



**Registration of a Charge**

Company name: **WESTMINSTER GROUP PLC**

Company number: **03967650**



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Received for Electronic Filing: **23/10/2013**

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**Details of Charge**

Date of creation: **23/10/2013**

Charge code: **0396 7650 0006**

Persons entitled: **OPTIMUS CAPITAL LLP (AS SECURITY TRUSTEE)**

Brief description: **LAND AND BUILDINGS ON THE SOUTH SIDE OF BANBURY ROAD, BLACKLOCKS HILL AND REGISTERED AT THE LAND REGISTRY WITH TITLE NUMBER NN176318; LAND ON THE SOUTH SIDE OF THE KNOWE, BANBURY LANE, OVERTHORPE AND REGISTERED AT THE LAND REGISTRY WITH TITLE NUMBER NN165828; AND LAND BEING THE KNOWE, BLACKLOCKS HILL, OVERTHORPE AND REGISTERED AT THE LAND REGISTRY WITH TITLE NUMBER NN123235**

**Contains fixed charge(s).**

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

**Notification of addition to or amendment of charge.**

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**Authentication of Form**

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

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## 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: **GATELEY LLP**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 3967650

Charge code: 0396 7650 0006

The Registrar of Companies for England and Wales hereby certifies that a charge dated 23rd October 2013 and created by WESTMINSTER GROUP PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 23rd October 2013 .

Given at Companies House, Cardiff on 23rd October 2013



**Companies House**



**THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES**

DATED 23 OCTOBER 2013

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(1) WESTMINSTER GROUP PLC

(2) OPTIMUS CAPITAL LLP

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DEBENTURE

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The terms of this deed are subject to the terms of a deed of priorities entered into prior to the date of this deed and made between (1) HSBC Bank plc (2) the Security Trustee and (3) the Company (each as defined herein) and others.

Ref: RISM  
Draft: FINAL  
Date: 18/6/13

One Eleven  
Edmund Street  
Birmingham  
B3 2HJ

DX 13033 Birmingham-1

t: +44 (0) 121 234 0000  
f: +44 (0) 121 234 0001

[www.gateleyuk.com](http://www.gateleyuk.com)

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DATE: 23 OCTOBER

2013

**PARTIES:**

- (1) **WESTMINSTER GROUP PLC** (registered in England and Wales under number 3967650) whose registered office is at Westminster House Blacklocks Hill Banbury Oxfordshire OX17 2BS (the "**Chargor**"); and
- (2) **OPTIMUS CAPITAL LLP** a limited liability partnership incorporated and registered in England and Wales (registered number OC348019) whose registered address is at 54 Welbeck Street London W1G 9XS as security trustee for the Secured Parties (the "**Security Trustee**").

**1. Definitions and interpretation**

**1.1** In this deed the following definitions will apply:

" <b>Administrator</b> "	any person appointed to be an administrator of the Chargor pursuant to paragraph 14 of Schedule B1 Insolvency Act;
" <b>Business Day</b> "	any day (other than a Saturday, Sunday or public holiday) during which clearing banks in the City of London are open for normal business;
" <b>Borrower</b> "	Westminster Operating Limited incorporated and registered in England and Wales (registered number 8566914);
" <b>Certificate</b> "	each certificate in respect of the Notes;
" <b>Charged Assets</b> "	all property and assets from time to time charged by or pursuant to this deed (and references to the Charged Assets shall include any part of them);
" <b>Companies Act</b> "	the Companies Act 2006;
" <b>Debtor</b> "	any person who is liable (whether as principal debtor or as surety and whether actually or contingently) to discharge or pay a Receivable;
" <b>Default Interest</b> "	any interest accruing in accordance with clause 3;
" <b>Default Rate</b> "	the highest rate of interest payable under the terms of the Instrument;
" <b>Delegate</b> "	any delegate, agent, attorney or co-trustee appointed by the Security Trustee;
" <b>Equipment</b> "	all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations, apparatus and other tangible moveable property for the time being owned by the Chargor, including any part of it and all spare parts, replacements, modifications and additions;
" <b>Event of Default</b> "	shall have the same meaning as is ascribed to the term in the Instrument;

<b>"Fee Letter"</b>	the fee letter(s) between (1) the Chargor (2) the Borrower and (3) Optimus Capital LLP and Langley Capital LLP in relation to monitoring fees payable by the Chargor and the Borrower to them;
<b>"Finance Lease"</b>	any lease or hire purchase contract in relation to vans by any Group Company in place as at the date of this Deed which would, in accordance with the Accounting Principles, be treated as a finance or capital lease;-
<b>"Financial Collateral"</b>	shall have the meaning given to that expression in the Financial Collateral Regulations;
<b>"Financial Collateral Regulations"</b>	the Financial Collateral Arrangements (No 2) Regulations 2003 ( <i>SI 2003/3226</i> );
<b>"Group"</b>	the Chargor and each of its Subsidiaries and the term <b>"Group Company"</b> shall be construed accordingly;
<b>"Guarantee"</b>	the guarantee and indemnity dated prior to the date as this deed granted by the Chargor in favour of the Security Trustee;
<b>"Insolvency Act"</b>	the Insolvency Act 1986;
<b>"Insolvency Event"</b>	means: <ul style="list-style-type: none"> <li>(a) any resolution is passed or order made for the winding-up, liquidation, dissolution, administration or reorganisation of the Security Trustee; or</li> <li>(b) the Security Trustee becomes subject to any insolvency, bankruptcy, reorganisation, receivership, liquidation, provisional liquidation, administration, dissolution or other similar proceedings, whether voluntary or involuntary (and whether or not involving insolvency); or</li> <li>(c) the Security Trustee assigns its assets, or enters into any arrangement, for the benefit of its creditors generally; or</li> <li>(d) the Security Trustee becomes subject to any distribution of its assets, or if any analogous event occurs in any jurisdiction; or</li> </ul>

- (e) the members of the Security Trustee take any formal step in relation to obtaining a moratorium or making a proposal for a voluntary arrangement under Part 1 of the Insolvency Act 1986 or any other suspension of payments with its creditors;

**"Instrument"**

the instrument dated prior to the date of this deed and executed by the Chargor and the Borrower and under which the Borrower constituted the Notes;

**"Insurances"**

any policies of insurance in which the Chargor has an interest from time to time;

**"Intellectual Property"**

all intellectual property rights or equivalent, including:

- (a) patents, registered and unregistered trade and service marks, business names, domain names, copyright, rights in designs, rights in inventions, database rights and topography rights (whether or not registered);
- (b) applications for any or all of the rights in (a) above, together with the right to apply for registration of such rights;
- (c) know-how, trade secrets, confidential information, technical information, customer and supplier lists and any other proprietary knowledge and/or information of whatever nature and howsoever arising,

together with any rights or types of protection of the same or of a similar nature to those listed in (a), (b) or (c) which may subsist anywhere in the world and in each case for their full term (including any reversions or extensions) and/or effect;

**"Intercreditor Deed"**

the deed of priorities dated prior to the date as this deed and made between (1) HSBC Bank plc (2) the Security Trustee and (3) the Chargor and others;

**"Investment Agreement"**

the investment agreement dated prior to the date as this deed and made between (1) the Chargor (2) the Borrower and (3) Optimus Capital LLP;

**"Investor Majority Notice"**

has the meaning given in the Instrument;

**"Legal Reservations"**

means:

- (a) 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;
	(b) the time barring of claims under the Limitation Act 1980 and the Foreign Limitation Periods Act 1984, the possibility that an undertaking to assume liability for or indemnify a person against non payment of UK stamp duty may be void and defences of set off or counterclaim; and
	(c) similar principles, rights and defences under the laws of any relevant jurisdiction;
<b>"LPA"</b>	the Law of Property Act 1925;
<b>"Material Contracts"</b>	any contracts specified in schedule 3;
<b>"Noteholders"</b>	the Original Noteholders and each other holder from time to time of Notes;
<b>"Notes"</b>	the £4,000,000 10% fixed rate secured convertible loan notes of the Chargor and the Borrower;
<b>"Original Noteholders"</b>	the persons listed in Part B of schedule 1;
<b>"Party"</b>	a party to this deed;
<b>"Perfection Requirements"</b>	means the registration of this deed: <ul style="list-style-type: none"> <li>(a) pursuant to section 860 of the Companies Act 2006;</li> <li>(b) (to the extent security is created over real property) at the Land Registry and/or the Land Charges Registry; and</li> <li>(c) (to the extent security is created over intellectual property rights) at the Intellectual Property Office,</li> </ul> in each case together with the payment of associated fees.
<b>"Permitted Disposal"</b>	means any of: <ul style="list-style-type: none"> <li>(a) a disposal of any Charged Asset charged only by way of uncrystallised floating charge and then only for market value and in the ordinary course of business;</li> <li>(b) a disposal of any assets (other than those in paragraph (a) above) the subject of the Security constituted by this deed</li> </ul>

where the aggregate value of all such disposal is no greater than £25,000 in any calendar year;

- (c) a disposal of either any or all of the share capital of Longmoor Security Limited or any or all of the business and assets of Longmoor Security Limited, so long as, if any Event of Default is continuing at the time of any such disposal no Investor Majority Notice in relation to it has been issued pursuant to paragraph 3.2 of Schedule 1 of the Instrument;
- (d) any other disposal of an asset the subject of the Security constituted by this deed where the Security Trustee has given its prior written consent;

**"Permitted Security"**

- (a) liens and rights of set-off securing obligations which are not overdue beyond their standard payment dates, arising by operation of law in the ordinary and usual course of trading over property other than land;
- (b) any Security arising out of title retention provisions in a supplier's standard conditions of supply of goods acquired in the ordinary and usual course of trading;
- (c) any Security granted in terms of the Transaction Documents or with the prior written approval of the Security Trustee or in favour of the Security Trustee;
- (d) any Security granted by Westminster Aviation Security Services Limited to a third party(ies) for the purposes of financing any specific asset(s) of that company in such circumstances where:
  - (i) the lending made in connection with that Security being granted is in an aggregate principal amount of not greater than £4,000,000;
  - (ii) the Security Trustee has been given not less than 10 Business Days prior written notice of such Security being granted; and
  - (iii) no Event of Default is continuing or where there is there has not in relation to that Event of Default been the issue of an Investor Majority Notice pursuant to paragraph 3.2 of Schedule 1 of the

	Instrument;
	(e) any Prior Charge; or
	(f) any Security granted or to be granted by the Chargor in respect of a Refinancing;
<b>"Planning Acts"</b>	the Town and Country Planning Acts 1990 and the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991, the Planning and Compulsory Purchase Act 2004 and any regulations made pursuant to those acts;
<b>"Prior Charge"</b>	the Security, if any, described in schedule 4;
<b>"Property"</b>	any freehold and leasehold property that is a Charged Asset including without limitation, any property specified in schedule 2;
<b>"Receivables"</b>	<p>(a) all present and future book and other debts, rentals, royalties, fees, VAT and monetary claims due or owing to the Chargor and all other amounts recoverable or receivable by the Chargor from other persons or due or owing to the Chargor (whether actual or contingent and whether arising under contract or in any other manner whatsoever);</p> <p>(b) the benefit of all rights and remedies of any nature relating to any of the foregoing including claims for damages and other remedies for non-payment of the same, all entitlements to interest, negotiable instruments, guarantees, indemnities, Security, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights; and</p> <p>(c) all proceeds of any of the foregoing;</p>
<b>"Receiver"</b>	any receiver, manager or receiver and manager appointed by the Security Trustee under this deed;
<b>"Refinancing"</b>	means a refinancing by the Chargor and all or any of the Group Companies with a bank or lender (including, for the avoidance of doubt, HSBC Bank plc) of those facilities provided by HSBC Bank plc to the Chargor and all or any of the Group Companies provided that the financial indebtedness owed by the Chargor and the Group Companies following that refinancing is in aggregate no more than £750,000 and where HSBC Bank plc is being replaced by another bank or lender the Intercreditor Deed is

terminated and any Security granted by the Chargor and the Group Companies to HSBC Bank plc is released;

**"Related Rights"**

in relation to any Securities, means all dividends, distributions and other income paid or payable on such Securities (as the case may be), together with (a) all shares or other property derived from such Securities (as the case may be) and (b) all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to such Securities (whether by way of dividend, distribution, conversion, redemption, bonus, preference, warrant, option to acquire or subscribe or otherwise);

**"Relevant Jurisdiction"**

in relation to the Chargor:

- (a) its jurisdiction of incorporation or organisation;
- (b) any jurisdiction where any Charged Asset is situated; and
- (c) any jurisdiction where it conducts its business;

**"Required Insurance"**

any contract of insurance required under clause 10;

**"Secured Liabilities"**

all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or as principal debtor, guarantor, surety or in any other capacity whatsoever) of the Chargor to the Secured Parties under the Transaction Documents, including any obligations and liabilities of the Chargor to third parties assigned, novated or otherwise vested in any Secured Party together with (i) all interest (including Default Interest), fees, costs, charges and expenses which any Secured Party may charge or incur under the Transaction Documents; (ii) all obligations and liabilities arising under or in connection with any refinancing, novation, refunding, deferral or extension of any obligations or liabilities under the Transaction Documents; and (iii) any amounts which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings, provided that no obligation or liability shall be included in this definition of "Secured Liabilities" to the extent that, if it were so included, this deed (or any part of it) would constitute unlawful financial assistance within the meaning of sections 678

			and 680 of the Companies Act;
<b>"Secured Parties"</b>			the Security Trustee, the Noteholders and any Receiver or Delegate;
<b>"Securities"</b>			all present and future stocks, shares, loan capital, investments, debentures, bonds, warrants, coupons or other securities (whether or not marketable) held by the Chargor (at law or in equity) together with all Related Rights;
<b>"Security"</b>			a mortgage, charge, pledge, trust, assignment by way of security, lien, hypothecation or other encumbrance, arrangement or security interest securing any obligation of any person or any other agreement or arrangement having a similar effect or any title retention rights or set-off rights created by agreement;
<b>"Security Document"</b>			(a) this deed; (b) any other document entered into at any time by the Chargor or any other Group Company creating any guarantee, indemnity, Security or other assurance against financial loss in favour of any of the Secured Parties as security for the Secured Liabilities; and (c) any Security granted under any covenant for further assurance in any of the documents set out in paragraphs (a) and (b) above;
<b>"Security Financial Collateral Arrangement"</b>			has the meaning given to that expression in the Financial Collateral Regulations;
<b>"Spot Rate of Exchange"</b>			the market rate of exchange for the purchase of the relevant currency by the Security Trustee;
<b>"Subsidiary"</b>			a subsidiary within the meaning of section 1159 of the Companies Act 2006;
<b>"Synergy Loan Note Instrument"</b>			the loan note instrument executed by the Chargor dated 29 June 2009 constituting up to £3,000,000 fixed rate secured convertible loan notes 2014;
<b>"Transaction Documents"</b>			(a) this deed; (b) each other Security Document; (c) each Certificate; (d) the Instrument; (e) the Investment Agreement; (f) the Fees Letter; (g) the Guarantee; and

(h) the Intercreditor Deed;

**"Trust Deed"**

the security trust deed dated prior to the date of this deed and entered into between the Security Trustee and the Original Noteholders.

1.2 In this deed, a reference to:

- 1.2.1 a clause or a schedule is, unless otherwise stated, a reference to a clause of, or a schedule to, this deed;
- 1.2.2 a paragraph is, unless otherwise stated, a reference to a paragraph of a schedule;
- 1.2.3 a provision of law includes a reference to that provision as replaced, modified or re-enacted from time to time and any subordinate legislation made under that statutory provision from time to time, in each case whether before or after the date of this deed;
- 1.2.4 any English statutory provision or English legal term for any action, remedy, method of judicial proceeding, document, legal status, court, official or any other legal concept or thing shall, in respect of any person incorporated or resident in any jurisdiction other than England and Wales, be deemed to refer to and include any equivalent or analogous action, remedy, method of judicial proceeding, document, legal status, court, official or other legal concept or thing or what most nearly approximates in that jurisdiction to the relevant English statutory provision or English legal term;
- 1.2.5 a person includes any individual, firm, company, corporation, government, state or agency of state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
- 1.2.6 a **"Party"**, the **"Chargor"**, the **"Security Trustee"**, the **"Borrower"**, any **"Noteholder"** or any **"Secured Party"** shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Security Trustee, any person for the time being appointed as Security Trustee or Security Trustees in accordance with the Transaction Documents;
- 1.2.7 **"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;
- 1.2.8 an Event of Default is **"continuing"** if it has not been remedied or waived;
- 1.2.9 a company shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established;
- 1.2.10 writing shall, subject to clause 30, include any mode of reproducing words in a legible and non-transitory form;
- 1.2.11 this deed or any provision of this deed or any other agreement, document or instrument is to this deed, that provision or that agreement, document or instrument as amended, novated, supplemented, extended or restated; and
- 1.2.12 a time of day is a reference to London time.

- 1.3 The schedules form part of this deed and have the same effect as if expressly set out in the body of this deed and shall be interpreted and construed as though they were set out in this deed.
- 1.4 The contents table and headings in this deed are for convenience only and do not affect the interpretation or construction of this deed.
- 1.5 Words importing the singular include the plural and vice versa and words importing a gender include every gender.
- 1.6 The words "other", "include", "including" and "in particular" do not limit the generality of any preceding words and any words which follow them shall not be construed as being limited in scope to the same class as the preceding words where a wider construction is possible.
- 1.7 For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Instrument, the other Transaction Documents and of any side letters between any parties in relation to any Transaction Document are incorporated into this deed.
- 1.8 "£" and "**sterling**" denotes lawful currency of the United Kingdom.
- 1.9 This deed is subject to the terms of the Intercreditor Deed.
- 1.10 The Security Trustee and the Chargor each acknowledge that the Chargor may wish to engage in a Refinancing in the future. The Security Trustee confirms its consents to a Refinancing and agrees that it will (upon being given reasonable notice) enter into a deed of priority (which is in substance similar to the terms of the Intercreditor Deed) as may be requested by the Chargor from time to time in connection with a Refinancing **PROVIDED THAT:**
- 1.10.1 all sums due and payable pursuant to the loan notes issued under the Synergy Loan Note Instrument have been repaid in full;
- 1.10.2 the Security Trustee is provided with evidence that all Security granted by the Chargor in support of the loan notes issued under the Synergy Loan Note Instrument has been irrevocably released and discharged; and
- 1.10.3 the Security Trustee obtains evidence reasonably satisfactory to it that the terms of clause 7.1.2.1 of the Instrument have been complied with by the Chargor and that prior to the repayment of all sums due and payable pursuant to loan notes issued under the Synergy Loan Note Instrument the Chargor has not increased its facilities with HSBC Bank plc as existing at the date of the Instrument.
- 1.11 For the avoidance of doubt, the Chargor may borrow without limitation on an unsecured basis, provided that the Chargor notifies the Security Trustee before obtaining such borrowing to establish whether the Security Trustee would be willing to lend or arrange the lending of funds on the same commercial basis. If the Security Trustee is willing to lend or arrange the lending of funds on such basis, then the parties shall promptly negotiate in good faith to agree terms, but nothing in this clause shall prevent the Chargor from obtaining unsecured borrowings from third parties.
2. **Covenant to pay**
- The Chargor covenants with the Security Trustee that it will pay or discharge on demand the Secured Liabilities when they fall due.
3. **Default Interest**
- 3.1 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.

- 3.2 Default Interest will be calculated on the basis of the actual number of days elapsed and a year of 365 days. There shall be no charge of interest under this deed where interest is already charged at a default rate under any of the Transaction Documents, so that no party shall make a double recovery of interest where default interest is charged under any such Transaction Document.

#### 4. **Fixed and floating charges and assignment**

##### 4.1 **Fixed charges**

Subject to the terms of the Intercreditor Deed and as a continuing security for the payment of the Secured Liabilities, the Chargor hereby, with full title guarantee, charges, and agrees to charge, in favour of the Security Trustee the following assets which are at any time owned by it or which it is from time to time interested:

- 4.1.1 by way of **first legal mortgage** all the freehold and leasehold property (if any) vested in or charged to the Chargor including any property specified in schedule 2, together with all buildings and fixtures (including trade fixtures) at any time thereon;
- 4.1.2 by way of **first fixed charge** all other interests (not being charged by clause 4.1.1) in any freehold or leasehold property vested in or charged to the Chargor, the buildings and fixtures and fittings (including trade fixtures and fittings) at any time on or attached to such property;
- 4.1.3 by way of **first fixed charge** all proceeds of sale derived from any Property or any buildings, fixtures or fittings (including trade fixtures and fittings) at any time on or attached to any Property, the benefit of all covenants given in respect of any Property or any such buildings, fixtures or fittings and all licences to enter upon or use land and the benefit of all other agreements relating to land;
- 4.1.4 by way of **first fixed charge** all Equipment and all spare parts, replacements, modifications and additions for or to that Equipment and the benefit of all manuals, instructions, warranties, licences and maintenance agreements relating to it;
- 4.1.5 by way of **first fixed charge** all the Securities;
- 4.1.6 by way of **first fixed charge** all rights and interests of the Chargor in, and claims under, the Insurances and all proceeds of such Insurances held by, or written in favour of, the Chargor or in which the Chargor is otherwise interested;
- 4.1.7 by way of **first fixed charge** all its right, title, interest and benefit in and to any accounts of the Chargor for holding money with any bank, financial institution, or other person, all monies standing to the credit of the Chargor from time to time on any and all accounts with any bank, financial institution, or other person and all rights of the Chargor to repayment of any of the foregoing;
- 4.1.8 by way of **first fixed charge** all Intellectual Property;
- 4.1.9 by way of **first fixed charge** all Material Contracts;
- 4.1.10 by way of **first fixed charge** the benefit of all licences, consents, agreements and authorisations held or utilised by the Chargor in connection with its business or the use of any of its assets;



- 4.1.11 by way of **first fixed charge** all Receivables; and
- 4.1.12 by way of **first fixed charge** all the goodwill and uncalled capital of the Chargor.

#### 4.2 Assignment

As a continuing security for the payment of the Secured Liabilities, the Chargor hereby, with full title guarantee, **assigns and agrees to assign** absolutely (subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities) in favour of the Security Trustee all the rights, title, interest and benefit of the Chargor in and to the Insurances (together with all proceeds of such Insurances).

#### 4.3 Floating charge

Subject to the terms of the Intercreditor Deed and as further continuing security for the payment of the Secured Liabilities, the Chargor hereby charges with full title guarantee in favour of the Security Trustee by way of **first floating charge** all its assets and undertaking whatsoever and wheresoever situated both present and future not effectively mortgaged, charged or assigned pursuant to the provisions of clause 4.1 and clause 4.2, including heritable property and all other property and assets in Scotland.

#### 4.4 Qualifying floating charge

Paragraph 14 of schedule B1 Insolvency Act applies to any floating charge created by or pursuant to this deed (and each such floating charge is a qualifying floating charge for the purposes of the Insolvency Act).

### 5. Conversion of floating charge

#### 5.1 Conversion of floating charge by notice

The Security Trustee may, by written notice to the Chargor, convert the floating charge created by this deed into a fixed charge as regards all or any of the Chargor's assets specified in the notice at any time if:

- 5.1.1 an Event of Default has occurred and is continuing; or
- 5.1.2 the Security Trustee in its reasonable opinion 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.

#### 5.2 Automatic conversion of floating charge

The floating charge created by the Chargor under this deed shall (in addition to the circumstances in which the same will occur under general law) automatically be converted into a fixed charge in relation to any of the Charged Assets subject to the floating charge created by clause 4.3 (a "**Floating Charge Asset**"):

- 5.2.1 if, without the Security Trustee's prior written consent, the Chargor creates or attempts to create any Security (other than a Permitted Security) over all or any Floating Charge Asset;
- 5.2.2 if any person levies or attempts to levy any distress, execution, attachment or other process against all or any Floating Charge Asset;
- 5.2.3 if any person presents a petition to wind up the Chargor or applies for an administration order; or
- 5.2.4 upon the enforcement of this deed.

#### 5.3 No waiver

The giving by the Security Trustee of a notice pursuant to clause 5.1 in relation to any class of assets of the Chargor shall not be construed as a waiver or abandonment of the rights of the Security Trustee to serve similar notices in respect of any other class of assets or of any of the other rights of the Security Trustee.

**6. Deferral of rights**

- 6.1 The Chargor warrants to the Security Trustee that it has not taken or received, and agrees not to take, exercise or receive the benefit of any Security or other right or benefit (whether by set-off, counterclaim, subrogation, indemnity, claim in insolvency, proof in liquidation or otherwise and whether from contribution or otherwise, all together "**Rights**") from or against any other Group Company, its liquidator, an administrator, any surety or any other person in respect of any liability of or payment by it under this deed or otherwise in connection with this deed or the Secured Liabilities.
- 6.2 If any Rights are taken, exercised or received by the Chargor, the Chargor declares that such Rights and all monies at any time received or held in respect of such Rights shall be held by it on trust for the Security Trustee (on behalf of the Secured Parties) for application in or towards the discharge of the Secured Liabilities.
- 6.3 The Chargor agrees that all other Rights and all monies from time to time held on trust by it for the Security Trustee (on behalf of the Secured Parties) under or pursuant to clause 6.2 shall be transferred, assigned or, as the case may be, paid to the Security Trustee, promptly following the Security Trustee's demand.
- 6.4 This clause 6 shall apply regardless of whether or not the Chargor has performed its obligations under this deed.

**7. Negative pledge**

The Chargor covenants with the Security Trustee that, during the continuance of the security created by this deed, it shall not without the prior written consent of the Security Trustee:

- 7.1 create, purport to create or permit to subsist any Security (other than a Permitted Security) upon any of the Charged Assets. In the event that Westminster Aviation Security Services Limited wishes to grant Security in accordance with paragraph (d) of the definition of Permitted Security, then the Security Trustee confirms that it shall promptly upon request from Westminster Aviation Security Services Limited release and/or reassign the assets proposed to be charged as Permitted Security from any assignment or fixed security created by this deed. If the Chargor wishes to grant security to a third party which is Permitted Security in accordance with paragraph (d) of that defined term then the Security Trustee hereby agrees to give confirmation to the relevant chargee that its Security will rank ahead of the floating charge granted pursuant to the terms of this Deed; or
- 7.2 save for the Finance Leases, sell, transfer, lease, licence, lend, part possession with, grant any interest in, or otherwise dispose of, whether by a single transaction or a number of transactions and whether related or not, the whole or any part of the Charged Assets save for a Permitted Disposal. In the event that the Chargor wishes to make a Permitted Disposal of a Charged Asset which is subject to a legal mortgage, fixed charge or assignment by way of security pursuant to this deed, then the Security Trustee confirms that it shall promptly upon request from the Chargor release and/or reassign such assets from the security created by this deed.

## 8. **Representations and warranties**

8.1 The Chargor represents and warrants to the Security Trustee on the date of this deed, each Interest Payment Date (as such term is defined in the Instrument) and on each subsequent date that Notes are issued that:

### 8.1.1 **Status**

8.1.1.1 it is a limited company duly organised, validly existing and registered under the relevant laws of its jurisdiction of incorporation;

8.1.1.2 it has the power and all necessary governmental and other consents, approvals, licences and authorities to own its assets and carry on its business as it is being conducted;

### 8.1.2 **Authority**

it is empowered to enter into and perform its obligations contained in this deed and has taken all necessary action to authorise the execution, delivery and performance of this deed, to create the security to be constituted by this deed and to observe and perform its obligations under this deed;

### 8.1.3 **Binding obligations**

the obligations expressed to be assumed by it in this deed are legal, valid, binding and enforceable obligations (subject to the Legal Reservations and the Perfection Requirements);

### 8.1.4 **Non-breach with other obligations**

the entry into and performance by it of, and the transactions contemplated by, this deed and the granting of this deed and security constituted by this deed do not and will not breach:

8.1.4.1 any law or regulation applicable to it;

8.1.4.2 its constitutional documents; or

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

### 8.1.5 **Property**

schedule 2 identifies all freehold and leasehold properties beneficially owned by the Chargor as at the date of this deed; and

### 8.1.6 **Securities**

it is the legal and beneficial owner of the Securities listed against its name in schedule 5 other than where a Permitted Disposal has occurred in accordance with paragraph (c) of that defined term;

## 9. **General covenants of the Chargor**

The Chargor hereby covenants with the Security Trustee that it will:

### 9.1 **Maintenance and use**

maintain all buildings forming part of the Charged Assets to a standard to enable the business of the Chargor to function from them;

## 9.2 Inspection

following the occurrence of an Event of Default which is continuing and the issue of an Investor Majority Notice pursuant to paragraph 3.2 of Schedule 1 of the Instrument:

- 9.2.1 permit the Security Trustee or its designated representatives to have, on reasonable notice, access during normal office hours to its accounts and accounting records and to any books and records relating to the Charged Assets, to inspect and take extracts from and make photocopies of the same and the Chargor shall provide, at its cost and expense, such clerical and other assistance as the Security Trustee may reasonably request; and
- 9.2.2 permit the Security Trustee or its designated representatives to have, on reasonable notice, access during normal office hours to any property or Equipment forming part of the Charged Assets to view, inspect examine and photograph it and all records maintained in connection with it;

## 9.3 Comply with statutes

in relation to the Charged Assets, comply with all relevant obligations under any present or future statute, regulation, order and instrument or under any by-laws, regulations or requirements of any competent authority or other approvals, licences or consents;

## 9.4 Comply with covenants

observe and perform all covenants and stipulations from time to time affecting any part of the Charged Assets, or the manner of use or the enjoyment of the same and shall not, except with the prior written consent of the Security Trustee, enter into any onerous or restrictive obligations affecting any part of the Charged Assets save in the ordinary course of the Chargor's business;

## 9.5 Leases and Licences

- 9.5.1 enforce its rights as landlord under any lease of any Property and perform its obligations as landlord under any lease of any Property and observe and perform all the lessee's covenants in any lease under which it holds any Property;
- 9.5.2 not, except with the prior written consent of the Security Trustee (such consent not to be unreasonably withheld or delayed):
  - 9.5.2.1 part with or share possession or occupation of any Property or confer on any person any lease or other right or licence to occupy any land or buildings forming part of any Property or any licence to assign or sub-let any part of any Property;
  - 9.5.2.2 forfeit, determine, accept or agree to accept the surrender of any lease in relation to any Property or vary the terms of any lease or licence in relation to any Property;
  - 9.5.2.3 agree any rent review of any lease or licence any Property;
  - 9.5.2.4 surrender or agree to surrender any leasehold interest held by it in relation to any Property or allow such interest to be forfeited; or
  - 9.5.2.5 create or permit to arise on any Property any interest having overriding effect or permit any person to become entitled to any right, easement, covenant or other matter which might

adversely affect the use, value or marketability of any Property.

9.5.3 In the event that HSBC Bank plc (or any other chargeholder whose Security ranks in priority to the Security created by this deed) provides its consent to any of the above events listed in this clause 9.5.2, the Security Trustee will be deemed to have also provided its consent.

9.5.4 The restrictions in clause 9.5.2 shall not apply to arrangements and agreements made between the Company and any Group Company that has entered into Security by way of a debenture in favour of the Security Trustee for the Secured Liabilities.

## **9.6 Planning Acts**

not carry out any development within the meaning of the Planning Acts in or upon the Charged Assets or any part of the Charged Assets without first obtaining such permissions as may be required under or by virtue of the Planning Acts;

## **9.7 Deposit of documents and Securities transfers**

Subject to the terms of the Intercreditor Deed and following the occurrence of an Event of Default which is continuing and the issue of an Investor Majority Notice pursuant to paragraph 3.2 of Schedule 1 of the Instrument:

9.7.1 promptly deposit with the Security Trustee all certificates, deeds and documents of title relating to or representing the Charged Assets, original copies of all Material Contracts and all planning consents, building regulation approvals and like documents relating to each Property, together with duly executed transfers or assignments in respect of the Securities with the name of the transferee left blank;

9.7.2 promptly on receipt of the same, provide the Security Trustee with a copy of any report, notices, circulars, accounts, invoice, certificate or other material communication received in respect of or in connection with the Charged Assets;

9.7.3 the Security Trustee may at any time complete the instruments of transfer in respect of the Securities and register the Securities either in its own name or in the name of any nominee any transferee selected by it;

## **9.8 Property acquisitions**

9.8.1 notify the Security Trustee promptly upon the acquisition by it of any freehold or leasehold property (or, if in Scotland, heritable property); and

9.8.2 within 10 business days of demand made to it 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 Chargor pursuant to this clause will be prepared at the cost of the Chargor and will contain terms and conditions that are no more onerous than those contained herein.

## **9.9 The Land Registry**

in respect of any freehold or leasehold land specified in schedule 2 or which it may hereafter acquire and which is registered land (or unregistered land subject to

compulsory first registration), apply to the Chief Land Registrar for the registration of a Restriction against the registered titles in the following terms:

*"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated 2013 in favour of Optimus Capital LLP referred to in the charges register."*

## 10. Insurance

10.1 The Chargor hereby covenants with the Security Trustee that it will ensure that at all times Required Insurances are maintained in full force and effect, which:

10.1.1 insure that the Chargor's interests in the Charged Assets, (including each Property and the plant and machinery on each Property and also including fixtures and improvements) for their full replacement value (being the total cost of entirely rebuilding, reinstating or replacing the relevant asset if it is completely destroyed, together with all related fees and demolition costs) against such risks as a prudent company (or, as the case may be, limited liability partnership) in the same business as the Chargor would insure; and

10.1.2 include property owners' public liability and third party liability insurance.

10.2 The Chargor must procure that the Security Trustee (as agent and trustee for the Secured Parties) is named as co-insured or its interest is noted on a composite basis under each of the Required Insurances (other than public liability and third party liability insurances) but without liability on the part of the Security Trustee or any other Secured Party for any premium in relation to those Required Insurances.

10.3 The Chargor must:

10.3.1 comply with the terms of the Required Insurances and not do or permit anything to be done which may make void or voidable any of the Required Insurances;

10.3.2 comply with all reasonable risk improvement requirements of its insurers.

10.3.3 ensure that each premium for the Required Insurances is paid promptly and in any event prior to the commencement of the period of insurance for which that premium is payable;

10.3.4 ensure that all other things necessary are done so as to keep each of the Required Insurances in force; and

10.3.5 ensure that a copy of each policy in respect of each Required Insurance is supplied to the Security Trustee promptly on request, together with the current premium receipts relating to it.

10.4 If the Chargor fails to comply with any term of this clause, the Security Trustee may, at the expense of the Chargor effect any insurance and generally do such things and take such other action as the Security Trustee may reasonably consider necessary or desirable to prevent or remedy any breach of this clause.

10.5 Prior to where an Event of Default which is continuing has occurred which is continuing and an Investor Majority Notice in relation to that Event of Default has been issued pursuant to paragraph 3.2 of Schedule 1 of the Instrument, the proceeds of any Required Insurances may be used by the Chargor to reinstate the relevant property.

10.6 Where an Event of Default has occurred which is continuing and an Investor Majority Notice in relation to that Event of Default has been issued pursuant to paragraph 3.2 of Schedule 1 of the Instrument, the proceeds of any Required Insurances (other

than those proceeds as are required to be paid to third parties) shall, if the Security Trustee so requires, be applied in reduction of the Secured Liabilities in such order as the Security Trustee sees fit.

## **11. Receivables**

- 11.1 Prior to the occurrence of an Event of Default which is continuing and the issue of an Investor Majority Notice in relation to that Event of Default has been issued pursuant to paragraph 3.2 of Schedule 1 of the Instrument the Chargor may withdraw (or direct any transfer of) all or any part of the monies in any of its bank accounts for its general working capital purposes.
- 11.2 Where an Event of Default has occurred which is continuing and an Investor Majority Notice in relation to that Event of Default has been issued pursuant to paragraph 3.2 of Schedule 1 of the Instrument then immediately on receipt of such notification and thereafter, the Chargor will not attempt or be entitled to withdraw (or direct any transfer of) all or any part of the monies in any of its bank 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.

## **12. Securities**

- 12.1 Prior to the occurrence of an Event of Default which is continuing and the issue of an Investor Majority Notice in relation to that Event of Default pursuant to paragraph 3.2 of Schedule 1 of the Instrument:
  - 12.1.1 the Chargor will be entitled to receive and/or retain any dividends, distributions and other monies paid on or derived from the Securities; and
  - 12.1.2 the Chargor will be entitled to exercise all voting and/or other rights and powers attaching to the Securities, **provided** that it will not exercise any such voting rights or powers in a manner prejudicial to the interests of the Security Trustee under this deed including to have the effect of changing the terms of the Securities (or any class of them), subject always to the Chargor's directors fiduciary duties at common law and statute.
- 12.2 Where an Event of Default has occurred which is continuing and an Investor Majority Notice in relation to that Event of Default has been issued pursuant to paragraph 3.2 of Schedule 1 of the Instrument the provisions of clause 16.2 shall apply.
- 12.3 The Security Trustee will not be under any duty to ensure that any dividends, distributions or other monies payable in respect of those Securities are duly and promptly paid or received by it or its nominee or to verify that the correct amounts are paid or received or to take any action in connection with the taking up of any (or any offer of any) stocks, shares, rights, monies or other property paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus, rights, preference, option, warrant or otherwise on or in respect of or in substitution for, any of those Securities.
- 12.4 It is expressly agreed that, notwithstanding anything to the contrary contained in this deed, the Chargor shall remain liable to observe and perform all of the conditions and obligations assumed by it in respect of the Securities.

## **13. Right of appropriation**

- 13.1 To the extent that:
  - 13.1.1 any of the Charged Assets constitute Financial Collateral; and
  - 13.1.2 this deed and the obligations of the Chargor hereunder 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 Charged Assets in or towards the payment or discharge of the Secured Liabilities in such order as the Security Trustee may, in its absolute discretion, determine.

13.2 The value of any Charged Assets appropriated in accordance with clause 13 shall be the price of that Charged Asset at the time the right of appropriation is exercised as listed on any recognised market index, or determined by such other method as the Security Trustee may select (including independent valuation) or, in the case of cash, shall be the amount of cash appropriated.

13.3 The Chargor agrees that any Charged Assets that are Financial Collateral may, at the Security Trustee's option, be held or designated so as to be under the control of the Security Trustee for all purposes of the Financial Collateral Regulations.

13.4 The Chargor agrees that the methods of valuation provided for in clause 13.2 are commercially reasonable for the purposes of the Financial Collateral Regulations.

#### **14. Enforcement of security**

14.1 The security constituted by this deed shall become immediately enforceable upon the occurrence of an Event of Default which is continuing and where an Investor Majority Notice in relation to that Event of Default has been issued pursuant to paragraph 3.2 of Schedule 1 of the Instrument and the Chargee may, in its absolute discretion, enforce all or any part of the security constituted by this deed in such manner as it sees fit.

14.2 The power of sale and other powers conferred by section 101 LPA (as varied or extended by this deed) shall arise on and be exercisable without further notice at any time after the execution of this deed, but the Chargee shall not exercise such power of sale or other powers until the security constituted by this deed has become enforceable under clause 14.1. Sections 93 and 103 LPA do not apply to the security constituted by this deed.

#### **15. Redemption of prior Security**

At any time after the security created under this deed has become enforceable, the Security Trustee may, at the sole cost of the Chargor (payable to the Security Trustee on demand) redeem any prior Security over any Charged Asset and/or procure the transfer of that Security to itself and/or settle and pass the accounts of any prior mortgagee, chargee or encumbrancer which once so settled and passed shall be conclusive and binding on the Chargor. All money paid by the Security Trustee to such prior mortgagee, chargee or encumbrancer in accordance with such accounts shall form part of the Secured Liabilities.

#### **16. Appointment and powers of Receiver and Administrator**

16.1 At any time after the security constituted by this deed becomes enforceable, or if so requested by the Chargor by written notice at any time, the Security Trustee (or any Delegate on its behalf) may:

16.1.1 without further notice appoint any person (or persons) to be a Receiver of all or any part of the Charged Assets and/or of the income from any Charged Asset; and/or

16.1.2 without further notice appoint any person (or persons) to be an Administrator in respect of the Security Trustee. Such appointment shall take effect, in accordance with paragraph 19 of Schedule B1 Insolvency Act 1986, when the requirements of paragraph 18 of that Schedule B1 are satisfied;



- 16.1.3 exercise in respect of all or any of the Charged Assets all or any of the powers and remedies given to mortgagees by the LPA, including the power to take possession of, receive the benefit of, or sell any of the Charged Assets;
- 16.2 At any time where an Event of Default has occurred which is continuing and an Investor Majority Notice in relation to that Event of Default has been issued pursuant to paragraph 3.2 of Schedule 1 of the Instrument the Security Trustee (or its nominee) may (without consent or authority from the Chargor):
  - 16.2.1 exercise in the name of the Chargor any voting rights attached to the Securities and any other powers or rights exercisable by the registered holder or bearer of the Securities; and
  - 16.2.2 ensure that all dividends, distributions, interest and other monies declared, payable, paid or made in respect of the Securities received by or on behalf of the Chargor shall be held on trust for the Security Trustee (or its nominee) and promptly paid into an account designated by the Security Trustee or, if received by the Security Trustee (or its nominee) or any Delegate, may be applied by the Security Trustee as though they were the proceeds of sale.
- 16.3 The Security Trustee may, subject to any necessary approval from the court, end the appointment of an Administrator and appoint a replacement for any Administrator whose appointment ends for any reason.
- 16.4 The Security Trustee may remove from time to time any Receiver appointed by it and, whenever it may deem appropriate, appoint a new Receiver in the place of any Receiver whose appointment has terminated for whatever reason.
- 16.5 If at any time and by virtue of any such appointment there is more than one Receiver of all or any part of the Charged Assets and/or the income from such Charged Assets, such persons shall have power to act individually (unless the contrary shall be stated in the deed(s) or other instrument(s) appointing them).
- 16.6 If the Security Trustee enforces this deed itself pursuant to clause 16.1.3 it will have the same powers as a Receiver in respect of those Charged Assets which are the subject of the enforcement.
- 16.7 An Administrator shall have all the powers given to him under the Insolvency Act.
- 16.8 Any Receiver shall (in addition to the powers conferred by the LPA and (notwithstanding that he is not an administrative receiver) schedule 1 of the Insolvency Act but without any of the restrictions imposed upon the exercise of those powers by such statutes) have the following powers:
  - 16.8.1 the same powers to do, or to omit to do, in the name of and on behalf of the Chargor, anything which the Chargor itself could have done or omitted to do with such Charged Assets were they not the subject of this deed and the Chargor were not in insolvency proceedings;
  - 16.8.2 to take possession of, collect and get in all or any part of the Charged Assets and/or income in respect of which he was appointed;
  - 16.8.3 to manage the Charged Assets and the business of the Chargor;
  - 16.8.4 to redeem any security and to borrow or raise any money and secure the payment of any money in priority to the Secured Liabilities for the purpose of the exercise of his powers and/or defraying any costs or liabilities incurred by him in such exercise;

- 16.8.5 to alter, improve, develop, complete, construct, modify, refurbish or repair any building or land and to complete or undertake or concur in the completion or undertaking (with or without modification) of any project in which the Chargor is concerned or interested prior to his appointment, being a project for the alteration, improvement, development, completion, construction, modification, refurbishment or repair of any building or land;
  - 16.8.6 to sell or concur in selling, leasing or otherwise disposing of all or any part of the Charged Assets in respect of which he was appointed without the need to observe any restriction imposed by section 103 or 109 LPA;
  - 16.8.7 to carry out any sale, lease or other disposal of all or any part of the Charged Assets by conveying, transferring, assigning or leasing the same in the name of the Chargor and, for that purpose, to enter into covenants and other contractual obligations in the name of, and so as to bind, the Chargor;
  - 16.8.8 to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Trustee shall think fit and without the need to comply with any of the provisions of sections 99 and 100 LPA;
  - 16.8.9 to take any such proceedings, in the name of the Chargor or otherwise, as he shall think fit in respect of the Charged Assets and/or income in respect of which he was appointed, including proceedings for recovery of rent or other monies in arrears at the date of his appointment;
  - 16.8.10 to enter into or make any such agreement, arrangement or compromise as he shall think fit;
  - 16.8.11 to insure, and renew any insurances in respect of, the Charged Assets as he shall think fit, or as the Security Trustee shall direct;
  - 16.8.12 to appoint and employ such managers, officers and workmen and engage such professional advisers as he shall think fit, including, without prejudice to the generality of the foregoing power, to employ his partners and firm;
  - 16.8.13 to operate any rent review clause in respect of any property in respect of which he was appointed or any part of such property and to apply for any new or extended lease; and
  - 16.8.14 to do all such other things as may seem to him to be incidental or conducive to any other power vested in him in the realisation of the security constituted by this deed.
- 16.9 In making any sale or other disposal in the exercise of their respective powers, the Receiver or the Security Trustee or any Delegate may accept, as and by way of consideration for such sale or other disposal, cash, shares, loan capital or other obligations, including consideration fluctuating according to or dependent upon profit or turnover and consideration the amount whereof is to be determined by a third party. Any such consideration may be receivable in a lump sum or by instalments and upon receipt by the Receiver, Security Trustee or Delegate, shall be and become charged with the payment of the Secured Liabilities. Any contract for any such sale or other disposal by the Receiver or the Security Trustee or any Delegate may contain conditions excluding or restricting the personal liability of the Receiver and the Security Trustee and any Delegate.
- 16.10 Any Receiver appointed hereunder shall be the agent of the Chargor and the Chargor shall be solely responsible for his acts and defaults and for his remuneration.

- 16.11 Any Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and the Security Trustee (or failing such agreement to be fixed by the Security Trustee) without the restrictions contained in section 109 LPA.
- 16.12 Only monies actually paid by a Receiver to the Security Trustee in satisfaction or discharge of the Secured Liabilities shall be capable of being applied by the Security Trustee in satisfaction of the Secured Liabilities.
- 16.13 Neither the Security Trustee nor any Receiver or Delegate shall be liable in respect of all or any part of the Charged Assets or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers, unless such loss or damage is caused by its or his gross negligence or wilful misconduct.
- 16.14 Neither the Security Trustee nor any Receiver or Delegate is obliged to take any particular action to collect the Receivables and neither shall be liable to the Chargor for the manner in which it collects or fails to collect any Receivable.
- 16.15 Without prejudice to the generality of clause 16.13, entry into possession of the Charged Assets shall not render the Security Trustee or the Receiver or any Delegate liable to account as mortgagee in possession and if and whenever the Security Trustee or any Receiver or Delegate enters into possession of the Charged Assets, it shall be entitled to any time at its discretion to go out of such possession.
- 16.16 All or any of the powers which are conferred by this deed on a Receiver may be exercised by the Security Trustee or any Delegate without first appointing a Receiver or notwithstanding the appointment of any Receiver.
- 16.17 Except to the extent provided by law, none of the powers described in this clause 16 will be affected by an insolvency event in relation to the Chargor.

**17. Application of proceeds**

- 17.1 All monies received by the Security Trustee or any Receiver or Delegate appointed under this deed shall (subject to the rights and claims of any person having a security ranking in priority to the security constituted by this deed) be applied in accordance with the terms of the Trust Deed.
- 17.2 The provisions of clause 17.1 shall take effect as and by way of variation and extension to the provisions of section 109 LPA, which provisions as so varied and extended shall be deemed incorporated in this deed.

**18. Protection of third parties**

No purchaser from or other person dealing with the Security Trustee or with any Receiver or Delegate shall be obliged or concerned to enquire whether the right of the Security Trustee to appoint a Receiver or Delegate or the right of the Security Trustee or any Receiver or Delegate to exercise any of the powers conferred by this deed in relation to the Charged Assets or any part of the Charged Assets have arisen or become exercisable by the Security Trustee or by any such Receiver or Delegate, nor be concerned with notice to the contrary, nor with the propriety of the exercise or purported exercise of any such powers and the title of such a purchaser and the position of such a person shall not be impeachable by reference to any of those matters.

**19. Clawback**

- 19.1 Any release, discharge or settlement between the Chargor and the Security Trustee shall be deemed conditional upon no payment or security received by the Security Trustee or any other Secured Party 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 or receivership and,

notwithstanding any such release, discharge or settlement the Security Trustee shall be entitled to recover the value or amount of such Security or payment from the Chargor as if such release, discharge or settlement had not occurred.

- 19.2 If any claim of the kind referred to in clause 19.1 is made against the Security Trustee under insolvency laws, the Security Trustee may agree the claim or settle it on any terms it chooses without asking for the Chargor's agreement. If the Security Trustee does agree or settle the claim, the Chargor will be liable under this deed as if a court order had been made containing the terms the Security Trustee has agreed. The Chargor will be responsible for all costs and expenses the Security Trustee properly incurs defending such a claim.

## **20. Waiver of rights**

- 20.1 The obligations of the Chargor under this deed will not be affected by:

- 20.1.1 any time, waiver or consent granted to, or composition with the Chargor or any other person;
- 20.1.2 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargor or any other person or any defective or excessive exercise of the Chargor's powers or authority;
- 20.1.3 any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) termination or replacement of the Secured Liabilities or any document, guarantee or Security related to the Secured Liabilities including any change in the purpose of, any extension of or increase in any facility or the addition of any new facility or other document or Security;
- 20.1.4 any unenforceability, illegality, invalidity, irregularity or frustration of any obligation (actual or purported) of any person under this deed or any other document, guarantee or Security held in connection with the Secured Liabilities;
- 20.1.5 any insolvency, bankruptcy, liquidation, administration, winding-up, dissolution, limitation, disability, the discharge by operation of law or any similar proceedings in respect of the Chargor or any other person; or
- 20.1.6 any other act, omission or circumstance which but for this provision, might operate to exonerate or discharge the Chargor or otherwise reduce or extinguish its liability under this deed.

- 20.2 Without prejudice to the generality of clause 20.1, the Chargor expressly confirms that it intends that the guarantee and indemnity and the Security contained in this deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Transaction Documents and/or any loan or amount made available under any of the Transaction Documents for any purposes, and any fees, costs and/or expenses associated with any of the foregoing.

## **21. Continuing security and Security Trustee's protections**

- 21.1 This deed shall remain in full force and effect as a continuing security until the Security Trustee shall have certified in writing that the Secured Liabilities have been discharged in full.
- 21.2 The Security Trustee may make one or more demands under this deed.
- 21.3 This deed may be enforced without any Secured Party first having:
- 21.3.1 recourse to any other right, remedy, guarantee or Security held or available to it;

- 21.3.2 to take action or obtain judgment in any court against the Chargor or any other person;
- 21.3.3 to make or file any claim in a bankruptcy, liquidation, administration or insolvency of the Chargor or any other person; or
- 21.3.4 to make demand, enforce or seek to enforce any claim, right or remedy against the Chargor or any other person.

## **22. Further assurance and power of attorney**

### **22.1 Further assurance**

- 22.1.1 The Chargor shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Trustee may reasonably specify (and in such form as the Security Trustee may reasonably require in favour of the Security Trustee or its nominee(s)):
  - 22.1.1.1 to perfect the Security created or intended to be created under or evidenced by this deed (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of this deed) or for the exercise of any rights, powers and remedies of the Security Trustee or any other Secured Party provided by or pursuant to this Deed or by law;
  - 22.1.1.2 to confer on the Security Trustee or any other Secured Party Security over any property and assets of the Chargor located in any jurisdiction equivalent or similar (and for the avoidance of doubt no more onerous) to the Security intended to be conferred by or pursuant to this deed; and/or
  - 22.1.1.3 to facilitate the realisation of the assets which are, or are intended to be, the subject of this deed.
- 22.1.2 The Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Trustee or the Secured Parties by or pursuant to the Transaction Documents.
- 22.1.3 Any security document required to be executed by the Chargor pursuant to this clause 22.1 will be prepared at the cost of the Chargor and will contain terms and conditions which are no more onerous than those contained herein.

### **22.2 Power of attorney**

- 22.2.1 The Chargor by way of security irrevocably appoints the Security Trustee and any Receiver or Delegate (in writing under hand signed by an officer of the Security Trustee or any Receiver or Delegate) severally to be its agents and attorneys in its name and on its behalf to:
  - 22.2.1.1 do all things which the Chargor may be required to do under this deed;
  - 22.2.1.2 sign, execute (using the company seal where appropriate), deliver and otherwise perfect any Security required to be signed or executed pursuant to the terms of this deed; and

22.2.1.3 sign, execute (using the company seal where appropriate), deliver and complete any deeds, instruments or other documents and following an Event of Default and for so long as the same is continuing to do all acts and things which may be required by the Security Trustee or any Receiver or Delegate in the exercise of any of their powers under this deed, or to perfect or vest in the Security Trustee, any Receiver or Delegate its nominees or any purchaser, title to any Charged Assets or which they may deem expedient in connection with the getting in, disposal, or realisation of any Charged Assets.

22.2.2 Each agent and attorney may appoint a substitute or delegate his authority. The Chargor ratifies and confirms (and agrees to ratify and confirm) anything which an attorney does under the power of attorney conferred by clause 22.2.1.

### **23. Notice of subsequent Security – new accounts**

23.1 If the Security Trustee receives notice (whether actual or otherwise) of any subsequent Security affecting any part of the Charged Assets and/or the proceeds of sale of the Charged Assets, or the guarantee and indemnity or Security contained in this deed ceases to be continuing for any reason whatsoever it may open a new account or accounts for the Chargor in its books.

23.2 If the Security Trustee does not open a new account immediately on receipt of notice under clause 23.1, then (unless the Security Trustee gives express written notice to the contrary to the Chargor) all payments made by the Chargor to the Security Trustee 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 Security Trustee.

### **24. Currency and set-off**

24.1 All monies received or held by the Security Trustee or any Receiver or Delegate under this deed may be converted from their existing currency into such other currency as the Security Trustee considers necessary or desirable to cover the obligations and liabilities comprised in the Secured Liabilities in that other currency at the Spot Rate of Exchange.

24.2 No payment to the Security Trustee (whether under any judgment or court order or in the liquidation or dissolution of the Chargor or otherwise) shall discharge the obligation or liability of the Chargor in respect of which it was made, unless and until the Security Trustee shall have received payment in full in the currency in which the obligation or liability was incurred and, to the extent that the amount of any such payment shall on actual conversion into such currency fall short of such obligation or liability expressed in that currency, the Security Trustee shall have a further separate cause of action against the Chargor and shall be entitled to enforce the security constituted by this deed to recover the amount of the shortfall.

24.3 If a change in any currency of a country occurs, this deed will, to the extent the Security Trustee (acting reasonably) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice and otherwise to reflect the change in currency.

24.4 The Security Trustee may set-off any obligation due from the Chargor under this deed against any obligation owed by the Security Trustee (in its capacity as agent and trustee of the Secured Parties) to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in

different currencies, the Security Trustee may exercise all such rights and is authorised to effect any necessary conversions at the Spot Rate of Exchange.

24.5 The liabilities referred to in this clause 24 may be actual, contingent, primary, collateral, several or joint liabilities, and the accounts, sums and liabilities referred to in this clause 24 may be denominated in any currency.

24.6 If the relevant obligation or liability is unliquidated or unascertained the Security Trustee may set-off the amount it estimates (in good faith) will be the final amount of such obligation or liability once it becomes liquidated or ascertained.

## **25. Appropriation and suspense account**

25.1 Subject to clause 17 and clause 25.2 and to the terms of the Instrument, the Security Trustee may apply all payments received for the Secured Liabilities to reduce any part of those liabilities as it thinks fit.

25.2 All monies received, recovered or realised by the Security Trustee under this deed may at the discretion of the Security Trustee be credited to any suspense account for so long as the Security Trustee determines (with interest accruing thereon at such rate, if any, as the Security Trustee may determine for the account of the Chargor) without the Security Trustee having any obligation to apply such monies or any part of them in or towards the discharge of any of the Secured Liabilities.

## **26. Payments**

26.1 Subject to clause 26.2, all payments to be made by the Chargor in respect of this deed, shall be made in immediately available funds to the credit of such account as the Security Trustee may designate. All such payments shall be made free and clear of, and without any deduction for, or on account of, any set-off or counterclaim or, except to the extent compelled by law, any deduction on account of any taxes.

26.2 If the Chargor is compelled by law to withhold or deduct any taxes from any sum payable hereunder to the Security Trustee, the sum so payable by the Chargor shall be increased so as to result in the receipt by the Security Trustee of a net amount equal to the full amount expressed to be payable hereunder.

26.3 Subject to clause 26.4 any demand, notification or certificate given by the Security Trustee specifying amounts due and payable under or in connection with any of the provisions of this deed (other than the calculation of interest payable under the Instrument where the Chargor shall calculate the interest in accordance with the terms set out in the Instrument) shall, in the absence of manifest error, be conclusive and binding on the Chargor.

26.4 Other than the calculation of interest payable under the Instrument the Security Trustee will provide such reasonable evidence to the Chargor as to the amounts payable under or in connection with any of the provisions of this deed.

## **27. Costs, expenses and indemnities**

27.1 The Chargor shall reimburse the Security Trustee, any Receiver, any Delegate and any Administrator in respect of all reasonable expenses, including reasonable legal, valuation, accountancy and consultancy fees (and any value added or similar tax thereon) incurred by the Security Trustee, any Receiver, any Delegate or any Administrator in connection with:

27.1.1 the negotiation, preparation, execution and completion of this deed, or any of the documents referred to herein; and

27.1.2 any actual or proposed amendment, replacement, restatement or extension of, or any waiver or consent under, this deed.

- 27.2 The Chargor shall reimburse the Security Trustee, any Receiver, any Delegate and any Administrator for all costs and expenses, including legal fees (and any value added or similar tax thereon) properly incurred in connection with the enforcement, attempted enforcement or preservation of any of their respective rights under this deed, or any of the documents referred to herein.
- 27.3 The Chargor will on demand indemnify the Security Agent (and every Receiver, Administrator, Delegate and any of its and their officers and employees (each an **"Indemnified Party"**) in respect of all costs, losses, actions, claims, expenses, demands or liabilities which may be incurred by, or made against any of them at any time out of:
- 27.3.1 of the powers contained in this deed;
- 27.3.2 any breach by the Chargor of any of its obligations under this deed;
- unless, in the case of clause 27.3.1, it was caused by the negligence or wilful misconduct of the Indemnified Party.
- 27.4 No Indemnified Party shall in any way be liable or responsible to the Chargor for any loss or liability of any kind arising from any act or omission by it of any kind (whether as mortgagee in possession or otherwise) in relation to the Charged Assets, except to the extent caused by its own negligence or wilful misconduct.
- 27.5 The Chargor shall pay all present and future stamp, registration and similar taxes or charges which may be payable, or determined to be payable, in connection with the execution, delivery, performance or enforcement of this deed or any judgment given in connection therewith.
28. **Assignment and transfer**
- 28.1 The Security Trustee may assign or transfer all or any part of its rights under this deed to any person who is a Noteholder. The Chargor may not assign, transfer, charge, make the subject of a trust or deal in any other manner with this deed or any of its rights under this deed or purport to do any of the same without the prior written consent of the Security Trustee.
- 28.2 The Security Trustee shall resign if an Insolvency Event occurs in relation to it and it shall assign or transfer its rights to any person who is a Noteholder by giving notice to the Secured Parties and the Chargor.
29. **Third party rights**
- 29.1 Subject to clauses 29.2 and 29.3, a person who is not a party to this deed shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or rely upon a provision of this deed. No party to this deed may hold itself out as trustee of any rights under this deed for the benefit of any third party unless specifically provided for in this deed. This clause 29.1 does not affect any right or remedy of any person which exists, or is available, otherwise than pursuant to the Contracts (Rights of Third Parties) Act 1999.
- 29.2 Any person to whom the benefit of any provision of this deed is assigned in accordance with the terms of the Transaction Documents is entitled under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this deed which confers (expressly or impliedly) any benefit on any such person.
- 29.3 Any Receiver or Delegate may, subject to the Contracts (Rights of Third Parties) Act 1999 rely on any clause of this deed which expressly confers rights on it.
- 29.4 Notwithstanding any other provision of this deed (including clause 29.3) the Security Trustee and the Chargor may, by agreement in writing, rescind, terminate or vary any of the provisions in this deed or waive or settle any right or claim under it in any way



without the consent of any third party and, accordingly, section 2(1) of the Contracts (Rights of Third Parties) Act 1999 shall not apply.

**30. Notices**

30.1 Any notice given pursuant to this deed shall be in writing signed by, or on behalf of, the person issuing the notice. Any notice shall be delivered by hand or by prepaid recorded delivery first class post (or registered airmail in the case of an address for service outside the United Kingdom) to:

30.1.1 in the case of the Chargor that set out in the same row as its name in the last column of the table in schedule 2:

30.1.2 in the case of the Security Trustee:

address: 54 Welbeck Street, London W1G 9XS

marked for the attention of: Campbell Gordon

or, in relation to any Party, such other address for service in the United Kingdom as that Party may from time to time notify to the other Parties.

30.2 In the absence of evidence of earlier receipt and subject to clause 30.3, a notice served in accordance with clause 30.1 shall be deemed to have been received:

30.2.1 if delivered by hand, at the time of actual delivery to the address referred to in clause 30.1;

30.2.2 if delivered by prepaid recorded delivery first class post, two Business Days from the date of posting; and

30.2.3 if delivered by registered airmail, five Business Days from the date of posting.

30.3 If deemed receipt under clause 30.2 occurs on a day which is not a Business Day or after 5.00 p.m. on a Business Day, the relevant notice shall be deemed to have been received at 9.00 a.m. on the next Business Day.

30.4 For the avoidance of doubt, notice given under this deed shall not be validly served if sent by e-mail.

**31. General**

31.1 No variation to this deed shall be effective unless made in writing and signed by or on behalf of all the parties to this deed. A waiver given or consent granted by the Security Trustee under this deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

31.2 Each provision of this deed is severable and distinct from the others. If at any time any provision of this deed is or becomes unlawful, invalid or unenforceable to any extent or in any circumstances for any reason, it shall to that extent or in those circumstances be deemed not to form part of this deed but (except to that extent or in those circumstances in the case of that provision) the legality, validity and enforceability of that and all other provisions of this deed shall not be affected in any way.

31.3 If any provision of this deed is found to be illegal, invalid or unenforceable in accordance with clause 31.2 but would be legal, valid or enforceable if some part of the provision were deleted, the provision in question shall apply with such modification(s) as may be necessary to make it legal, valid or enforceable.

31.4 The failure or delay in exercising a right or remedy provided by this deed or by law does not constitute a waiver of that (or any other) right or remedy. No single or partial exercise, or non-exercise or non-enforcement of any right or remedy provided

by this deed or by law prevents or restricts any further or other exercise or enforcement of that (or any other) right or remedy.

31.5 The Security Trustee's rights and remedies contained in this deed are cumulative and not exclusive of any rights or remedies provided by law.

31.6 This deed may be executed in any number of counterparts each of which when executed and delivered shall be an original. All the counterparts together shall constitute one and the same document.

**32. Governing law and jurisdiction**

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

32.2 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this deed (including a dispute relating to the existence, validity or termination of this deed or any non-contractual obligation arising out of or in connection with this deed) (a "**Dispute**").

32.3 The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

32.4 Clauses 32.2 to 32.4 are for the benefit of the Security Trustee only. As a result, the Security Trustee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Trustee may take concurrent proceedings in any number of jurisdictions.

**IN WITNESS** whereof the Chargor has duly executed this deed as a deed and it is delivered on the date first set out above.

**SCHEDULE 1 -  
Original Noteholders**

<b>Name and registered office/address</b>	<b>Company number (if applicable) or where not in England and Wales place of incorporation</b>	<b>Notes Held</b>
Bruce Neil Carnegie-Brown 8 Woodborough Road London SW15 6PZ	N/A	£100,000
Personal Pension Trustees Limited as trustee of the Premier SIPP (W Brown) 6 Crutched Friars London EC3N 2PH	1782357	£20,000
Viscount Ridley Blagdon Hall Seaton Burn Newcastle Upon Tyne NE13 6DD	N/A	£250,000
Gypsum Limited IOMA House Hope Street Douglas Isle of Man IM1 1AP	Isle of Man	£200,000
The Premier Trust Re Campbell Gordon 8 Gerald Road London SW1W 9EQ	N/A	£50,000
Anthony Joseph Alt 7 Gerald Road London SW1W 9EH	N/A	£25,000
Heritage Private Equity SPV Limited 2 Cranwell House La Route Du Picquerel L'Islet Guernsey GY2 4SD	Guernsey	£250,000

The London Capital Co. Limited 31 Dover Street London W1S 4ND	05411336	£50,000
Loeb Aron & Company Ltd 30 City Road London EC1Y 2AG	03194858	£25,000
Thesis Unit Trust Management Limited acting as manager of The Thesis Headway Fund Exchange Building St John's Street Chichester West Sussex PO19 1UP	03508646	£75,000
Reyker Nominees Ltd 17 Moorgate London EC2R 6AR	02056221	£72,500
Lawshare Nominees Limited Trafford House Chester Road Manchester M32 0RS	02777448	£30,000

## **SCHEDULE 2**

### **Property**

All that freehold:

- 1) land and buildings on the south side of Banbury Road Blacklocks Hill as registered at the Land Registry with Title Number NN176318;
- 2) land on the south side of The Knowe Banbury Lane Overthorpe as registered at the Land Registry with Title Number NN165828; and
- 3) land being The Knowe Blacklocks Hill Overthorpe as registered at the Land Registry with Title Number NN123235.

**SCHEDULE 3**  
**Material Contracts**

**[if none state intentionally blank]**

## SCHEDULE 4

### Prior Charges

WESTMINSTER GROUP PLC	Debenture in favour of HSBC Bank plc dated 22 May 2001
WESTMINSTER GROUP PLC	Legal Charge in favour of HSBC Bank plc dated 11 June 2001

**SCHEDULE 5**  
**Securities**



**CHARGOR**

EXECUTED and DELIVERED as a )  
DEED by WESTMINSTER GROUP PLC )  
acting by a director in the presence of: )

  
Director

Witness Signature

Witness Name DIANE GREENLAND .

Address 66, GASINGTON ROAD '  
BANBURY  
OXON

Occupation ADMIN ASSISTANT '

**CHARGEES**

SIGNED by on behalf of OPTIMUS )  
CAPITAL LLP: )  
)

.....  
Member