebtedness) and clause 10 (Receipts) of the Collaboration Agreement, and
- (d) the surplus (if any) shall be paid to the Chargor or other person entitled to it

10 2 **Section 109 Law of Property Act 1925**

Sections 109(6) and (8) of the Law of Property Act 1925 shall not apply to a Receiver appointed under this deed

10 3 **Application against Indebtedness**

Subject to the terms of the Deed of Priorities and clause 8 (Costs and Receipts) of the Collaboration Agreement any moneys received or realised by the Security Agent from the Chargor or a Receiver under this deed may be applied by the Security Agent to any item of account or liability or transaction forming part of the Indebtedness to which they may be applicable in any order or manner which the Security Agent may determine.

10 4 **Suspense Account**

Subject to the terms of the Deed of Priorities, until the Indebtedness has been irrevocably paid in full, the Security Agent may place and keep (for such time as it shall determine) any money received pursuant to this deed or on account of the Chargor's liability in respect of the Indebtedness in an interest bearing separate suspense account (to the credit of either the Chargor or the Security Agent as the Security Agent shall think fit) and the Receiver may retain the same for the period which he and the Security Agent consider expedient without having any obligation to apply all or any part of that money in or towards discharge of the Indebtedness

11 **PROTECTION OF SECURITY AGENT AND RECEIVER**

11 1 **No Liability**

Neither the Security Agent nor any Receiver shall be liable in respect of any of the Charged Property or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers, unless caused by its or his gross negligence, wilful default or breach of any obligations under the Finance Documents.

11 2 **Possession of Charged Property**

Without prejudice to clause 11 1 (No Liability), if the Security Agent or the Receiver enters into possession of the Charged Property, it will not be liable to account as mortgagee or chargee in possession and may at any time at its discretion go out of such possession

11 3 **Liability of Chargor**

The Chargor shall be deemed to be a principal debtor and the sole, original and independent obligor for the Indebtedness and the Charged Property shall be deemed to be a principal security for the Indebtedness. The liability of the Chargor under this deed and the charges contained in this deed shall not be impaired by any forbearance, neglect indulgence, extension of time, release, surrender or loss of securities, dealing, variation or arrangement by the Security Agent or any other Secured Party, or by any other act, event or matter whatsoever whereby the liability of the Chargor (as a surety only) or the charges contained in this deed (as secondary or collateral charges only) would, but for this provision, have been discharged

11 4 **Security Agent**

The provisions set out in the Schedule of this deed shall govern the rights, duties and obligations of the Security Agent under this deed.

12. **ENFORCEMENT COSTS AND EXPENSES**

The Chargor will promptly on demand pay to each of the Security Agent, the other Secured Parties and any Receiver the amount of all costs and expenses reasonably incurred by any of them in connection with the preservation, enforcement of any of their rights under this deed.

13. **CUMULATIVE POWERS AND AVOIDANCE OF PAYMENTS**

13.1 **Cumulative Powers**

The powers which this deed confers on the Security Agent, the other Secured Party and any Receiver appointed under this deed are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as the relevant person thinks appropriate. The Security Agent, the other Secured Party or the Receiver may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever. The respective powers of the Security Agent, the other Secured Party and the Receiver will in no circumstances be suspended, waived or otherwise prejudiced by anything other than an express consent or amendment.

13.2 **Amounts Avoided**

If any amount paid by the Chargor in respect of the Indebtedness is capable of being avoided or set aside on the liquidation or administration of the Chargor or otherwise, then for the purposes of this deed that amount shall not be considered to have been paid. No interest shall accrue on any such amount, unless and until such amount is so avoided or set aside.

13.3 **Discharge Conditional**

Any settlement or discharge between the Chargor and any Secured Party shall be conditional upon no security or payment to that Secured Party by the Chargor or any other person being avoided, set aside, ordered to be refunded or reduced by virtue of any provision or enactment relating to insolvency and accordingly (but without limiting the other rights of the Secured Party under this deed) that Secured Party shall be entitled to recover from the Chargor the value which that Secured Party has placed on that security or the amount of any such payment as if that settlement or discharge had not occurred.

14. **RULING OFF ACCOUNTS**

If the Security Agent or the other Secured Party receives notice of any subsequent Security Interest or other interest affecting any of the Charged Property (except as permitted by the Facility Agreement) it may open a new account for the Chargor in its books. If it does not do so then (unless it gives express notice to the contrary to the Chargor), as from the time it receives that notice, all payments made by the Chargor to it (in the absence of any express appropriation to the contrary) shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Indebtedness.

15. **DELEGATION**

The Security Agent may delegate by power of attorney or in any other manner all or any of the powers, authorities and discretions which are for the time being exercisable by it under this deed to any person or persons upon such terms and conditions (including the power to sub-delegate) as it may think fit. The Security Agent will not be liable or responsible to any Chargor or any other person for any losses arising from any act, default, omission or misconduct on the part of any delegate.



**16 REDEMPTION OF PRIOR CHARGES**

The Security Agent may (subject to the terms of the Deed of Priorities), at any time after an Event of Default has occurred, redeem any prior Security Interest on or relating to any of the Charged Property or procure the transfer of that Security Interest to itself, and may settle and pass the accounts of any person entitled to that prior Security Interest. Any account so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor. The Chargor will on demand pay to the Security Agent all principal monies and interest and all losses incidental to any such redemption or transfer.

**17 SET-OFF**

**17.1 Set-off Rights**

Subject to the terms of the Deed of Priorities, any Secured Party may set off any matured obligation due from a Chargor under the Collaboration Agreement (to the extent beneficially owned by that Secured Party) against any matured obligation owed by that Secured Party to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

**17.2 Unliquidated Claims**

If the relevant obligation or liability is unliquidated or unascertained, the Secured Party may set-off the amount which it estimates (in good faith) will be the final amount of that obligation or liability once it becomes liquidated or ascertained.

**18. NOTICES**

Any notice, demand, consent, agreement or other communication to be served under or in connection with this deed shall be served in accordance with the Collaboration Agreement.

**19. CHANGES TO PARTIES**

**19.1 No assignment by Chargor**

The Chargor shall not assign or transfer all or any part of its rights, benefits or obligations under this deed.

**19.2 Assignment by the Security Agent**

The Security Agent may at any time assign or otherwise transfer all or any part of its rights under this deed to either of the Secured Parties or as permitted pursuant to clause 14 of the Collaboration Agreement.

**20 MISCELLANEOUS**

**20.1 Deed of Priorities**

The application of recoveries under this deed are subject to the terms of the Deed of Priorities at all times while the Deed of Priorities remains in force. In the event of conflict between the terms of this deed and the terms of the Deed of Priorities, the Deed of Priorities shall prevail.

**20.2 Certificates Conclusive**

A certificate or determination of the Security Agent as to any amount payable under this deed will be conclusive and binding on the Chargor, except in the case of manifest error

**20.3 Invalidity of any Provision**

If any provision of this deed is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way

**20.4 Counterparts**

This deed may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this deed

**20.5 Third Party Rights**

The Contracts (Rights of Third Parties) Act 1999 shall not apply to this deed and no rights or benefits expressly or impliedly conferred by this deed shall be enforceable under that Act against the parties to this deed by any other person.

**20.6 Covenant To Release**

- (a) Once all the Indebtedness has been irrevocably paid and all associated liabilities discharged in full and none of the Security Agent nor any Secured Party has any actual or contingent liability to advance further monies to, or incur liability on behalf of, any Chargor, the Security Agent and each Secured Party shall, at the request and cost of the Chargor, take any action which may be necessary to release the Charged Property from the security constituted by this deed
- (b) If at any time the Chargor wishes to secure a release of part of the Charged Property from the security constituted by this deed then subject to the proceeds of the Disposal of the relevant part of the Charged Property sought to be released being paid into the Escrow Account and subject to payment of a proportionate part (if any) of sums owed by the Chargor to the Secured Party and/or Security Agent pursuant to the Secured Agreements then the Security Agent and the Secured Party shall at the request and cost of the Chargor execute and deliver a release of part (in the appropriate form) to enable the relevant part of the Charged Property to be released from the security.

**21 GOVERNING LAW**

This deed (and any dispute, controversy, proceedings or claims of whatever nature arising out of or in any way relating to this deed or its formation) shall be governed by and construed in accordance with English law

**IN WITNESS** whereof this deed has been duly executed on the above date first above written.

## **SCHEDULE**

### **Security Agent Provisions**

#### **1. ROLE OF THE SECURITY AGENT**

##### **1 1 Appointment**

- (a) Each of the Secured Parties appoints BAE Systems plc as the Security Agent under and in connection with this deed
- (b) Each of the Secured Parties authorises the Security Agent to exercise the rights, powers, authorities and discretions specifically given to the Security Agent under or in connection with this deed together with any other incidental rights, powers, authorities and discretions.
- (c) Each of the parties to this deed agrees that the Security Agent shall have only those duties, obligations and responsibilities expressly specified in this deed

##### **1 2 Trust**

- (a) The Security Agent declares that it shall hold all rights, title and interest in, to and under this deed on trust for the Secured Parties on the terms contained in this deed
- (b) Each of the parties to this deed agrees that the Security Agent shall have only those duties, obligations and responsibilities expressly specified in this deed to which the Security Agent is expressed to be a party (and no others shall be implied).

##### **1 3 No Independent Power**

Whilst the Security Agent shall continue to subsist the Secured Party shall not have any independent power to enforce, or have recourse to, this deed or to exercise any rights or powers arising under this deed except through the Security Agent.

##### **1 4 Instructions to Security Agent and Exercise of Discretion**

- (a) Subject to paragraphs (d) and (e) below, the Security Agent shall act in accordance with any instructions given to it by the Secured Parties or, if so instructed by the Secured Parties, refrain from exercising any right, power, authority or discretion vested in it as Security Agent and shall be entitled to assume that unless it has received actual notice of revocation, that those instructions or directions have not been revoked
- (b) The Security Agent shall be entitled to request instructions, or clarification of any direction, from the Secured Parties as to whether, and in what manner, it should exercise or refrain from exercising any rights, powers, authorities and discretions and the Security Agent may refrain from acting unless and until those instructions or clarification are received by it.
- (c) Any instructions given to the Security Agent by the Secured Parties shall override any conflicting instructions given by any other parties
- (d) Paragraph (a) above shall not apply
  - (i) where a contrary indication appears in this agreement,

- (ii) where this agreement requires the Security Agent to act in a specified manner or to take a specified action,
- (iii) in respect of any provision which protects the Security Agent's own position in its personal capacity as opposed to its role of Security Agent for the Finance Parties including, without limitation, the provisions set out in paragraphs 1 6 (Security Agent's Discretions) to clause 1 21 (Disapplication) (inclusive),
- (e) If giving effect to instructions given by the Secured Parties would (in the Security Agent's opinion) have an effect equivalent to an amendment to this agreement the Security Agent shall not act in accordance with those instructions unless consent to it so acting is obtained from each party (other than the Security Agent) whose consent would have been required in respect of that amendment
- (f) In exercising any discretion to exercise a right, power or authority under this agreement where the exercise of that discretion is subject to clause (d)(iv) above, the Security Agent shall do so having regard to the interests of all the Secured Parties.

#### 1 5 **Security Agent's Actions**

Without prejudice to the provisions of paragraph 4 (Enforcement of Security) and paragraph 1 4 (Instructions to Security Agent and Exercise of Discretion), the Security Agent may (but shall not be obliged to), in the absence of any instructions to the contrary, take such action in the exercise of any of its powers and duties under this deed as it considers in its discretion to be appropriate

#### 1 6 **Security Agent's Discretions**

The Security Agent may.

- (a) assume that (i) no Event of Default has occurred and the Chargor is not in breach of or default under its obligations under this deed and (ii) any right, power, authority or discretion vested by this deed in any person has not been exercised;
- (b) if it receives any instructions or directions under paragraph 4 (Enforcement of Security) to take any action in relation to this deed, assume that all applicable conditions under the Finance Documents for taking that action have been satisfied,
- (c) engage, pay for and rely on the advice or services of any legal advisers, accountants, tax advisers, surveyors or other experts (whether obtained by the Security Agent) whose advice or services may at any time seem necessary, expedient or desirable,
- (d) rely upon any communication or document believed by it to be genuine and, as to any matters of fact which might reasonably be expected to be within the knowledge of a Secured Party or Chargor, upon a certificate signed by or on behalf of that person;
- (e) refrain from acting in accordance with the instructions of any party (including bringing any legal action or proceeding arising out of or in connection with this deed) until it has received any indemnification and/or security that it may in its discretion require (whether by way of payment in advance or otherwise) for all costs, losses and liabilities which it may incur in so acting;
- (f) disclose to any other party any information it reasonably believes it has received as agent under this agreement, or

- (g) (notwithstanding any other provision of this deed to the contrary) be obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

#### **1.7 Security Agent's Obligations**

The Security Agent shall promptly forward to a party the original or a copy of any document which is delivered to the Security Agent for that party by any other party provided that, except where this deed expressly provides otherwise, the Security Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another party

#### **1.8 Excluded Obligations**

Notwithstanding anything to the contrary expressed or implied in this deed, the Security Agent shall not

- (a) be bound to enquire as to (i) whether or not any Event of Default has occurred or (ii) the performance, default or any breach by the Chargor of its obligations under this deed,
- (b) be bound to account to any other party for any sum or the profit element of any sum received by it for its own account,
- (c) be bound to disclose to any other person (including but not limited to any Secured Party) (i) any confidential information or (ii) any other information if disclosure would, or might in its reasonable opinion, constitute a breach of any law or be a breach of fiduciary duty; or
- (d) have or be deemed to have any relationship of trust or agency with the Chargor; or
- (e) be obliged to transmit to the Secured Parties any information relating to any party to this deed which the Security Agent may have acquired otherwise than in its capacity as Security Agent.

#### **1.9 Exclusion of Liability**

None of the Security Agent nor any Receiver shall accept responsibility or be liable for.

- (a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Security Agent or any other person in or in connection with this deed or the transaction contemplated by this deed, or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with this deed,
- (b) the legality, validity, effectiveness, adequacy or enforceability of this deed, the Charged Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with this deed or the Charged Property and each Secured Party confirms its approval of this deed,
- (c) any losses to any person or any liability arising as a result of taking or refraining from taking any action in relation to any of this deed, the Charged Property or otherwise, unless directly caused by its gross negligence or wilful misconduct;
- (d) the exercise of, or the failure to exercise, any judgment, discretion or power given to it by or in connection with this deed, the Charged Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, this deed or the Charged Property, or

- (e) any shortfall which arises on the enforcement or realisation of the Charged Property
- (f) any determination as to whether any information provided or to be provided to any Secured Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise
- (g) any delay (or any related consequences) in crediting an account with an amount required under this deed to be paid by the Security Agent if the Security Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Security Agent for that purpose

#### **1 10 No Proceedings**

No Party (other than the Security Agent or that Receiver) may take any proceedings against any officer, employee or agent of the Security Agent or a Receiver in respect of any claim it might have against the Security Agent or a Receiver or in respect of any act or omission of any kind by that officer, employee or agent in relation to this deed or any Charged Property and any officer, employee or agent of the Security Agent, a Receiver or a Delegate may rely on this clause subject to clause 20 4 (Third Party Rights) and the provisions of the Third Parties Rights Act

#### **1 11 Own Responsibility**

Without affecting the responsibility of the Chargor for information supplied by it or on its behalf in connection with this deed, each Secured Party confirms to the Security Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with this deed including but not limited to

- (a) the legality, validity, effectiveness, adequacy and enforceability of this deed, the Charged Property and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with this deed or the Charged Property;
- (b) whether that Secured Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with this deed, the Charged Property, the transactions contemplated by this deed or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with this deed or the Charged Property,
- (c) the adequacy, accuracy and/or completeness of any information provided by the Security Agent or by any other person under or in connection with this deed, the transactions contemplated by this deed or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with this deed, and
- (d) the right or title of any person in or to, or the value or sufficiency of any part of the Charged Property, the priority of this deed or the existence of any security affecting the Charged Property,

and each Secured Party warrants to the Security Agent that it has not relied on and will not at any time rely on the Security Agent in respect of any of these matters.

#### **1.12 No Responsibility to Perfect Transaction Security**

The Security Agent shall not be liable for any failure

- (a) to require the deposit with it of any deed or document certifying, representing or constituting the title of the Chargor to any of the Charged Property,
- (b) to obtain any licence, consent or other authority for the execution, delivery, legality, validity, enforceability or admissibility in evidence of this deed,
- (c) to register, file or record or otherwise protect this deed (or the priority of any of the security) under any applicable laws in any jurisdiction or to give notice to any person of the execution of this deed;
- (d) to take, or to require the Chargor to take, any steps to perfect its title to any of the Charged Property or to render the security effective or to secure the creation of any ancillary security under the laws of any jurisdiction,
- (e) to require any further assurances in relation to this deed,
- (f) to hold (or its solicitors hold) any title deed, this deed or any other documents in connection with this deed in its own possession or to take any steps to protect or preserve the same including permitting the Chargor (or their solicitors) to retain any such title deeds, this deed or any other documents,
- (g) of the Chargor or any of the Secured Parties duly and punctually to observe and perform their respective obligations under this deed , or
- (h) for the consequences of relying on the advice of any professional advisers selected by it in connection with this deed.

#### **1 13 Insurance by Security Agent**

- (a) The Security Agent shall not be under any obligation to insure any of the Charged Property, to require any other person to maintain any insurance or to verify any obligation to arrange or maintain insurance contained in this deed. The Security Agent shall not be responsible for any loss which may be suffered by any person as a result of the lack of or inadequacy of any such insurance.
- (b) Where the Security Agent is named on any insurance policy as an insured party, it shall not be responsible for any loss which may be suffered by reason of, directly or indirectly, its failure to notify the insurers of any material fact relating to the risk assumed by such insurers or any other information of any kind.

#### **1 14 Custodians and Nominees**

The Security Agent may appoint and pay any person to act as a custodian or nominee on any terms in relation to any assets of the trust as the Security Agent may determine, including for the purpose of depositing with a custodian this agreement or any document relating to the trust created under this agreement and the Security Agent shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it under this agreement or be bound to supervise the proceedings or acts of any person

#### **1 15 Acceptance of Title**

The Security Agent shall be entitled to accept without enquiry, and shall not be obliged to investigate, any right and title that the Chargor may have to any of the Charged Property and shall not be liable for or bound to require the Chargor to remedy any defect in its right or title.

**1 16 Refrain from Illegality**

Notwithstanding anything to the contrary expressed or implied in this deed, the Security Agent may refrain from doing anything which in its opinion will or may be contrary to any relevant law, directive or regulation of any jurisdiction or a breach of a fiduciary duty or duty of confidentiality and the Security Agent may do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.

**1 17 Business with the Obligors**

The Security Agent may accept deposits from, lend money to, and generally engage in any kind of banking or other business with the Chargor

**1.18 Winding up of Trust**

If the Security Agent determines that (a) all of the Indebtedness and all other obligations secured by this deed have been fully and finally discharged and (b) none of the Finance Parties is under any commitment, obligation or liability (actual or contingent) to make advances or provide other financial accommodation to the Chargor pursuant to this deed:

- (a) the trusts set out in this agreement shall be wound up and the Security Agent shall release, without recourse or warranty, this deed and the rights of the Security Agent under this deed, and
- (b) any Retiring Security Agent shall release, without recourse or warranty, all of its rights under this deed

**1 19 Powers Supplemental**

The rights, powers and discretions conferred upon the Security Agent by this agreement shall be supplemental to the Trustee Act 1925 and the Trustee Act 2000 and in addition to any which may be vested in the Security Agent by general law or otherwise

**1 20 Trustee Division Separate**

- (a) In acting as trustee for the Secured Parties, the Security Agent shall be regarded as acting through its trustee division which shall be treated as a separate entity from any of its other divisions or departments
- (b) If information is received by another division or department of the Security Agent, it may be treated as confidential to that division or department and the Security Agent shall not be deemed to have notice of it

**1 21 Disapplication**

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Security Agent in relation to the trusts constituted by this agreement. Where there are any inconsistencies between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this agreement, the provisions of this agreement shall, to the extent allowed by law, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this agreement shall constitute a restriction or exclusion for the purposes of that Act

**1 22 Power of Attorney**

Each Secured Party (other than the Security Agent) and the Chargor by way of security for its obligations under this deed irrevocably appoints the Security Agent to be its attorney to do anything which that Secured Party or Chargor has authorised the Security Agent or any other party to do under this agreement or is itself required to do under this



agreement but has failed to do (and the Security Agent may delegate that power on such terms as it sees fit)

## **2. CHANGE OF SECURITY AGENT AND DELEGATION**

### **2 1 Resignation of the Security Agent**

- (a) The Security Agent may resign and appoint one of its affiliates as successor by giving notice to the Chargor and the other Secured Parties.
- (b) Alternatively the Security Agent may resign by giving notice to the other parties in which case the Secured Parties may appoint a successor Security Agent.
- (c) After consultation with the Chargor, the Secured Parties may, by notice to the Security Agent, terminate the appointment of the Security Agent and appoint a successor Security Agent. That termination and new appointment may be made in respect of all or any part of the Security Agent's duties, obligations and responsibilities
- (d) If the Secured Parties have not appointed a successor Security Agent in accordance with paragraph (b) or (c) above within 30 days after the notice of resignation or termination was given, the Security Agent may appoint a successor Security Agent
- (e) The resigning or terminated Security Agent (the "**Retiring Security Agent**") shall, at its own cost (in the case of resignation) and at the Chargor's cost (in the case of termination), make available to the successor Security Agent such documents and records and provide such assistance as the successor Security Agent may reasonably request for the purposes of performing its functions as Security Agent under this deed.
- (f) The Security Agent's resignation or termination shall only take effect upon the transfer of all of the Charged Property to a duly appointed successor (unless the Security Agent, the intended successor and the Secured Parties agree otherwise).
- (g) Upon the appointment of a successor, the Retiring Security Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph 1 18 (Winding up of Trust) and under paragraph (d) above) but shall, in respect of any act or omission by it whilst it was the Security Agent, remain entitled to the benefit of paragraph 1 (Role of the Security Agent) and paragraph 1 (Secured Parties Indemnity to the Security Agent). Its successor and each of the other parties shall have the same rights and obligations amongst themselves as they would have had if that successor had been an original Party

### **2 2 Delegation**

- (a) Each of the Security Agent and any Receiver may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any of the rights, powers and discretions vested in it by this deed.
- (b) That delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Security Agent or that Receiver (as the case may be) may, in its discretion, think fit in the interests of the Secured Parties and it shall not be bound to supervise, or be in any way responsible for any loss incurred by reason of any misconduct or default on the part of any such delegate or sub-delegate.

## **2 3 Additional Security Agents**

- (a) The Security Agent may at any time appoint (and subsequently remove) any person to act as a separate trustee or as a co-trustee jointly with it (i) if it considers that appointment to be in the interests of the Secured Parties or (ii) for the purposes of conforming to any legal requirements, restrictions or conditions which the Security Agent deems to be relevant or (iii) for obtaining or enforcing any judgment in any jurisdiction, and the Security Agent shall give prior notice to the Chargor of that appointment
- (b) Any person so appointed shall have the rights, powers and discretions (not exceeding those conferred on the Security Agent by this agreement) and the duties and obligations that are conferred or imposed by the instrument of appointment.

## **3. INFORMATION AND COMMUNICATION BETWEEN FINANCE PARTIES**

### **3 1 Information and Dealing**

- (a) The Secured Parties shall provide to the Security Agent from time to time any information that the Security Agent may reasonably specify as being necessary or desirable to enable the Security Agent to perform its functions as trustee
- (b) All communications to the Chargor in connection with the Transaction Security Documents are to be made by or through the Security Agent
- (c) Each Secured Party will notify the Security Agent of, and provide the Security Agent with a copy of, any communication between that Secured Party, the Chargor or any other Secured Party on any matter concerning this deed.
- (d) Each Secured Party shall supply the Security Agent with any information that the Security Agent may reasonably specify as being necessary or desirable to enable the Security Agent to perform its functions as Security Agent

### **3 2 Disclosure**

Notwithstanding any agreement to the contrary, the Chargor consents to the disclosure by any of the Secured Parties to each other (whether or not through the Security Agent) of such information concerning the Chargor as that Secured Party shall see fit

### **3 3 Notification of Prescribed Events**

If the Security Agent enforces, or takes formal steps to enforce this deed it shall notify each Secured Party of that action.

## **4 ENFORCEMENT OF SECURITY**

### **4 1 Enforcement Instructions**

- (a) The Security Agent may refrain from enforcing this deed unless instructed otherwise by all of the Secured Parties.
- (b) Subject to this deed having become enforceable in accordance with its terms the Secured Parties may give or refrain from giving instructions to the Security Agent to enforce or refrain from enforcing this deed as they see fit.
- (c) The Security Agent is entitled to rely on and comply with instructions given in accordance with this paragraph 4

- (d) If the Secured Parties do not agree on whether to enforce or not then the Security Agent shall be deemed to have been instructed to enforce where there has been an Event of Default and one of the Secured Parties wishes to enforce.

#### **4.2 Manner of Enforcement**

If this deed is being enforced pursuant to paragraph 4.1 (Enforcement Instructions), the Security Agent shall enforce this deed in such manner (including, without limitation, the selection of any administrator of the Chargor to be appointed by the Security Agent) as the Secured Parties shall instruct or, in the absence of any such instructions, as the Security Agent sees fit.

#### **4.3 Exercise of Voting Rights**

- (a) The Secured Parties agree with the Security Agent that it will cast its vote in any proposal put to the vote by or under the supervision of any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to the Chargor as instructed by the Security Agent
- (b) The Security Agent shall give instructions for the purposes of paragraph (a) above as directed by the Secured Parties.

#### **4.4 Waiver of Rights**

To the extent permitted under applicable law and subject to paragraph 4.1 (Enforcement Instructions), paragraph 4.2 (Manner of Enforcement) each of the Secured Parties and the Chargor waives all rights it may otherwise have to require that this deed be enforced in any particular order or manner or at any particular time or that any sum received or recovered from any person, or by virtue of the enforcement of any of this deed which is capable of being applied in or towards discharge of any of the Indebtedness is so applied

#### **4.5 Duties Owed**

Each of the Secured Parties and the Chargor acknowledge that, in the event that the Security Agent enforces or is instructed to enforce this deed, the duties of the Security Agent and of any Receiver owed to them in respect of the method, type and timing of that enforcement or of the exploitation, management or realisation of this deed shall, be no different to or greater than the duty that is owed by the Security Agent or Receiver to the Chargor under general law

### **5 SECURED PARTIES INDEMNITY TO THE SECURITY AGENT**

- (a) Each Secured Party shall (in proportion to its share of the Indebtedness indemnify the Security Agent, within three Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Security Agent (otherwise than by reason of the Security Agent's gross negligence or wilful misconduct) notwithstanding the Security Agent's negligence, gross negligence or any other category of liability whatsoever) but not including any claim based on the fraud of the Security Agent in acting as Security Agent under this deed (unless the Security Agent has been reimbursed by the Chargor pursuant to this deed)
- (b) The Chargor shall promptly on demand by the Security Agent reimburse each Secured Party for any payment made by it under paragraph (a) above

**SIGNATORIES TO DEBENTURE**

**Chargor**

THE COMMON SEAL OF **BAE SYSTEMS PLC**  
was affixed to this DEED in the presence of:

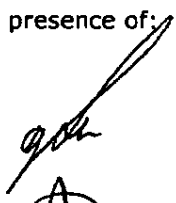

Director

Signature of witness

Name

Address

Occupation

  
  
**Ann-Louise Holding**  
**6 Carlton Gardens,**  
**London SW1Y 5AD**

**Company Secretary**

**Security Agent**

Executed as a Deed by **JORDAN** )  
**BROUGH SOUTH DEVELOPMENTS** )  
**LLP** acting by two members and )  
delivered at the date hereof. )

.....  
Member

.....  
Member

Executed as a Deed by **RIPLINGHAM** )  
**ESTATES LIMITED** acting by two )  
members and delivered at the date )  
hereof. )

.....  
Member

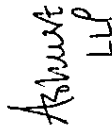
.....  
Member

Executed as a Deed by **ALMA JORDAN**  
**(BUILDERS) LIMITED** acting by two  
members and delivered at the date  
hereof.

)  
)  
)  
)

. . . . .  
Member

. . . . .  
Member

[illegible]

TITLE SHUT PLAN KEY

APPLICATION BOUNDARY	TITLE BOUNDARY
	HORNCASTLE GROUP 9 09 HA 22 48 ACRES
	JORDAN FAMILY 22 62 HA 53 90 ACRES
	BAE SYSTEMS 17 67 HA 43 66 ACRES

This boundaries based on information supplied by Redgrove Morris  
on their contract plan 2004  
Information shown on this plan should not be relied upon as actual legal boundaries.  
Please refer to Land Registry Title Plans.

# TITLE SPLIT PLAN