



Registration of a Charge

Company name: **SOMERSET HOUSE ENTERPRISES LIMITED**

Company number: **03920330**

Received for Electronic Filing: **19/11/2020**



X9I6GGJK

Details of Charge

Date of creation: **16/11/2020**

Charge code: **0392 0330 0001**

Persons entitled: **SOMERSET HOUSE TRUST**

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 THE ELECTRONIC COPY INSTRUMENT
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION
IS A CORRECT COPY OF THE ELECTRONICALLY SIGNED
ORIGINAL INSTRUMENT.**

Certified by:

CHARLOTTE ELLIOTT



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 3920330

Charge code: 0392 0330 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 16th November 2020 and created by SOMERSET HOUSE ENTERPRISES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 19th November 2020 .

Given at Companies House, Cardiff on 20th November 2020

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

DATED 16 November 2020

SOMERSET HOUSE TRUST (1)

SOMERSET HOUSE ENTERPRISES (2)
LIMITED

SECURITY AGREEMENT

FARRER&Co

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THIS DEED is dated 16 November 2020

BETWEEN

- (1) **SOMERSET HOUSE TRUST**, a company limited by guarantee with registered company number of 03388137 and registered charity number of 1063640, with registered address Somerset House, Strand, London WC2R 1LA (the **Lender**); and
- (2) **SOMERSET HOUSE ENTERPRISES LIMITED**, a limited company with registered company number 03920330, with registered address Somerset House, Strand, London WC2R 1LA (the **Chargor**).

WHEREAS

- (A) The Lender has agreed to make credit facilities available on the terms of the Loan Agreement.
- (B) The Chargor has agreed to provide security to the Lender to secure the payment and discharge of the Secured Liabilities on the terms set out in this Deed.

IT IS AGREED as follows:

1. Interpretation

1.1 Definitions

In this Deed:

Act means the Law of Property Act 1925.

Environmental Approval means any authorisation required by any Environment Law.

Environmental Claim means any claim by any person in connection with:

- (a) a breach, or alleged breach, of an Environmental Law;
- (b) any accident, fire, explosion or other event of any type involving an emission or substance which is capable of causing harm to any living organism or the environment; or
- (c) any other environmental contamination.

Environmental Law means any law or regulation concerning:

- (a) the protection of health and safety;
- (b) the environment; or
- (c) any emission or substance which is capable of causing harm to any living organism or the environment.

Equipment means, in relation to the Chargor, all its fixed and moveable plant, machinery, tools, vehicles, computers and office and other equipment and the benefit of all related authorisations, agreements and warranties.

Fixtures means all fixtures and fittings and fixed plant and machinery on the Mortgaged Property.

Insured Property Assets means all the buildings and erections in or on the Mortgaged Property and all the Chargor's other assets of an insurable nature in or on such buildings or erections.

Intellectual Property Rights means:

- (a) any know-how, patent, trade mark, service mark, design, business name, topographical or similar right;
- (b) any copyright or other intellectual property monopoly right;
- (c) any interest (including by way of licence) in any of the above; or
- (d) any application for any of the above,

in each case, whether registered or not.

Investments means:

- (a) the Shares;
- (b) all other shares, stocks, debentures, bonds or other securities and investments;
- (c) any dividend or interest paid or payable in relation to any of the above; and
- (d) any right, money or property accruing or offered at any time in relation to any of the above by way of redemption, substitution, exchange, bonus or preference under option rights or otherwise.

Loan Agreement means the £250,000 loan agreement dated on or around the date of this Deed between the Chargor and the Lender.

Mortgaged Property means all the real property (if any) specified in Schedule 1 (*Security Assets*) under the heading **Mortgaged Property**.

Party means a party to this Deed.

Receiver means an administrative receiver, receiver and manager or a receiver, in each case, appointed under this Deed.

Relevant Contract means:

- (a) an agreement specified in Schedule 1 (*Security Assets*) under the heading **Relevant Contracts** (if any); and
- (b) any other agreement to which the Chargor is a party and which the Lender has designated a Relevant Contract.

Report on Title means any report on title on the Mortgaged Property addressed and provided at the request of the Lender before the date of this Deed.

Secured Liabilities means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Chargor to the Lender under the Loan Agreement (except for any obligation which, if it were so included, would result in this Deed contravening Section 678 or 679 of the Companies Act 2006).

Security Assets means all assets of the Chargor which are, or are intended to be, the subject of any Security by virtue of this Deed.

Security Interest means a mortgage, charge, pledge, lien, assignment by way of security, retention of title provision, trust or flawed asset arrangement (for the purpose of or which has the effect of granting security) or other security interest securing any obligation of any person or any other agreement or arrangement in any jurisdictions having a similar effect.

Security Period means the period beginning on the date of this Deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

Shares means any shares specified in Schedule 1 (*Security Assets*) under the heading **Shares** (if any).

1.2 Construction

- 1.2.1 Capitalised terms defined in the Loan Agreement have, unless expressly defined in this Deed, the same meaning in this Deed.
- 1.2.2 The provisions of clause 1.2 (*Construction*) of the Loan Agreement apply to this Deed as though they were set out in full in this Deed, except that references to the Loan Agreement will be construed as references to this Deed.
- 1.2.3 Unless a contrary indication appears, any reference in this Deed to:
 - (a) this **Deed** is a reference to this Deed as amended, varied, novated, supplemented and replaced from time to time;
 - (b) **this Security** means any Security created by this Deed;
 - (c) the **Chargor**, the **Lender** or a **Receiver** includes any one or more of its assigns, transferees and successors in title (in the case of the Chargor, so far as any are permitted); and
 - (d) the **Lender** or a **Receiver** includes its duly appointed nominees, attorneys, correspondents, trustees, advisers, agents, delegates and sub-delegates.
- 1.2.4 The terms of the Loan Agreement and of any side letters between any Parties in relation to the Loan Agreement are incorporated in this Deed to the extent required to ensure that any purported disposition of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- 1.2.5 If the Lender considers that an amount paid to it under this Agreement or the Loan Agreement is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.

- 1.2.6 Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of sale of that Security Asset.

1.3 Third Party Rights

- 1.3.1 Unless expressly provided to the contrary in this Deed, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.
- 1.3.2 Notwithstanding any term of this Deed, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.

1.4 Effect as a Deed

It is intended that this document takes effect as a deed notwithstanding the fact that a Party to it may only execute it under hand.

2. Creation of Security

2.1 General

- 2.1.1 All the security created under this Deed:
- (a) is created in favour of the Lender;
 - (b) is created over present and future assets of the Chargor;
 - (c) is security for the payment of all the Secured Liabilities; and
 - (d) is made with full title guarantee (except that the covenant set out in section 3(1) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to all charges, encumbrances and rights, even if the Chargor does not know and could not reasonably be expected to know about them).

2.2 Land

- 2.2.1 The Chargor charges:
- (a) by way of a first legal mortgage, the Mortgaged Property; and
 - (b) to the extent that they are not the subject of a mortgage under Clause 2.2.1(a) by way of first fixed charge all the Chargor's estates or interests in any freehold or leasehold property.
- 2.2.2 A reference in this Clause 2.2 to a mortgage or charge of any freehold or leasehold property includes:
- (a) all buildings, fixtures, fittings and fixed plant and machinery on that property; and
 - (b) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

2.3 Investments

2.3.1 The Chargor charges by way of a first fixed charge its interest in any Investments owned by it or held by any nominee on its behalf.

2.3.2 A reference in this Clause 2.3 to a charge of any stock, share, debenture, bond or other security includes:

- (a) any dividend or interest paid or payable in relation to it; and
- (b) any right, money or property accruing or offered at any time in relation to it by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise.

2.4 Equipment

The Chargor charges by way of a first fixed charge Equipment owned by it and its interest in any Equipment in its possession to the extent it is not charged by way of legal mortgage under Clause 2.2.

2.5 Insurances

The Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights in respect of any Insurance Policy.

2.6 Other Contracts

The Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights in respect of:

- (a) any agreement to which it is a party except to the extent that it is subject to any fixed security created under any other term of this Clause; this includes the agreements (if any) specified in Schedule 1 (*Security Assets*) under the heading **Relevant Contracts**;
- (b) any letter of credit issued in its favour; and
- (c) any bill of exchange or other negotiable instrument held by it.

2.7 Intellectual Property

The Chargor charges by way of a first fixed charge, all of its rights in respect of any Intellectual Property Rights, this includes the patents and trademarks (if any) specified in Schedule 1 (*Security Assets*) under the heading **Specific Intellectual Property Rights** in each case whether registered or not and including all applications for the same.

2.8 Miscellaneous

The Chargor charges by way of first fixed charge:

- (a) any beneficial interest, claim or entitlement it has in any pension fund;
- (b) its goodwill;

- (c) the benefit of any authorisation (statutory or otherwise) held in connection with its use of any Security Asset;
- (d) the right to recover and receive compensation which may be payable to it in respect of any authorisation referred to in paragraph (c) above; and
- (e) its uncalled capital.

2.9 Floating Charge

2.9.1 The Chargor charges by way of a first floating charge all its present and future business, undertaking and assets not at any time otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, charge or assignment under this Clause 2.

2.9.2 Except as provided below, the Lender may by notice to the Chargor convert the floating charge created by the Chargor under this Clause 2.9 into a fixed charge as regards any of the Chargor's assets specified in that notice, if:

- (a) an Event of Default is outstanding; or
- (b) the Lender 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.

2.9.3 The floating charge created by this Clause 2.9 may not be converted into a fixed charge solely by reason of:

- (a) the obtaining of a moratorium; or
- (b) anything done with a view to obtaining a moratorium,

under section 1A of the Insolvency Act 1986.

2.9.4 The floating charge created by the Chargor under Clause 2.9 will automatically convert into fixed charges:

- (a) if the Lender receives notice of an intention to appoint an administrator of the Chargor;
- (b) if any steps are taken (including the presentation of a petition, the passing of a resolution or the making of an application) to appoint a liquidator, provisional liquidator, administrator or Receiver in respect of the Chargor over all or any part of its assets, or if such person is appointed;
- (c) if the Chargor creates or attempts to create any Security Interest over all or any of the Security Assets;
- (d) on the crystallisation of any floating charge over the Security Assets;
- (e) if any person seizes, attaches, charges, takes possession of or sells any Security Asset under any form of distress, sequestration, execution or other process or attempts to do so; and
- (f) in any other circumstances prescribed by law.

- 2.9.5 The floating charge created by this Clause 2.9 is a **qualifying floating charge** for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

3. Representations and Warranties – General

The Chargor makes the representations and warranties set out in this Clause 3 to the Lender.

3.1 Nature of Security

The Chargor represents and warrants to the Lender that this Deed creates those Security Interests it purports to create and is not liable to be amended or otherwise set aside on its liquidation or administration or otherwise.

3.2 Status

It is a limited liability company, duly incorporated and validly existing under the laws of the jurisdiction of its incorporation.

3.3 Legal Validity

The obligations expressed to be assumed by the Chargor in this Deed are legal, valid, binding and enforceable obligations.

3.4 Nature of Security

This Deed creates the Security Interests it purports to create and is not liable to be avoided or otherwise set aside on its liquidation or administration or otherwise.

3.5 Immunity

It is not entitled to claim immunity from suit, execution, attachment or other legal process in any proceedings taken in its jurisdiction of incorporation in relation to this Deed.

3.6 Times for Making Representations and Warranties

- 3.6.1 The representations and warranties set out in this Deed (including in this Clause) are made on the date of this Deed.

- 3.6.2 Unless a representation and warranty is expressed to be given at a specific date, each representation and warranty under this Deed is deemed to be repeated by the Chargor on each date during the Security Period.

- 3.6.3 When a representation and warranty is repeated, it is applied to the circumstances existing at the time of repetition.

4. Restrictions on Dealings

The Chargor may not:

- (a) create or permit to subsist any Security Interest on any Security Asset; or
 - (b) sell, transfer, licence, lease or otherwise dispose of any Security Asset,
- except as expressly allowed under the Loan Agreement.

5. Land

5.1 Title

The Chargor represents to the Lender that except as disclosed in any Report on Title relating to any of its Mortgaged Property:

- (a) it is the legal and beneficial owner of its Mortgaged Property;
- (b) no breach of any law or regulation is outstanding which affects or might affect materially the value of its Mortgaged Property;
- (c) there are no covenants, agreements, stipulations, reservations, conditions, interest, rights or other matters whatsoever affecting its Mortgaged Property;
- (d) nothing has arisen or has been created or is subsisting which would be an overriding interest, or an unregistered interest which overrides first registration or registered dispositions, over its Mortgaged Property;
- (e) no facilities necessary for the enjoyment and use of its Mortgaged Property are enjoyed by that Mortgaged Property on terms entitling any person to terminate or curtail its use;
- (f) it has received no notice of any adverse claims by any person in respect of the ownership of its Mortgaged Property or any interest in it, nor has any acknowledgement been given to any person in respect of its Mortgaged Property; and
- (g) its Mortgaged Property is held by it free from any Security Interest or any tenancies or licences.

5.2 Environmental Matters

The Chargor must:

- (a) obtain all Environmental Approvals it is required to obtain;
- (b) comply in all material respects with any Environmental Approval or Environmental Law applicable to it;
- (c) ensure that the Lender does not incur any liability by reason of any breach by the Chargor of any Environmental Law or Environmental Approval; and
- (d) promptly upon becoming aware notify the Lender of:
 - (i) any Environmental Claim current or, to its knowledge pending or threatened; or
 - (ii) any circumstances reasonably likely to result in an Environmental Claim.

5.3 Repair

The Chargor must keep:

- (a) any buildings or erections in or on the Mortgaged Property in good and substantial repair and condition and adequately and properly painted and decorated; and
- (b) its Fixtures and all plant, machinery, implements and other effects owned by it and which are in or on the Mortgaged Property or elsewhere in a good state of repair and in good working order and condition.

5.4 Insurance

5.4.1 The Chargor must insure its Insured Property Assets against:

- (a) loss or damage by fire;
- (b) other risks normally insured against by persons carrying on the same class of business as that carried on by it; and
- (c) any other risks which the Lender may reasonably require.

5.4.2 Any insurance must be in a sum or sums not less than the replacement value of the Insured Property Assets. For this purpose, **replacement value** means the total cost of entirely rebuilding, reinstating or replacing those Insured Property Assets in the event of their being completely destroyed, together with architects' and surveyors' fees.

5.4.3 Any insurance required under this Clause must be with an insurance company or underwriters acceptable to the Lender.

5.4.4 All moneys received or receivable under any insurance in respect of the Insured Property Assets must be applied:

- (a) in replacing, restoring or reinstating the Insured Property Assets destroyed or damaged or in any other manner which the Lender may agree; or
- (b) after a Default has occurred, if the Lender so directs and the terms of the relevant insurances allow, in or towards satisfaction of the Secured Liabilities.

5.4.5 The Chargor must procure that a note of the Lender's interest is endorsed upon all policies of insurance maintained by the Chargor or any person on its behalf in respect of the Insured Property Assets.

5.4.6 The Chargor may not do or permit anything to be done which may make void or voidable any policy of insurance in connection with any Insured Property Asset.

5.4.7 The Chargor must promptly pay all premiums and do all other things necessary to keep each policy of insurance in respect of its Insured Property Assets in force.

5.4.8 The Chargor must, immediately on demand by the Lender, produce to the Lender the policy, certificate or cover note relating to any insurance policy and the receipt for the payment of any premium for any insurance policy as the Lender may request.

5.5 Compliance with Leases

The Chargor must:

- (a) perform all the terms on its part contained in any lease comprised in the Mortgaged Property; and
- (b) not do or allow to be done any act as a result of which any lease comprised in its Mortgaged Property may become liable to forfeiture or otherwise be terminated.

5.5.2 If the consent of the landlord in whom the reversion of a lease is vested is required for the Chargor to execute a legal mortgage over it, the Chargor will not be required to perform that obligation unless and until it has obtained the landlord's consent. The Chargor must use its reasonable endeavours to obtain the landlord's consent.

5.6 Compliance with Applicable Laws and Regulations

The Chargor must perform all its obligations under any law or regulation in any way related to or affecting its Mortgaged Property.

5.7 Leases

The Chargor may not grant or agree to grant (whether in exercise or independently of any statutory power) any lease or tenancy of the Mortgaged Property or any part of it or accept a surrender of any lease or tenancy or confer upon any person any contractual licence or right to occupy the Mortgaged Property.

5.8 Land Registry

The Chargor consents to a restriction in the following terms being entered into on the Register of Title relating to any Mortgaged Property registered at the Land Registry:

- (a) a restriction in the following terms:

"No disposition of the registered estate by the proprietor of the registered, or by the proprietor of any registered Charge, not being a Charge registered before the entry of this restriction, estate is to be registered without a written consent signed by the proprietor for the time being of the Charge dated 16 November 2020 in favour of Somerset House Trust referred to in the Charges Register (or its conveyancer). (Form P)"; and
- (b) a notice that the Lender is under an obligation to make further advances on the terms and subject to the conditions of the Loan Agreement.

5.9 Deposit of Title Deeds

The Chargor must deposit with the Lender all deeds and documents of title relating to its Mortgaged Property and all local land charges, land charges and Land Registry search certificates and similar documents received by it or on its behalf.

5.10 Access

The Chargor must permit the Lender and any person nominated by it at all reasonable times to enter any part of its Mortgaged Property and view the state of it.

5.11 Investigation of Title

The Chargor must grant the Lender or its lawyers on request all facilities within the power of the Chargor to enable the Lender or its lawyers (at the expense of that Chargor) to:

- (a) carry out investigations of title to the Mortgaged Property; and
- (b) make such enquiries in relation to any part of the Mortgaged Property as a prudent mortgagee might carry out.

5.12 Report on Title

The Chargor must, as soon as practicable after a request by the Lender, provide the Lender with a report on title of the Chargor to the Mortgaged Property concerning those items which may properly be sought to be covered by a prudent mortgagee in a lawyer's report of this nature.

5.13 Power to Remedy

5.13.1 If the Chargor fails to perform any term affecting its Mortgaged Property, the Chargor must allow the Lender or its agents and contractors:

- (a) to enter any part of its Mortgaged Property;
- (b) to comply with or object to any notice served on the Chargor in respect of its Mortgaged Property; and
- (c) to take any action as the Lender may reasonably consider necessary or desirable to prevent or remedy any breach of any such term or to comply with or object to any such notice.

5.13.2 The Chargor must immediately on request by the Lender pay the costs and expenses of the Lender or its agents and contractors incurred in connection with any action taken by it under this Clause 5.13.

6. Investments

6.1 Investments

The Chargor represents to the Lender that:

- (a) its Shares and, to the extent applicable, its other Investments, are fully paid; and
- (b) it is the sole legal and beneficial owner of its Investments.

6.2 Deposit

The Chargor must:

- (a) immediately deposit with the Lender, or as the Lender may direct, all certificates and other documents of title or evidence of ownership in relation to any of its Investments; and

- (b) promptly execute and deliver to the Lender all share transfers and other documents which may be requested by the Lender in order to enable the Lender or its nominees to be registered as the owner of its Investments.

6.3 Changes to Rights

The Chargor may not take or allow the taking of any action on its behalf which may result in the rights attaching to any of its Investments being altered.

6.4 Calls

- 6.4.1 The Chargor must pay all calls or other payments due and payable in respect of any of its Investments.
- 6.4.2 If the Chargor fails to do so, the Lender may pay the calls or other payments on behalf of the Chargor. The Chargor must immediately on request reimburse the Lender for any payment made by the Lender under this Clause 6.4.

7. Intellectual Property

7.1 Representations

The Chargor represents to the Lender that:

- (a) the Intellectual Property Rights owned by it are all of the Intellectual Property Rights required by it in order for it to carry on its business as it is now being conducted;
- (b) it is the sole legal and beneficial owner of those Intellectual Property Rights;
- (c) those Intellectual Property Rights are free of any Security Interests (except for those created by or under this Deed) and any other rights or interests (including any licences) in favour of third parties;
- (d) it does not, in carrying on its business, infringe any Intellectual Property Rights of any third party; and
- (e) to its knowledge, no Intellectual Property Right owned by it is being infringed, nor is there any threatened infringement of any such Intellectual Property Right.

8. Relevant Contracts

8.1 Representations

The Chargor represents to the Lender that:

- (a) all payments to it by any other party to a Relevant Contract to which it is a party are not subject to any right of set-off or similar right;
- (b) each such Relevant Contract is its legally binding, valid and enforceable obligation;
- (c) it is not in default of any of its obligations under any such Relevant Contract;
- (d) there is no prohibition on assignment in any such Relevant Contract; and

- (e) its entry into and performance of this Deed will not conflict with any term of any such Relevant Contract.

8.2 Notices of Assignment

The Chargor must:

- (a) immediately serve a notice of assignment, substantially in the form of Part 1 of Schedule 2 (*Forms of Letter for Relevant Contracts*), on each counterparty to a Relevant Contract to which it is a party; and
- (b) use its reasonable endeavours to procure that each such party acknowledges that notice, substantially in the form of Part 2 of Schedule 2 (*Forms of Letter for Relevant Contracts*).

9. When Security Becomes Enforceable

9.1 Event of Default

This Security will become immediately enforceable:

- (a) on the occurrence of an Event of Default which is continuing; or
- (b) if the Chargor so requests.

9.2 After this Security has become enforceable, the Lender may in its absolute discretion enforce all or any part of this Security in any manner it sees fit.

9.3 The power of sale and other powers conferred by Section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

10. Enforcement of Security

10.1 General

10.1.1 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.

10.1.2 Section 103 of the Act (restricting the power of sale) and Section 93 of the Act (restricting the right of consolidation) do not apply to this Security.

10.1.3 The statutory powers of leasing conferred on the Lender are extended so as to authorise the Lender to lease, make agreements for leases, accept surrenders of leases and grant options as the Lender may think fit and without the need to comply with any provision of section 99 or 100 of the Act.

10.2 No Liability as Mortgagee in Possession

Neither the Lender nor any Receiver will be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

10.3 Privileges

Each Receiver and the Lender is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that Section 103 of the Act does not apply.

10.4 Protection of Third Parties

No person (including a purchaser) dealing with the Lender or a Receiver or its or his agents will be concerned to enquire:

- (a) whether the Secured Liabilities have become payable;
- (b) whether any power which the Lender or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
- (c) whether any money remains due under the Loan Agreement; or
- (d) how any money paid to the Lender or to that Receiver is to be applied.

10.5 Redemption of Prior Mortgages

10.5.1 At any time after this Security has become enforceable, the Lender may:

- (a) redeem any prior Security Interest against any Security Asset; and/or
- (b) procure the transfer of that Security Interest to itself; and/or
- (c) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the Chargor.

10.5.2 The Chargor must pay to the Lender, immediately on demand, the costs and expenses incurred by the Lender in connection with any such redemption and/or transfer, including the payment of any principal or interest.

10.6 Contingencies

If this Security is enforced at a time when no amount is due under the Loan Agreement but at a time when amounts may or will become due, the Lender (or the Receiver) may pay the proceeds of any recoveries effected by it into a suspense account.

11. Receiver

11.1 Appointment of Receiver

11.1.1 Except as provided below, the Lender may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:

- (a) this Security has become enforceable; or
- (b) the Chargor so requests the Lender in writing at any time.

11.1.2 Any appointment under Clause 11.1.1 may be by deed, under seal or in writing under its hand.

- 11.1.3 Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the Act) does not apply to this Deed.
- 11.1.4 The Lender is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under section 1A of the Insolvency Act 1986.
- 11.1.5 The Lender may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Security Assets if the Lender is prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

11.2 Removal

The Lender may by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) 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.

11.3 Remuneration

The Lender may fix the remuneration of any Receiver appointed by it and the maximum rate specified in Section 109(6) of the Act will not apply.

11.4 Agent of the Chargor

- 11.4.1 A Receiver will be deemed to be the agent of the Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. The Chargor is responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for liabilities incurred by a Receiver.
- 11.4.2 The Lender will not incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

11.5 Relationship with the Lender

To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Lender in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

12. Powers of Receiver

- 12.1 A Receiver has all of the rights, powers and discretions set out below in this Clause in addition to those conferred on it by any law; this includes:
 - (a) in the case of an administrative receiver, all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986; and
 - (b) otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act 1986

- 12.2 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.
- 12.3 A Receiver may take immediate possession of, get in and collect any Security Asset.
- 12.4 A Receiver may carry on any business of the Chargor in any manner he thinks fit.
- 12.5 A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he thinks fit.
- 12.6 A Receiver may discharge any person appointed by the Chargor.
- 12.7 A Receiver may raise and borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which he thinks fit.
- 12.8 A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which he thinks fit. The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he thinks fit.
- 12.9 Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the Chargor.
- 12.10 A Receiver may let any Security Asset for any term and at any rent (with or without a premium) which he thinks fit and may accept a surrender of any lease or tenancy of any Security Asset on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender).
- 12.11 A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of any Chargor or relating in any way to any Security Asset.
- 12.12 A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which he thinks fit.
- 12.13 A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Security Asset.
- 12.14 A Receiver may delegate his powers in accordance with this Deed.
- 12.15 A Receiver may lend money or advance credit to any customer of the Chargor.
- 12.16 A Receiver may:
- (a) effect any repair or insurance and do any other act which the Chargor might do in the ordinary conduct of its business to protect or improve any Security Asset;
 - (b) commence and/or complete any building operation; and

- (c) apply for and maintain any planning permission, building regulation approval or any other authorisation.

in each case as he thinks fit.

12.17 A Receiver may:

- (a) do all other acts and things which he may consider desirable or necessary for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;
- (b) exercise in relation to any Security Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Security Asset; and
- (c) use the name of the Chargor for any of the above purposes.

13. Application of Proceeds

13.1 Any moneys received by the Lender or any Receiver after this Security has become enforceable must be applied in the following order:

- (a) **first**, in or towards the payment of any unpaid costs and expenses of the Lender and any Receiver under this Deed or which are incidental to the Receiver's appointment;
- (b) **second**, in or towards payment of or provision for all costs and expenses incurred by the Lender or any Receiver under or in connection with this Deed and of all remuneration due to any Receiver under or in connection with this Deed;
- (c) **third**, in or towards the discharge of liabilities having priority to the Secured Liabilities;
- (d) **fourth**, in or towards payment of or provision for the Secured Liabilities; and
- (e) **fifth**, in payment of the surplus (if any) to the Chargor or other person entitled to it.

13.2 This Clause is subject to the payment of any claims having priority over this Security. This Clause does not prejudice the right of the Lender to recover any shortfall from the Chargor.

14. Expenses and Indemnity

The Chargor must:

- (a) immediately on demand pay all costs and expenses (including legal fees) incurred in connection with this Deed by the Lender, Receiver, attorney, manager, agent or other person appointed by the Lender under this Deed including any arising from any actual or alleged breach by any person of any law or regulation, whether relating to the environment or otherwise; and
- (b) keep each of them indemnified against any failure or delay in paying those costs or expenses.

15. Delegation

- 15.1 The Lender or any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed.
- 15.2 Any such delegation may be made upon any terms (including power to sub-delegate) which the Lender or any Receiver may think fit.
- 15.3 Neither the Lender nor any Receiver will be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.

16. Preservation and Further Assurances

- 16.1 The Chargor must take all steps which are reasonably practicable to maintain and preserve its interests in the Security Assets.
- 16.2 The Chargor must, at its own expense, take whatever action the Lender or a Receiver may require for:
- (a) creating, perfecting or protecting any security intended to be created by this Deed; or
 - (b) facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Lender or any Receiver or any of its delegates or sub-delegates in respect of any Security Asset.

17. Power of Attorney

The Chargor, by way of security, irrevocably and severally appoints the Lender, each Receiver and any of its delegates or sub-delegates to be its attorney to take any action which the Chargor is obliged to take under this Deed. The Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause.

18. Changes to the Parties

- 18.1 The Chargor may not assign or transfer any of its rights or obligations under this Deed.
- 18.2 The Chargor consents to any assignment of the Lender's rights and any transfer of the Lender's obligations under this Deed.
- 18.3 The Chargor shall, immediately upon requested to do so by the Lender and at the cost of the Chargor, enter into such documents as may be necessary or desirable to effect any assignment or transfer referred to in Clause 18.2.

19. Miscellaneous

19.1 Covenant to Pay

The Chargor must pay or discharge the Secured Liabilities in the manner provided for in the Loan Agreement.

19.2 Continuing Security

This Security is a continuing security and shall remain in full force and effect during the Security Period and shall not be discharged by any intermediate discharge or payment on account of the Secured Liabilities or any settlement of account.

19.3 Tacking

19.3.1 For the purposes of section 94(1) of the Act and section 49(3) of the Land Registration Act 2002 the Lender confirms that it shall make any further advances to the Borrower on the terms and subject to the conditions of the Loan Agreement.

19.3.2 The Lender must perform its obligations under the Loan Agreement (including any obligation to make available further advances).

19.4 New Accounts

19.4.1 If the Lender receives notice of any subsequent charge or other interest affecting all or part of any Security Asset, the Lender may open a new account for the Chargor in the Lender's books. Without prejudice to the Lender's right to combine accounts, no money paid to the credit of the Chargor in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.

19.4.2 If the Lender does not open a new account immediately on receipt of notice under Clause 19.4.1, then, unless the Lender gives express written notice to the contrary to the Chargor, all payments made by the Chargor to the Lender shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt of the relevant notice by the Lender.

20. Release

20.1 Upon the irrevocable and unconditional payment and discharge in full of the Secured Liabilities, the Lender shall, unless any third party has any subrogation or other rights in respect of the Security created by this Deed at that time, or shall procure that its appointees will, at the request and cost of the Chargor:

- (a) release the Security Assets from this Deed; and
- (b) re-assign to the Chargor those Security Assets that have been assigned to the Lender pursuant to this Deed.

20.2 Section 93 of the Act shall not apply to this Deed.

21. Partial Invalidity

If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

22. Governing Law

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

22.1 Jurisdiction

- 22.1.1 The English courts have exclusive jurisdiction to settle any dispute including a dispute relating to non-contractual obligations arising out of or in connection with this Deed.
- 22.1.2 The English courts are the most appropriate and convenient courts to settle any such dispute in connection with this Deed. The Chargor agrees not to argue to the contrary and waives objection to those courts on the grounds of inconvenient forum or otherwise in relation to proceedings in connection with this Deed.
- 22.1.3 This Clause 22.1 is for the benefit of the Lender only. To the extent allowed by law the Lender may take:
 - (a) proceedings in any other court; and
 - (b) concurrent proceedings in any number of jurisdictions.
- 22.1.4 References in this Clause 22.1 to a dispute include any dispute as to the existence, validity or termination of this Deed.

This document is executed as a deed and is delivered by the parties or their duly authorised representatives on the date written at the beginning of it.

Schedule 1
Security Assets

Mortgaged Property

N/A

Specific Intellectual Property Rights

N/A

Relevant Contracts

N/A

Shares

N/A

Schedule 2
Forms of Letter for Relevant Contracts

Part 1
Notice to Counterparty

To: [Contract party]

Date:

Dear Sirs,

Security Document dated [●] 2020 between Somerset House Enterprises Limited as the Chargor and Somerset House Trust as the Lender (Security Document)

This letter constitutes notice to you that under the Security Document we have assigned by way of security to [●] (Lender) all our rights in respect of *[insert details of Contract]* (Contract).

We confirm that:

- (a) we will remain liable under the Contract to perform all the obligations assumed by us under the Contract; and
- (b) none of the Lender, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Contract.

We will also remain entitled to exercise all our rights, powers and discretions under the Contract, and you should continue to give notices under the Contract to us, unless and until you receive notice from the Lender to the contrary stating that the security has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given to, the Lender or as it directs.

Please note that we have agreed that we will not amend or waive any provision of or terminate the Contract without the prior consent of the Lender.

This letter is governed by English law.

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Lender at [●].

Yours faithfully,

.....
(Authorised Signatory)
Somerset House Enterprises Limited

Part 2
Acknowledgement of Counterparty

To: Somerset House Trust as Lender

Copy: Somerset House Enterprises Limited

Date:

Dear Sirs,

We confirm receipt from [•] (**Chargor**) of a notice dated [•] of an assignment on the terms of the Security Document dated [•] 2020 of all the Chargor's rights in respect of *[insert details of the Contract]* (**Contract**).

We confirm that we will pay all sums due, and give notices, under the Contract as directed in that notice.

This letter is governed by English law.

Yours faithfully,

.....
(Authorised Signatory)
Counterparty

