



Registration of a Charge

Company Name: **CLEVELAND BRIDGE UK LIMITED**

Company Number: **03749601**



XA5SSBQG

Received for filing in Electronic Format on the: **02/06/2021**

Details of Charge

Date of creation: **01/06/2021**

Charge code: **0374 9601 0012**

Persons entitled: **4SYTE LTD ACTING AS SECURITY TRUSTEE AND SECURITY AGENT ON BEHALF OF THE SECURED PARTIES**

Brief description:

Contains fixed charge(s).

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **CLARION SOLICITORS**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 3749601

Charge code: 0374 9601 0012

The Registrar of Companies for England and Wales hereby certifies that a charge dated 1st June 2021 and created by CLEVELAND BRIDGE UK LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 2nd June 2021 .

Given at Companies House, Cardiff on 3rd June 2021

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

01 June

DATED

2021

- (1) CLEVELAND BRIDGE UK LIMITED
 - (2) 4SYTE LTD (AS SECURITY TRUSTEE AND SECURITY AGENT)
-

DEBENTURE

THIS DEED is made the 01 day of June 2021

BETWEEN

- (1) **CLEVELAND BRIDGE UK LIMITED** (registered number 03749601) whose registered office is at CLEVELAND HOUSE, YARM ROAD, DARLINGTON, COUNTY DURHAM, DL1 4DE ("Client"); and
- (2) **4SYTE LTD** (registered number 10117411) whose registered office is at Second Floor, Steeple House, Church Lane, Chelmsford CM1 1NH, United Kingdom in the capacity of security trustee and security agent for and on behalf of the Secured Parties (defined below) (the "**Security Trustee**").

WHEREAS

- A. Under this Deed, the Client provides security to the Security Trustee for all its present and future obligations and liabilities to the Secured Parties (as defined below).
- B. This Deed is a "*Finance Document*".
- C. The terms of appointment of the Security Trustee are contained in the Security Trust Deed (as defined below).

OPERATIVE PROVISIONS

1. Definitions and interpretation

1.1 Definitions

The following definitions apply in this Deed (save that where a term defined below is also a term defined in the Facility Agreement then the definition in the Facility Agreement shall prevail in the event of any conflict between them and then to the extent that there is any such conflict. For the avoidance of doubt, if at the time in question, there is more than one Facility Agreement then the relevant (in the opinion of the Security Trustee) Facility Agreement shall apply for the purpose of the operation of this provision):

"4CFL"	4Styte Construction Finance Limited (registered number 11066357) whose registered office is at Second Floor, Steeple House, Church Lane, Chelmsford CM1 1NH, United Kingdom.
"4FL"	4Styte Funding Ltd (registered number 10258153) whose registered office is at Second Floor, Steeple House, Church Lane, Chelmsford CM1 1NH, United Kingdom.
"4TL"	4Styte Trade Ltd (a company registered in England and Wales with the number 11537104) whose registered office is at Second Floor, Steeple House, Church Lane, Chelmsford CM1 1NH, United Kingdom.
"Administrator"	an administrator appointed to manage the affairs, business and property of the Client pursuant to clause 13.15.
"Borrowed Money"	any indebtedness of the Client for or in respect of: <ul style="list-style-type: none">(a) borrowing or raising money (with or without security), including any premium and any capitalised interest on that money;(b) any bond, note, loan stock, debenture, commercial paper or similar instrument;

- (c) any acceptances under any acceptance credit or bill discounting facility (or dematerialised equivalent) or any note purchase or documentary credit facilities;
- (d) monies raised by selling, assigning or discounting receivables or other financial assets on terms that recourse may be had to the Client if those receivables or financial assets are not paid when due;
- (e) any deferred payment for assets or services acquired, other than trade credit that is given in the ordinary course of trading and which does not involve any deferred payment of any amount for more than 60 days;
- (f) any rental or hire charges under any finance lease (whether for land, machinery, equipment or otherwise);
- (g) any counter-indemnity obligation in respect of any guarantee, bond, indemnity, standby letter of credit or other instrument issued by a third party in connection with the Client's performance of a contract;
- (h) any other transaction that has the commercial effect of borrowing (including any forward sale or purchase agreement and any liabilities which are not shown as borrowed money on the Client's balance sheet because they are contingent, conditional or otherwise);
- (i) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and when calculating the value of any derivative transaction, only the mark to market value shall be taken into account); and
- (j) any guarantee, counter-indemnity or other assurance against financial loss given by the Client for any indebtedness of the type referred to in any other paragraph of this definition incurred by any person.

When calculating Borrowed Money, no liability shall be taken into account more than once.

"Business Day"	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.
"Collections Accounts" and "Collections Account"	as defined in clause 10.4.3.
"Debtor"	a person who owes and/or is liable to the Client in respect of a Debt or Non Vesting Debt or Other Debt.
"Debts"	all and any debts title to which is purported to be assigned or transferred to the Lender under the Factoring Facility Agreement in question.
"Default Interest"	any interest accruing in accordance with clause 2.2.
"Default Rate"	5% (five percent).
"Delegate"	any person appointed by the Security Trustee or any Receiver pursuant to clause 18 and any person appointed as attorney of the Security Trustee, Receiver or Delegate.

"Designated Account"	any account of the Client nominated by the Security Trustee as a designated account for the purposes of this Deed.
"Enfranchising Legislation"	any legislation conferring upon a tenant or tenants of property (whether individually or collectively with other tenants of that or other properties) the right to acquire a new lease of that property or to acquire, or require a nominee to acquire, the freehold or any intermediate reversionary interest in that property including (without limitation) the Leasehold Reform Act 1967, the Leasehold Reform, Housing and Urban Development Act 1993, the Housing Act 1996 and the Commonhold and Leasehold Reform Act 2002 but does not include Part II of the Landlord and Tenant Act 1954.
"Environment"	the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media.
"Environmental Claim"	<ul style="list-style-type: none"> (a) any claim, order, notice or other communication received by the Client alleging failure to comply with any Environmental Law or alleging liability under it; (b) any indication that any charge is or may be imposed under any Environmental Law on the Secured Assets; or (c) any indication given to the Client that the Secured Assets are or may be listed in any register of contaminated land or similar register.
"Environmental Law"	all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment.
"Environmental Permit" and "Environmental Permits"	as defined in clause 7.10.2.
"Equipment"	all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property for the time being owned by the Client, including any part of it and all spare parts, replacements, modifications and additions.
"Event of Default"	as defined in the Facility Agreement.
"Facility Agreement"	means each and every facility agreement between the Lender or any Lender and the Client and/or, inter alia, the Lender or any Lender and the Client (as the case may be) including each and every Factoring Facility Agreement and each and every Trade Finance Facility Agreement and "that Facility Agreement" , "a Facility Agreement" , "such Facility Agreement" , "each Facility Agreement" and "relevant Facility Agreement" shall be construed accordingly.

"Factoring Facility Agreement"	means each and every factoring facility agreement between the Lender or any Lender and the Client and/or, inter alia, the Lender or any Lender and the Client (as the case may be) for the sale and purchase of Debts (together with that Lender's or those Lenders' <i>'Standard Conditions for Factoring'</i> and the relevant Offer) and "that Factoring Facility Agreement" , "a Factoring Facility Agreement" , "such Factoring Facility Agreement" , "each Factoring Facility Agreement" and "relevant Factoring Facility Agreement" shall be construed accordingly.
"Finance Documents"	as defined in the Facility Agreement.
"Financial Collateral"	shall have the meaning given to that expression in the Financial Collateral Regulations.
"Financial Collateral Regulations"	the Financial Collateral Arrangements (No 2) Regulations 2003 (<i>SI 2003/3226</i>).
"Group"	4FL, 4TL, 4CFL and the Security Trustee, their respective subsidiaries, any holding company of theirs (or any of them), any other subsidiaries of such holding company and "member of our Group" shall be construed accordingly (where "holding company" or a "subsidiary" means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Companies Act 2006).
"Indebtedness"	any obligation to pay or repay money, present or future, whether actual or contingent, sole or joint and any guarantee or indemnity of any of those obligations.
"Insurance Policy"	each contract and policy of insurance effected or maintained by the Client from time to time in respect of its assets or business (including, without limitation, any contract or policy of insurance relating to the Properties (or any of them) or the Equipment or the Debts (or any of them)).
"Intellectual Property"	the Client's present and future patents, trademarks, service marks, trade names, designs, copyrights, inventions, topographical or similar rights, confidential information and know-how and any interest in any of these rights, whether or not registered, including all applications and rights to apply for registration and all fees, royalties and other rights derived from, or incidental to, these rights.
"Investments"	all present and future certificated stocks, shares, loan capital, securities, bonds and investments (whether or not marketable) for the time being owned (at law or in equity) by the Client, including any: <ul style="list-style-type: none"> (a) dividend, interest or other distribution paid or payable in relation to any of the Investments; and (b) right, money, shares or property accruing, offered or issued at any time in relation to any of the Investments by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise.
"Legal Reservations"	the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by

	laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors.
"Lender"	(as the case may be) 4FL, 4TL, 4CFL or any other member of the Group who is a funder or financier under a Facility Agreement and "Lenders" , means all of them and "that Lender" , "a Lender" , "such Lender" , "each Lender" and "relevant Lender" shall be construed accordingly.
"LPA 1925"	Law of Property Act 1925.
"Non-Vesting Debts"	all or any Debts of the Client Purchased, or purported to be Purchased, by the Lender pursuant to the Factoring Facility Agreement in question but which fail to vest absolutely and effectively in the Lender for any reason, together with the Related Rights to such Debts.
"Offer"	as defined in the Facility Agreement in question.
"Other Debts"	all present and future book and other debts, and monetary claims due or owing to the Client, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Client in relation to any of them, except: <ul style="list-style-type: none"> (a) Non-Vesting Debts; and (b) any Debts whilst they remain absolutely and effectively vested in (as a result of a legal or equitable assignment) or held on trust for the Lender or any Lender or any other Secured Party pursuant to the Factoring Agreement in question.
"Permission"	any documented permission (once entered into and not before) designated as such by the Security Trustee.
"Permitted Security"	any Security arising under: <ul style="list-style-type: none"> (a) this Deed; (b) each and every Pledge; (c) any liens arising by operation of law and in the ordinary course of the Client's business and not as a result of any default or omission by the Client; (d) any normal title retention arrangements included in a supplier's standard conditions of supply of goods acquired by the Client in the ordinary course of trade; (e) any netting or set-off arrangement entered into by the Client in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances; and (f) Security created or outstanding with the Security Trustee's prior written consent of which, for the avoidance of doubt there is none as at the date of this Deed.
"Planning Notice "	as defined in clause 7.4.1.
"Pledge"	as defined in the Trade Finance Facility Agreement.

"Properties"	all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or in the future (and from time to time) owned by the Client, or in which the Client holds an interest (including, but not limited to, the properties specified in Schedule 1), and "Property" means any of them.
"Purchased"	means, with respect to a Debt, that it has been notified by the Client to the Lender, funded by the Lender and transferred together with all Related Rights to the Lender on the basis set out in the Factoring Facility Agreement in question.
"Receiver"	a receiver, receiver and manager or administrative receiver of any or all of the Secured Assets appointed by the Security Trustee under clause 16.
"Remittances"	cash, cheques, bills of exchange, negotiable and non-negotiable instruments, letters of credit, orders, drafts, promissory notes, electronic payments and any other instruments, methods or forms of payment or engagement.
"Related Rights"	as defined in the Factoring Facility Agreement in question.
"Relevant Agreement"	each agreement specified in Schedule 2 and each agreement designated by the Security Trustee and/or the Lender from time to time as a Relevant Agreement.
"Secured Assets"	all the assets, property and undertaking for the time being subject to the Security created by, or pursuant to, this Deed (and references to the Secured Assets shall include references to any part of them).
"Secured Liabilities"	all present and future monies, debts, obligations, liabilities, agreements and commitments of the Client to the Secured Parties (or any of them), whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity and whether or not the Secured Parties were or any Secured Party was an original party to the relevant transaction and in whatever name or style, together with all interest (including, without limitation, default interest), all commission and all other fees and charges accruing and/or incurred in respect of those monies, obligations or liabilities at the rates and on the terms agreed between the Client and the Security Trustee and/or the Lender or any Lender from time to time and all costs, charges and expenses incurred by the Secured Parties (or any of them). For the avoidance of doubt this includes, without limitation, any obligations and liabilities of the Client where the benefit of the same has been assigned, novated or otherwise transferred to the Security Trustee and/or the Lender or any Lender.
"Secured Party"	means the Security Trustee, any Lender, a Receiver or any Delegate (and "Secured Parties" shall be construed accordingly).
"Security Financial Collateral Arrangement"	shall have the meaning given to that expression in the Financial Collateral Regulations.

"Security"	any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.
"Security Period"	the period starting on the date of this Deed and ending on the date on which the Security Trustee is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.
"Security Trust Deed"	the security trust deed entered into by 4TFL, the Security Trustee and the Client on or around the date of this Deed governing the appointment of the Security Trustee and pursuant to which the Security Trustee acts as security trustee and security agent for and on behalf of the Secured Parties.
"Security Trust Deed of Adherence"	as defined in the Security Trust Deed; being supplemental to the Security Trust Deed and which binds the executing party as a party to the Security Trust Deed and as a Secured Party.
"Trade Finance Facility Agreement"	means each and every trade finance facility agreement between the Lender or any Lender and the Client and/or, inter alia, the Lender or any Lender and the Client (as the case may be) (together with that Lender's or those Lenders' 'Standard Conditions for Trade Finance' and the relevant Offer) and "that Trade Finance Facility Agreement", "a Trade Finance Facility Agreement", "such Trade Finance Facility Agreement", "each Trade Finance Facility Agreement" and "relevant Trade Finance Facility Agreement" shall be construed accordingly.

1.2 Interpretation

In this Deed:

- 1.2.1 clause, Schedule and paragraph headings shall not affect the interpretation of this Deed;
- 1.2.2 a reference to a "person" shall include (i) a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality); and (ii) its successors in title, permitted assigns and permitted transferees;
- 1.2.3 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- 1.2.4 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- 1.2.5 a reference to a party shall include that party's successors, permitted assigns and permitted transferees and this Deed shall be binding on, and enure to the benefit of, the parties to this Deed and their respective personal representatives, successors, permitted assigns and permitted transferees;
- 1.2.6 a reference to a "Lender (a) shall, for the avoidance of doubt, include: (i) an assignee or the assignees following an assignment by that Lender of any of its rights (including under or in connection with the Finance Documents (or any of them) to which that Lender is a party); (ii) the transferee or transferees following a transfer by that Lender of any of its rights and obligations by novation or otherwise (including under or in connection with the Finance Documents (or any of them) to which that Lender is a party); and (b) shall (unless the context expressly otherwise requires) be deemed to be a reference to all the Lenders and separately to each Lender;

- 1.2.7 notwithstanding the generality of clause 1.2.5, a reference to the "**Security Trustee**" shall include any person(s) from time to time appointed (in addition to and/or in substitution for the Security Trustee at that time) as the Security Trustee in accordance with the Security Trust Deed;
- 1.2.8 a reference to the "**Client**" shall include its successors in title, permitted assigns and permitted transferees;
- 1.2.9 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- 1.2.10 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- 1.2.11 a reference to a time of day is to London time;
- 1.2.12 a reference to "**writing**" or "**written**" does not include fax but does include email;
- 1.2.13 an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- 1.2.14 a reference to "**this Deed**" (or any provision of it) or to any other agreement or document referred to in this Deed is a reference to this Deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this Deed) from time to time;
- 1.2.15 a reference to a "**a Facility Agreement**" (a) (or any provision of it) or to any other agreement or document referred to in that Facility Agreement (including the Finance Documents) is a reference to that Facility Agreement, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of that Facility Agreement) from time to time; and (b) shall (unless the context expressly otherwise requires) be deemed to be a reference to all the Facility Agreements and separately to each Facility Agreement, in each case as amended from time to time;
- 1.2.16 a reference to "**the Security Trust Deed**" (or any provision of it) or to any other agreement or document referred to in the Security Trust Deed is a reference to the Security Trust Deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of the Security Trust Deed) from time to time;
- 1.2.17 a reference to any banking or credit facility or the terms thereof (or any provision of such facility or facilities) or to any other agreement or document referred to in that banking or credit facility or the terms thereof is a reference to that banking or credit facility or the terms thereof, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of that banking or credit facility or the terms thereof) from time to time;
- 1.2.18 unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this Deed and a reference to a paragraph is to a paragraph of the relevant Schedule;
- 1.2.19 any words following the terms "**including**", "**include**", "**in particular**", "**for example**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- 1.2.20 a reference to an "**amendment**" includes a novation, re-enactment, restatement, supplement, extension, variation or an amendment (and "**amended**" shall be construed accordingly);
- 1.2.21 a reference to "**assets**" includes present and future properties, undertakings, revenues, rights and benefits of every description;
- 1.2.22 a reference to an "**authorisation**" includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- 1.2.23 a reference to "**continuing**" in relation to an Event of Default means an Event of Default that has not been waived;
- 1.2.24 a reference to "**determines**" or "**determined**" means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it.

- 1.2.25 a reference to a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - 1.2.26 a reference to a "**disposal**" includes any sale, transfer, assignment, grant, lease, licence, declaration of trust or other disposal, whether voluntary or involuntary and "**dispose**" will be construed accordingly;
 - 1.2.27 references to any English legal or accounting term for any action, remedy, method of judicial proceeding, insolvency proceeding, event of incapacity, legal or accounting document, legal or accounting status, court, governmental or administrative authority or agency, accounting body, official or any legal or accounting concept practice or principle or thing shall in respect of any jurisdiction other than England be deemed to include what most approximates in that jurisdiction to the English legal or accounting term concerned.
- 1.3 If the Security Trustee considers that an amount paid by the Client in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Client or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.
- 1.4 A reference in this Deed to a "**charge**" or "**mortgage**" of or over any Property includes:
- 1.4.1 all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) that are situated on or form part of that Property at any time;
 - 1.4.2 the proceeds of the sale of any part of that Property and any other monies paid or payable in respect of or in connection with that Property;
 - 1.4.3 the benefit of any covenants for title given, or entered into, by any predecessor in title of the Client in respect of that Property, and any monies paid or payable in respect of those covenants; and
 - 1.4.4 all rights under any licence, agreement for sale or agreement for lease in respect of that Property.
- 1.5 If the rule against perpetuities applies to any trust created by this Deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).
- 1.6 The Schedules form part of this Deed and shall have effect as if set out in full in the body of this Deed. Any reference to this Deed includes the Schedules.
- 1.7 All the Security created under this Deed:
- 1.7.1 is created in favour of the Security Trustee;
 - 1.7.2 is created over present and future assets of the Client;
 - 1.7.3 is security for the payment of all the Secured Liabilities; and
 - 1.7.4 is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- 1.8 The Security Trustee holds the benefit of this Deed and the Security created under it on trust for the Secured Parties under and in accordance with, inter alia, the provisions of the Security Trust Deed.
- 2. Covenant to pay and default interest**
- 2.1 The Client covenants with the Security Trustee that it will pay and discharge the Secured Liabilities when they become due or, in the absence of a due date, on demand.
- 2.2 Any amount which is not paid under this Deed when due shall bear interest (both before and after judgment and payable on demand) from the due date (or, in the case of costs, fees or expenses incurred, from the date they are so incurred) until the date on which such amount is unconditionally and irrevocably paid and discharged in full on a daily basis at the Default Rate.
- 2.3 Default Interest will be calculated on the basis of the actual number of days elapsed and a year of 365 (three hundred and sixty five) days and will be compounded at monthly intervals.

3. Grant of security

- 3.1 As a continuing security for the payment and discharge of the Secured Liabilities, the Client with full title guarantee charges to the Security Trustee by way of legal mortgage, each Property specified in Schedule 1.
- 3.2 As a continuing security for the payment and discharge of the Secured Liabilities, the Client with full title guarantee charges to the Security Trustee by way of fixed charge:
- 3.2.1 all Properties acquired by the Client in the future;
 - 3.2.2 all present and future interests of the Client not effectively mortgaged or charged under the preceding provisions of this clause 3 in, or over, freehold or leasehold property;
 - 3.2.3 all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to each Property;
 - 3.2.4 all present or future rights or interests by virtue of any Enfranchising Legislation including any rights arising against any nominee purchaser pursuant to such Enfranchising Legislation conferred upon the Client in relation to any leasehold property charged pursuant to clause 3.1 or 3.2 but which is not effectively mortgaged or charged under the preceding provisions of this clause 3 by virtue of any Enfranchising Legislation including any rights arising against any nominee purchaser pursuant to such Enfranchising Legislation;
 - 3.2.5 all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Client's business or the use of any Secured Asset, and all rights in connection with them;
 - 3.2.6 all its present and future goodwill;
 - 3.2.7 all its uncalled capital;
 - 3.2.8 all the Equipment;
 - 3.2.9 all the Intellectual Property;
 - 3.2.10 all the Non-Vesting Debts, present and future;
 - 3.2.11 all the Other Debts, present and future;
 - 3.2.12 all the Investments;
 - 3.2.13 all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person (including each Designated Account and/or any Collections Account), together with all other rights and benefits accruing to or arising in connection with each account (including, but not limited to, entitlements to interest);
 - 3.2.14 all its rights in respect of each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy, to the extent not effectively assigned under clause 3.3; and
 - 3.2.15 all its rights in respect of each Relevant Agreement and all other agreements, instruments and rights relating to the Secured Assets, to the extent not effectively assigned under clause 3.3.
- 3.3 As a continuing security for the payment and discharge of the Secured Liabilities, the Client with full title guarantee assigns to the Security Trustee absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities:
- 3.3.1 all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy; and
 - 3.3.2 the benefit of each Relevant Agreement and the benefit of all other agreements, instruments and rights relating to the Secured Assets.
- 3.4 As a continuing security for the payment and discharge of the Secured Liabilities, the Client with full title guarantee charges to the Security Trustee, by way of first floating charge, all the undertaking, property, assets and rights of the Client at any time not effectively mortgaged, charged or assigned pursuant to clause 3.1 to clause 3.3 inclusive.

- 3.5 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 3.4.
- 3.6 The floating charge created by clause 3.4 shall automatically and immediately (without notice) convert into a fixed charge over the assets subject to that floating charge if:
- 3.6.1 the Client:
- 3.6.1.1 creates, or attempts to create, without the prior written consent of the Security Trustee, a Security or a trust in favour of another person over all or any part of the Secured Assets (except as expressly permitted by the terms of this Deed); or
- 3.6.1.2 disposes, or attempts to dispose of, all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains uncrystallised);
- 3.6.2 any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets; or
- 3.6.3 a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Client.
- 3.7 The Security Trustee may, in its sole discretion, by written notice to the Client, convert the floating charge created under this Deed into a fixed charge as regards any part of the Secured Assets specified by the Security Trustee in that notice if:
- 3.7.1 an Event of Default occurs and is continuing; or
- 3.7.2 the Security Trustee considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.
- 3.8 Any asset acquired by the Client after any crystallisation of the floating charge created under this Deed that, but for that crystallisation, would be subject to a floating charge under this Deed, shall (unless the Security Trustee confirms otherwise to the Client in writing) be charged to the Security Trustee by way of first fixed charge.

4. Liability of the Client

- 4.1 The Client's liability under this Deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:
- 4.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Security Trustee and/or the Lender or any Lender that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- 4.1.2 Security Trustee and/or the Lender renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person;
- 4.1.3 any termination, amendment, variation, novation, replacement or supplement (however fundamental and whether or not more onerous) of or to any of the Secured Liabilities including without limitation any change in the purpose of, any increase in or extension of the Secured Liabilities and any addition of new Secured Liabilities; or
- 4.1.4 any other act or omission that, but for this clause 4.1, might have discharged, or otherwise prejudiced or affected, the liability of the Client.
- 4.2 Without prejudice to the generality of this clause 4, the Client expressly confirms that it intends that this Deed shall extend from time to time to any (however fundamental): (i) **amendment of or to any of:** the facilities provided to the Client by the Lender or any Lender from time to time, the Secured Liabilities or any document, instrument, contract, agreement, arrangement or other commitment arising from, in connection with or relating to such facilities (or any of them) or any Secured Liabilities (however fundamental and whether or not more onerous); (ii) **new or additional:** facility or facilities provided to the Client by the Lender or any Lender from time to time, Secured Liabilities or document(s), instrument(s) or agreement(s) arising from, in connection with or relating to any such facilities (or any of them) or any such Secured Liabilities (or any of them) (however fundamental and whether or not more onerous); (iii) facility or amount made available to the Client by the Lender or any Lender for the

purposes of or in connection with any of the following purpose(s): business, property, share or other securities or asset acquisition(s) of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; any other purpose; and any fees, costs and/or expenses associated with any of the foregoing; (iv) **amendment of or to any of:** any document, instrument, contract, agreement, arrangement or other commitment with the Client which gives rise to any Secured Liabilities (however fundamental and whether or not more onerous); and/or (v) **new or additional:** document(s), instrument(s), contract(s), agreement(s), arrangement(s) or other commitment(s) with the Client which gives rise to any Secured Liabilities (however fundamental and whether or not more onerous). No such amendment, new or additional document(s), instrument(s), contract(s), agreement(s), arrangement(s) or other commitment(s) and/or purpose shall prejudice or in any way affect the Lender's or any Lender's, the Security Trustee's or any other Secured Party's rights and remedies against the Client and/or any other person. For the avoidance of doubt this includes, without limitation, any facility or facilities, document(s), instrument(s), contract(s), agreement(s), arrangement(s) or other commitment(s) where the benefit of the same has been assigned, novated or otherwise transferred to the Lender or any Lender.

4.3 The Client waives any right it may have to require the Security Trustee and/or the Lender to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this Deed against the Client.

5. Representations and warranties

5.1 The Client makes the representations and warranties set out in this clause 5 to the Security Trustee.

5.2 The Client:

5.2.1 is a duly incorporated limited liability company validly existing under the law of its jurisdiction of incorporation; and

5.2.2 has the power to own its assets and carry on its business as it is being conducted.

5.3 The Client has the power to enter into, deliver and perform, and has taken all necessary action to authorise its entry into, delivery and performance of this Deed and the transactions contemplated by it.

5.4 No limit on the powers of the Client will be exceeded as a result of the grant of Security contemplated by this Deed.

5.5 The entry into and performance by the Client of, and the transactions contemplated by, this Deed do not and will not contravene or conflict with:

5.5.1 its constitutional documents;

5.5.2 any agreement or instrument binding on it or its assets or constitute a default or termination event (however described) under any such agreement or instrument; or

5.5.3 any law or regulation or judicial or official order applicable to it.

5.6 The Client has obtained all required or desirable authorisations to enable it to enter into, exercise its rights and comply with its obligations in this Deed and to make it admissible in evidence in its jurisdiction of incorporation. Any such authorisations are in full force and effect.

5.7 The Client is the sole legal and beneficial owner of the Secured Assets.

5.8 The Secured Assets are free from any Security other than Permitted Security and the Security created by this Deed.

5.9 The Client has not received, or acknowledged notice of, any adverse claim by any person in respect of the Secured Assets or any interest in them.

5.10 There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever that materially and adversely affect the Secured Assets.

5.11 There is no breach of any law or regulation that materially and adversely affects the Secured Assets.

5.12 No facility necessary for the enjoyment and use of the Secured Assets is subject to terms entitling any person to terminate or curtail its use.

- 5.13 Nothing has arisen, has been created or is subsisting, that would be an overriding interest in any Property.
- 5.14 No Security expressed to be created under this Deed is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Client or otherwise.
- 5.15 There is no prohibition on assignment in any Insurance Policy or Relevant Agreement and the entry into this Deed by the Client does not, and will not, constitute a breach of any Insurance Policy, Relevant Agreement or any other agreement or instrument binding on the Client or its assets.
- 5.16 The Client has, at all times, complied in all material respects with all applicable Environmental Law.
- 5.17 The Client's obligations under this Deed are legal, valid, binding and enforceable.
- 5.18 This Deed creates:
- 5.18.1 (subject to the Legal Reservations if any) valid, legally binding and enforceable Security for the obligations expressed to be secured by it; and
- 5.18.2 subject to registration in accordance with the Companies Act 2006 and, in the case of real property, registration at the Land Registry, perfected Security over the assets expressed to be subject to Security in it,
- in favour of the Security Trustee, having the priority and ranking expressed to be created by this Deed and ranking ahead of all (if any) Security and rights of third parties, except those preferred by law.
- 5.19 The Investments are fully paid and are not subject to any option to purchase or similar rights.
- 5.20 No constitutional document of an issuer of an Investment, nor any other agreement:
- 5.20.1 restricts or inhibits any transfer of the Investments on creation or enforcement of the security constituted by this Deed; or
- 5.20.2 contains any rights of pre-emption in relation to the Investments.
- 5.21 No Event of Default or, on the date of this Deed, event or circumstance which would, on the expiry of any grace period, the giving of notice, the making of any determination, satisfaction of any other condition or any combination thereof, constitute an Event of Default has occurred and is continuing.
- 5.22 No other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination, satisfaction of any other condition or any combination thereof, would constitute) a default or termination event (however described) under any other agreement or instrument which is binding on it or to which any of its assets is subject which has or is likely to have a material adverse effect on its business, assets or condition, or its ability to perform its obligations under this Deed.
- 5.23 No litigation, arbitration or administrative proceedings or investigations are taking place, pending or, to the Client's knowledge, threatened against it, any of its directors, or any of its assets.
- 5.24 The information, in written or electronic format, supplied by, or on behalf of, the Client to the Security Trustee and/or the Lender in connection with this Deed was, at the time it was supplied or at the date it was stated to be given (as the case may be):
- 5.24.1 if it was factual information, complete, true and accurate in all material respects;
- 5.24.2 if it was a financial projection or forecast, prepared on the basis of recent historical information and on the basis of reasonable assumptions and was arrived at after careful consideration;
- 5.24.3 if it was an opinion or intention, made after careful consideration and was fair and made on reasonable grounds; and
- 5.24.4 not misleading in any material respect nor rendered misleading by a failure to disclose other information,
- except to the extent that it was amended, superseded or updated by more recent information supplied by, or on behalf of, the Client to the Security Trustee and/or the Lender.
- 5.25 The representations and warranties set out in clause 5.2 to 5.24 (inclusive) are made by the Client on the date of this Deed and are deemed to be repeated on each day during the continuance of the security constituted by this Deed with reference to the facts and circumstances existing on each such date.

6. General covenants

- 6.1 The Client shall not at any time, except with the prior written consent of the Security Trustee:
- 6.1.1 create, purport to create or permit to subsist any Security on, or in relation to, any Secured Asset other than any Security created by this Deed or any Permitted Security;
 - 6.1.2 sell, assign, transfer, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Secured Assets (except, in the ordinary course of business, Secured Assets that are only subject to an uncrystallised floating charge); or
 - 6.1.3 create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party,

provided always that this clause 6.1 shall not apply to any relevant matters expressly permitted and then to the extent permitted in any Permission.

- 6.2 The Client shall notify the Security Trustee and the Lender of any Event of Default or event or circumstance which would, on the expiry of any grace period, the giving of notice, the making of any determination, satisfaction of any other condition or any combination thereof, constitute an Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.
- 6.3 The Client shall not do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Security Trustee, or materially diminish the value of any of the Secured Assets or the effectiveness of the security created by this Deed.
- 6.4 The Client shall inform the Security Trustee of any fact matter or circumstance that will, in the Security Trustee's opinion, materially reduce the value of any Secured Asset.
- 6.5 The Client shall notify the Security Trustee of any loss, theft, damage or destruction of any Secured Asset the effect of which will be, in the Security Trustee's opinion, to materially reduce the value of such Security Asset.
- 6.6 The Client waives any present or future right of set-off it may have in respect of the Secured Liabilities (including sums payable by the Client under this Deed).
- 6.7 The Client shall not, without the Security Trustee's prior written consent, use or permit the Secured Assets to be used in any way contrary to law.
- 6.8 The Client shall:
- 6.8.1 promptly obtain all consents and authorisations necessary under any law or regulation (and do all that is needed to maintain them in full force and effect) to enable it to perform its obligations under this Deed and to ensure the legality, validity, enforceability and admissibility in evidence of this Deed in its jurisdiction of incorporation;
 - 6.8.2 comply in all respects with all laws to which it may be subject if failure to do so would materially impair its ability to perform its obligations under this Deed.
 - 6.8.3 comply with the requirements of any law and regulation relating to or affecting the Secured Assets or the use of it or any part of them;
 - 6.8.4 obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Secured Assets or their use or that are necessary to preserve, maintain or renew any Secured Asset; and
 - 6.8.5 promptly effect any maintenance, modifications, alterations or repairs that are required by any law or regulation to be effected on or in connection with the Secured Assets.
- 6.9 The Client shall supply to the Security Trustee:
- 6.9.1 all documents dispatched by the Client to its shareholders (or any class of them) or its creditors generally, at the same time as they are dispatched;
 - 6.9.2 details of any litigation, arbitration or administrative proceedings that are current, threatened or pending against the Client as soon as it becomes aware of them and which might, if adversely determined, have a material adverse effect on its business, assets or condition, or its ability to

perform its obligations under this Deed or any document under which the Client owes obligations to the Security Trustee and/or the Lender; and

6.9.3 promptly, any further information about the financial condition, business and operations of the Client as the Security Trustee and/or the Lender or any Lender may reasonably request.

6.10 The Client shall use its best endeavours to:

6.10.1 procure the prompt observance and performance of the covenants and other obligations imposed on the Client's counterparties (including each counterparty in respect of a Relevant Agreement and each insurer in respect of an Insurance Policy); and

6.10.2 enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets that the Security Trustee and/or the Lender or any Lender may require from time to time.

6.11 The Client shall, when requested by the Security Trustee, deposit with the Security Trustee and the Security Trustee shall, for the duration of this Deed be entitled to hold:

6.11.1 all deeds and documents of title relating to the Secured Assets that are in the possession or control of the Client (and if these are not within the possession or control of the Client, the Client undertakes to obtain possession of all these deeds and documents of title);

6.11.2 all Insurance Policies and any other insurance policies relating to any of the Secured Assets that the Client is entitled to possess;

6.11.3 all deeds and documents of title (if any) relating to the Other Debts and/or (if applicable) the Non-Vesting Debts as the Security Trustee may specify from time to time; and

6.11.4 copies of all the Relevant Agreements, certified to be true copies by either a director of the Client or by the Client's solicitors.

6.12 The Client shall insure and keep insured (or where, in the case of any leasehold property, insurance is the responsibility of the landlord under the terms of the lease, either procure that the landlord insures and keeps insured or, if and to the extent that the landlord does not do so, itself insure and keep insured) the Secured Assets against:

6.12.1 loss or damage by fire or terrorist acts;

6.12.2 other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Client; and

6.12.3 any other risk, perils and contingencies as the Security Trustee and/or the Lender or any Lender may reasonably require.

Any such insurance must be with an insurance company or underwriters, and on such terms, as are reasonably acceptable to the Security Trustee, and must be for not less than the replacement value of the relevant Secured Assets.

6.13 The Client shall, if requested by the Security Trustee, produce to the Security Trustee each policy, certificate or cover note relating to the insurance required by clause 6.12 (or where, in the case of any leasehold property, that insurance is effected by the landlord, such evidence of insurance as the Client is entitled to obtain from the landlord under the terms of the relevant lease).

6.14 The Client shall, if requested by the Security Trustee, procure that a note of the Security Trustee's interest as security trustee and security agent for and on behalf of the Secured Parties is endorsed upon each insurance policy maintained by it or any person on its behalf in accordance with clause 6.12 and request that the terms of each such insurance policy require the insurer not to invalidate the policy as against the Security Trustee by reason of the act or default of any other joint or named insured and not to cancel it without giving at least 30 days' prior written notice to the Security Trustee.

6.15 The Client shall:

6.15.1 promptly pay all premiums in respect of each insurance policy maintained by it in accordance with clause 6.12 and do all other things necessary to keep that policy in full force and effect; and

- 6.15.2 (if the Security Trustee and/or the Lender or any Lender so requires) produce to, or deposit with, the Security Trustee the receipts for all premiums and other payments necessary for effecting and keeping up each insurance policy maintained by it in accordance with clause 6.12.
- 6.16 The Client shall not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any insurance policy maintained by it in accordance with clause 6.12.
- 6.17 All monies received or receivable by the Client under any insurance policy maintained by it in accordance with clause 6.12 (including all monies received or receivable by it under any Insurance Policy) at any time (whether or not the security constituted by this Deed has become enforceable) shall:
- 6.17.1 immediately be paid to the Security Trustee;
- 6.17.2 if they are not paid directly to the Security Trustee by the insurers, be held by the Client as trustee of the same for the benefit of the Security Trustee (and the Client shall account for them to the Security Trustee); and
- 6.17.3 at the option of the Security Trustee, be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received or in, or towards, discharge or reduction of the Secured Liabilities.
- 6.18 The Client shall:
- 6.18.1 as so requested by the Security Trustee from time to time:
- 6.18.1.1 give notice to each counterparty to a Relevant Agreement in the form required by the Security Trustee; and
- 6.18.1.2 procure that each counterparty promptly provides to the Security Trustee within 5 (five) Business Days an acknowledgement of the notice in the form required by the Security Trustee;
- 6.18.2 as so requested by the Security Trustee from time to time:
- 6.18.2.1 give notice to each insurer (which may be made through the Client's insurance broker) under an Insurance Policy in the form required by the Security Trustee; and
- 6.18.2.2 procure that each insurer promptly provides to the Security Trustee within 5 (five) Business Days an acknowledgement of the notice in the form required by the Security Trustee;
- 6.18.3 as so requested by the Security Trustee from time to time:
- 6.18.3.1 give notice to each bank, financial institution or other person (other than the Security Trustee) with whom the Client holds an account (including each Designated Account) in the form required by the Security Trustee; and
- 6.18.3.2 procure that each such bank, financial institution or other person promptly provides to the Security Trustee within 5 (five) Business Days an acknowledgement of the notice in the form required by the Security Trustee;
- 6.18.4 as so requested by the Security Trustee from time to time:
- 6.18.4.1 and at any time give notice to each Debtor in the form required by the Security Trustee; and
- 6.18.4.2 procure that each addressee of any such notice promptly provides to the Security Trustee within 5 (five) Business Days an acknowledgement of the notice in the form required by the Security Trustee.
- 6.19 The Client shall:
- 6.19.1 give the Security Trustee such information concerning the location, change of location, condition, use and operation of the Secured Assets as the Security Trustee and/or the Lender or any Lender may require;
- 6.19.2 permit any persons designated by the Security Trustee and any Receiver to enter on its premises and inspect and examine any Secured Asset, and the records relating to that Secured Asset, at all reasonable times and on reasonable prior notice; and

- 6.19.3 promptly notify the Security Trustee in writing of any action, claim, notice or demand made by or against it in connection with all or any part of a Secured Asset or of any fact, matter or circumstance which may, with the passage of time, give rise to such an action, claim, notice or demand, together with, in each case, the Client's proposals for settling, liquidating, compounding or contesting any such action, claim, notice or demand and shall, subject to the Security Trustee's prior approval, implement those proposals at its own expense.
- 6.20 The Client shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Secured Assets and, promptly after demand, produce evidence of payment to the Security Trustee.
- 6.21 The Client shall:
- 6.21.1 at its own cost, if at any time so required by the Security Trustee, appoint an accountant or firm of accountants nominated by the Security Trustee to investigate the financial affairs of the Client and those of its subsidiaries and report to the Security Trustee; and
- 6.21.2 co-operate fully with any accountants so appointed and immediately provide those accountants with all information requested.
- 6.22 The Client authorises the Security Trustee to make an appointment in accordance with clause 6.21 above as it shall think fit at any time, without further authority from the Client. In every case, the Client shall pay, or reimburse the Security Trustee for, the fees and expenses of those accountants.
- 6.23 The Client shall not make any substantial change to the general nature or scope of its business as carried on at the date of this Deed.
- 6.24 The Client shall:
- 6.24.1 deal with the Non-Vesting Debts and their Related Rights as if they were Debts and their Related Rights Purchased by the Security Trustee under the relevant Factoring Agreement and in particular will not bank or deal with Remittances in respect of them except by dealing with them in accordance with the relevant Factoring Agreement;
- 6.24.2 not, charge, sell, discount, factor, dispose of or, except in accordance with this Deed, otherwise deal with the Other Debts unless it has the prior written consent of the Security Trustee; and
- 6.24.3 authorise its bankers from time to time to provide copy statements and full particulars of all the Client's accounts and facilities with them whenever requested by the Security Trustee.
- 6.25 The Client shall not, except with the prior written consent of the Security Trustee, enter into any onerous or restrictive obligations affecting any part of the Secured Assets.

7. Property covenants

- 7.1 The Client shall keep all buildings and all fixtures on each Property in good and substantial repair and condition.
- 7.2 The Client shall not, without the prior written consent of the Security Trustee:
- 7.2.1 pull down or remove the whole, or any part of, any building forming part of any Property or permit the same to occur; or
- 7.2.2 make or permit any alterations to any Property, or sever or remove, or permit to be severed or removed, any of its fixtures,
- provided always that the foregoing provisions of this clause 7.2 shall not apply to any relevant matters expressly permitted and then to the extent permitted by any Permission; or
- 7.2.3 remove or make any alterations to any of the Equipment belonging to, or in use by, the Client on any Property (except to effect necessary repairs or replace them with new or improved models or substitutes).
- 7.3 The Client shall carry on its trade and business on those parts (if any) of the Properties as are used for the purposes of trade or business in accordance with the standards of good management from time to time current in that trade or business.
- 7.4 The Client shall:

- 7.4.1 give full particulars to the Security Trustee of any notice, order, direction, designation, resolution or proposal given or made by any planning authority or other public body or authority ("Planning Notice") that specifically applies to any Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Planning Notice; and
 - 7.4.2 at its own expense, immediately on request by the Security Trustee, and at the cost of the Client, take all reasonable and necessary steps to comply with any Planning Notice, and make, or join with the Security Trustee in making, any objections or representations in respect of that Planning Notice that the Security Trustee may desire.
- 7.5 The Client shall:
- 7.5.1 observe and perform all covenants, stipulations and conditions to which each Property, or the use of it, is or may be subjected, and (if the Security Trustee and/or the Lender or any Lender so requires) produce evidence sufficient to satisfy the Security Trustee that those covenants, stipulations and conditions have been observed and performed;
 - 7.5.2 diligently enforce all covenants, stipulations and conditions benefiting each Property and shall not (and shall not agree to) waive, release or vary any of the same; and
 - 7.5.3 (without prejudice to the generality of the foregoing) where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time, and perform and observe all the tenant's covenants and conditions.
- 7.6 The Client shall:
- 7.6.1 where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time; and
 - 7.6.2 pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed on each Property or on its occupier.
- 7.7 The Client shall not, without the prior written consent of the Security Trustee:
- 7.7.1 grant, or agree to grant, any licence or tenancy affecting the whole or any part of any Property, or exercise, or agree to exercise, the statutory powers of leasing or of accepting surrenders under sections 99 or 100 of the Law of Property Act 1925;
 - 7.7.2 in any other way dispose of, surrender, forfeit, determine or create, or agree to dispose of, surrender, forfeit, determine or create, any legal or equitable estate or interest (including any lease or licence) in the whole or any part of any Property;
 - 7.7.3 vary the terms of any lease or licence in relation to any Property; and/or
 - 7.7.4 agree any rent review of any lease or licence any Property,
- provided always that this clause 7.7 shall not apply to any relevant matters expressly permitted and then to the extent permitted by any Permission.
- 7.8 If the title to any Property is not registered at the Land Registry, the Client shall procure that no person (other than itself) shall be registered under the Land Registration Acts 1925 to 2002 as proprietor of all or any part of any Property without the prior written consent of the Security Trustee. The Client shall be liable for the costs and expenses of the Security Trustee in lodging cautions against the registration of the title to the whole or any part of any Property from time to time.
- 7.9 The Client shall not, without the prior written consent of the Security Trustee:
- 7.9.1 make or, insofar as it is able, permit others to make any application for planning permission or development consent in respect of the Property; or
 - 7.9.2 carry out, or permit, or suffer to be carried out on any Property any development as defined in the Town and Country Planning Act 1990 and the Planning Act 2008, or change or permit or suffer to be changed the use of any Property,
- provided always that this clause 7.9 shall not apply to any relevant matters expressly permitted and then to the extent permitted by any Permission.
- 7.10 The Client shall:
- 7.10.1 comply with all the requirements of Environmental Law both in the conduct of its general

business and in the management, possession or occupation of each Property; and

- 7.10.2 obtain and comply with all authorisations, permits, licences, consents and other forms of approval necessary and/or required under Environmental Law ("**Environmental Permits**" and each an "**Environmental Permit**");
 - 7.10.3 on the Security Trustee's request, provide it with copies of any Environmental Permits;
 - 7.10.4 upon becoming aware of the same, notify the Security Trustee of any Environmental Claim made or threatened against the Client and any condition imposed pursuant to any Environmental Permit or Environmental Law which requires the Client to incur any capital expenditure or materially alter the nature or manner of conduct of its business or which could, in the Security Trustee's opinion, materially reduce the value of the Secured Assets (or any of them); and
 - 7.10.5 keep the Security Trustee informed of any steps taken or intended to be taken by the Client in respect of any of the matters referred to in clause 7.10.4 and give notice to the Security Trustee as soon as practicable of any new or additional requirements under any Environmental Law imposed on the Client or any Secured Asset.
- 7.11 The Client shall not, without the prior written consent of the Security Trustee, enter into any onerous or restrictive obligations affecting the whole or any part of any Property, or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of any Property.
 - 7.12 The Client shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of any Property without the prior written consent of the Security Trustee.
 - 7.13 The Client shall permit the Security Trustee, any Receiver and any person appointed by either of them to enter on and inspect any Property on reasonable prior notice.
 - 7.14 The Client shall inform the Security Trustee promptly of any acquisition by the Client of, or contract made by the Client to acquire, any freehold, leasehold or other interest in any property.
 - 7.15 The Client shall on demand made by the Security Trustee, execute and deliver to the Security Trustee any legal mortgage (or, in the case of property situated in Scotland, standard security) in favour of the Security Trustee of any freehold or leasehold property (or, if in Scotland, heritable property) which becomes vested in it after the date of this Deed and all fixtures and fittings thereon to secure the payment or discharge of the Secured Liabilities, such legal mortgage or standard security to be in such form as the Security Trustee may reasonably require. Any security document required to be executed by the Client pursuant to this clause 7.15 will be prepared at the cost of the Client. In the case of any leasehold property in relation to which the consent of the landlord in whom the reversion of that lease is vested is required in order for the Client to perform any of its obligations under this clause 7.15, the Client shall not be required to perform that particular obligation unless and until it has obtained the landlord's consent (which it shall use endeavours to do).
 - 7.16 The Client shall not, without the prior written consent of the Security Trustee:
 - 7.16.1 exercise any VAT option to tax in relation to any Property; or
 - 7.16.2 revoke any VAT option to tax exercised and disclosed to the Security Trustee before the date of this Deed.

8. Investments covenants

- 8.1 The Client shall:
 - 8.1.1 when requested by the Security Trustee, deliver to the Security Trustee, or as the Security Trustee may direct, all stock or share certificates and other documents of title or evidence of ownership relating to any Investments owned by the Client at that time; and
 - 8.1.2 promptly following the purchase or acquisition by it of Investments after the date of this Deed, deposit with the Security Trustee, or as the Security Trustee may direct, all stock or share certificates and other documents of title or evidence of ownership relating to those Investments.

- 8.2 At the same time as depositing documents with the Security Trustee, or as the Security Trustee may direct, in accordance with clause 8.1, the Client shall also deposit with the Security Trustee, or as the Security Trustee may direct:
- 8.2.1 all stock transfer forms relating to the relevant Investments duly completed and executed by or on behalf of the Client, but with the name of the transferee, the consideration and the date left blank; and
 - 8.2.2 any other documents (in each case duly completed and executed by or on behalf of the Client) that the Security Trustee may request to enable the Security Trustee or any of its nominees, or any purchaser or transferee, to be registered as the owner of, or otherwise obtain a legal title to, or to perfect its security interest in any of the relevant Investments,
- so that the Security Trustee may, at any time and without notice to the Client, complete and present those stock transfer forms and other documents to the issuer of the Investments for registration.
- 8.3 The Client shall terminate with immediate effect all nominations it may have made (including, without limitation, any nomination made under section 145 or section 146 of the Companies Act 2006) in respect of any Investments and, pending that termination, procure that any person so nominated:
- 8.3.1 does not exercise any rights in respect of any Investments without the prior written approval of the Security Trustee; and
 - 8.3.2 immediately on receipt by it, forward to the Security Trustee all communications or other information received by it in respect of any Investments for which it has been so nominated.
- 8.4 The Client shall not, during the Security Period, exercise any rights (including, without limitation, any rights under sections 145 and 146 of the Companies Act 2006) to nominate any person in respect of any of the Investments.
- 8.5 The Client shall:
- 8.5.1 obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of an issuer of any Investments, for the transfer of the Investments to the Security Trustee or its nominee, or to a purchaser on enforcement of the security constituted by this Deed; and
 - 8.5.2 procure the amendment of the share transfer provisions (including, but not limited to, deletion of any pre-emption provisions) under the articles of association, other constitutional document or otherwise of each issuer of the Investments in any manner that the Security Trustee may require in order to permit the transfer of the Investments to the Security Trustee or its nominee, or to a purchaser on enforcement of the security constituted by this Deed.
- 8.6 Before the security constituted by this Deed becomes enforceable, the Client may exercise all voting and other rights and powers in respect of the Investments or, if any of the same are exercisable by the Security Trustee or any of its nominees, to direct in writing the exercise of those voting and other rights and powers provided that:
- 8.6.1 it shall not do so in any way that would breach any provision of this Deed or for any purpose inconsistent with this Deed; and
 - 8.6.2 the exercise of, or the failure to exercise, those voting rights or other rights and powers would not, in the Security Trustee's opinion, have an adverse effect on the value of the Investments or otherwise prejudice the Security Trustee's security under this Deed.
- 8.7 The Client shall indemnify the Security Trustee against any loss or liability incurred by the Lender and/or the Security Trustee (or its nominee) as a consequence of the Security Trustee (or its nominee) acting in respect of the Investments at the direction of the Client.
- 8.8 The Security Trustee shall not, by exercising or not exercising any voting rights or otherwise, be construed as permitting or agreeing to any variation or other change in the rights attaching to or conferred by any of the Investments that the Security Trustee considers prejudicial to, or impairing the value of, the security created by this Deed.
- 8.9 After the security constituted by this Deed has become enforceable:
- 8.9.1 all dividends and other distributions paid in respect of the Investments and received by the Client shall be held by the Client on trust for the Security Trustee and immediately paid into a

Designated Account or, if received by the Security Trustee, shall be retained by the Security Trustee; and

- 8.9.2 all voting and other rights and powers attaching to the Investments shall be exercised by, or at the direction of, the Security Trustee and the Client shall, and shall procure that its nominees shall, comply with any directions the Security Trustee may give, in its absolute discretion, concerning the exercise of those rights and powers.
- 8.10 Notwithstanding the security created by this Deed, the Client shall promptly pay all calls, instalments and other payments that may be or become due and payable in respect of all or any of the Investments. The Client acknowledges that the Security Trustee and/or the Lender shall not be under any liability in respect of any such calls, instalments or other payments.
- 8.11 The Client shall not, without the prior written consent of the Security Trustee, amend, or agree to the amendment of:
- 8.11.1 the memorandum or articles of association, or any other constitutional documents, of any issuer of the Investments that is not a public company; or
- 8.11.2 the rights or liabilities attaching to, or conferred by, all or any of the Investments.
- 8.12 The Client shall ensure (as far as it is able to by the exercise of all voting rights, powers of control and other means available to it) that any Issuer of the Investments that is not a public company shall not:
- 8.12.1 consolidate or subdivide any of the Investments, or re-organise, exchange, repay or reduce its share capital in any way;
- 8.12.2 issue any new shares or stock; or
- 8.12.3 refuse to register any transfer of any of the Investments that may be lodged with it for registration by, or on behalf of, the Security Trustee or the Client in accordance with this Deed.
- 8.13 The Client shall, promptly following receipt, send to the Security Trustee copies of any notice, circular, report, accounts and any other document received by it that relates to the Investments.

9. Equipment covenants

- 9.1 The Client shall:
- 9.1.1 maintain the Equipment in good and serviceable condition (except for expected fair wear and tear) in compliance with all relevant manuals, handbooks, manufacturer's instructions and recommendations and maintenance or servicing schedules;
- 9.1.2 at its own expense, renew and replace any parts of the Equipment when they become obsolete, worn out or damaged with parts of a similar quality and of equal or greater value; and
- 9.1.3 not permit any Equipment to be:
- 9.1.3.1 used or handled other than by properly qualified and trained persons; or
- 9.1.3.2 overloaded or used for any purpose for which it is not designed or reasonably suitable;
- 9.1.4 not without the Security Trustee's prior written consent, make or allow any modification to the Equipment which would, in the Security Trustee's opinion, materially reduce the value of the Equipment; and/or
- 9.1.5 prevent the Equipment from being distrained for any rent, rates or other outgoings or from being taken under execution.
- 9.2 The Client shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Equipment and, on demand, produce evidence of such payment to the Security Trustee.

10. Other Debts covenants, Collections Accounts and Designated Accounts

- 10.1 The Security Trustee hereby appoints the Client as agent of the Security Trustee for the purposes of:
- 10.1.1 administering, collecting in and realising all Other Debts; and

- 10.1.2 at the Client's own expense, taking such enforcement action and legal or other proceedings as may be necessary or as the Security Trustee may require for collection of the Other Debts, in each case for the benefit of the Security Trustee and in accordance with any directions given by the Security Trustee from time to time and the Client hereby accepts such appointment.
- 10.2 The Security Trustee may terminate any agency appointment under clause 10.1 at any time.
- 10.3 For as long as the agency in clause 10.1 continues, the Client will not hold itself out to third parties as agent of the Security Trustee other than for the purposes for which it has been appointed.
- 10.4 The Client hereby covenants and undertakes:
- 10.4.1 without prejudice to clause 6.1 but in addition to the restrictions in that clause, not, without the prior written consent of the Security Trustee, to exercise (or allow any other person to exercise) set-off against any Other Debt nor to sell, assign, charge, factor or discount or in any other manner deal with any of the Other Debts;
- 10.4.2 not to extend the due date for payment of any Other Debt nor to waive any right of recovery or do or omit to do anything which may delay or prejudice recovery of any Other Debt;
- 10.4.3 if requested by the Security Trustee, to open such bank accounts (including separate designated accounts, blocked accounts or trust accounts) in the name of the Client with such mandates as the Security Trustee may specify (such account(s) together with all additions to or renewals or replacements of such accounts (in whatever currency) being the "**Collections Accounts**" (each a "**Collections Account**") and to procure that all monies which it may receive in respect of the Other Debts are paid into such Collections Accounts as the Security Trustee may specify from time to time and pending such payment, to hold all such monies so received upon trust for the Security Trustee and only deal with the monies in any Collections Account in accordance with the written directions of the Security Trustee from time to time (subject only to such rights as the bank at which the account is held may have). **A Collections Account can be a Designated Account for the purposes of this Deed;**
- 10.4.4 where any Collections Account is not maintained with the Security Trustee promptly on request by the Security Trustee deliver to the bank with which the relevant Collections Account is maintained a notice to that bank and procure that that bank has signed and delivered to the Security Trustee a letter of acknowledgement of such notice in each case in form and content acceptable to the Security Trustee; and
- 10.4.5 upon crystallisation of the floating charge granted in accordance with clause 3.4 not pay or otherwise deal with the monies in any of its bank accounts except in accordance with any written directions the Security Trustee may give from time to time (subject to any rights which the bank at which the account is held, may have).
- 10.5 The Client may withdraw (or direct any transfer of) all or any part of the monies in the Collections Accounts until notified otherwise by the Security Trustee. Immediately on receipt of such notification and thereafter, the Client will not attempt or be entitled to withdraw (or direct any transfer of) all or any part of the monies in the Collections Accounts without the prior written consent of the Security Trustee and the Security Trustee shall be entitled in its absolute discretion to refuse to permit any such withdrawal or transfer. If there shall from time to time be any credit balance on any other account of the Client with the Security Trustee into which any proceeds of Other Debts are paid or transferred, the Security Trustee shall be entitled in its absolute discretion to refuse to permit such credit balance to be utilised or withdrawn by the Client (whether in whole or in part) for so long as any of the Secured Liabilities are outstanding.
- 10.6 The Client will deliver to the Security Trustee such information as to the amount and nature of its Other Debts as the Security Trustee may from time to time reasonably require, taking into account the requirements of the Finance Documents.
- 10.7 Subject to clause 10.5, the Client shall not, without the prior written consent of the Security Trustee, withdraw any amounts standing to the credit of any Designated Account.
- 10.8 The Client shall, if called on to do so by the Security Trustee, execute a legal assignment of the Other Debts to the Security Trustee on such terms as the Lender or any Lender may require and give notice of that assignment to the Debtors from whom the Other Debts are due, owing or incurred.

11. Relevant Agreements covenants

- 11.1 The Client shall, unless the Security Trustee agrees otherwise in writing, comply with the terms of any Relevant Agreement and any other document, agreement or arrangement comprising the Secured Assets (other than the Insurance Policies).
- 11.2 The Client shall not, unless the Security Trustee agrees otherwise in writing:
- 11.2.1 amend or vary or agree to any change in, or waive any requirement of;
 - 11.2.2 settle, compromise, terminate, rescind or discharge (except by performance); or
 - 11.2.3 abandon, waive, dismiss, release or discharge any action, claim or proceedings against any counterparty to a Relevant Agreement or other person in connection with,
- any Relevant Agreement or any other document, agreement or arrangement comprising the Secured Assets (other than the Insurance Policies).

12. Intellectual Property covenants

- 12.1 The Client shall take all necessary action to safeguard and maintain present and future rights in, or relating to, the Intellectual Property including (without limitation) by observing all covenants and stipulations relating to those rights, and by paying all applicable renewal fees, licence fees and other outgoings.
- 12.2 The Client shall use all reasonable efforts to register applications for the registration of any Intellectual Property and shall keep the Security Trustee informed of all matters relating to each such registration.
- 12.3 The Client shall not permit any Intellectual Property to be abandoned, cancelled or to lapse.

13. Powers of the Security Trustee

- 13.1 The Security Trustee shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Client of any of its obligations contained in this Deed.
- 13.2 The Client irrevocably authorises the Security Trustee and its agents to do all things that are necessary or desirable for that purpose.
- 13.3 Any monies expended by the Secured Parties (or any of them) in remedying a breach by the Client of its obligations contained in this Deed shall be reimbursed by the Client to the Security Trustee on a full indemnity basis and shall carry interest in accordance with clause 20.1.
- 13.4 The rights of the Security Trustee under clauses 13.1 to 13.3 (inclusive) are without prejudice to any other rights of the Security Trustee under this Deed.
- 13.5 The exercise of any rights of the Security Trustee under this Deed shall not make the Security Trustee and/or the Lender or any Lender liable to account as a mortgagee in possession.
- 13.6 At any time after the security constituted by this Deed has become enforceable, the Security Trustee or any Receiver may, as agent for the Client, dispose of any chattels or produce found on any Property.
- 13.7 Without prejudice to any obligation to account for the proceeds of any disposal made under clause 13.6, the Client shall indemnify the Security Trustee and any Receiver against any liability arising from any disposal made under clause 13.6.
- 13.8 To the extent permitted by law, any right, power or discretion conferred by this Deed on a Receiver may, after the security constituted by this Deed has become enforceable, be exercised by the Security Trustee in relation to any of the Secured Assets whether or not it has taken possession of any Secured Assets and without first appointing a Receiver or notwithstanding the appointment of a Receiver.
- 13.9 For the purpose of, or pending the discharge of, any of the Secured Liabilities, the Security Trustee may convert any monies received, recovered or realised by it under this Deed (including the proceeds of any previous conversion under this clause 13) from their existing currencies of denomination into any other currencies of denomination that the Security Trustee may think fit.
- 13.10 Any such conversion shall be effected at the Security Trustee's then prevailing spot selling rate of exchange for such other currency against the existing currency.
- 13.11 Each reference in this clause 13 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

- 13.12 If the Security Trustee and/or the Lender or any Lender receives, or is deemed to have received, notice of any subsequent Security, or other interest, affecting all or part of the Secured Assets, the Security Trustee may open a new account for the Client in the Security Trustee's books. Without prejudice to the Security Trustee's right to combine accounts, no money paid to the credit of the Client in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.
- 13.13 If the Security Trustee does not open a new account immediately on receipt of the notice, or deemed notice, under clause 13.12, then, unless the Security Trustee gives express written notice to the contrary to the Client, all payments made by the Client to the Security Trustee shall be treated as having been credited to a new account of the Client and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt or deemed receipt of the relevant notice by the Security Trustee.
- 13.14 The Security Trustee may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this Deed (whether or not any such person is jointly liable with the Client) in respect of any of the Secured Liabilities, or of any other security for them without prejudice either to this Deed or to the liability of the Client for the Secured Liabilities.
- 13.15 The Security Trustee may, without notice to the Client, appoint any one or more persons to be an Administrator of the Client pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this Deed becomes enforceable.
- 13.16 Any appointment under clause 13.15 shall:
- 13.16.1 be in writing signed by a duly authorised signatory of the Security Trustee; and
- 13.16.2 take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.
- 13.17 The Security Trustee may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this clause 13 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.
- 13.18 The Security Trustee covenants with the Client that it shall perform its obligations to make advances under any document to which the Security Trustee and/or the Lender or any Lender and the Client are party (including any obligation to make available further advances).

14. When security becomes enforceable

- 14.1 The security constituted by this Deed shall become immediately enforceable if an Event of Default occurs and/or as provided for in the Facility Agreement.
- 14.2 After the security constituted by this Deed has become enforceable, the Security Trustee may, in its absolute discretion, enforce all or any part of that security at the times, in the manner and on the terms it thinks fit, and take possession of and hold or dispose of all or any part of the Secured Assets.

15. Enforcement of security

- 15.1 For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- 15.2 The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this Deed) shall be immediately exercisable at any time after the security constituted by this Deed has become enforceable under clause 14.1.
- 15.3 Section 103 of the LPA 1925 does not apply to the security constituted by this Deed.
- 15.4 The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the Security Trustee and any Receiver, at any time after the security constituted by this Deed has become enforceable, whether in its own name or in that of the Client, to:
- 15.4.1 grant a lease or agreement to lease;
- 15.4.2 accept surrenders of leases; or
- 15.4.3 grant any option of the whole or any part of the Secured Assets with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of the Client, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Security Trustee or Receiver thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

- 15.5 At any time after the Secured Parties (or any of them) has demanded payment of the Secured Liabilities or if the Client defaults in the performance of its obligations under this Deed or an Event of Default is continuing, the Client will allow the Security Trustee or its Receiver, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Secured Asset and for that purpose to enter on any premises where a Secured Asset is situated (or where the Security Trustee or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to the Client for, or by any reason of, that entry.
- 15.6 At all times, the Client must use its best endeavours to allow the Security Trustee or its Receiver access to any premises for the purpose of clause 15.5 (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.
- 15.7 At any time after the security constituted by this Deed has become enforceable, or after any powers conferred by any Security having priority to this Deed shall have become exercisable, the Security Trustee may:
- 15.7.1 redeem that or any other prior Security;
 - 15.7.2 procure the transfer of that Security to it; and
 - 15.7.3 settle and pass any account of the holder of any prior Security.
- The settlement and passing of any such account passed shall, in the absence of any manifest error, be conclusive and binding on the Client. All monies paid by the Security Trustee to an encumbrancer in settlement of any of those accounts shall, as from its payment by the Security Trustee, be due from the Client to the Security Trustee on current account and shall bear interest at the default rate stated in the relevant document to which the Client and the Security Trustee are party and be secured as part of the Secured Liabilities.
- 15.8 No purchaser, mortgagee or other person dealing with the Security Trustee, any Receiver or Delegate shall be concerned to enquire:
- 15.8.1 whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
 - 15.8.2 whether any power the Security Trustee, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable; or
 - 15.8.3 how any money paid to the Security Trustee, any Receiver or any Delegate is to be applied.
- 15.9 Each Receiver and the Security Trustee is entitled to all the rights, powers, privileges and Immunities conferred by the LPA 1925 on mortgagees and receivers.
- 15.10 Neither the Security Trustee, the Lender or any Lender, any Receiver, any Delegate nor any Administrator shall be liable, by reason of entering into possession of a Security Asset or for any other reason, to account as mortgagee in possession in respect of all or any of the Secured Assets, nor shall any of them be liable for any loss on realisation of, or for any act, neglect or default of any nature in connection with, all or any of the Secured Assets for which a mortgagee in possession might be liable as such.
- 15.11 The receipt of the Security Trustee, or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Secured Assets or in making any acquisition in the exercise of their respective powers, the Security Trustee, and every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit.
- 15.12 To the extent that:
- 15.12.1 the Secured Assets constitute Financial Collateral; and
 - 15.12.2 this Deed and the obligations of the Client under it constitute a Security Financial Collateral Arrangement,

the Security Trustee shall have the right, at any time after the security constituted by this Deed has become enforceable, to appropriate all or any of those Secured Assets in or towards the payment or discharge of the Secured Liabilities in any order that the Security Trustee may, in its absolute discretion, determine.

15.13 The value of any Secured Assets appropriated in accordance with this clause 15 shall be:

15.13.1 in the case of cash, the amount standing to the credit of each of the Client's accounts with any bank, financial institution or other person, together with all interest accrued but unposted, at the time the right of appropriation is exercised; and

15.13.2 In the case of Investments, the price of those Investments at the time the right of appropriation is exercised as listed on any recognised market index or determined by any other method that the Security Trustee may select (including independent valuation).

15.14 The Client agrees that the methods of valuation provided for in this clause 15 are commercially reasonable for the purposes of the Financial Collateral Regulations.

16. Receiver

16.1 At any time after the security constituted by this Deed has become enforceable, or at the request of the Client, the Security Trustee may, without further notice, appoint by way of deed, or otherwise in writing, any one or more persons to be a Receiver of all or any part of the Secured Assets.

16.2 The Security Trustee may, without further notice (subject to section 45 of the Insolvency Act 1986 in the case of an administrative receiver), from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

16.3 The Security Trustee may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925, and the remuneration of the Receiver shall be a debt secured by this Deed, to the extent not otherwise discharged.

16.4 The power to appoint a Receiver conferred by this Deed shall be in addition to all statutory and other powers of the Security Trustee under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

16.5 The power to appoint a Receiver (whether conferred by this Deed or by statute) shall be, and remain, exercisable by the Security Trustee despite any prior appointment in respect of all or any part of the Secured Assets.

16.6 Any Receiver appointed by the Security Trustee under this Deed shall be the agent of the Client and the Client shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each Receiver shall continue until the Client goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Security Trustee.

17. Powers of Receiver

17.1 Any Receiver appointed by the Security Trustee under this Deed shall, in addition to the powers conferred on him by statute, have the powers set out in clause 17.4.

17.2 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

17.3 Any exercise by a Receiver of any of the powers given by clause 17 may be on behalf of the Client, the directors of the Client (in the case of the power contained in clause 17.4.15) or himself.

17.4 A Receiver may:

17.4.1 undertake or complete any works of repair, building or development on the Properties and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same;

- 17.4.2 grant, or accept surrenders of, any leases or tenancies affecting any Property and may grant any other interest or right over any Property on any terms, and subject to any conditions, that he thinks fit;
- 17.4.3 provide services and employ or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that he thinks fit. A Receiver may discharge any such person or any such person appointed by the Client;
- 17.4.4 make, exercise or revoke any value added tax option to tax as he thinks fit;
- 17.4.5 charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) that the Security Trustee may prescribe or agree with him;
- 17.4.6 collect and get in the Secured Assets or any part of them in respect of which he is appointed, and make any demands and take any proceedings as may seem expedient for that purpose, and take possession of the Secured Assets with like rights;
- 17.4.7 carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Client;
- 17.4.8 sell, exchange, convert into money and realise all or any of the Secured Assets in respect of which he is appointed in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as he thinks fit. Any sale may be for any consideration that the Receiver thinks fit and a Receiver may promote, or concur in promoting, a company to purchase the Secured Assets to be sold;
- 17.4.9 sever and sell separately any fixtures or fittings from any Property without the consent of the Client;
- 17.4.10 sell and assign all or any of the Other Debts and/ or (if applicable) all or any of the Non-Vesting Debts in respect of which he is appointed in any manner, and generally on any terms and conditions, that he thinks fit;
- 17.4.11 give valid receipt for all monies and execute all assurances and things that may be proper or desirable for realising any of the Secured Assets;
- 17.4.12 make any arrangement, settlement or compromise between the Client and any other person that he may think expedient;
- 17.4.13 bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Secured Assets as he thinks fit;
- 17.4.14 make substitutions of, or improvements to, the Equipment as he may think expedient;
- 17.4.15 make calls conditionally or unconditionally on the members of the Client in respect of any uncalled capital with (for that purpose and for the purpose of enforcing payments of any calls so made) the same powers as are conferred by the articles of association of the Client on its directors in respect of calls authorised to be made by them;
- 17.4.16 if he thinks fit, but without prejudice to the indemnity in clause 20, effect with any Insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Client under this Deed;
- 17.4.17 exercise all powers provided for in the LPA 1925 in the same way as if he had been duly appointed under the LPA 1925, and exercise all powers provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986;
- 17.4.18 for any of the purposes authorised by this clause 17, raise money by borrowing from the Security Trustee (or from any other person) either unsecured or on the security of all or any of the Secured Assets in respect of which he is appointed on any terms that he thinks fit (including, if the Security Trustee consents, terms under which that security ranks in priority to this Deed);
- 17.4.19 redeem any prior Security and settle and pass the accounts to which the Security relates. Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Client, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver;

17.4.20 may delegate his powers in accordance with this Deed;

17.4.21 in relation to any of the Secured Assets, exercise all powers, authorisations and rights he would be capable of exercising, and do all those acts and things, as an absolute beneficial owner could exercise or do in the ownership and management of the Secured Assets or any part of the Secured Assets; and

17.4.22 may do any other acts and things that he:

17.4.22.1 may consider desirable or necessary for realising any of the Secured Assets;

17.4.22.2 may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this Deed or law; or

17.4.22.3 lawfully may or can do as agent for the Client.

18. Delegation

18.1 The Security Trustee or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this Deed (including the power of attorney granted under clause 22.1).

18.2 The Security Trustee and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that it thinks fit.

18.3 Neither the Security Trustee nor any Receiver shall be in any way liable or responsible to the Client for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

19. Application of proceeds

19.1 All monies received by the Security Trustee, a Receiver or a Delegate pursuant to this Deed, after the security constituted by this Deed has become enforceable, shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority:

19.1.1 In or towards payment of or provision for all costs, charges and expenses incurred by or on behalf of the Security Trustee (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this Deed, and of all remuneration due to any Receiver under or in connection with this Deed;

19.1.2 In or towards payment of or provision for the Secured Liabilities in any order and manner that the Security Trustee determines; and

19.1.3 in payment of the surplus (if any) to the Client or other person entitled to it.

19.2 As between the Security Trustee and the Client, neither the Security Trustee, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

19.3 All monies received by the Security Trustee, a Receiver or a Delegate under this Deed:

19.3.1 may, at the discretion of the Security Trustee, Receiver or Delegate, be credited to any suspense or securities realised account;

19.3.2 shall bear interest, if any, at the rate agreed in writing between the Security Trustee and the Client; and

19.3.3 may be held in that account for so long as the Security Trustee, Receiver or Delegate thinks fit.

20. Costs and indemnity

20.1 The Client shall, within five Business Days of demand, pay to, or reimburse, the Security Trustee and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Security Trustee, the Lender or any Lender, any Receiver or any Delegate in connection with:

20.1.1 this Deed or the Secured Assets;

20.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Security Trustee's, the Lender's or any Lender's, a Receiver's or a Delegate's rights under this Deed; or

20.1.3 taking proceedings for, or recovering, any of the Secured Liabilities,

together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost or expense arose until full discharge of that cost or expense (whether before or after judgment, liquidation, winding up or administration of the Client) at the rate and in the manner specified in the relevant document or agreement to which the Client and the Security Trustee and/or the Lender or any Lender are party or, in the absence of such a rate and manner, at the rate and in the manner specified in clause 2.2.

20.2 The Client shall indemnify the Security Trustee, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by them, any of them and/or the Lender or any Lender arising out of or in connection with:

20.2.1 the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this Deed or by law in respect of the Secured Assets;

20.2.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this Deed; or

20.2.3 any default or delay by the Client in performing any of its obligations under this Deed.

Any past or present employee or agent may enforce the terms of this clause 20.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

21. **Further assurance**

21.1 The Client shall, at its own expense, take whatever action the Security Trustee or any Receiver may reasonably require for:

21.1.1 creating, perfecting or protecting the security intended to be created by this Deed;

21.1.2 facilitating the realisation of any Secured Asset; or

21.1.3 facilitating the exercise of any right, power, authority or discretion exercisable by the Security Trustee or any Receiver in respect of any Secured Asset,

including, without limitation (if the Security Trustee or Receiver thinks it expedient) the execution of any transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Secured Assets (whether to the Security Trustee or to its nominee) and the giving of any notice, order or direction and the making of any registration.

22. **Power of attorney**

22.1 By way of security, the Client irrevocably appoints the Security Trustee, every Receiver and every Delegate separately to be the attorney of the Client and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things that:

22.1.1 the Client is required to execute and do under this Deed; or

22.1.2 any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this Deed or by law on the Security Trustee, any Receiver or any Delegate.

22.2 The Client ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in 22.1.

23. **Release**

23.1 Subject to 30.3, on the expiry of the Security Period (but not otherwise), the Security Trustee shall, at the request and cost of the Client, take whatever action is necessary to:

23.1.1 release the Secured Assets from the security constituted by this Deed; and

23.1.2 reassign the Secured Assets to the Client.

24. Assignment and transfer

24.1 At any time, without the consent of the Client, the Security Trustee may assign or transfer any or all of its rights and obligations under this Deed.

24.2 Subject to compliance with any relevant confidentiality obligations in the relevant Facility Agreement, the Security Trustee and/or the Lender or any Lender may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Client, the Secured Assets and this Deed that the Security Trustee and/or the Lender or any Lender considers appropriate.

24.3 The Client may not assign any of its rights, or transfer any of its rights or obligations, under this Deed.

25. Set-off

25.1 The Security Trustee may at any time set off any liability of the Client to the Secured Parties (or any of them) against any liability of the Secured Parties (or any of them) to the Client, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this Deed. If the liabilities to be set off are expressed in different currencies, the Security Trustee may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Security Trustee of its rights under this clause 25 shall not limit or affect any other rights or remedies available to it under this Deed or otherwise.

25.2 The Security Trustee is not obliged to exercise its rights under clause 25.1. If, however, it does exercise those rights it must promptly notify the Client of the set-off that has been made.

25.3 All payments made by the Client to the Security Trustee under this Deed shall be made without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

26. Amendments, waivers and consents

26.1 No amendment of this Deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

26.2 A waiver of any right or remedy under this Deed or by law, or any consent given under this Deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.

26.3 A failure to exercise, or a delay in exercising, any right or remedy provided under this Deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this Deed. No single or partial exercise of any right or remedy provided under this Deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this Deed by the Security Trustee shall be effective unless it is in writing.

26.4 The rights and remedies provided under this Deed are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

27. Severance

If any provision (or part of a provision) of this Deed is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this Deed.

28. Counterparts

28.1 This Deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.

28.2 Transmission of an executed counterpart of this Deed (but for the avoidance of doubt not just a signature page) by fax or email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this Deed. If either method of delivery is adopted, without prejudice to the validity of the deed thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.

28.3 No counterpart shall be effective until each party has executed and delivered at least one counterpart.

29. Third party rights

29.1 Except as expressly provided in clauses 20.2 and 29.3, a person who is not a party to this Deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this Deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act. This clause 29.1 shall not in any way affect or fetter the trustee/beneficiary relationship as between the Security Trustee and the Lender or any Lender.

29.2 The rights of the parties to rescind or agree any amendment or waiver under this Deed are not subject to the consent of any other person.

29.3 The Lender or any Lender shall be entitled to enforce the relevant provisions of this Deed against the Client as if it was a party to it.

30. Further provisions

30.1 The security constituted by this Deed shall be in addition to, and independent of, any other security or guarantee that the Security Trustee and/or the Lender or any Lender may hold for any of the Secured Liabilities at any time. No prior security held by the Security Trustee and/or the Lender or any Lender over the whole or any part of the Secured Assets shall merge in the security created by this Deed.

30.2 The security constituted by this Deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Security Trustee discharges this Deed in writing.

30.3 Any release, discharge or settlement between the Client and the Security Trustee shall be deemed conditional on no payment or security received by the Security Trustee and/or the Lender or any Lender in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:

30.3.1 the Security Trustee or its nominee may retain this Deed and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Security Trustee deems necessary to provide the Security Trustee with security against any such avoidance, reduction or order for refund; and

30.3.2 the Security Trustee may recover the value or amount of such security or payment from the Client subsequently as if the release, discharge or settlement had not occurred.

30.4 A certificate or determination by the Security Trustee and/or the Lender or any Lender as to any amount of the Secured Liabilities for the time being due to the Secured Parties (or any of them) from the Client under this Deed shall be in the absence of any manifest error, conclusive evidence of the amount due.

30.5 The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this Deed.

30.6 Notwithstanding anything to the contrary in this Deed, neither the obtaining of a moratorium by the Client under schedule A1 to the Insolvency Act 1986 nor the doing of anything by the Client with a view to obtaining such a moratorium (including any preliminary decision or investigation) shall be, or be construed as:

30.6.1 an event under this Deed which causes any floating charge created by this Deed to crystallise;

30.6.2 an event under this Deed which causes any restriction which would not otherwise apply to be imposed on the disposal of any property by the Client; or

30.6.3 a ground under this Deed for the appointment of a Receiver.

31. Notices

31.1 Each notice or other communication required to be given to a party under or in connection with this Deed shall be:

31.1.1 in writing;

31.1.2 delivered by hand, by pre-paid first-class post or other next working day delivery service, by pre-paid airmail providing proof of posting or sent by email; and

31.1.3 sent to:

31.1.3.1 the Client at:

Cleveland House, Yarm Road, Darlington, County Durham, DL1 4DE

Attention: The Directors;

Email: **Phil.heathcock@clevelandbridge.com**;

31.1.3.2 the Security Trustee and the Lender at:

**4Syte Ltd, Second Floor, Steeple House, Church Lane, Chelmsford CM1 1NH,
United Kingdom**

Attention: The Directors

Email: **info@4syte.co.uk**

or to any other address or email address as is notified in writing by one party to the other from time to time.

31.2 Any notice or other communication that the Security Trustee and/or the Lender gives to the Client shall be deemed to have been received:

31.2.1 if delivered by hand, at the time it is left at the relevant address;

31.2.2 if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting;

31.2.3 if sent by pre-paid airmail at 9.00 am on the fifth Business Day after posting; and

31.2.4 if sent by email, when received.

A notice or other communication given as described in clause 31.2.1 or 31.2.4 on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

31.3 Any notice or other communication given to the Security Trustee and/or the Lender shall be deemed to have been received only on actual receipt.

31.4 This clause 31 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

31.5 A notice or other communication given under or in connection with this Deed is not valid if sent by fax.

32. Governing law and jurisdiction

32.1 This Deed and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

32.2 Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this Deed or its subject matter or formation (including non-contractual disputes or claims). Nothing in this clause shall limit the right of the Security Trustee to take proceedings against the Client in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

32.3 The Client irrevocably consents to any process in any legal action or proceedings under clause 32.2 being served on it in accordance with the provisions of this Deed relating to service of notices. Nothing contained in this Deed shall affect the right to serve process in any other manner permitted by law.

IN WITNESS whereof this Deed has been duly executed and delivered on the day and year first above written.

SCHEDULE 1

Property

PART 1

Registered Property

NONE as at the date of this Deed

PART 2

Unregistered Property

NONE as at the date of this Deed

SCHEDULE 2
Relevant Agreements

EXECUTED and DELIVERED as a DEED by)
CLEVELAND BRIDGE UK LIMITED acting)
by John Philip Heathcock)



a director in the presence of:

Witness signature



Witness name

Diana Boon

Address



Occupation

Company Director
Director

**EXECUTED and DELIVERED as a
DEED by 4SYTE LTD in its capacity
as security trustee and security
agent acting by**

)
)
)
)
)
)

a duly authorised signatory in the
presence of:

Witness signature

Witness name

Address

Occupation