



Registration of a Charge

Company name: **DEVICE AUTHORITY LTD**

Company number: **04676191**



X892ID1M

Received for Electronic Filing: **05/07/2019**

Details of Charge

Date of creation: **25/06/2019**

Charge code: **0467 6191 0009**

Persons entitled: **TERN PLC**

Brief description:

Contains floating charge(s) .

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **REED SMITH LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4676191

Charge code: 0467 6191 0009

The Registrar of Companies for England and Wales hereby certifies that a charge dated 25th June 2019 and created by DEVICE AUTHORITY LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 5th July 2019 .

Given at Companies House, Cardiff on 8th July 2019

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



Companies House



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

DATED

25 June

2019

(1) DEVICE AUTHORITY LIMITED

(2) TERN PLC

DEED OF ASSIGNMENT BY WAY OF SECURITY

ReedSmith

Reed Smith LLP
The Broadgate Tower
20 Primrose Street
London EC2A 2RS
Phone: +44 (0) 20 3116 3000
Fax: +44 (0) 20 3116 3999
DX1066 City / DX18 London

reedsmith.com

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THIS DEED OF ASSIGNMENT BY WAY OF SECURITY (the "Security Assignment") is made as a deed on 25 June 2019:

BETWEEN:

- (1) **DEVICE AUTHORITY LTD** (the "Assignor") a company incorporated in England and Wales with registered number 04676191 whose registered office is at Level 2, Thames Tower, Station Road, Reading, United Kingdom, RG1 1LX; and
- (2) **TERN PLC** (the "Secured Party").

WHEREAS

- (A) Pursuant to the Loan Agreement a loan facility has been made available to the Assignor. Utilisation under the Loan Agreement is subject to certain conditions, one of which is that the Assignor enters into this Security Assignment.
- (B) As security for the Secured Obligations, the Assignor has agreed to assign its interest in the Assigned Payment to the Secured Party.
- (C) The Secured Party and the Assignor intend this Security Assignment to, and it shall, take effect as a deed, notwithstanding the fact that the Secured Party may only execute this Security Assignment under hand.

THIS DEED WITNESSES as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Security Assignment:

"**Administration Event**" means:

- (a) the presentation of an application or petition to the court for the making of an administration order in relation to the Assignor; or
- (b) any person (who is entitled to do so) gives notice of its intention to appoint an administrator to the Assignor or files such a notice with the court.

"**Assigned Payment**" has the meaning given to that term in Clause 3.1 (*Assignment*).

"**Attorney**" has the meaning given to it in Clause 4.1 (*Appointment*).

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London.

"**Delegate**" means any delegate, agent, attorney or co-trustee appointed by the Secured Party.

"**Enforcement Event**" means:

- (a) the service of a notice by the Secured Party on the Assignor pursuant to clause 5.2 of the Loan Agreement; or
- (b) the occurrence of an Administration Event.

"**Event of Default**" means an event of default under the Loan Agreement.

"Finance Document" has the meaning given to it in the Loan Agreement.

"Loan" means a loan made to the Assignor under the Loan Agreement.

"Loan Agreement" means the loan agreement dated on or around the date of this Security Assignment between, the Assignor (as borrower) and the Secured Party (as Lender), as may be amended, restated, supplemented or otherwise modified from time to time and any other agreement entered into under, or supplemental to it.

"Receiver" means a receiver, manager or other receiver (whether appointed pursuant to this Security Assignment, pursuant to any statute, by a court or otherwise).

"Secured Obligations" means all present and future liabilities and obligations at any time due, owing or incurred by to the Assignor to the Secured Party under the Finance Documents, both actual and contingent and whether incurred solely or jointly or in connection with as principal or surety or in any other capacity.

"Security" 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.

"Security Period" means the period beginning on the date of this Security Assignment and ending on the date upon which the Secured Party is satisfied that all of the Secured Obligations have been irrevocably and unconditionally discharged in full and the commitments of the Secured Party under the Loan Agreement have been cancelled in full.

1.2 Interpretation

- (a) Unless a contrary indication appears, a reference in this Agreement to:
- (b) the **'Assignor'** or the **'Secured Party'** or other person shall be construed so as to include its respective successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Finance Documents;
- (c) **'assets'** includes present and future properties, revenues and rights of every description;
- (d) **'authorisation'** means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration, and **'authorised'** shall be construed accordingly;
- (e) a **'Finance Document'** or any other agreement or instrument is to that Finance Document or other agreement or instrument as amended from time to time (however fundamentally), novated, supplemented, extended or restated;
- (f) **'including'** means 'including without limitation';
- (g) **'indebtedness'** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (h) a **'person'** includes any individual, firm, company, corporation, government, state or state entity or agency of a state or state entity or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
- (i) a **'regulation'** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;

- (j) a time of day is London time;
- (k) any gender includes a reference to the other genders;
- (l) the singular includes a reference to the plural and vice versa; and
- (m) a Clause or Schedule is to a clause or schedule (as the case may be) of or to this Agreement.
- (n) Section, Clause and Schedule headings are for ease of reference only.
- (o) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.
- (p) A default (other than an Event of Default) is '**continuing**' if it has not been remedied or waived and an Event of Default is '**continuing**' if it has not been waived.

1.3 Third Party Rights

A person who is not a party to this Security Assignment has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy any benefit of any term of this Security Assignment.

2 COVENANT TO PAY

The Assignor as primary obligor and not merely as surety, covenants with and undertakes to the Secured Party that it will pay or discharge the Secured Obligations on the due date therefor in the manner provided in the relevant Finance Documents.

3 ASSIGNMENT AND FLOATING CHARGE

3.1 Assignment

- (a) The Assignor hereby assigns by way of security for the payment and discharge of the Secured Obligations absolutely to the Secured Party with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994 all of its rights, title and interest to the tax credit due to be received from HMRC in connection to the research and development activities of the Assignor, such payment calculated to be approximately £318,365.77 (the "**Assigned Payment**").
- (b) For the avoidance of doubt, any amount of the Assigned Payment in excess of the required amount to discharge the Secured Obligations shall be automatically assigned back to the Assignor at the end of the Security Period.

3.2 Floating Charge

As a continuing security for the payment and discharge of the Secured Obligations, the Assignor with full title guarantee charges to the Secured Party, by way of floating charge, all the rights, title and interest to the Assigned Payment, at any time not effectively assigned pursuant to Clause 3.1 (*Assignment*).

3.3 Automatic Crystallisation of Floating Charge

The floating charge created by Clause 3.2 shall automatically and immediately (without notice) convert into a fixed charge over the assets subject to that floating charge if the Assignor:

- (a) creates, or attempts to create, without the prior written consent of the Secured Party, Security or a trust in favour of another person over all or any part of the Assigned

Payment (except as expressly permitted by the terms of this Security Assignment or the Loan Agreement);

- (b) any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Assigned Payment;
- (c) a resolution is passed or (c) an order is made for the winding-up, dissolution, administration or re-organisation of the Assignor; or
- (d) if any other floating charge created by the Assignor crystallises for any reason.

3.4 Crystallisation of Floating Charge by Notice

The Secured Party may, in its sole discretion, at any time and by written notice to the Assignor, convert the floating charge created under this deed into a fixed charge as regards any part of the Assigned Payment specified by the Secured Party in that notice.

4 POWER OF ATTORNEY

4.1 Appointment

The Assignor hereby, by way of security and in order to more fully secure the performance of its obligations hereunder, irrevocably appoints the Secured Party and every Receiver and every delegate or sub-delegate thereof appointed hereunder, to be its attorney (the "**Attorney**") acting severally, and on its behalf and in its name or otherwise, to exercise all of its rights of in respect of the Assigned Payment, and the right to delegate one or more of the powers conferred on it hereby to an officer or officers of the Attorney and appointed for that purpose by the Attorney.

This power of attorney shall be exercisable only upon the occurrence of an Event of Default that is continuing.

4.2 Ratification

The Assignor hereby ratifies and confirms and agrees to ratify and confirm whatever any Attorney as is mentioned in Clause 4.1 (*Appointment*) shall do or purport to do in the exercise or purported exercise of all or any of the powers, authorities and discretions referred to in such Clause 4.1 (*Appointment*).

4.3 Indemnity

The Assignor indemnifies the Attorney against any liability, claim, loss, cost, charge or expense arising from the lawful exercise of any power under Clause 4.1 (*Appointment*) (including any cost incurred in enforcing this indemnity), other than such liability resulting from the wilful misconduct, fraud or gross negligence by the Attorney.

5 CONTINUING SECURITY

5.1 Continuing Security

The Security constituted by this Security Assignment shall be a continuing security which shall extend to all the Secured Obligations, shall not be considered as satisfied or discharged by any intermediate payment or settlement of all or any of such Secured Obligations and is in addition to and independent of and shall not prejudice, affect or merge with any other Security which the Secured Party may hold at any time for any of the Secured Obligations.

5.2 Breaking of Accounts

If the Secured Party receives notice of any Security (other than Security created pursuant to this Security Assignment) created after the date hereof and affecting any of the Assigned Property or if the Security constituted hereby ceases to be continuing Security:

- (a) the Secured Party 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 at the time such Security ceased to be continuing; and
- (b) all payments made by an Assignor to the Secured Party after the Secured Party receives such notice shall be credited, or shall be treated as having been credited, to a new account and not as having been applied in or towards payment of all or any of the Secured Obligations.

5.3 Avoided Payments

Where any reassignment or discharge or other arrangement in respect of any of the Secured Obligations or any Security the Secured Party may hold for any of the Secured Obligations is made in reliance on any payment, security or other disposition which is avoided or must be restored in an insolvency, liquidation or otherwise without limitation, this Security Assignment shall, whether or not the Secured Party has conceded or compromised any claim that any payment, security or other disposition will or should be avoided, continue as if such discharge or other arrangement had not been made.

5.4 Appropriations

Until all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full, the Secured Party (after this Security Assignment has become enforceable in accordance with Clause 9 (*When Security Becomes Enforceable*)) may refrain from applying or enforcing any other moneys, Security or rights held or received by it in respect of such Secured Obligations or apply and enforce the same in such manner and order as it sees fit (but against the Secured Obligations only) subject to Clause 12 (*Application of Proceeds*). Any such appropriation shall override any purported appropriation by the Assignor, and the Assignor shall not be entitled to the benefit of the same.

5.5 Suspense Account

Until all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full, after this Security Assignment has become enforceable in accordance with Clause 9 (*When Security Becomes Enforceable*), the Secured Party may hold in a suspense account any moneys received from the Assignor or otherwise in respect of any of the Secured Obligations.

6 REPRESENTATIONS AND WARRANTIES

The Assignor makes the following representations and warranties to the Secured Party (i) on the date of this Security Assignment and (ii) by reference to the facts and circumstances then existing, on the date falling on each three-month anniversary of the date of this Security Assignment, and acknowledges that the Secured Party has entered into the Finance Documents in reliance on such representations and warranties.

- (a) it is the sole legal and beneficial owner of the Assigned Payment;
- (b) it has not assigned or agreed to assign any of its present or future rights, title or interest in and to any of the Assigned Payment other than pursuant to this Security Assignment; and

- (c) it does not have any knowledge of any fact which would or might prejudice or affect any right, power or ability of the Secured Party to enforce any right of an Assignor to the Assigned Payment or any term or condition thereof.

7 UNDERTAKINGS

The Assignor undertakes as follows to the Secured Party throughout the Security Period:

7.1 Negative Pledge

It shall not, except pursuant to this Security Assignment, create or agree or attempt to create or permit to exist (in favour of any person other than the Secured Party), any Security over the whole or any part of the Assigned Payment or agree to do so.

7.2 Compliance

The Assignor shall, at any time following an Enforcement Event do or permit to be done each and every act or thing the Secured Party may from time to time require to be done for the purpose of enforcing the Secured Party's rights under this Security Assignment and shall allow the Assignor's name to be used as and when required by the Secured Party for that purpose.

7.3 Notice of Assignment

Following an Enforcement Event, the Assignor shall:

- (a) within one (1) Business Day deliver to HMRC notice of the assignment contained in Clause 3.1 (*Assignment*) in substantially the form set out in Part 1 of the Schedule to this Security Assignment; and
- (b) use its reasonable endeavours to procure that HMRC delivers an acknowledgement of such notice, substantially in the form set out in Part 2 of the Schedule to this Security Assignment, within five (5) Business Days of receipt of such notice.

8 FURTHER ASSURANCES

The Assignor shall, at its own expense, execute and give all such assurances and do all acts and things as the Secured Party may reasonably require to enable the Secured Party to perfect or protect the security intended to be created hereby over the Assigned Payment or any part thereof or, following the occurrence of an Enforcement Event, to facilitate the transfer or recovery of the Assigned Payment or any part thereof or the exercise by the Secured Party of any of the rights, powers, authorities and discretions vested in it or any Receiver of the Assigned recovery or any part thereof or any such delegate or sub-delegate as aforesaid, including to facilitate vesting all or part of such assets in the name of the Secured Party or in the names of its nominee, agent or any purchaser. To that intent, without prejudice to the generality of the foregoing and subject to the terms and conditions set out in the other Clauses of this Security Assignment, the Assignor shall execute all transfers, sales, dispositions and appropriations (whether to the Secured Party or otherwise) and shall give all notices, orders and directions and make all registrations which the Secured Party may reasonably consider expedient.

9 WHEN SECURITY BECOMES ENFORCEABLE

9.1 Timing

This Security Assignment will become immediately enforceable any time:

- (a) after the occurrence of an Enforcement Event;

- (b) if an Assignor requests that the Secured Party exercises any of its powers under this Security Assignment.

9.2 Enforcement

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

9.3 Statutory Powers

- (a) The power of sale and any other power conferred on a mortgagee by law (including under Section 101 of the Law of Property Act 1925) as varied or amended by this Security Assignment will be immediately exercisable at any time after the Security constituted by this Security Assignment has become enforceable.
- (b) For the purposes of all powers implied by statute, the Secured Obligations shall be deemed to have become due and payable on the date hereof.

9.4 Law of Property Act

Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Security Assignment.

10 ASSIGNED PAYMENT

10.1 Clause 9 not affected

The provisions of this Clause 10 are without prejudice to Clause 9.2 (*Enforcement*).

10.2 Limitation of the Secured Party's Liabilities

The Secured Party shall not be obliged:

- (a) to make any enquiry as to the nature or sufficiency of any payment received by it under this Security Assignment;
- (b) to make any enquiry as to the adequacy of performance by any other party;
- (c) to make any claim or take any other action under this Security Assignment; or
- (d) to collect any moneys or to enforce any of its other rights under this Security Assignment.

11 RECEIVER

11.1 Appointment of Receiver

At any time following an Enforcement Event or if an application is made for the appointment of, or notice is given of intention to appoint, an administrator in respect of an Assignor or if an Assignor so requests, the Secured Party may without further notice appoint under seal or in writing under its hand any one or more qualified persons to be a Receiver of all or any part of the Assigned Payment in like manner in every respect as if the Secured Party had become entitled under the Law of Property Act 1925 to exercise the power of sale thereby conferred. In this Clause 11.1, 'qualified person' means a person who, under the Insolvency Act 1986, is qualified to act as a receiver of the property of any company with respect to which he is appointed or (as the case may require) an administrative receiver of any such company.

11.2 Powers of Receiver

- (a) Every Receiver appointed in accordance with Clause 11.1 (*Appointment of Receiver*) shall have and be entitled to exercise, in relation to the Assigned Payment in respect of which he was appointed, all of the following powers set out in paragraph (b) of this Clause 11.2 in addition to those conferred by the Law of Property Act 1925 on any receiver appointed thereunder. If at any time there is more than one Receiver of all or any part of the Assigned Payment, each such Receiver may (unless otherwise stated in any document appointing him) exercise all of the powers conferred on a Receiver under this Security Assignment individually and separately from each other Receiver.
- (b) The powers referred to in the first sentence of paragraph (a) above are -
 - (i) to bring, prosecute, enforce, defend and abandon any actions, suits and proceedings in relation to any of the Assigned Payment as may seem to him to be expedient;
 - (ii) to give valid receipts for all moneys and execute all assurances and things which may be proper or desirable for realising any of the Assigned Payment; and
 - (iii) to do all such other acts and things as he may consider desirable or necessary for realising any of the Assigned Payment or incidental or conducive to any of the matters, powers or authorities conferred on a Receiver under or by virtue of this Security Assignment, to exercise in relation to any of the Assigned Payment or any part thereof all such powers, authorities and things as he would be capable of exercising if he were the absolute beneficial owner of the same and to use the name of the Assignor for any such purposes.

11.3 Removal and Remuneration

The Secured Party may from time to time by writing under its hand remove any Receiver appointed by it and may, whenever it may deem it expedient, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated and may from time to time fix the remuneration of any Receiver appointed by it.

11.4 Secured Party's right to exercise

To the fullest extent permitted by law, all or any of the powers, authorities and discretions which are conferred by this Security Assignment (either expressly or impliedly) upon a Receiver of the Assigned Payment may be exercised following an Enforcement Event by the Secured Party in relation to the whole or any part of the Assigned Payment without first appointing a Receiver of such property or any part thereof or notwithstanding the appointment of a Receiver of such property or any part thereof.

12 APPLICATION OF PROCEEDS

12.1 Application of Proceeds

Any moneys received by the Secured Party or by any Receiver appointed by it pursuant to this Security Assignment and/or under the powers hereby conferred shall, following an Enforcement Event, be applied by the Secured Party for the following purposes and, unless otherwise determined by the Secured Party or such Receiver, in the following order of priority but without prejudice to the right of the Secured Party to recover any shortfall from the Assignor and to the Secured Party's rights pursuant to Clause 5.4 (*Appropriations*):

- (a) in satisfaction of or provision for all costs, charges and expenses incurred and payments made by the Secured Party or any Receiver appointed hereunder and of all remuneration due to a Receiver hereunder;

- (b) in or towards payment or discharge of the Secured Obligations or such part of them as is then due and payable; and
- (c) after the end of the Security Period, in payment of the surplus (if any) to the Assignor or other person entitled thereto.

13 PROTECTION OF THIRD PARTIES

No person or company dealing with the Secured Party or the Receiver or its or his agents shall be concerned to enquire whether the Secured Obligations have become due and payable or whether any power which the Receiver is purporting to exercise has become exercisable or whether any of the Secured Obligations remains outstanding or to see to the application of any money paid to the Secured Party or to such Receiver.

14 DELEGATION BY SECURED PARTY

The Secured Party or any Receiver appointed hereunder 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 Secured Party or such Receiver under this Security Assignment in relation to the Assigned Payment or any part thereof. Any such delegation may be made upon such terms (including power to sub-delegate) and subject to such regulations as the Secured Party or Receiver may think fit. The Secured Party or Receiver shall not be in any way be liable or responsible to the Assignor for any loss or damage arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate.

15 ASSIGNMENTS, ETC.

15.1 Permitted Successor

This Security Assignment shall be binding upon and shall inure to the benefit of each party and its direct or subsequent legal successors, permitted transferees and assigns.

15.2 The Assignor

The Assignor shall not be entitled to transfer or assign all or any of their rights in respect of this Security Assignment without the prior written consent of the Secured Party.

16 WAIVERS AND REMEDIES CUMULATIVE

16.1 Remedies and waivers

No failure on the part of the Secured Party to exercise, or any delay on its part in exercising, any rights, powers and remedies of the Secured Party provided by or pursuant to this Security Assignment, shall operate as a waiver of those rights, powers and remedies, nor shall any single or partial exercise of any such rights, powers and remedies preclude any further or other exercise of that or any other rights, powers and remedies.

16.2 Waiver of defences

The obligations of, and the Security created by, the Assignor under this Security Assignment will not be affected by any act, omission, matter or thing which, but for this Clause 16.2 (*Waiver of defences*), would reduce, release or prejudice any of its obligations under, or the Security created by, this Security Assignment and whether or not known to the Assignor or the Secured Party, including:

- (a) any time, waiver or consent granted to, or composition with any person;

- (b) the release of any person under the terms of any composition or arrangement with any creditor;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, the Assignor or other person or any non-presentment or non-observance of any formality or other requirement in respect of any instruments or any failure to realise the full value of any Security;
- (d) any incapacity or lack of powers, authority or legal personality of or dissolution or change in the members or status of any person;
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of a Finance Document or any other document or security or of the Secured Obligations;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security or of the Secured Obligations; and
- (g) any insolvency or similar proceedings.

17 ADDITIONAL PROVISIONS

17.1 Provisions severable

If any provision of this Security Assignment is or becomes illegal, invalid or unenforceable in any way in any jurisdiction, it shall not affect the legality, validity or enforceability:

- (a) in that jurisdiction of any other provision; or
- (b) in any other jurisdiction of that or any other provision.

17.2 Potentially avoidable payments

If the Secured Party considers that an amount paid or credited to it under any Finance Document is capable of being avoided or otherwise set aside or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws of the person by whom such amount is paid, then for the purposes of this Security Assignment, such amount shall be regarded as not having been irrevocably paid.

18 NOTICES

18.1 Communications in writing

Any communication to be made under or in connection with this Security Assignment shall be made in writing and may be delivered by hand, by email or by courier.

18.2 Addresses

The address and email address (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 Security Assignment is that identified with its name below, or any substitute address, email address or department or officer as a party may notify to the other party by not less than five (5) Business Days' notice.

18.3 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with this Security Assignment will only be effective:
 - (i) if delivered by hand, when it has been left at the relevant address;
 - (ii) if by email, when received by the intended recipient thereof; or
 - (iii) if by courier, upon being signed for by or on behalf of the recipient,
 - (iv) and, if a particular department or officer is specified as part of its address details provided under Clause 18.2 (*Addresses*), if addressed to that department or officer.
- (b) Any communication or document to be made or delivered to the Secured Party will be effective only when actually received by the Secured Party and then only if it is expressly marked for the attention of the department or officer identified with the Secured Party's signature below (or any substitute department or officer as the Secured Party shall specify for this purpose).
- (c) Any communication or document which becomes effective, in accordance with paragraphs (a) to (c) above, after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day.

18.4 English language

- (a) Any notice given under or in connection with this Security Assignment must be in English.
- (b) All other documents provided under or in connection with this Security Assignment must be:
 - (i) in English; or
 - (ii) if not in English, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

19 COUNTERPARTS AND EFFECTIVENESS

19.1 Counterparts

This Security Assignment may be executed in any number of counterparts and all of those counterparts taken together shall be deemed to constitute one and the same instrument.

19.2 Effectiveness

This Assignment shall come into effect as a deed on the date set forth above.

20 GOVERNING LAW AND JURISDICTION

- (a) This Security Assignment and any non-contractual obligations arising out of or in connection with it are governed by and construed in accordance with English law.
- (b) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Security Assignment (including a dispute regarding the existence, validity or termination of this deed or any non-contractual obligations arising out of or in any way relating to this Security Assignment) (a "**Dispute**").

- (c) The parties to this Security Assignment agree that the courts of England are the most appropriate and convenient courts to settle the Disputes and accordingly no party will argue to the contrary.

IN WITNESS WHEREOF THIS SECURITY ASSIGNMENT HAS BEEN EXECUTED AS A DEED by the Assignor and has been signed by or on behalf of the Secured Party and it is intended to be and is hereby delivered as a deed on the date specified above.

SCHEDULE
PART 1
FORM OF NOTICE

To: HMRC

Attention:

Date:

Dear Sirs

[detail of tax credit] (the "Tax Credit")

We refer to the Tax Credit

- 1 We give you notice that by a deed of assignment by way of security (the "**Deed of Assignment**") dated _____ 2019 between us and Tern Plc (the "**Secured Party**") we have assigned absolutely to the Secured Party with full title guarantee all of our right, title and interest under the Tax Credit.
- 2 We will remain liable under general law to perform all obligations imposed on us under law and none of the Secured Party, its agents, any receiver, administrator or any other person will at any time be under any obligation or liability to you under or in respect of our tax affairs.
- 3 You are authorised and instructed (without requiring further approval from us) to:
 - (a) Pay the tax credits owed to us to [●]; and
 - (b) provide the Secured Party with such information relating to the Tax Credit as it may from time to time request.
- 4 These instructions may not be revoked without the prior written consent of the Secured Party.
- 5 Please sign and return the enclosed copy of this notice to the Secured Party (with a copy to us) to confirm (by way of undertaking in favour of the Secured Party) that you agree to the terms of this notice and to act in accordance with its provisions.

This notice and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.

Yours faithfully,

.....
For and on behalf of **Device Authority Limited**

Copy: Secured Party

PART 2
FORM ACKNOWLEDGMENT OF NOTICE

To: Secured Party

Date:

Dear Sirs,

[Insert details of tax credit] (the "Tax Credit ")

We acknowledge receipt of notice of assignment dated [●] from the Assignor (the "**Notice**") in respect of the Tax Credit and confirm to you that we agree to the terms of this notice and to act in accordance with its provisions.

Yours faithfully,

.....

HMRC


EXECUTION PAGE

THE ASSIGNOR

Executed as a deed by **DEVICE AUTHORITY LIMITED**

acting by a director
in the presence of:

)
)
) Director

Witness  signature:

Name (print):

Address:

THE LENDER

TERN PLC

Acting by: