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

MR01**Particulars of a charge****IRIS Laserform**

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


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

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

☒ **What this form is NOT for**
You may not use this form to
register a charge where there is no
instrument Use form MR08

For further information, please
refer to our guidance at
www.companieshouse.gov.uk

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

 You **must** enclose a certified copy of the instrument with this form. This must be scanned and placed on the public record

FRIDAY



A03 *A3AFB460* #231
COMPANIES HOUSE

1 Company details

Company number 0 4 5 3 8 8 4 8

Company name in full Pocket Living Limited

☒ For official use

→ **Filing in this form**
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 01 03 2006 12 01 14

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

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

Name Lloyds Bank plc

Name

Name

Name

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

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

MR01

Particulars of a charge

4

Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Continuation page

Please use a continuation page if you need to enter more details

Description

5

Fixed charge or fixed security

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

☒ Yes

☐ No

6

Floating charge

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

☒ Yes Continue

☐ No Go to Section 7

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

☐ Yes

7

Negative Pledge

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

☒ Yes

☐ No

MR01

Particulars of a charge

8

Trustee statement ①

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

☐

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

9

Signature

Please sign the form here

Signature

Signature

X Squire Patton Boggs (UK) LLP

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

MR01

Particulars of a charge



Presenter information

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name Emma Perez (EP1/LLO 279-0051)

Company name Squire Patton Boggs (UK) LLP

Address 2 Park Lane

Post town Leeds

County/Region

Postcode L S 3 1 E S

Country England

DX

Telephone +44 (0113) 284 7000



Certificate

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



Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

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



Important information

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



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'.



Where to send

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

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

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

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



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4538848

Charge code: 0453 8848 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 13th June 2014 and created by POCKET LIVING LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 20th June 2014.

Given at Companies House, Cardiff on 25th June 2014



Companies House



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

DATED

13 JUNE

2014

POCKET LIVING LIMITED

as the Chargor

(1)

and

LLOYDS BANK PLC

as the Chargee

(2)

**ASSIGNMENT AND CHARGE OF MEMBER'S
INTERESTS IN POCKET LIVING (2013) LLP**

Squire Sanders (UK) LLP
2 Park Lane
Leeds
LS3 1ES
United Kingdom
DX 26441 Leeds

O +44 113 284 7000
F +44 113 284 7001

Reference LLO 279-51

We hereby certify that this is a
true and correct copy of the original

Dated 19 June 2014

Squire Patton Boggs (UK) LLP

SQUIRE PATTON BOGGS (UK) LLP
2 PARK LANE
LEEDS
LS3 1ES

save for material redacted
pursuant to s.859A of
the Companies Act 2006

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DATE OF THIS DEED

13 JUNE

2014

PARTIES

- (1) **POCKET LIVING LIMITED** registered in England with company number 04538848 whose registered office is at First Floor, 14 Floral Street, London WC2E 9DH (the "**Chargor**"), and
- (2) **LLOYDS BANK PLC** (the "**Chargee**")

INTRODUCTION

- A The Chargee is willing to make certain loan facilities available to the LLP on the terms and subject to the conditions set out in the Facility Agreement
- B It is a condition precedent to the making of loans under the Facility Agreement that the Chargor shall have executed and delivered this Charge
- C The Chargee and the Chargor intend this Charge to take effect as a deed notwithstanding that the Chargee may have executed it under hand only

IT IS AGREED THAT:

1 INTERPRETATION

1.1 Definitions

In this Charge the following terms have the meanings given to them in this Clause

"Assigned Rights" means all the rights and benefits of the Chargor under and pursuant to the Partnership Documents

"Charge" means this deed, which is a Finance Document

"Charged Interests" means the Chargor's right to participate in and receive and profits from income or capital of the LLP and the right to receive capital of the LLP on the terms set out in the Partnership Documents

"Company" means the Chargor

"Discharge Date" means the date with effect from which the Chargee confirms to the Chargor that all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full and all relevant commitments of the Chargee cancelled

"Encumbrance" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect

"Expenses" means

- (a) all costs and expenses set out in clause 16.1 (*Transaction expenses*) of the Facility Agreement, and

- (b) all costs or expenses and legal and other professional fees in each case calculated on a full indemnity basis and together with VAT, incurred by any Secured Party or any other party in connection with or incidental to enforcing or exercising any power under this deed, the appointment of any Receiver, Delegate or an administrator, the breach of any provision of this deed and / or the protection, realisation or enforcement of this deed, and includes the costs of transferring to the Chargee or Receiver any security ranking in priority to the security constituted by this deed, or the amount required to be paid to secure the unconditional and irrevocable discharge of such security (if applicable)

"Facility Agreement" means the £30,000,000 term loan property development facility agreement dated on or about the date of this deed and made between, amongst others, (1) the LLP as borrower and (2) the Chargee as lender, as the same may be varied, amended, modified, supplemented or replaced

"Interest" means interest at the rate provided in and calculated and compounded as agreed in accordance with the Facility Agreement both before and after judgement from time to time

"LLP" means Pocket Living (2013) LLP (registered number OC OC385056)

"Partnership Documents" means

- (a) an LLP agreement dated 13 May 2013 entered into between, amongst others, the Chargor and the LLP,
- (b) an LLP agreement dated 31 October 2013 entered into between, amongst others, the Chargor and the LLP (the **"LLP Agreement"**), and
- (c) a deed of variation to the LLP Agreement dated on or about 23 May 2014 and entered into between, amongst others, the Chargor and the LLP,

"Receiver" means a receiver and manager or any other receiver (whether appointed pursuant to this Charge or any statute, by a court or otherwise) of all or any of the Secured Assets and shall, where permitted by law, include an administrative receiver

"Related Rights" means, in relation to any asset

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

"Secured Assets" means

- (a) the Charged Interests, and

(b) the Assigned Rights,

in each case whether held directly by or to the order of the Chargor or by any custodian, nominee, fiduciary, clearance system or other similar person on its behalf (and all rights against any such person)

"Secured Obligations" means all indebtedness and all obligations or liabilities of any kind which may now or at any time in the future be due, owing or incurred, actual or contingent by the Obligors to the Secured Parties whether incurred alone or jointly including but not limited to those under the Finance Documents, whatever their nature or basis, in any currency or currencies and however they are described together with charges, commission, Interest and Expenses

"Secured Parties" means the Chargee and any Receiver

"Security" means the security created or intended to be created by this Charge

"Security Period" means the period beginning on the date of this deed and ending on the Discharge Date

1 2 Defined Terms

Unless this Charge provides otherwise or the context otherwise requires, a term which is defined (or expressed to be subject to a particular construction) in the Facility Agreement shall have the same meaning (or be subject to the same construction) in this Charge

1 3 Certificates

Any certification or determination by the Chargee of a rate or amount of any Secured Obligation owed to it shall be, in the absence of manifest error, conclusive evidence of the existence and amount of such Secured Obligation

1 4 Third Party Rights

(a) The terms of this Charge may be enforced only by a party to it and the operation of the Contracts (Rights of Third Parties) Act 1999 is excluded, provided that any Receiver and any other Secured Party may rely on and enforce this Charge

(b) The parties to this Charge may vary or rescind this Charge without the consent of any third party

1 5 Clause and Schedule Headings

(a) Unless otherwise stated, any reference in this Charge to a Clause or a Schedule shall be construed as a reference to a clause or a schedule to this Charge

(b) Clause and Schedule headings are for ease of reference only and shall not affect the construction of this Charge

2 COVENANT TO PAY

2 1 Covenant to Pay

The Chargor hereby, as primary obligor and not merely as surety, covenant with the Chargee that they will pay, discharge and perform the Secured Obligations when due and demanded and in the manner provided in the Finance Documents

2 2 Interest

Any amount which is not paid under this deed on the due date shall bear interest (as well after as before judgment) payable on demand at the Default Rate from time to time from the due date until the date of actual unconditional and irrevocable payment and discharge of such amount in full, save to the extent that interest at such rate on such amount and for such period is charged pursuant to the Finance Documents relevant to that liability and itself constitutes part of the Secured Obligations

2 3 Limitation

Notwithstanding any other provision of the Finance Documents, it is expressly agreed and understood that

- (a) the sole recourse of the Chargee to the Chargor under this deed is to the Chargor's interest in the Secured Assets, and
- (b) the liability of the Chargor to the Chargee pursuant to this deed shall be
 - (i) limited in aggregate to an amount equal to that recovered as a result of enforcement of this deed, and
 - (ii) satisfied only from the proceeds of sale or other disposal or realisation of the Secured Assets in accordance with this deed

3 FIXED CHARGES

The Chargor with full title guarantee and as continuing security for the payment and discharge of the Secured Obligations, charges in favour of the Chargee by way of first fixed charge all the Chargor's present and future right, title and interest in and to and the benefit of (but only if and to the extent the rights in question have not been effectively assigned pursuant to Clause 4 (*Assignments*) or such rights have been effectively assigned but such assignment has not been perfected by the service of an appropriate notice of assignment) all of the Charged Interests and Related Rights

4 ASSIGNMENTS

4 1 Assignments

The Chargor, with full title guarantee and as continuing security for the payment and discharge of the Secured Obligations, assigns absolutely to Chargee all its present and future right, title and interest in and to and the benefit of the Partnership Documents and Related Rights provided that if any of those rights are not effectively assigned by this clause, the assignment shall instead operate as an assignment of all sums, of any nature, which the Chargor may derive from those rights

4.2 Notice of Assignment

The Chargor shall promptly upon the execution of this Charge give notice of the assignments effected pursuant to Clause 4.1 (*Assignments*) by sending a notice of assignment in a form acceptable to the Chargee to the LLP and each of the members of the LLP and the Chargor shall use all its reasonable endeavours to procure that within 28 days of the date of the relevant notice of assignment the recipient thereof acknowledges the same in the form of the acknowledgement attached to such notice of assignment

5 FLOATING CHARGE

5.1 Creation of Floating Charge

The Chargor, with full title guarantee and as continuing security for the payment and discharge of the Secured Obligations, charges in favour of the Chargee by way of a first floating charge all its undertaking and assets whatsoever and wheresoever both present and future, not effectively charged pursuant to Clause 3 (*Fixed Charges*) or effectively assigned pursuant to Clause 4 (*Assignments*)

5.2 Conversion of Floating Charge

(a) The Chargee may, by notice to the Chargor, convert the floating charge created under this Charge with immediate effect into a fixed charge if

- (i) the Security becomes enforceable in accordance with Clause 9 (*Enforcement of Security*),
- (ii) the Chargee in good faith considers any of the Secured Assets to be in danger of being seized or sold under or pursuant to any form of distress, attachment, execution or other legal process or otherwise to be in jeopardy, or
- (iii) the Chargee considers such conversion to be necessary or desirable to protect the priority of the Security,

and such fixed charge shall apply to all assets subject to the floating charge unless and to the extent that such notice otherwise specifies

(b) The floating charge created under this Charge shall (in addition to the circumstances in which the same will occur under general law) automatically be converted into a fixed charge (without notice) as regards all the assets subject to the floating charge at such time

- (i) upon the convening of a meeting of the members of the LLP to consider a resolution to wind up the LLP,
- (ii) upon the presentation of a petition to wind up the LLP or the presentation or making of an application for a warrant of execution or a third party debt order or charging order in respect of any of the Secured Assets subject to the floating charge under this Charge,

- (iii) upon the issue and notice of distraint by HM Revenue and Customs or other competent authority, or
- (iv) if the Chargor fails to comply with its covenant in Clause 8.2 (*Negative Pledge and Disposals*) of this Charge,

provided that nothing in this Charge shall cause the floating charge to crystallise by reason of the LLP obtaining or of anything being done with a view to the LLP obtaining a moratorium under Section 1A of and Schedule A1 to the Insolvency Act 1986

- (c) The giving of notice by the Security Agent pursuant to paragraph (a) above in relation to any of the Secured Assets shall not be construed as a waiver or abandonment of the right of the Security Agent to serve similar notices in respect of any other of the Secured Assets or of any other of the rights of the Secured Parties (or any of them) under any Finance Document

6 CONTINUING SECURITY

6.1 Continuing and Independent Security

The Security shall constitute and be continuing security which shall not be released or discharged by any intermediate payment or settlement of all or any of the Secured Obligations, shall continue in full force and effect until the end of the Security Period and is in addition to and independent of, and shall not prejudice or merge with, any other security (or any right of set-off) which the Chargee or any other Secured Party may hold at any time for the Secured Obligations or any of them

6.2 Immediate Recourse

No Secured Party shall be obliged before exercising any of the rights conferred on it by this Charge or by law to seek to recover amounts due from the Chargor or to exercise or enforce any other rights or security it may have or hold in respect of the Secured Obligations or any of them

6.3 New Accounts

If the Chargee receives notice of any Encumbrance created or arising after the date of this Charge in respect of the Secured Assets or any of them or makes demand of the Chargor for payment of any or all of the Secured Obligations

- (a) the Chargee may open a new account or accounts in respect of any or all of the Secured Obligations (and if it does not do so it shall be treated as if it had done so at the time it received such notice or made such demand), and
- (b) thereafter any amounts paid to the Chargee in respect of the Secured Obligations, or realised or recovered by the Chargee under this Charge, shall be credited to a new account (or be treated as having been so credited) and not applied (or be treated as having been applied) in or towards payment of all or any of the Secured Obligations

6.4 Avoidance of Payments

Where any release, discharge or other arrangement in respect of any Secured Obligation or any Encumbrance which any Secured Party may hold for such Secured Obligation is given or made in reliance on any payment or other disposition which is avoided or must be repaid in an insolvency, liquidation or otherwise, and whether or not such Secured Party has conceded or compromised any claim that any such payment or other disposition will or should be avoided or repaid, this Debenture and the Security shall continue as if such release, discharge or other arrangement had not been given or made

6.5 Waiver of Defences

Neither the obligations of the Chargor under this Charge, nor the Security and the rights, powers and remedies conferred on the Chargee by this Charge or by law shall be discharged, impaired or otherwise affected by

- (a) the winding-up, dissolution, administration or reorganisation of the Company or the LLP or any other person or any change in the status, function, control or ownership of the LLP or any Chargee or any such person,
- (b) any of the Secured Obligations or any other security held by the Chargee or any other Secured Party in respect thereof being or becoming illegal, invalid, unenforceable or ineffective in any respect,
- (c) any time or other indulgence being granted or agreed to or with the LLP or any other person in respect of the Secured Obligations or any of them or in respect of any other security held by the Chargee or any other Secured Party in respect thereof,
- (d) any amendment to, or any variation, waiver or release of, the Secured Obligations or any of them or any other security, guarantee or indemnity held by the Chargee or any other Secured Party in respect thereof,
- (e) any total or partial failure to take or perfect any security proposed to be taken in respect of the Secured Obligations or any of them,
- (f) any total or partial failure to realise the value of, or any release, discharge, exchange or substitution of, any other security, guarantee or indemnity held by the Chargee or any other Secured Party in respect of the Secured Obligations or any of them, or
- (g) any other act, event or omission which might operate to discharge, impair or otherwise affect the obligations of the Chargor under this Charge, the Security or any of the rights, powers and remedies conferred on the Chargee and the other Secured Parties by this Charge or by law

6.6 No Competition

Any right which the Chargor may have by way of subrogation, contribution or indemnity in relation to the LLP or any other person or its estate in competition with the Chargee or any other Secured Party, shall be exercised by the Chargor only if and to the extent that the Chargee so requires and in such manner and upon such terms as the Chargee may specify and the Chargor shall hold any moneys, rights or security held or received by it as a result of the exercise of any such rights on trust

for the Chargee for application in accordance with the terms of this Charge as if such moneys, rights or security were held or received by the Chargee under this Charge.

6 7 Appropriation

Neither the Chargee nor any other Secured Party shall be obliged to apply any sums held or received by it in respect of the Secured Obligations in or towards payment of the Secured Obligations and any such sum shall be held by or paid to the Chargee for application pursuant to the terms of this Charge provided that any such sum may be credited to a suspense or impersonal account and held in such account pending the application from time to time of such sums in or towards discharge of the Secured Obligations

7 REPRESENTATIONS AND WARRANTIES

The Chargor makes the representations and warranties set out in Clauses 7 1 (*Binding Obligations*) to 7 9 (*No Security from the LLP*) to the Chargee and acknowledges that Chargee has entered into the Facility Agreement to which it is party in reliance on such representations and warranties

7 1 Binding Obligations

The obligations expressed to be assumed by it in this Charge are, subject to the Legal Reservations, legal and valid obligations binding on and enforceable against them in accordance with the terms of this Charge which constitutes a first priority fixed charge over the Charged Interests and an assignment of the Assigned Rights and no limit on their powers will be exceeded as a result of the creation of the Security or the performance of their obligations under this Charge

7 2 No conflict

The Chargor's execution of this Charge and the exercise of its rights and performance of its obligations under this Charge do not and will not conflict with

- (a) any agreement, mortgage, bond or other instrument or treaty to which they are a party or which is binding upon them or any of their assets or, except as provided in this Charge or the other Transaction Security Documents, result in a requirement for the creation of any Encumbrance over any of their assets in any way,
- (b) in the case of the LLP, the Partnership Documents and any other constitutional requirements, or
- (c) any applicable law, regulation or official or judicial order

7 3 All Actions Taken

All acts, conditions and things required to be done, fulfilled and performed in order to

- (a) enable them lawfully to enter into, exercise their rights under and perform and comply with the obligations expressed to be assumed by them in this Charge,

(b) ensure that the obligations expressed to be assumed by them in this Charge are legal, valid, binding and enforceable, and

(c) make this Charge admissible in evidence in England,

have been done, fulfilled and performed

7.4 No Deductions or Withholdings

The Chargor will not be required to make any deduction for or withholding on account of Tax from any payment they may make under this Charge

7.5 No Filing or Stamp Taxes

It is not necessary that this Charge be filed, recorded or enrolled with any court or other authority in England or that any stamp, registration or similar Tax be paid on or in relation to this Charge save that, in the case of the Company, it is registrable under the Companies Act 2006

7.6 No Winding-up

The Company has not taken any corporate action nor have any other steps been taken or legal proceedings been started or (to the best of its knowledge and belief) threatened against it for its winding-up, dissolution, administration or reorganisation or for the appointment of a Receiver or similar officer of it or of any or all of its assets or revenues nor have any steps which are similar or which would have similar effect been taken, whether in its jurisdiction of incorporation or elsewhere

Any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 10 days of commencement shall be excluded from this Clause 7.6

7.7 No Adverse Interests

(a) Subject only to the Security, no person other than the Chargor has any legal or beneficial interest (or any right to claim any such interest) in the Secured Assets and the LLP has not received notice of any such claim

(b) The Chargor has not transferred, mortgaged, charged or otherwise disposed of (or agreed to transfer, mortgage, charge or otherwise dispose of), whether by way of security or otherwise, the benefit of all or any of its right, title and interest in and to the Secured Assets or any part of the Secured Assets

7.8 Secured Assets

(a) The Chargor is the sole beneficial owners of each of the Secured Assets and it and/or its nominees are the legal owner of the Secured Assets

(b) The Secured Assets are within the Chargor's disposition and control and the terms of each Secured Asset and the Partnership Documents do not restrict or otherwise limit the Chargor's ability to transfer, mortgage, charge or otherwise grant security in respect of any of the Secured Assets

- (c) The Chargor will not take any action whereby the rights attaching to, or the Security over, the Secured Assets are altered, diluted or otherwise adversely affected except with the prior written consent of the Chargee
- (d) Save as otherwise expressly permitted under the Facility Agreement, the Chargor has not sold or granted any rights of pre-emption over or agreed to sell or grant any right of pre-emption over or otherwise disposed of or agreed to dispose of the benefit of all or any of its rights, title, interests or benefits in, to or in respect of all or any of the Secured Assets

7 9 No Security from the LLP

The Chargor has not requested or taken any Encumbrance from the LLP for any obligations or liabilities of the LLP to it

7 10 Repetition

The representations and warranties set out in Clauses 7 1 (*Binding Obligations*) to 7 9 (*No Security from the LLP*)

- (a) shall survive the execution of the Facility Agreement and each drawdown under the Facility Agreement, and
- (b) are made on the date of this Charge and, save in the case of paragraph (d) of Clause 7 8 (*Secured Assets*), are deemed to be repeated on each Utilisation Date and on the first day of each Interest Period during the Security Period with reference to the facts and circumstances then existing

8 UNDERTAKINGS

8 1 Authorisations

The Chargor shall obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all Authorisations required in or by the laws of England to enable it lawfully to enter into and perform its obligations under this Charge and to ensure the legality, validity, enforceability and admissibility in evidence in England of this Charge

8 2 Negative Pledge and Disposals

The Chargor will not

- (a) create or permit to subsist any Encumbrance over all or any of the Secured Assets other than Encumbrances constituted by or created pursuant to the Transaction Security Documents, or
- (b) dispose of any of the Secured Assets except to the extent and in the manner expressly permitted under the Facility Agreement and the Transaction Security Documents

8 3 Matters represented

- (a) The Chargor shall not

- (i) take any action which would cause any of the representations made in Clause 7 (*Representations and Warranties*) to be untrue or incorrect in any respect at any time during the Security Period, or
 - (ii) do or permit to be done anything which could reasonably be expected to prejudice the Security
- (b) The Chargor shall notify the Chargee of the occurrence of any event which results in (or could reasonably be expected to result in) any of the representations contained in Clause 7 (*Representations and Warranties*) being untrue or incorrect in any respect when made or when deemed to be repeated

9 DIVIDENDS, VOTING AND RESTRICTIONS

9.1 Before Security Enforceable

Unless and until the Security has become enforceable the Chargor shall continue to be entitled to

- (a) receive and retain all dividends, interest and other monies arising from the Charged Interests; and
- (b) exercise all their voting rights in relation to the Assigned Rights,

provided that the Chargor shall not exercise such voting rights, or otherwise permit or agree to (i) any variation of the rights attaching to or conferred by all or any part of the Secured Assets or (ii) any increase in the capital of the LLP, in any manner which, in the opinion of the Chargee, would, or would be reasonably likely to, impair the value of, or prejudice the ability of the Chargee to realise, the Security

9.2 After Security Enforceable

At any time after the Security has become enforceable the Chargee shall be entitled to cause the Secured Assets to be registered in its name or transferred absolutely to it and may at its discretion (in the name of the Chargor or otherwise and without any further consent or authority from the Chargor)

- (a) exercise or refrain from exercising any voting rights in respect of the Assigned rights and revoke, or cause to be revoked, any proxies given pursuant to Clause 9.1 (*Before Security Enforceable*),
- (b) apply all dividends, interest and other monies arising from the Charged Interests as if they were proceeds of sale under this Charge,
- (c) exercise or refrain from exercising the rights of a legal owner of the Secured Assets, including the right, in relation to any company whose shares or other securities are included in the Secured Assets, to concur or participate in
 - (i) the reconstruction, amalgamation, sale or other disposal of the LLP or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence thereof),

- (ii) the realisation, modification or variation of any rights or liabilities attaching to any such shares or securities, and
- (iii) the exercise, renunciation or assignment of any right to subscribe for any such shares or securities,

in each case in such manner and on such terms as the Chargee may think fit

10 FURTHER ASSURANCE

The Chargor shall from time to time and at the Chargor's expense, give all such assurances and do all such things as the Chargee may require or consider desirable to enable the Chargee to perfect, preserve or protect the Security or the priority of the Security or to exercise any of the rights conferred on the Chargee or the Secured Parties by this Charge or by law and to that intent the Chargor shall execute all such instruments, deeds and agreements, obtain all consents, approvals and other Authorisations necessary to create legally and validly, without any breach of contract or duty, the fixed charges envisaged under Clause 3 (*Fixed Charges*) and/or the assignments envisaged under Clause 4 (*Assignments*) shall give all such notices and directions as the Chargee may consider expedient

11 ENFORCEMENT OF SECURITY

11.1 Security Enforceable

The Security shall become immediately enforceable

- (a) if an Event of Default has occurred and is continuing,
- (b) after a proposal has been made for a voluntary arrangement (save where any moratorium under the Insolvency Act 2000 is applied for or is in force, when no demand shall be made until any application is rejected or upon the expiry of such moratorium) in respect of the LLP,
- (c) if the LLP requests the Chargee to appoint an administrator pursuant to Schedule B1 of the Insolvency Act 1986 or a Receiver,
- (d) if so requested by the LLP, or
- (e) any corporate action or other steps are taken or legal proceedings are started by or in respect of in respect of the LLP with a view to the appointment of an administrator pursuant to Schedule B1 of the Insolvency Act 1986

11.2 Enforcement

At any time after the Security has become enforceable, the Chargee shall be entitled to in its absolute discretion enforce all or any part of the Security and exercise any of the rights conferred on it by this Charge or by law at such times and in such manner as it thinks fit

11.3 Power of Sale

At any time after the Security has become enforceable, the Chargee may (without notice to the LLP or the Chargor) sell or otherwise dispose of the Secured Assets or any of them and shall be entitled to apply the proceeds of such sale or other disposal in paying the costs of such sale or disposal and thereafter in or towards the discharge of the Secured Obligations or otherwise as provided for in this Charge

11.4 Statutory Powers

For the purposes of all powers implied by statute, the Secured Obligations shall be deemed to have become due and payable on the date of this Charge

12 RECEIVERS

12.1 Appointment of Receivers

At any time after the Security has become enforceable or if the LLP requests it to do so, the Chargee may, by written instrument and without notice to the Chargor or the LLP, appoint any one or more persons as Receiver of such part of the Secured Assets as may be permitted by law

12.2 Status of Receivers

Each Receiver shall

- (a) be entitled to act individually as well as jointly with any other person appointed as Receiver, and
- (b) for all purposes be deemed to be the agent of the LLP and the Chargor (and no Receiver shall at any time act as agent for the Chargee) and shall as such agent be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Law of Property Act 1925

12.3 Powers of a Receiver

- (a) Every Receiver appointed pursuant to Clause 12.1 (*Appointment of Receivers*) shall have and be entitled to exercise all of the powers set out in paragraph (b) below in addition to (i) all the powers conferred by the Law of Property Act 1925 (as extended by this Charge) on any receiver appointed under such Act and (ii) (whether or not such Receiver is an administrative receiver) all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986
- (b) The powers referred to in the first sentence of paragraph (a) above are
 - (i) to take immediate possession of, get in and collect all or any part of the Secured Assets over which he is appointed,
 - (ii) the entering into of contracts and the repudiation, rescission or variation of any contract to which the Chargor or the LLP is a party so far as (in each case) they relate to the Secured Assets,
 - (iii) to sell, lease, exchange, grant options or licences over, convert into money and realise or otherwise deal with, all or any part of the

Secured Assets over which he is appointed by public auction or private contract and generally in such manner and on such terms as it shall think proper. Without prejudice to the generality of the foregoing, it may do any of these things for a consideration consisting 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 such period as it may think fit,

- (iv) to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the LLP or relating in any way to the Secured Assets over which he is appointed or any part thereof,
- (v) to bring, prosecute, enforce, defend and abandon any actions, suits and proceedings in relation to the Secured Assets over which he is appointed or any part thereof as may seem to it to be expedient,
- (vi) to give valid receipts for all moneys and execute all assurances and things which it may think proper or desirable for realising the Secured Assets over which he is appointed, and
- (vii) to do all such other acts and things as it may consider desirable or necessary for realising all or any part of the Secured Assets over which he is appointed or incidental or conducive to any of the matters, powers or authorities conferred on a Receiver under or by virtue of this Charge, to exercise in relation to all or any part of the Secured Assets over which he is appointed all such powers, authorities and things as it would be capable of exercising if it were the absolute beneficial owner of the same, and to use the name of the LLP for all or any of such purposes

12.4 Removal and Remuneration

- (a) The Chargee may whenever it may deem it expedient (and so far as it is lawfully able), by written instrument (i) remove any Receiver appointed by it and (ii) appoint a new Receiver in the place of any Receiver whose appointment has been terminated and may from time to time fix the remuneration of any Receiver appointed by it without the limitations imposed by Section 109 of the Law of Property Act 1925
- (b) The LLP shall be solely responsible for the payment of the remuneration of any Receiver appointed pursuant to this Charge

12.5 Chargee's Rights

To the fullest extent permitted by law, all or any of the powers, authorities and discretions which are conferred by this Charge (either expressly or impliedly) upon a Receiver in respect of the Secured Assets may, after the Security has become enforceable, be exercised by the Chargee in relation to the whole or any part of the Secured Assets irrespective of whether or not a Receiver of all or any part of such Secured Assets has been appointed

13 APPLICATION OF PROCEEDS

Any moneys held or received by the Chargee or by any Receiver under or pursuant to this Charge shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied by the Chargee or by such Receiver at such times as the Chargee or the Receiver considers expedient, in the following order of priority

- (a) in or towards payment of any amounts payable to the Chargee for its own account or for the account of any agent or co-trustee appointed by it under or in connection with this Charge (including any remuneration payable to the Chargee or by it as aforesaid),
- (b) in or towards payment of all costs, charges, expenses and remuneration incurred by or payable to any Receiver,
- (c) in or towards payment of all other Secured Obligations, and
- (d) after the end of the Security Period, in payment of the surplus (if any) to the Chargor or such other person as may be entitled thereto

14 POWER OF ATTORNEY

14 1 Grant of power

The Chargor irrevocably and by way of security appoints the Chargee and each Receiver and any person nominated for the purpose by the Chargee or the Receiver (in writing, under hand, signed by an officer of the Chargee or by the Receiver) severally to be the attorney of the Chargor (with full power of substitution and delegation) for the purposes set out in clause 14 2 below

14 2 Extent of power

The power of attorney granted in clause 14 1 above allows the Chargee, the Receiver or such nominee, in the name of the Chargor, on its behalf and as its act and deed to

- (a) perfect the security given by the Chargor under this deed,
- (b) do any act or thing which the Chargor ought or has agreed to execute or do under this deed, and
- (c) following the occurrence of an Event of Default which is continuing, execute, seal and deliver (using the Chargor's seal where appropriate) any document which the Chargee, the Receiver or such nominee may in their absolute discretion consider appropriate in connection with the exercise of any of the rights, powers, authorities or discretions of the Chargee or the Receiver under, or otherwise for the purposes of, this deed

14 3 Ratification

The Chargor covenants with the Chargee to ratify and confirm all acts or things made, done or executed by any attorney exercising or purporting to exercise the powers conferred in accordance with this clause 14

15 PROTECTION OF CHARGEES AND RECEIVERS

15.1 No Liability as Mortgagee in Possession

Neither the Chargee nor any Receiver shall, by reason of it or such Receiver entering into possession of all or any part of the Secured Assets or taking any action permitted by this Charge, be liable to account as mortgagee in possession or otherwise be liable for any loss of any kind or for any default or omission for which a mortgagee in possession might be liable

15.2 Receivers and Mortgagees

Each Receiver and the Chargee shall be entitled to all the rights, powers, privileges and immunities conferred by the Law of Property Act 1925 (as extended by this Charge) on mortgagees and receivers when such receivers have been duly appointed thereunder and the Company alone shall be responsible for the Chargee's and each Receiver's contracts, engagements, acts, omissions, defaults and losses and for all liabilities incurred by either of them and none of the Secured Parties shall incur any liability therefor (either to the Company or to any other person)

16 PROTECTION OF THIRD PARTIES

No purchaser, mortgagee or other person or company dealing with the Chargee or any Receiver or the agents of any of them shall have any need to enquire whether the Secured Obligations have become due and payable, or whether any power which the Chargee or any Receiver is purporting to exercise has become exercisable or whether any of the Secured Obligations remains outstanding nor to have regard to the application of any money paid to the Chargee or to such Receiver

17 DELEGATION BY CHARGEES

The Chargee may at any time and from time to time delegate by power of attorney or in any other manner to any person or persons all or any of the powers, authorities and discretions which are for the time being exercisable by the Chargee under this Charge in relation to all or any part of the Secured Assets. Any such delegation may be made upon such terms (including power to sub-delegate) and subject to such regulations as the Chargee may think fit. The Chargee shall not be in any way liable or responsible to the LLP or the Chargors for any loss or damage arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate

18 REDEMPTION OF PRIOR MORTGAGES

The Chargee may, at any time after the Security has become enforceable, redeem any prior Encumbrance over all or any part of the Secured Assets or procure the transfer of such Encumbrance to itself and may settle and pass the accounts of the prior mortgagee, chargee or encumbrancer. Any accounts so settled and passed shall be conclusive and binding on the LLP and the Chargor. All principal moneys,

interest, costs, charges and expenses of and incidental to such redemption and transfer shall be paid by the Chargor to the Chargee on demand

19 RELEASE OF THE SECURITY

After the end of the Security Period, the Chargee shall, at the request and cost of the LLP, execute all such documents and do such other things as may be required to release the Secured Assets from the Security, subject to Clause 24 2 (*Potentially Avoided Payments*), without recourse to or any representation or warranty by or from the Chargee

20 COSTS AND EXPENSES

20 1 Transaction Costs

The Chargor shall from time to time within three Business Days of demand reimburse the Chargee on a full indemnity basis for all costs and expenses (including legal fees), incurred by, or any remuneration payable to, the Chargee in connection with the negotiation, preparation, execution and perfection of this Charge and the implementation of the arrangements contemplated in this Charge

20 2 Preservation and Enforcement Costs

The Chargor shall, from time to time within three Business Days of demand by the Chargee, reimburse each Secured Party on a full indemnity basis for all costs and expenses (including legal fees) incurred in or in connection with the preservation and/or enforcement of any of the rights of such Secured Party under this Charge

20 3 Taxes

The Chargor shall promptly pay all stamp, registration, documentary and other Taxes, including any penalties, fines, supplements, surcharges or interest relating to such Taxes, to which this Charge or any judgment given in connection with this Charge is or at any time may be subject and shall from time to time on demand of the Chargee indemnify each Secured Party against any liabilities, costs, claims and expenses (including legal fees) resulting from any failure to pay or any delay in paying any such Tax

20 4 Indemnity

The Chargor shall indemnify and hold harmless the Chargee and any and every Receiver on demand from and against any and all costs, claims, losses, expenses (including legal fees) and liabilities, and any VAT thereon, which the Chargee or a Receiver may incur as a result of the occurrence of any Event of Default, the enforcement of the Security or the exercise or enforcement by the Chargee or a Receiver of any of the rights conferred on it or them by this Charge or by law

20 5 Value Added Tax

- (a) All amounts expressed to be payable under this Charge by the Chargor to a Secured Party shall be exclusive of any VAT. If VAT is chargeable on any supply made by a Secured Party to the Chargor under this Charge (whether that supply is taxable pursuant to the exercise of an option or otherwise), the

Chargor shall pay to that Secured Party (in addition to and at the same time as paying that consideration) an amount equal to the amount of the VAT as further consideration

- (b) No payment or other consideration to be made or furnished to the Chargor or the LLP pursuant to or in connection with this Charge may be increased or added to by reference to (or as a result of any increase in the rate of) any VAT which shall be or may become chargeable in respect of any taxable supply
- (c) Where this Charge requires any party to reimburse a Secured Party for any costs or expenses, that party shall also pay any amount of those costs or expenses incurred referable to VAT charged thereon

21 ASSIGNMENTS AND TRANSFERS

21 1 The Chargor's Rights

None of the rights and benefits of the Chargor under this Charge shall be capable of being assigned or transferred and the Chargor undertakes not to seek to assign or transfer all or any of such rights and benefits

21 2 The Chargee's Rights

The Chargee may assign or transfer all or any of its rights and benefits under this Charge without the consent of the Chargor

22 REMEDIES AND WAIVERS

No failure by the Chargee to exercise, nor any delay by the Chargee in exercising, any right or remedy under this Charge shall operate as a waiver thereof nor shall any single or partial exercise of any such right or remedy prevent any further or other exercise thereof or the exercise of any other such right or remedy

23 SET-OFF

The Chargee may (to the extent that the same is beneficially owned by it), but shall not be obliged to, set off its rights in respect of any matured Secured Obligation against any matured obligation owed by the Chargee to the LLP, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Chargee may convert either obligation at a market rate of exchange in its usual course of business for the purpose of effecting such set-off

24 ADDITIONAL PROVISIONS

24 1 Partial Invalidity

If at any time any provision of this Charge is or becomes illegal, invalid or unenforceable in any respect or any or all of the Security is or becomes ineffective in any respect under the law of any jurisdiction, such illegality, invalidity, unenforceability or ineffectiveness shall not affect

- (a) the legality, validity or enforceability of the remaining provisions of this Charge or the effectiveness in any other respect of such Security, or
- (b) the legality, validity or enforceability of such provision or the effectiveness of such Security under the laws of any other jurisdiction

24.2 Potentially Avoided Payments

If the Chargee determines that an amount paid to it under any Finance Document is capable of being avoided, reduced or otherwise set aside on the liquidation or administration of the person by whom such amount was paid, then for the purposes of this Charge, such amount shall be regarded as not having been paid and the liability of the Company under this Charge and the Security shall continue

24.3 Currency Conversion

In order to apply any sum held or received by the Chargee or a Receiver in or towards payment of the Secured Obligations, the Chargee or such Receiver may purchase an amount in another currency and the rate of exchange to be used shall be that at which, at such time as it considers appropriate, the Chargee or such Receiver is able to effect such purchase

24.4 Currency Indemnity

If any sum due from the Company under this Charge or any order or judgment given or made in relation to this Charge has to be converted from the currency (the "**first currency**") in which the same is payable under this Charge or under such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Company, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to this Charge, the Company shall indemnify and hold harmless the Secured Party from and against any loss it suffers or incurs as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Secured Party may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof

24.5 Rights Cumulative

The rights and remedies provided by this Charge are cumulative and not exclusive of any rights or remedies provided by law

24.6 Unfettered Discretion

Any liberty or power which may be exercised or any determination which may be made under this Charge by the Chargee or any Receiver may be exercised or made in its absolute and unfettered discretion without any obligation to give reasons

25 NOTICES

25 1 Communications in Writing

Any communication to be made under or in connection with this Charge shall be made in writing and, unless otherwise stated, may be made by fax or letter

25 2 Addresses

The address and fax number (if relevant) (and the department or officer, if any, for whose attention the communication is to be made) of each party for any communication or document to be made or delivered under or in connection with this Charge is that identified with its name below or any substitute address, fax number or department or officer as the party may notify to the other by not less than five Business Days' notice

25 3 Delivery

Any communication or document made or delivered by one person to another under or in connection with this Charge will only be effective

- (a) if by way of fax, when received in legible form, or
- (b) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 25 2 (*Addresses*), if addressed to that department or officer

25 4 Delivery to Chargee

Any communication or document to be made or delivered to the Chargee will be effective only when actually received by the Chargee and then only if it is expressly marked for the attention of the department or officer identified with the Chargee's signature below (or any substitute department or officer as the Chargee shall specify for this purpose)

25 5 Deemed receipt

Any communication or document which becomes effective, in accordance with Clauses 25 1 to 25 4 above, after 5 00 p m in the place of receipt shall be deemed only to become effective on the following day

26 GOVERNING LAW

This Charge and any non-contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, English law

27 ENFORCEMENT

- 27 1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Charge (including a dispute relating to the existence, validity or termination of this Charge or any non-contractual obligation arising out of or in connection with this Charge) (a "**Dispute**")
- 27 2 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
- 27 3 This Clause 27 is for the benefit of the Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions

28 COUNTERPARTS AND EFFECTIVENESS

28 1 Counterparts

This Charge may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Charge. Transmission of an executed counterpart of this letter by fax or e-mail shall constitute effective delivery of that counterpart.

28 2 Effectiveness

This Charge is intended to be a deed even if any party's execution is not in accordance with the formalities required for the execution of deeds. This Charge shall take effect and be delivered as a deed on the date on which it is stated to be made.

This document has been executed as a deed by the Chargor and has been signed on behalf of the Chargee and is delivered and takes effect on the date stated at the beginning of it.

SIGNATURES

The Chargor

EXECUTED as a deed by POCKET
LIVING LIMITED, acting by a director in
the presence of


MARC ULESSIWO


Witness

Signature

Name

Occupation

Address


: WEN SORELL
: TRAINEE SOLICITOR
: SPEECHM BIRCHAM LLP
: 6 NEW ST SQUARE
: LONDON EC4A 3LY

Notices

Address 14 FLORAL STREET LONDON WC2E 9DH

Fax 020 7580 5422

Attention PAUL HARBARD

The Chargee

LLOYDS BANK PLC

By 

Notices

Address 3RD FLOOR, 25 GRESHAM STREET, LONDON, EC2V 7HN

Fax 0207-661-4969

Attention GABRIEL KOLODZIEJ