

MG01

Particulars of a mortgage or charge



145091-65

A fee is payable with this form.

We will not accept this form unless you send the correct fee
Please see 'How to pay' on the last page

☒ **What this form is for**
You may use this form to register
particulars of a mortgage or charge
in England and Wales or Northern
Ireland

☐ **What this form is NOT for**
You cannot use this form to reg
particulars of a charge for a Sc
company To do this, please us
form MG01s

WEDNESDAY



A18 *AFQNNN1D* 283
COMPANIES HOUSE

| | | | |
|----------------------|--|---|------------------|
| 1 | Company details | 3 | For official use |
| Company number | 5 6 4 0 0 5 9 | Filling in this form Please complete in typescript or in bold black capitals All fields are mandatory unless specified or indicated by * | |
| Company name in full | Virtensys Limited (the "Chargor") | | |
| 2 | Date of creation of charge | | |
| Date of creation | d1 d7 m0 m8 y2 y0 y1 y0 | | |
| 3 | Description | | |
| | Please give a description of the instrument (if any) creating or evidencing the charge, e.g. 'Trust Deed', 'Debenture', 'Mortgage', or 'Legal charge' | | |
| Description | Debenture (the "Debenture") | | |
| 4 | Amount secured | | |
| | Please give us details of the amount secured by the mortgage or charge | | |
| Amount secured | means all indebtedness, liabilities and obligations which are now or may at any time in the future be due, owing or incurred by the Chargor to the Creditor in any manner whatsoever under the Convertible Loan Note Instrument, the Loan Notes and any other document guaranteeing or creating security for or supporting the obligations of the Chargor to the Creditor in connection with the Convertible Loan Note Instrument and the Loan Notes ("Secured Obligations") Please see continuation sheet for a list of definitions. | Continuation page Please use a continuation page if you need to enter more details | |

MG01

Particulars of a mortgage or charge

5

Mortgagee(s) or person(s) entitled to the charge (if any)

Please give the name and address of the mortgagee(s) or person(s) entitled to the charge

Continuation page

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

Name Celtic House Venture Partners Fund III L P , an Ontario Limited

Address Partnership (the "Creditor")

303 Terry Fox Drive, Suite 120, Kanata, Ontario, Canada

Postcode K 2 K 3 J 1

Name

Address

Postcode

6

Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Continuation page

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

Short particulars Please see the relevant continuation sheet.

MG01 - continuation page

Particulars of a mortgage or charge

| 4 | Amount secured | |
|----------------|--|--|
| | Please give us details of the amount secured by the mortgage or charge | |
| Amount secured | <p>"Convertible Loan Note Instrument" means the convertible loan note instrument dated on or around the date of the Debenture made by the Chargor constituting the Loan Notes.</p> <p>"Loan Notes" means the £2,000,000 secured convertible loan notes constituted by the Convertible Loan Note Instrument</p> | |

MG01 - continuation page

Particulars of a mortgage or charge

| 6 | | Short particulars of all the property mortgaged or charged | |
|-------------------|-------|--|--|
| | | Please give the short particulars of the property mortgaged or charged | |
| Short particulars | 1 | SECURITY | |
| | 1 1 | The Chargor charges and agrees to charge all the present and future right, title and interest of the Chargor in and to the following assets which are at any time owned by the Chargor or in which the Chargor from time to time has an interest | |
| | 1 1 1 | by way of first legal mortgage all freehold, leasehold or other immovable property (the "Properties") now vested in or charged to the Chargor other than leasehold Properties with remaining terms of three years or less, | |
| | 1 1 2 | by way of first fixed charge | |
| | (a) | all Properties acquired by the Chargor in the future, | |
| | (b) | all present and future interests of the Chargor not effectively mortgaged or charged under the preceding provisions of clause 4 1 of the Debenture in, or over, freehold or leasehold property, | |
| | (c) | all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to the Properties | |
| | (d) | all computers, vehicles, office equipment and other Equipment, | |
| | (e) | all the Book Debts, | |
| | (f) | all the Investments, | |
| | (g) | all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person, | |
| | (h) | all stocks, shares and other securities now or in the future belonging to the Chargor (either legally or beneficially) together with all dividends and all other rights deriving from them, | |
| | (i) | all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Chargor's business or the use of any charged Property, and all rights in connection with them, | |
| | (j) | the goodwill of the Chargor and its uncalled capital both present and future, | |
| | (k) | all policies and contracts of insurance related to the Security Assets issued or entered into for the benefit of or by the Chargor and all rights, claims and interests which the Chargor has from time to time in any such policy or contract, and | |
| | (l) | all the Intellectual Property of the Chargor | |
| | 1 2 | The Chargor assigns to the Creditor, by way of first fixed mortgage (to the fullest extent assignable or capable of assignment without first infringing any contractual provision restricting the same (unless any applicable consent or waiver to any such consent has been granted)) and subject to a proviso for reassignment on redemption in accordance with Clause 19 (<i>Release</i>) of the Debenture the benefit of all its right, title and interest to, in and under all present and future | |
| | 1 2 1 | policies of insurances or assurance present or future (including, without limitation, any insurances relating to the Properties or the Equipment) relating to the Security Assets, and | |
| | 1 2 2 | goodwill of the Chargor and its uncalled capital both present and future | |
| | 1 3 | If so requested by the Creditor, the Chargor shall (within 10 Business Days) in respect of any of the assets assigned under clause 4 2, deliver a duly completed notice of assignment to each of the other parties to the relevant contract (if applicable) | |
| | 1 4 | To the extent not validly and effectively charged by way of first legal mortgage pursuant to clause 4 1 1 or fixed charge pursuant to clause 4 1 2 or effectively assigned pursuant to clause 4 2, the Chargor by way of first floating charge charges the whole of the Chargor's undertaking (including but not limited to its uncalled capital and the Intellectual Property) and all its property and assets whatsoever and wheresoever situated present and future (the "Floating Charge Assets") | |
| | 1 5 | A reference in the Debenture to a mortgage, assignment or charge of any freehold or leasehold property includes all buildings and fixtures on the property, the proceeds of sale of any part of that property, any licence, agreement for sale or agreement for lease in relation to that property and the benefit of any covenants for title given or entered into by any | |

MG01 - continuation page

Particulars of a mortgage or charge

6

Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

predecessor in title of the Chargor in respect of that property or any monies paid or payable in respect of those covenants

1 6 There shall be excluded from the charge created by clause 4 1 and from the operation of clause 15 of the Debenture any leasehold property held by the Chargor under a lease which either precludes absolutely or conditionally (including requiring the consent of any third party) the Chargor from creating any charge over its leasehold interest in that property (each an "Excluded Property") until the relevant condition or waiver has been satisfied or obtained

1 7 For each Excluded Property, if so requested by the Creditor, the Chargor undertakes to apply for the relevant consent or waiver of prohibition or condition within fourteen (14) days of the date of the Debenture and, in respect of each Excluded Property which provides that the relevant third party will not unreasonably withhold its consent to charging, to use commercially reasonable endeavours to obtain that consent as soon as possible and to keep the Creditor informed of the progress of its negotiations

1 8 Forthwith upon receipt of the relevant waiver or consent, the relevant formerly Excluded Property shall stand charged to the Creditor under clause 4 1 If required by the Creditor at any time following receipt of that waiver or consent, the Chargor will forthwith execute a valid legal mortgage in such form as the Creditor shall reasonably require

2 RESTRICTIONS ON DEALING

2 1 The Chargor shall not without the prior written consent of the Creditor

2 1 1 create or permit to subsist any mortgage, charge, pledge, hypothecation, lien or other security interest on any of its assets (including the Chargor's Intellectual Property) other than the Debenture and/or any Permitted Security Interests,

2 1 2 save in respect of (i) sales or other dispositions of assets outside the ordinary course of business having a value less than £5,000, (ii) sales, licences (other than perpetual licences of Intellectual Property) or other dispositions of assets in the ordinary course of business at not less than market value, (iii) any disposition of assets by damage to or destruction of, or any condemnation or other taking of, any property, or (iv) any disposition of assets to a Group Company not to exceed \$200,000 at any time, sell, transfer, lease, lend or otherwise dispose of the whole or any part of its undertaking or of its assets, (whether by a single transaction or a number of transactions and whether related or not) or enter into any agreement or grant any option for any such sale, transfer, lease, loan or other disposal,

2 1 3 part with possession of any freehold or, other than in relation to leasehold property with remaining terms of less than three years, leasehold property (including the Real Property), grant or agree to grant any option or any licence tenancy or other right of occupation to any person or exercise the powers of leasing or agreeing to lease or of accepting or agreeing to accept surrenders conferred by Sections 99 and 100 of the Law of Property Act 1925 provided that such restrictions shall not be construed as a limitation on the powers of any receiver appointed under the Debenture and being an agent of the Chargor and the Creditor may grant or accept surrenders of leases without restriction

DEFINITIONS

"Book Debt" means all present and future book and other debts and monetary claims due or owing to the Chargor, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Chargor in relation to any of them

"Business Day" has the meaning ascribed to it in the Subscription Agreement

"Equipment" means all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property for the time being owned by the Chargor, including any part of it and all spare parts, replacements, modifications and additions

"Event of Default" means

(a) any event set out in paragraph 4 of Part 2 of the Schedule to the Convertible Loan Note Instrument, and

(b) any breach by the Chargor of any of its obligations or undertakings pursuant to the Debenture

"Intellectual Property" means all legal and beneficial interest of the Chargor in any part of the world in inventions, improvements, modifications, processes, formulae, know-how, designs, models, prototypes, sketches, drawings, plans, business names, licences, patents, patent applications, trademarks (registered and unregistered), service marks, designs (registered and unregistered) and any other intellectual property rights of every kind, together with choses in action and claims and all fees, royalties and other rights of every kind deriving from them now or in the future belonging to the Chargor

"Intercreditor Deed" means the intercreditor agreement among, inter alios, the Chargor, Kreos Capital III (Luxembourg) S.À.R.L. and CHFP 025 Lasertorm International S/10

MG01 - continuation page

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6

Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

the Creditor, dated on or around the date of the Debenture

"Investments" means any stock, share, debenture, loan stock, security, interest in any investment fund and any other comparable investment (whether or not marketable) whether owned directly by or to the order of a Chargor or by any trustee, fiduciary or clearance system on its behalf

"Permitted Security Interests" means

- (a) the security interests constituted by the Debenture,
- (b) the Senior Security,
- (c) liens arising by operation of law in the normal course of business,
- (d) security interests created with the prior written consent of the Creditor, such consent not to be unreasonably withheld,
- (e) liens arising from judgments, decrees or attachments in circumstances which do not constitute an Event of Default,
- (f) inchoate liens for taxes, assessments or governmental charges or levies not yet due and payable or delinquent and liens for taxes, assessments or governmental charges or levies, which are being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with UK GAAP, which proceedings (or orders entered in connection with such proceedings) have the effect of preventing the forfeiture or sale of the property subject to any such item,
- (g) liens, to the extent made in the ordinary course of business on deposits in favour of landlords required under leases or subleases, under worker's compensation, unemployment insurance, social security and other similar laws, or to secure the performance of bids, tenders or contracts (other than for the repayment of borrowed money) or to secure indemnity, performance or other similar bonds for the performance of bids, tenders or contracts (other than for the repayment of borrowed money) or to secure similar statutory obligations or surety or appeal bonds, or to secure indemnity, performance or other similar bonds,
- (h) liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by the Chargor in the ordinary course of business in accordance with the past practices of the Chargor,
- (i) liens on property of a person existing at the time such person is acquired or merged with or into or consolidated with the Chargor to the extent permitted hereunder (and not created in anticipation of contemplation thereof), provided that such liens do not extend to property not subject to such liens at the time of acquisition (other than improvements thereon) and are no more favourable to the lien holders than such existing liens,
- (j) liens existing on the date hereof which has been notified in writing to the Creditor and approved by the Creditor in writing prior to the date of the Debenture,
- (k) any non exclusive licence granted over any Intellectual Property in the normal course of business, and
- (l) any other lien, mortgage, pledge, assignment, security interest, charge or encumbrance of any kind consented to from time to time by the Creditor

"Security Assets" means all property and assets from time to time charged or assigned (or expressed to be charged or assigned) by or pursuant to the Debenture

"Senior Security" has the meaning ascribed to it in the Intercreditor Deed

"Subscription Agreement" means the subscription agreement among, inter alios, the Chargor and SEP III dated on or around the date of the Debenture in respect of the Subscription by the Investors (as defined in the subscription agreement) for the Loan Notes pursuant to the terms of the Convertible Loan Note Instrument

MG01

Particulars of a mortgage or charge

7

Particulars as to commission, allowance or discount (if any)

Please insert the amount or rate percent of any commission, allowance or discount paid or made either directly or indirectly by the company to any person on consideration of his

- subscribing or agreeing to subscribe, whether absolutely or conditionally, or
- procuring or agreeing to procure subscriptions, whether absolute or conditional,

for any debentures included in this return The rate of interest payable under the terms of the debentures should not be entered

Commission allowance or discount

None.

8

Delivery of instrument

You must deliver the original instrument (if any) creating or evidencing the charge and these prescribed particulars to the Registrar of Companies within 21 days after the date of creation of the charge (section 860). If the property is situated and the charge was created outside the United Kingdom (UK), you must deliver the information to the Registrar within 21 days after the date on which the instrument could have been received in the UK in the normal course of post and assuming you had posted it promptly (section 866)

We will accept a verified copy of the instrument creating the charge where the property charged is situated and the charge was created outside the UK (section 870). The company or the person who has delivered the copy to the Registrar must verify it to be a correct copy and sign it. Where a body corporate gives the verification, an officer of that body must sign it. We will also accept a verified copy where section 867(2) applies (property situated in another part of UK)

9

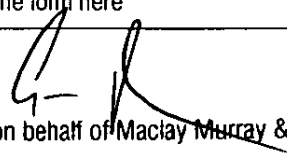
Signature

Please sign the form here

Signature

Signature

X



X

For and on behalf of MacLay Murray & Spens LLP

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

MG01

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Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form and will establish where we return the original documents. The contact information you give will be visible to searchers of the public record.

Contact name JENNIFER DAVIS

Company name Maclay Murray & Spens LLP

Address Quatermile One

15 Lauriston Place

Post town Edinburgh

County/Region

Postcode E H 3 9 E P

Country

DX DX ED137 Edinburgh

Telephone 0131 228 7092



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 the original deed with this form
- ☐ You have entered the date the charge was created
- ☐ You have supplied the description of the instrument
- ☐ You have given details of the amount secured by the mortgagee or chargee
- ☐ You have given details of the mortgagee(s) or person(s) entitled to the charge
- ☐ You have entered the short particulars of all the property mortgaged or charged
- ☐ You have signed the form
- ☐ You have enclosed the correct fee



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.

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



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 869(5) & (6) of the Companies Act 2006

**COMPANY NO. 5640059
CHARGE NO. 3**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT A DEBENTURE DATED 17 AUGUST
2010 AND CREATED BY VIRTENSYS LIMITED FOR SECURING
ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY
TO CELTIC HOUSE VENTURE PARTNERS FUND III L.P., AN
ONTARIO LIMITED PARTNERSHIP (THE "CREDITOR") ON ANY
ACCOUNT WHATSOEVER UNDER THE TERMS OF THE
AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING
THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1
PART 25 OF THE COMPANIES ACT 2006 ON THE 1 SEPTEMBER
2010

GIVEN AT COMPANIES HOUSE, CARDIFF THE 6 SEPTEMBER
2010

DA



Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES