

089653/52

In accordance with
Sections 859A and
859J of the Companies
Act 2006

MR01**Particulars of a charge**


A fee is payable with this form
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online
Please go to www.companieshouse.gov.uk

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☒ **What this form is NOT for**
You may not use this form to
register a charge where
instrument Use form M

For further information, please
refer to our guidance at

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



A4ZFF1Q2
A05 26/01/2016 #48
COMPANIES HOUSE

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

1 Company details

Company number 0 2 7 1 4 7 8 1

Company name in full CLS HOLDINGS PLC /

35 For official use

→ **Filing 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 2 0 1 1 2 0 1 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 THE ROYAL BANK OF SCOTLAND PLC /

Name

Name

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

CHFP025

06/14 Version 2.0 Laserform International 6/14

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	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
Brief description		
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 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
6	Floating charge	
	Is the instrument expressed to contain a floating charge? Please tick the appropriate box <input type="checkbox"/> Yes Continue <input checked="" type="checkbox"/> No Go to Section 7 Is the floating charge expressed to cover all the property and undertaking of the company? <input type="checkbox"/> 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 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
8	Trustee statement ①	
	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 <input type="checkbox"/>	① This statement may be filed after the registration of the charge (use form MR06)
9	Signature	
	Please sign the form here	
Signature	Signature X Taylor Wessing LLP X This form must be signed by a person with an interest in the charge	

MR01

Particulars of a 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 Igor Shershunovych

Company name Taylor Wessing LLP

Address 5 New Street Square

Post town London

County/Region

Postcode

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Country

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Telephone +44 (0)207 300 7000



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 £13 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.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 2714781

Charge code: 0271 4781 0035

The Registrar of Companies for England and Wales hereby certifies that a charge dated 20th January 2016 and created by CLS HOLDINGS PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 26th January 2016

DX

Given at Companies House, Cardiff on 28th January 2016



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED

20 January

2016

CLS HOLDINGS PLC
as Chargor

and

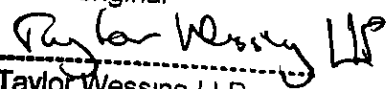
THE ROYAL BANK OF SCOTLAND PLC
as Security Agent

SHARE MORTGAGE

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www.taylorwessing.com

TaylorWessing

Certified to be a true copy
of the original


Taylor Wessing LLP

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THIS DEED is made on

20 January 2016

BETWEEN

- (1) **CLS HOLDINGS PLC**, a company registered in England and Wales with registration number 02714781 and with its registered address at 86 Bondway, London, SW8 1SF (the "**Chargor**"), and
- (2) **THE ROYAL BANK OF SCOTLAND PLC**, a company registered in Scotland with company number SC090312 and with its registered office at 36 St Andrew Square, Edinburgh, EH2 2YB, as security agent for the Secured Parties (the "**Security Agent**")

AGREED TERMS

1. Definitions and Interpretation

1.1 Definitions

To the extent not defined herein, capitalised terms and expressions used in this deed shall have the same meanings as ascribed to them in the Facility Agreement and

"Charged Property" means the assets mortgaged by the Chargor under this deed;

"Dividends" means all dividends, interest and other money payable in respect of the Investments;

"Facility Agreement" means a sterling term loan agreement dated on or about the date hereof made between the Borrower as borrower, the Chargor as guarantor and The Royal Bank of Scotland plc as Original Lender, Arranger, Agent, Security Agent and Account Bank, as the same may be amended, varied, supplemented and/or restated from time to time;

"Financial Collateral Regulations" means the Financial Collateral Arrangements (No 2) Regulations 2003 SI 2003/3226,

"Insolvency Act" means the Insolvency Act 1986,

"Investments" means:

- (a) the entire issued share capital, being 2,000 ordinary shares of £1 each, of Three Albert Embankment Limited (company number 02114695) whose registered office is at 86 Bondway, London, SW8 1SF (the "**Company**"), and
- (b) all other stocks, shares and other securities of the Company now or at any time after the date of the deed owned by the Chargor including any offered by way of redemption, bonus, preference or option or otherwise in respect of any of the shares referred to in (a) above,

and all rights and benefits in respect of the assets referred to in (a) and (b) above other than the right to receive Dividends,

"LPA" means the Law of Property Act 1925, and

"Secured Liabilities" means all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Transaction Obligor to any Secured Party under each Finance Document.

1 2 *Interpretation*

In this deed, unless a contrary indication appears.

- (a) **"obligations"** means obligations and liabilities,
- (b) references to obligations and liabilities include the whole or any part of them, present and future, actual and contingent,
- (c) any reference to **"powers"** includes rights, powers, discretions and authorities,
- (d) any reference to any asset includes any proceeds of sale of any such asset, and
- (e) Any reference to this deed becoming enforceable shall mean that an Event of Default has occurred and is continuing

1 3 *Construction of charging clause*

Each of the security interests created by clause 2 (Security) shall be construed as separate and distinct interests over the relevant assets so that the recharacterisation for any reason of any security interest over any one asset shall not affect the nature of the security interest created over any other asset.

2. *Security*

As continuing security for the payment of the Secured Liabilities the Chargor with full title guarantee assigns to the Security Agent by way of equitable mortgage all its present and future rights and interest in

- (a) the Investments; and
- (b) all Dividends.

3. *Investments*

3 1 *Deposit of certificates*

The Chargor shall deposit with the Security Agent

- (a) on or before the date of this deed, the certificates or other documents of title to each Investment owned by the Chargor on such date;
- (b) on the date of the acquisition of any Investment acquired by the Chargor after the date of this deed or on the withdrawal of any Investment from any clearance system, the certificates or other documents of title to each such Investment, and
- (c) together with the certificates or other documents referred to in paragraphs (a) and (b) above, duly executed undated blank transfers in respect of each such Investment and forms of waiver of any pre-emption rights necessary to enable such transfers to be registered

3 2 *Payment of money due*

The Chargor shall promptly pay all money which may from time to time be due in respect of any Investment forming part of the Charged Property

3 3 *Nominees*

If any Investment is registered in the name of a nominee the Chargor shall on demand provide to the Security Agent an equitable mortgage over such Investment or power of attorney or acknowledgement of the rights created by this deed over such Investment in favour of the Security Agent in such terms as the Security Agent may require duly executed by or on behalf of such nominee

3 4 *Completion of transfers*

The Security Agent may at any time complete any transfers of any Investment delivered to it under clause 3 1(c) in favour of itself or any nominee for it as transferee and may present the same for registration

3 5 *Dividends and voting rights before enforceability*

The Chargor shall be entitled to exercise each of the following rights until this deed becomes enforceable and the Security Agent gives notice of its intention to exercise any of such rights itself

- (a) to receive all Dividends in respect of any Investment free from the security created by this deed, and
- (b) to exercise all voting rights attached to any Investment and if the Security Agent is registered as the holder of any such Investment it will exercise all voting rights attached to it as directed by the Chargor

3 6 *Dividends and voting rights after enforceability*

The Security Agent shall be entitled to exercise each of the following rights at any time after this deed becomes enforceable and the Security Agent gives the Chargor notice of its intention to exercise such right itself

- (a) to receive all Dividends and apply them in reduction of the Secured Liabilities whether or not any Investment is registered in the name of the Security Agent or any nominee for the Security Agent or in the name of the Chargor or any nominee for the Chargor;
- (b) at its discretion to exercise or procure the exercise of all voting rights attached to any Investment registered in the name of the Security Agent or any nominee for the Security Agent for the purpose only of preserving the value of such Investment or realising the security over such Investment created by this deed; and
- (c) to require the Chargor to exercise any voting rights attached to any Investment registered in the name of the Chargor or any nominee for the Chargor as directed by the Security Agent for the purpose mentioned in paragraph (b) above

3 7 *Security Agent may give up voting rights*

The Security Agent may at any time by giving notice to the Chargor give up any right it may have under clause 3 6(b) or clause 3 6(c) in relation to any of the Investments

specified in such notice (the "Notified Shares") whereupon the Chargor may exercise all voting rights in relation to the Notified Shares subject to the terms of the Finance Documents.

3 8 *Dematerialisation*

Following the occurrence of an Event of Default which is continuing, and upon the written request of the Security Agent, the Chargor must promptly take all action required for the rematerialisation of any Investment held in dematerialised form in a clearance system.

3 9 *Failure to comply*

If the Chargor fails to comply with any of its obligations under this deed the Security Agent may take such steps as it considers appropriate to procure compliance with such obligations at the cost of the Chargor

4. *Negative Undertakings*

4 1 *Negative pledge*

The Chargor shall not (without the prior written consent of the Security Agent) create or permit to subsist any Security over any of the Charged Property other than any Security created pursuant to the Security Documents

4 2 *Disposals*

The Chargor shall not (without the prior written consent of the Security Agent) sell, transfer or otherwise dispose or purport or agree to dispose of any Charged Property

5. *Enforcement of Security*

5 1 *Security Agent's powers*

On the occurrence of an Event of Default which is continuing or if the Chargor requests that the Security Agent exercises any of its powers under this clause 5.1, this deed shall become enforceable and the Security Agent may immediately or at any time thereafter

- (a) exercise the power of sale and all other powers conferred by s 101 of the LPA as varied or extended by this deed,
- (b) subject to s 72A of the Insolvency Act, appoint one or more persons as a Receiver of any Charged Property,
- (c) exercise all the powers conferred on a Receiver by this deed, the LPA and the Insolvency Act,
- (d) secure and perfect its title to all or any part of the Charged Property and/or transfer any asset into the name of its nominee, and
- (e) to the extent that this deed constitutes a "security financial collateral arrangement" as defined in the Financial Collateral Regulations, appropriate any Charged Property which constitutes "financial collateral" as defined in the Financial Collateral Regulations in or towards satisfaction of the Secured Liabilities and the Security Agent shall value such Charged Property by

reference to an independent valuation or other procedure selected by the Security Agent acting reasonably

5 2 Powers under the LPA

- (a) S.103 of the LPA will not apply to this deed
- (b) The power of sale and all other powers conferred by s 101 of the LPA as varied or extended by this deed will arise upon execution of this deed by the Chargor

5 3 Receivers

- (a) The Security Agent may appoint any Receiver upon such terms as to remuneration and otherwise as the Security Agent thinks fit and the maximum rate specified in s 109(6) of the LPA shall not apply
- (b) Any Receiver will be the agent of the Chargor for all purposes and the Chargor will be responsible for such Receiver's acts and defaults and for his remuneration, costs, fees, taxes and expenses to the exclusion of liability on the part of the Security Agent
- (c) Where two or more persons are appointed as Receiver any act authorised to be done by the Receiver may be done by all of them acting jointly or by any one or more of them acting severally
- (d) The Security Agent may at any time by writing remove any Receiver (subject to the obtaining of any required order of the court in the case of an administrative receiver) whether or not the Security Agent appoints any other person as Receiver in his place

6. Powers of Receiver and Security Agent

6 1 Statutory powers

A Receiver shall have and be entitled to exercise all the powers conferred on a receiver by the LPA and, whether or not such a Receiver is an administrative receiver, all the powers conferred upon an administrative receiver by Schedule 1 to the Insolvency Act which powers are incorporated into this deed provided that references in that Schedule to the "property of the Company" will be deemed to be references to the Charged Property for the purposes of this deed

6 2 Additional powers

By way of addition to and without limiting any other powers referred to in this clause a Receiver shall have power (both before and after the commencement of any liquidation of the Chargor) to do every act and thing and exercise every power:

- (a) which the Chargor would have been entitled to do or exercise if no Receiver had been appointed or which the Receiver would have been entitled to do or exercise if the Receiver were the absolute legal and beneficial owner of the Charged Property, and
- (b) which such Receiver in his absolute discretion considers necessary or desirable for maintaining or enhancing the value of any Charged Property or for or in connection with the enforcement of the Security created by this deed or the realisation of any Charged Property,

and may use the name of the Chargor in connection with any exercise of such powers

6 3 *Consideration*

The receipt of the Security Agent or any Receiver shall be a conclusive discharge to a purchaser and, in making any sale or disposal of any of the Charged Property the Security Agent or any Receiver may do so for such consideration, in such manner and on such terms as it thinks fit

6 4 *Prior encumbrances*

At any time after the security given by this deed has become enforceable, the Security Agent may redeem any prior Security against the Charged Property or procure a transfer of such Security to itself and may agree the accounts of the person entitled to that Security and any accounts so agreed will be binding on the Chargor (save in the case of manifest error) Any money paid by the Security Agent in connection with a redemption or transfer of any prior Security will form part of the Secured Liabilities

6 5 *Possession*

If the Security Agent, any Receiver or any Delegate takes possession of any Charged Property it may go out of possession at any time

7. *Exclusion of Liability*

7 1 *No obligation to recover*

None of the Security Agent, any Receiver or any Delegate is under any obligation to take action to collect any money or enforce any rights comprised in the Charged Property whether or not it is in possession of the relevant Charged Property

7 2 *Liability as mortgagee in possession*

If the Security Agent, any Receiver or any Delegate takes possession of any Charged Property, it will not be liable to account to the Chargor for anything except actual receipts or be liable to the Chargor for any loss arising from any realisation of any Charged Property or for any default or omission for which a receiver or mortgagee in possession would be liable (other than where such loss or omission is a consequence of the gross negligence or wilful default of the Security Agent, Receiver or Delegate)

7 3 *Losses on enforcement*

No Secured Party will be liable to the Chargor for any loss or damage arising from

- (a) any sale of any Charged Property,
- (b) any act, default or omission of any Secured Party in relation to any Charged Property, or
- (c) any exercise or non-exercise by any Secured Party of any power conferred upon it in relation to any Charged Property under this deed or by the LPA,

unless such loss or damage is caused by the fraud, gross negligence or wilful misconduct of such Secured Party

8. Application of Proceeds

8.1 Order of application

Subject to clause 8.2 (Prospective liabilities) and to claims having priority to the Security created by this deed and by way of variation to the provisions of the LPA, all amounts from time to time received or recovered by the Security Agent in connection with the realisation or enforcement of all or any part of the Security constituted by this deed (for the purposes of this clause the "Recoveries") shall be held by the Security Agent on trust to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this clause), in the following order

- (a) in payment of all costs and expenses incurred by any Secured Party in connection with any realisation or enforcement of this deed and of all outgoings properly payable by any Secured Party;
- (b) in payment of remuneration to any Receiver,
- (c) for application in accordance with clause 30.5 (Partial payments) of the Facility Agreement, and
- (d) the balance (if any) will be applied as required by law.

8.2 Prospective liabilities

Until all Secured Liabilities have been irrevocably paid in full to the satisfaction of the Agent, the Security Agent may, in its discretion, hold any amount of the Recoveries in an interest bearing suspense or impersonal account(s) in the name of the Security Agent (or at its option the name of any other Finance Party any of whose Secured Liabilities are at that time still contingent) with such financial institution (including itself) and for so long as the Security Agent shall think fit (the interest being credited to the relevant account) for later application under clause 8.1 (Order of application) in respect of

- (a) any sum owing to the Security Agent, any Receiver or any Delegate, and
- (b) any part of the Secured Liabilities,

that the Security Agent reasonably considers, in each case, might become due or owing at any time in the future

8.3 Investment of proceeds

Prior to the application of the proceeds of the Recoveries in accordance with clause 8.1 (Order of application) the Security Agent may, in its discretion, hold all or part of those proceeds in an interest bearing suspense or impersonal account(s) in the name of the Security Agent with such financial institution (including itself) and for so long as the Security Agent (acting reasonably) shall think fit (the interest being credited to the relevant account) pending the application from time to time of those moneys in the Security Agent's discretion in accordance with clause 8.1 (Order of application)

8.4 Currency Conversion

- (a) For the purpose of, or pending the discharge of, any of the Secured Liabilities the Security Agent may convert any moneys received or recovered by the Security Agent from one currency to the currency in which the Secured Liabilities are denominated, at a market rate of exchange

- (b) The obligations of the Chargor to pay in the due currency shall only be satisfied to the extent of the amount of the due currency purchased after deducting the costs of conversion.

8.5 Permitted Deductions

Provided such costs, fees, Taxes or expenses (howsoever defined) are incurred by the Security Agent in accordance with or as a result of its entry into the Finance Documents, the Security Agent shall be entitled, in its discretion

- (a) to set aside by way of reserve amounts required to meet, and to make and pay, any deductions and withholdings (on account of taxes or otherwise) which it is or may be required by any applicable law to make from any distribution or payment made by it under this deed, and
- (b) to pay all Taxes which may be assessed against it in respect of any of the Charged Property, or as a consequence of performing its duties, or by virtue of its capacity as Security Agent under any of the Finance Documents or otherwise (other than in connection with its remuneration for performing its duties under the Facility Agreement)

9. Protection of Persons Dealing with the Security Agent, Receiver or Delegate

No person dealing with the Security Agent or any Receiver or Delegate will be concerned to enquire.

- (a) whether any event has happened upon which any of the powers conferred by this deed may have arisen or be exercisable,
- (b) otherwise as to the propriety or regularity of any exercise of the powers conferred by this deed or of any act purporting or intended to be in exercise of such powers, or
- (c) whether any Secured Liabilities remain owing

10. Notice of Subsequent Charge

If any Finance Party receives notice of any Security or other interest affecting any Charged Property

- (a) it may open a new account for the Chargor in its books and may transfer any outstanding balance owing by the Chargor to such new account; and
- (b) if it does not open a new account then, unless it gives express written notice to the contrary to the Chargor, all payments made by the Chargor to it will as from the time of receipt of such notice be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Liabilities

11. Further Assurance

When required by the Security Agent or any Receiver the Chargor shall, at its own cost

- (a) execute a transfer of any Investments into the name of the Security Agent or a nominee of the Security Agent or a purchaser from the Security Agent or a nominee of such purchaser;
- (b) execute any documents or do any other thing which the Security Agent or any Receiver (acting reasonably) may require for perfecting or protecting any Security created by this deed or in connection with the exercise of any powers given to the Security Agent or any Receiver under this deed, and
- (c) convey, transfer, assign or otherwise deal with any Charged Property in such manner as the Security Agent or any Receiver may require in connection with any enforcement of any Security created by this deed

12. Power of Attorney by Chargor

The Chargor irrevocably and by way of security appoints each of the Security Agent, any person selected by the Security Agent and any Receiver its attorney in each case (with full power to appoint substitutes and to delegate) severally in its name and on its behalf to execute any document or do any act or thing which.

- (a) the Chargor is entitled to execute or do in relation to the Charged Property including:
 - (i) the exercise of voting rights in respect of the Investments (but in the case of the Security Agent only to the extent that the Security Agent is entitled to exercise such voting rights under clauses 3.6(b) and 3.6(c)),
 - (ii) executing or completing any transfer in respect of the Investments,
 - (iii) giving a receipt for any money and exercising any rights or remedies forming part of the Charged Property, or
- (b) the Chargor is obliged to execute or do under this deed, where the Chargor has failed to execute any document or do any act or thing under this deed and it has been notified in writing by the Security Agent of such failure

13. Discharge of Security

13.1 Discharge conditional

Any discharge of the Chargor by the Security Agent in reliance on a payment or security received by the Security Agent will cease to be effective if that payment or security is avoided, reduced or invalidated for any reason and the Security Agent will be entitled to recover from the Chargor on demand the amount of the Secured Liabilities discharged by such payment or security

13.2 Retention of security

Following any discharge of the Chargor made by the Security Agent in reliance on a payment or security the Security Agent may retain the security constituted by this deed (and all documents of title or other documents necessary to protect such Security) until the expiry of the maximum period within which such payment or security can be avoided, reduced or invalidated for any reason. If the person making such payment or giving such security goes into liquidation or administration or equivalent proceedings in any foreign jurisdiction within that period the Security Agent may retain the security

constituted by this deed for as long as it thinks fit in its reasonable opinion (acting on the basis of legal advice)

14. Redemption

If the Security Agent determines in accordance with the Facility Agreement that all of the Secured Liabilities have been fully and finally discharged and none of the Secured Parties is under any commitment, obligation or liability (actual or contingent) to make advances or provide other financial accommodation to any Obligor pursuant to the Finance Documents the Security Agent shall release

- (a) without recourse or warranty, all of the Security constituted by this deed, and
- (b) the rights of the Security Agent under this deed,

and shall procure the reassignment, retransfer or re-conveyance to the Chargor of the property and assets assigned to the Security Agent pursuant to this deed (including, at the cost of the Chargor, executing such notices and directions to any persons as the Chargor (acting reasonably) may require in order to give effect to such releases and reassignments)

15. Miscellaneous

15.1 Trust

The Security Agent holds the benefit of this deed as trustee for the Secured Parties on the terms set out in the Facility Agreement

15.2 Third Party Rights

- (a) Unless expressly provided to the contrary, a person who is not a party to this deed has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this deed
- (b) Notwithstanding any term of this deed, the consent of any person other than the Chargor and the Security Agent is not required to rescind or vary this deed at any time
- (c) A Secured Party may, subject to this clause 15.2 and the Third Parties Act, rely on any provision of this deed which expressly confers rights on it

15.3 Continuing Security

This deed is a continuing security and extends to the balance from time to time of the Secured Liabilities irrespective of any intermediate payment of the Secured Liabilities.

15.4 Other Security

This deed is in addition to and will not in any way be prejudiced or affected by the holding or release by the Security Agent or any other person of any other security at any time held by the Security Agent

15.5 Consolidation

The restrictions on the right of consolidating mortgage securities contained in s 93 of the LPA will not apply to this deed

15.6 *Recourse*

Notwithstanding any other provision of this deed, the Security Agent's recourse under this deed in respect of the Secured Liabilities is limited to the Charged Property and to its rights of enforcement and recovery against the Charged Property and, accordingly, the Security Agent agrees that the total amount recoverable from or against the Chargor under this deed shall be limited to the Charged Property and the aggregate proceeds received by the Security Agent as a result of realising the Charged Property in accordance with the terms of this deed

16. **Law**

This deed and any non-contractual obligations arising out of or in connection with this deed shall be governed by English law

17. **Jurisdiction**

17.1 *Jurisdiction of English courts*

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this deed (including a dispute regarding the existence, validity or termination of this deed and a dispute regarding a non-contractual obligation referred to in clause 16 (Law)) (a "Dispute")
- (b) The Security Agent and the Chargor agree that the courts of England are the most appropriate and convenient courts to settle Disputes. The Chargor will not argue to the contrary
- (c) This clause is for the benefit of the Security Agent only. As a result, the Security Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

THIS DEED has been **EXECUTED AND DELIVERED AS A DEED** by the Chargor and signed on behalf of the Security Agent on the date shown at the beginning of this deed

EXECUTION PAGE

THE CHARGOR

EXECUTED as a DEED by CLS HOLDINGS PLC)
acting by a director)
)

in the presence of

.....
Director

Signature of witness

Name of witness

Address of witness

THE SECURITY AGENT

SIGNED by
.. JOHN. GRIFFIN, an authorised)
signatory for and on behalf of)
THE ROYAL BANK OF SCOTLAND PLC)
)

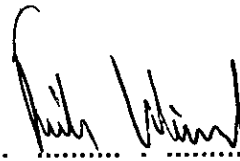

Authorised Signatory

EXECUTION PAGE

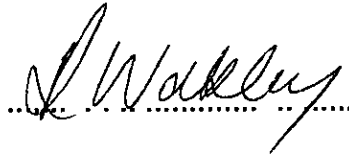
THE CHARGOR

EXECUTED as a DEED by CLS HOLDINGS PLC)
acting by a director)

in the presence of


.....
Director

Signature of witness



Name of witness ... R. WAKLEY

Address of witness .. CLSH Management Ltd....
86 Bondway
London
SW8 1SF

THE SECURITY AGENT

SIGNED by
....., an authorised)
signatory for and on behalf of)
THE ROYAL BANK OF SCOTLAND PLC)
.....)

Authorised Signatory