



Registration of a Charge

Company name: **ENVIROPARKS (HIRWAUN) LIMITED**

Company number: **05641261**



X44VIRSW

Received for Electronic Filing: **08/04/2015**

Details of Charge

Date of creation: **27/03/2015**

Charge code: **0564 1261 0001**

Persons entitled: **ZEUS RENEWABLES LIMITED**

Brief description: **CHARGOR: ENVIROPARKS (HIRWAUN PROPERTIES) LIMITED. LAND ON THE NORTH SIDE OF FIFTH AVENUE, HIRWAUN INDUSTRIAL ESTATE, HIRWAUN, ABERDARE AND LAND LYING TO THE NORTH WEST SIDE OF NINTH AVENUE, HIRWAUN, ABERDARE. TITLE NUMBER: CYM561127 AND CYM548255**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT 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: **PINSENT MASONS LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 5641261

Charge code: 0564 1261 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 27th March 2015 and created by ENVIROPARKS (HIRWAUN) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 8th April 2015 .

Given at Companies House, Cardiff on 9th April 2015

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**

EXECUTION VERSION

DATED 27 March 2016

(1) ENVIROPARKS (WALES) LIMITED AND OTHERS
(as Chargors)

(2) ZEUS RENEWABLES LIMITED
(as Lender)

COMPOSITE GUARANTEE AND
DEBENTURE



Pinsent Masons

Contents

Clause		Page
1	DEFINITIONS AND INTERPRETATION	1
2	COVENANT TO PAY	8
3	CHARGING PROVISIONS	8
4	CONTINUING SECURITY AND RECOURSE	11
5	NEGATIVE PLEDGE	11
6	RESTRICTIONS ON DISPOSALS	11
7	FURTHER ASSURANCE	11
8	LAND REGISTRY	12
9	NOTICES OF ASSIGNMENTS AND CHARGES	12
10	UNDERTAKINGS	13
11	REPRESENTATIONS	18
12	POWER TO REMEDY	20
13	SECURITY POWER OF ATTORNEY	20
14	GUARANTEE AND INDEMNITY	20
15	ENFORCEMENT OF SECURITY	23
16	RECEIVER	25
17	DELEGATION	28
18	APPLICATION OF MONIES	29
19	REMEDIES AND WAIVERS	29
20	PROTECTION OF THIRD PARTIES	29
21	ADDITIONAL SECURITY	30
22	SETTLEMENTS CONDITIONAL	30
23	SUBSEQUENT SECURITY	30
24	SET-OFF	30
25	NOTICES	30
26	PARTIAL INVALIDITY	31
27	ASSIGNMENT	31
28	RELEASES	31

29	CURRENCY CLAUSES	31
30	CERTIFICATES AND DETERMINATIONS	32
31	COUNTERPARTS	32
32	GOVERNING LAW	32
33	ENFORCEMENT	32
	SCHEDULE 1 - THE ORIGINAL CHARGORS	34
	SCHEDULE 2 - PROPERTIES	35
	SCHEDULE 3 - SUBSIDIARY SHARES	36
	SCHEDULE 4 - RELEVANT AGREEMENTS	37
	PART 1 - FORM OF NOTICE OF ASSIGNMENT	37
	PART 2 - FORM OF ACKNOWLEDGEMENT	39
	SCHEDULE 5 - RELEVANT POLICIES	40
	PART 1 - FORM OF NOTICE OF ASSIGNMENT	40
	PART 2 - FORM OF ACKNOWLEDGEMENT	42
	SCHEDULE 6 - ACCOUNTS	43
	PART 1 - FORM OF NOTICE OF CHARGE	43
	PART 2 - FORM OF ACKNOWLEDGEMENT	44
	SCHEDULE 7 - FORM OF DEED OF ACCESSION	45

THIS DEED is made on 27 MARCH. 2016

Between

- (1) ENVIROPARKS (WALES) LIMITED (registered in England with company number 07034699) (the "Company");
- (2) THE COMPANIES listed in Schedule 1 (*The Original Chargers*) (together with the Company, the "Original Chargers"); and
- (3) ZEUS RENEWABLES LIMITED (registered in England with company number 08247810) (the "Lender").

It is agreed

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

"Account"	has the meaning given to it in clause 3.4.8 (<i>First fixed charges</i>)
"Accounting Principles"	means generally accepted accounting principles in the United Kingdom including the international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements
"Additional Charger"	means a company which creates security over its assets and grants a guarantee in favour of the Lender by executing a Deed of Accession
"Articles"	means the articles of association of the Company
"Authorisation"	means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration, or any other similar permission
"Business Day"	means a day (other than a Saturday or Sunday) on which banks are open for general business in London
"CA2006"	means the Companies Act 2006
"Charger"	means an Original Charger or an Additional Charger
"Chattels"	has the meaning given to it in clause 3.4.4 (<i>First fixed charges</i>)
"Debts"	has the meaning given to it in clause 3.4.7 (<i>First fixed charges</i>)
"Deed of Accession"	means a deed in the form set out in Schedule 7 (<i>Form of Deed of Accession</i>) by which a person will become a party to this Deed as a Charger
"Direction"	has the meaning given to it in clause 10.1.4 (<i>Planning directions</i>)
"Documents"	means this Deed, the Loan Agreement and any other document designated as such by the Lender and the Chargers in writing

"Event of Default"	means the Lender making demand for payment of any of the Secured Obligations and not being paid within 10 Business Days of that demand
"Finance Lease"	means any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a finance or capital lease
"Financial Indebtedness"	means any indebtedness for or in respect of: <ul style="list-style-type: none"> (a) monies borrowed and debt balances at banks or other financial institutions (b) acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent) (c) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument (d) any Finance Leases (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirement for de-recognition under the Accounting Principles) (f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account) (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of (i) an underlying liability of an entity which is not a member of the Group which liability would fall within one of the other paragraphs of this definition or (ii) any liabilities of any member of the Group relating to any post-retirement benefit scheme (h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the issuer) or are otherwise classified as borrowings under the Accounting Principles (i) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 90 days after the date of supply

	(j)	any amount raised under any other transaction (including any forward sale or purchase sale and sale back or sale and leaseback agreement) having the commercial or economic effect of a borrowing or otherwise classified as borrowings under the Accounting Principles and
	(k)	the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) (inclusive)
"Fixtures"		means in respect of any Secured Property, all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery now or at any time after the date of this Deed on that Secured Property
"Floating Charge Assets"		means all the assets and undertaking from time to time subject to the floating charge created under clause 3.5 (<i>Floating charge</i>)
"Group"		means the Company and each of its Subsidiaries for the time being
"Insurance Policies"		means, in respect of a Chargor, all policies of insurance present and future in which it has an interest
"Intellectual Property"		means:
	(a)	any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered
	(b)	the benefit of all applications and rights to use such assets of each member of the Group (which may now or in the future subsist)
"Investments"		means any shares, stocks, debenture security, securities, bonds and investments of any type (other than the Subsidiary Shares) whatever, including but not limited to, negotiable instruments, certificates of deposit, eligible debt securities, interests in collective investment schemes, or other investments referred to in section 22 of, and as defined in Part II of Schedule 2 to, the Financial Services and Markets Act 2000 and Part III of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, whether certificated or uncertificated, physical or dematerialised, registered or unregistered, held by the relevant Chargor or by a trustee or clearance system or nominee
"Legal Reservations"		means:
	(a)	the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors and

- (b) the time barring of claims under the Limitation Acts, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim

"Limitation Acts" means the Limitation Act 1980 and the Foreign Limitation Periods Act 1984

"Loan Agreement" means the loan agreement dated on or about the date of this Deed entered into between the Company and the Lender

"Occupational Lease" means, in respect of a Chargor, a lease of a Secured Property in respect of which it is landlord

"Party" means a party to this Deed

"Permitted Disposal" means any sale, lease, licence, transfer or other disposal which, except in the case of paragraph (b), is on arm's length terms:

(a) of trading stock (which is not the subject of any Security in favour of the Lender or which is the subject of a floating charge only in favour of the Lender) or cash made by any member of the Group in the ordinary course of trading of the disposing entity

(b) of any asset (other than any shares, business, Real Property or Intellectual Property) by a member of the Group (Disposing Company) to another member of the Group (Acquiring Company), but if:

(i) the Disposing Company is Chargor, the Acquiring Company must also be a Chargor

(ii) the Disposing Company had given Security over the asset, the Acquiring Company must give equivalent Security over that asset in form and substance satisfactory to the Lender and

(iii) the Disposing Company is a Chargor, the Acquiring Company must be a Chargor guaranteeing at all times an amount no less than that guaranteed by the Disposing Company

(c) of assets (other than any shares, business, Real Property or Intellectual Property and other assets which are subject to a fixed charge in favour of the Lender) in exchange (within 30 days or such longer period as the Lender may agree) for other assets comparable or superior as to type, value or quality and

(d) of obsolete or redundant vehicles, plant and equipment for cash

"Permitted Security" means:

(a) any security granted in favour of the Lender

- (b) any lien arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any member of the Group
- (c) any netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Group but only so long as
 - (i) such arrangement does not permit credit balances of Chargors to be netted or set off against debit balances of members of the Group which are not Chargors and
 - (ii) such arrangement does not give rise to other Security over the assets of Chargors in support of liabilities of members of the Group which are not Chargors
- (d) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the Group
- (e) any Security arising as a consequence of any finance or capital lease and
- (f) any Security permitted by the Lender in writing

"Planning Acts"

means the Town and Country Planning Acts 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991, the Planning and Compulsory Purchase Act 2004 and any regulations or subordinate legislation made under any of the foregoing and any other statute or regulation governing or controlling the use or development of land and buildings

"Premises"

means any building on a Secured Property

"Properties"

mean the properties listed in Schedule 2 (*Properties*)

"Real Property"

means:

- (a) any freehold, leasehold, commonhold or immovable property and
- (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of that freehold, leasehold, commonhold or immovable property

"Receiver"

means any receiver, manager or administrative receiver appointed by the Lender in respect of any Chargor or any of the Secured Assets

"Related Rights"	means, in respect of any Investment or Subsidiary Share: <ul style="list-style-type: none"> (a) all monies paid or payable in respect of that Investment or Subsidiary Share (whether as income, capital or otherwise) (b) all shares, investments or other assets derived from that Investment or Subsidiary Share and (c) all rights derived from or incidental to that Investment or Subsidiary Share
"Relevant Agreements"	means any agreement designated as a "Relevant Agreement" by the Lender and the Chargors in writing
"Relevant Policies"	means all Insurance Policies (other policies in respect of third party liability) together with all monies payable in respect of those policies
"Secured Assets"	means, in respect of any Chargor, all of its assets and undertaking the subject of any Security created by, under or supplemental to, this Deed in favour of the Lender
"Secured Obligations"	means, in respect of any Chargor, all monies and liabilities now or after the date of this Deed due, owing or incurred by that Chargor to the Lender under the Documents (or any of them) in any manner and in any currency or currencies and whether present or future, actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety, together with all interest accruing on such monies and liabilities and all costs, charges and expenses incurred by the Lender under any Document, except for any obligation which, if it were included here, would constitute unlawful financial assistance or its equivalent in any other jurisdiction
"Secured Property"	means at any time the Properties and all other freehold, leasehold or commonhold property which is subject to any Security created by, under or supplemental to this Deed
"Security"	means a mortgage, charge, pledge, lien, assignment 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 Deed and ending on the date on which the Lender is satisfied that the Secured Obligations have been irrevocably and unconditionally satisfied in full and all facilities or loans made available under the Documents (or any of them) have been cancelled
"Short Leasehold Property"	means all leasehold properties for a term of less than 7 years unexpired at the date of the acquisition of the lease (whether registered or unregistered) owned by any Chargor under which the relevant Chargor is obliged to pay rack rental
"Subsidiary"	means a subsidiary undertaking within the meaning of section 1162 of CA2006

"Subsidiary Shares"	means, in respect of a Chargor, all shares present and future held by it in its Subsidiaries (including those listed in Schedule 3 (<i>Subsidiary Shares</i>), if any)
"Tax"	means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same)
"Treasury Transaction"	means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price

1.2 Interpretation

1.2.1 In this Deed the term **dispose** includes any sale, lease, licence, transfer or loan.

1.2.2 Unless a contrary indication appears, a reference in this Deed to:

- (a) the Company, the Lender, any Chargor, any Party, or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and (where applicable) to any additional or replacement trustee or agent;
- (b) **assets** includes present and future properties, revenues and rights of every description (including any right to receive such revenues);
- (c) a Document, or any other agreement or instrument is a reference to that Document or other agreement or instrument as amended, novated, supplemented or restated (however fundamentally) or replaced;
- (d) **guarantee** means (other than in clause 14 (*Guarantee and Indemnity*)) any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
- (e) **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;
- (f) a **person** includes any individual person, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality) or any other entity or body of any description;
- (g) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but if not having the force of law, then being a type with which persons to which it applies customarily comply) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;
- (h) a **provision of law** is a reference to a provision of any treaty, legislation, regulation, decree, order or by-law and any secondary legislation enacted under a power given by that provision, as amended, applied or re-enacted or replaced (whether with or without modification) whether before or after the date of this Deed;
- (i) a **time of day** is a reference to London time; and

- (j) sterling and £ shall be construed as a reference to the lawful currency of the United Kingdom.

1.2.3 An Event of Default is continuing if it has not been remedied to the satisfaction of the Lender or waived.

1.3 Third party rights

1.3.1 Unless expressly provided to the contrary in any Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed or any other Document issued or entered into under or in connection with it but this does not affect any right or remedy of a third party which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

1.3.2 Unless expressly provided to the contrary in this Deed or any other Document the consent of any person who is not a Party is not required to rescind or vary this Deed or any Document entered into under or in connection with it.

1.4 Administration

1.4.1 Any reference in this Deed, or any other Document entered into under or in connection with it, to the making of an administration order shall be treated as including a reference to the appointment of an administrator under paragraph 14 (by the holder of a qualifying floating charge in respect of a Chargor's assets) or 22 (by a Chargor or the directors of a Chargor) of Schedule B1 to the Insolvency Act 1986 or any steps taken toward such order or appointment.

1.4.2 Any reference in this Deed or any other Document entered into under or in connection with it, to making an application for an administration order by petition shall be treated as including a reference to making an administration application to the court under Schedule B1 to the Insolvency Act 1986, appointing an administrator under paragraph 14 or 22 of that Schedule, or giving notice under paragraph 15 or 26 of that Schedule of intention to appoint an administrator or any steps taken towards such application or notice.

1.5 Incorporated terms

The terms of the Documents and of any side letters relating to the Documents and the Secured Obligations are incorporated into this Deed to the extent required for any purported disposition of any Secured Assets contained in this Deed to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

2. COVENANT TO PAY

Each Chargor covenants with the Lender to pay and discharge the Secured Obligations when they become due for payment and discharge in accordance with the terms of the Documents.

3. CHARGING PROVISIONS

3.1 General

All Security created by a Chargor under clauses 3.2 to 3.5 inclusive is:

- 3.1.1 a continuing security for the payment and discharge of the Secured Obligations;
- 3.1.2 granted with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994;
- 3.1.3 granted in respect of all the right, title and interest (if any), present and future, of that Chargor in and to the relevant Secured Asset; and

3.1.4 granted in favour of the Lender.

3.2 Legal mortgages

Each Chargor charges by way of first legal mortgage:

3.2.1 the Properties;

3.2.2 all other interests and estates in freehold, leasehold (other than any Short Leasehold Property) or commonhold property vested in the Chargors at the date of this Deed

and, in each case, all Premises and Fixtures on such property for the time being.

3.3 Assignments

3.3.1 Each Chargor assigns:

(a) the Relevant Agreements to which it is a party; and

(b) the Relevant Policies to which it is a party.

3.3.2 Each Chargor shall remain liable to perform all its obligations under the Relevant Agreements and the Relevant Policies to which it is a party.

3.3.3 Notwithstanding the other terms of this clause 3.3, prior to the occurrence of an Event of Default which is continuing, each Chargor may, subject to the other terms of the Documents, continue to exercise all and any of its rights under and in connection with the Relevant Agreements.

3.4 First Fixed charges

Each Chargor charges by way of first fixed charge:

3.4.1 all other interests and estates in any freehold, leasehold (other than any Short Leasehold Property) or commonhold property not otherwise charged under clause 3.2.2;

3.4.2 the proceeds of sale of its Secured Property and all licences to enter on or use any Secured Property;

3.4.3 the benefit of all other agreements, instruments and rights relating to its Secured Property;

3.4.4 all plant, machinery, vehicles, computers, office and other equipment, all furniture, furnishings, equipment and tools and any removals or replacement of them, (together Chattels) present and future and the benefit of all contracts, licences, warranties, maintenance contracts relating to them and any renewals and replacements of them;

3.4.5 the Subsidiary Shares together with all Related Rights;

3.4.6 the Investments together with all Related Rights;

3.4.7 all book and other debts due to the relevant Chargor and their proceeds (both collected and uncollected) (together Debts) and all rights, guarantees, security or other collateral in respect of the Debts (or any of them) and the benefit of any judgment or order to pay a sum of money and all rights to enforce the Debts (or any of them);

3.4.8 all monies from time to time standing to the credit of each account (other than current accounts) held by the relevant Chargor with any bank, building society, financial institution or other person (each an Account);

- 3.4.9 all its Intellectual Property;
- 3.4.10 all its goodwill and uncalled capital;
- 3.4.11 the benefit of all Authorisations held or utilised by it in connection with its business or the use of any of its assets and the right to recover and receive compensation payable in respect of any of them; and
- 3.4.12 to the extent that any legal mortgage in clause 3.2 or any assignment in clause 3.3 is ineffective as a legal mortgage or an assignment (as applicable), the assets referred to in that clause.

3.5 Floating charge

Each Chargor charges by way of first floating charge all its assets and undertaking wherever located both present and future other than any assets effectively charged by way of legal mortgage or fixed charge or assigned under clauses 3.2, 3.3 or 3.4.

3.6 Qualifying floating charge

This Deed contains a qualifying floating charge and paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by or under this Deed.

3.7 Conversion of floating charge to a fixed charge

The Lender may at any time by notice in writing to any Chargor convert the floating charge created under clause 3.5 into a fixed charge as regards any Floating Charge Asset as it shall specify in the notice if:

- 3.7.1 an Event of Default has occurred and is continuing; or
- 3.7.2 In the reasonable opinion of the Lender that Floating Charge Asset is in danger of being seized or any legal process or execution is being enforced against that Floating Charge Asset.

3.8 Automatic conversion of floating charge to a fixed charge

If (unless permitted in writing by the Lender or expressly permitted under the terms of any Document):

- 3.8.1 a Chargor creates or attempts to create any Security over any of its Floating Charge Assets;
- 3.8.2 any person levies or attempts to levy any distress, attachment, execution or other legal process against any Floating Charge Asset; or
- 3.8.3 any corporate action, legal proceedings or other procedures or steps are taken for the winding up, dissolution, administration or reorganisation of any Chargor

the floating charge created by this Deed will automatically and immediately without notice be converted into a fixed charge over the relevant assets or, in the circumstances described in clause 3.8.3, over all of the Floating Charge Assets.

3.9 Small company moratorium

Where a Chargor is an eligible company within the meaning of paragraphs 2 to 4 (inclusive) of Schedule A1 to the Insolvency Act 1986, then the obtaining of a moratorium, including any preliminary decision, or investigation in terms of paragraph 43 of Schedule A1 to the Insolvency Act 1986 shall not cause the floating charge created by this Deed to crystallise into a fixed charge, nor

cause restrictions which would not otherwise apply to be imposed on the disposal of its property and assets by that Chargor.

4. CONTINUING SECURITY AND RECOURSE

4.1 Continuing security

The Security constituted by this Deed shall be continuing security and shall remain in full force and effect regardless of any intermediate payment or discharge by any Chargor or any other person of the whole or any part of the Secured Obligations.

4.2 Recourse

The Security constituted by this Deed:

4.2.1 is in addition to any other Security which the Lender may hold at any time for the Secured Obligations (or any of them); and

4.2.2 may be enforced without first having recourse to any other rights of the Lender.

5. NEGATIVE PLEDGE

5.1 No Chargor shall create or permit to subsist any Security over any of its assets.

5.2 No Chargor shall:

5.2.1 sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by a Chargor or any other member of the Group;

5.2.2 sell, transfer or otherwise dispose of any of its receivables on recourse terms;

5.2.3 enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts (other than in accordance with a bank's normal terms and conditions); or

5.2.4 enter into any other preferential arrangement having a similar effect

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

5.3 Clauses 5.1 and 5.2 do not apply to any Security or arrangement which is Permitted Security.

6. RESTRICTIONS ON DISPOSALS

6.1 No Chargor shall enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any Secured Assets.

6.2 Clause 6.1 does not apply to any Permitted Disposal.

7. FURTHER ASSURANCE

7.1 Each Chargor shall promptly do all such acts and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Lender may reasonably specify (and in such form as the Lender may reasonably require) in favour of the Lender or its nominee(s):

- 7.1.1 to create, perfect, protect and maintain the Security created or Intended to be created under or evidenced by this Deed or for the exercise of any rights, powers and remedies of the Lender provided by or pursuant to this Deed or by law;
 - 7.1.2 to confer on the Lender its Security over any property and assets of that Chargor located in any jurisdiction equivalent or similar to the Security Intended to be conferred by or pursuant to this Deed; and/or
 - 7.1.3 (if an Event of Default is continuing) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created by or under this Deed.
- 7.2 Each Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or Intended to be conferred on the Lender by or pursuant to this Deed.
- 7.3 Any document required to be executed by a Chargor under this clause 7 will be prepared at the cost of that Chargor.

8. LAND REGISTRY

8.1 Application for restriction

- 8.1.1 In relation to land and buildings situated in England and Wales title to which is registered or is to be registered at the Land Registry, each Chargor consents to an application being made to the Chief Land Registrar for registration of a restriction on the register of title of all present and future registered freehold, leasehold or commonhold property of that Chargor (and any unregistered properties subject to compulsory first registration at the date of this Deed).
- 8.1.2 Each Chargor confirms that so far as any of its Secured Property is unregistered, such land is not affected by any disclosable overriding interests within the meaning of the Land Registration Act 2002 or the Land Registration Rules 2003.

8.2 Tacking and further advances

- 8.2.1 The Lender is, subject to the terms of the Loan Agreement, under an obligation to make further advances to the Company and this security has been made for securing such further advances. The Lender and each Chargor by this Deed consent to an application being made to the Chief Land Registrar to enter a note of such obligation on the register of title to all present and future registered property of that Chargor (and any unregistered properties subject to compulsory first registration at the date of this Deed).

9. NOTICES OF ASSIGNMENTS AND CHARGES

The service of notices in this clause shall be subject to the requirements of any prior ranking security holder.

9.1 Relevant Agreements

- 9.1.1 Each Chargor which is party to a Relevant Agreement shall give notice in the form specified in part 1 (*Form of notice of assignment*) of Schedule 4 to the other parties to each Relevant Agreement that the Chargor has assigned to the Lender all its right, title and interest in that Relevant Agreement.
- 9.1.2 The relevant Chargor shall give the notices referred to in clause 9.1.1 promptly upon request by the Lender.
- 9.1.3 The relevant Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice in substantially the form specified in part 2

(Form of acknowledgement) of Schedule 4 within 10 Business Days of that notice being given.

9.2 Insurance Policies

9.2.1 Each Chargor which is an Insured party under a Relevant Policy shall give notice in the form specified in part 1 (*Form of notice of assignment*) of Schedule 5 to each Insurer under each Relevant Policy that the Chargor has assigned to the Lender all its right, title and interest in that Relevant Policy.

9.2.2 The relevant Chargor shall give the notices referred to in clause 9.2.1 promptly upon request by the Lender.

9.2.3 The relevant Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice in substantially the form specified in part 2 (Form of acknowledgement) of Schedule 5 within 10 Business Days of that notice being given.

9.3 Charge over accounts

9.3.1 Each Chargor holding an Account shall give notice in the form specified in part 1 (*Form of notice of charge*) of Schedule 6 to the financial institution at which such Account is held that the Chargor has created a fixed charge over the balance standing to the credit of that Account.

9.3.2 The relevant Chargor will give the notices referred to in clause 9.3.1 promptly upon request by the Lender.

9.3.3 The relevant Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice substantially in the form specified in part 2 (Form of acknowledgement) of Schedule 6 within 10 Business Days of that notice being given.

9.4 Register of Trade Marks

Each Chargor as registered proprietor hereby appoints the Lender as its agent to apply for the particulars of this Deed and the interest of the Lender in the Intellectual Property and any other or future trade marks or trade mark applications registered or to be registered in the United Kingdom in the name of that Chargor, to be made on the Register of Trade Marks under section 25(1) of the Trade Marks Act 1994 (in each case to the extent such Intellectual Property or future trademarks are material for the relevant Chargor's business). Each Chargor hereby agrees to execute all documents and forms required to enable such particulars to be entered on the Register of Trade Marks.

10. UNDERTAKINGS

Each Chargor undertakes to the Lender in accordance with this clause 10. The undertakings in this clause 10 shall remain in force during the Security Period.

10.1 Real property

10.1.1 Access

It will permit the Lender and such person or persons as the Lender shall nominate at all reasonable times and on reasonable notice to enter on any part of its Secured Property.

10.1.2 Repair

(a) It shall keep its Secured Property in a reasonable state of repair, condition and decorative order (fair wear and tear excepted).

- (b) It shall repair any defect or damage to any of its Secured Property promptly if failure to do so would have a material negative impact on the value of the Secured Property and if it fails to do so the Lender may, but shall not be obliged to, do so.

10.1.3 Planning

It shall not do or allow or omit to be done anything which may infringe or contravene the Planning Acts affecting its Secured Property, nor make any application for the grant of planning permission within the meaning of the Planning Acts without the prior written consent of the Lender (such consent not to be unreasonably withheld or delayed).

10.1.4 Planning directions

- (a) Within 5 Business Days of receipt by it of any notice or order (Direction) served on or issued to it by any local or other authority (whether under the Planning Acts or otherwise) in respect of any part of its Secured Property, it shall give full particulars of the Direction to the Lender and, if so requested by the Lender, produce the Direction or a copy of it to the Lender.
- (b) It shall advise the Lender of all steps taken or proposed to be taken by it from time to time to comply with the terms of the Direction.
- (c) It shall take all necessary steps to comply with the Direction unless it is being contested in good faith.
- (d) It shall at the reasonable request of the Lender (but at the cost of the Chargor) make or join with the Lender in making such objections, representations against, appealing against or in respect of any proposal contained in the Direction as the Lender shall deem expedient in order to protect the interests of the Lender.

10.1.5 Development

- (a) It shall not carry out any development (as defined in the Planning Acts) on any part of its Secured Property without the prior written consent of the Lender (such consent not to be unreasonably withheld).
- (b) It shall not change the use of any part of its Secured Property without the prior written consent of the Lender (such consent not to be unreasonably withheld).

10.1.6 Future acquisitions and legal mortgage

It shall:

- (a) notify the Lender promptly and in any event within two Business Days of its intention to acquire any freehold, leasehold or other interest in property including the proposed date of such acquisition (and for the purposes of this clause 10.1.6 the date of exchange of contracts for such an acquisition shall be deemed the date of acquisition);
- (b) at its cost, execute and deliver to the Lender on demand, a legal mortgage (in form and substance satisfactory to the Lender and in substantially the same terms as this Deed) in favour of the Lender of any freehold or leasehold (other than any Short Leasehold Property) or other interest in property which becomes vested in it after the date of this Deed;
- (c) obtain any consents required for the Security referred to in this clause 10.1.6 (subject to clause 10.2(b)); and

- (d) if applicable procure that notice of this Deed is noted in the appropriate manner on the title to any property which becomes vested in it after the date of this Deed.

10.1.7 Deposit of title deeds

Subject to the requirements of any prior ranking security holder, it shall hold to the Lender's order, or if requested, deposit with the Lender all deeds and documents to title relating to its Secured Property.

10.1.8 Outgoings

It will punctually pay and indemnify the Lender and any Receiver against all present and future rents, rates, taxes, assessments and outgoings of whatsoever nature imposed on or payable in respect of its Secured Property or any part of it or payable by the owner or occupier of it.

10.1.9 Investigation of title

If an Event of Default is continuing and upon the request of the Lender, it shall grant the Lender or its advisers (at the cost of the Chargor) all facilities within its power to enable the Lender or its advisers or delegates to carry out such investigations of title to and enquiries into its Secured Property or other Secured Assets as may be carried out by a prudent mortgagee or chargee.

Notices

- 10.1.10 It will deliver to the Lender promptly a certified true copy of any statutory or other notice in respect of the Secured Property.

10.2 Leases

10.2.1 Lease and covenant compliance.

It shall:

- (a) perform all the material terms on its part contained in any lease or agreement for lease under which it holds an interest in a Secured Property or to which any of its Secured Property is subject;
- (b) properly perform (and indemnify the Lender and each Receiver for any breach of) any material covenants and stipulations of whatsoever nature affecting any of its Secured Property;
- (c) not make any election or take any other action so as to alter the treatment of any Occupational Lease for the purposes of value added tax;
- (d) not, without the prior written consent of the Lender (such consent not to be unreasonably withheld), serve notice on any former tenant under any Occupational Lease under section 17(2) of the Landlord and Tenant (Covenants) Act 1995 or on any guarantor of any such former tenant under section 17(3) of that act; and
- (e) promptly and in any event within two Business Days notify the Lender of any notice received by it under section 146 of the Law of Property Act 1925 or any proceedings commenced or steps taken against it for the forfeiture of any lease under which it holds an interest in a Secured Property.

10.2.2 Landlord's consent

If under the terms of any lease under which It holds an interest in any Secured Property, the Chargor is not permitted to charge its interest in such Secured Property without the consent of the landlord;

- (a) It undertakes promptly to make an application for landlord's consent to the creation of the fixed charge contained in clause 3.4 (*First fixed charges*) and any charge to be created under clause 7 (*Further assurance*), shall use all reasonable endeavours to obtain such consent as soon as possible and shall keep the Lender informed of the progress of its negotiations with such landlord;
- (b) subject to clause 10.2.2(c):
 - (i) no breach of any representation in the Documents shall by virtue of the Chargor's failure to have obtained such landlord's consent; and
 - (ii) if the landlord indicates in writing that It proposes to commence, or commences an action of forfeiture of the lease, the Lender shall release from such fixed charge, the relevant Chargor's interest in the lease;
- (c) clause 10.2.2(b) shall only apply where the relevant Chargor has complied with its obligations under clause 10.2.2(a), but the landlord has not given the consent requested of It;
- (d) upon receipt by the Lender of evidence in writing of the consent of the landlord to the creation and existence of the fixed charge over the Chargor's interest in such lease, clause 10.2.2(b) shall cease to apply in respect of the relevant Secured Property.

10.2.3 No variation to lease

It shall not without the prior written consent of the Lender (such consent not to be unreasonably withheld) alter, vary or waive or agree to alter, vary or waive the terms of any lease under which It holds any Secured Property or any lease to which any Secured Property is subject unless such alteration will not have a material adverse effect on the interests of the Lender.

10.2.4 No surrender or termination

It shall not without the prior written consent of the Lender (such consent not to be unreasonably withheld) surrender or otherwise terminate any lease under which It holds a Secured Property or terminate, forfeit or accept a surrender of any lease to which any Secured Property is subject.

10.2.5 Compliance by tenants

It shall use reasonable endeavours to procure that each tenant under an Occupational Lease complies with the material terms of that Occupational Lease.

10.2.6 Lease or right to occupy

It will not without the prior written consent of the Lender (such consent not to be unreasonably withheld):

- (a) grant any lease or tenancy or exercise any other power of leasing of the whole or part of any Secured Property; or

- (b) grant any person any contractual licence or the right to occupy any Secured Property or part with possession of it.

10.2.7 Forfeiture

It shall not do or permit anything which may render any lease or agreement for lease under which it holds an interest in a Secured Property, or to which the Secured Property is subject, liable to forfeiture or otherwise determinable.

10.3 Chattels

10.3.1 It will keep all Chattels comprised in its Secured Assets in a reasonable state of repair and in good working order and condition (fair wear and tear excepted).

10.3.2 It shall repair any defect or damage to any of its Chattels promptly and if it fails to do so (where failure would have a material negative impact on the value of the Chattels) the Lender may, but shall not be obliged to, do so.

10.3.3 It shall, on the date of this Deed and if later, the date of acquisition by it of the relevant Chattel, hold to the Lender's order, or if requested, as soon as reasonably practicable after receiving such a request deliver to the Lender all documents of title relating to its Chattels.

10.4 Subsidiary Shares and Investments

10.4.1 Subject to the requirements of any prior ranking security holder, promptly upon request by the Lender, the Chargor shall

- (a) deliver to the Lender all certificates of title and other documents of title or evidence of ownership in respect of its Subsidiary Shares or Investments and the Related Rights; and

- (b) deliver to the Lender such transfer documents (with the transferee left blank) or any other documents as the Lender may require or otherwise reasonably request in respect of those Subsidiary Shares, Investments and Related Rights.

10.4.2 Until any steps are taken to enforce the Security created by or under this Deed, the Chargor shall be entitled to receive and retain all dividends, distributions and other monies receivable in respect of its Subsidiary Shares, Investments and Related Rights.

10.4.3 It shall not exercise its voting and other rights in respect of its Subsidiary Shares, Investments and Related Rights in a manner which is likely to be prejudicial to the interests of the Lender.

10.4.4 It shall make all payments which may become due and payable in respect of any of its Subsidiary Shares, Investments and Related Rights. If it fails to make any such payments, the Lender may but shall not be obliged to make such payment on behalf of the relevant Chargor. Any sums so paid by the Lender shall be repayable by the relevant Chargor to the Lender on demand and pending such repayment shall constitute part of the Secured Obligations.

10.4.5 It shall remain liable to observe and perform all of the conditions and obligations assumed by it in respect of its Subsidiary Shares, Investments and Related Rights and the Lender shall not be required to perform or fulfil any obligation of any Chargor in respect of any Subsidiary Shares, Investments or Related Rights.

10.4.6 It shall comply with any notice served on it under CA2006 or pursuant to the articles of association or any other constitutional document of any relevant entity in respect of or in connection with the Subsidiary Shares, Investments or Related Rights and will promptly provide to the Lender a copy of that notice.

10.4.7 It shall ensure that none of its Subsidiary Shares are converted into uncertificated form without the prior written consent of the Lender (such consent not to be unreasonably withheld).

10.4.8 Promptly, and in any event within two Business Days, following the conversion of any of its Subsidiary Shares, Investment or Related Rights from a certificated to an uncertificated form, and on the acquisition by it of any Subsidiary Shares, Investments or Related Rights in an uncertificated form, it shall give such instructions or directions and take such other steps and enter into such documentation as the Lender may reasonably require in order to protect or preserve the Security Intended to be created by this Deed.

10.5 Insurance

10.5.1 It shall ensure that:

- (a) the name of the Lender be noted on each policy of insurance as mortgagee and as first loss payee;
- (b) each policy of insurance shall contain a standard mortgagee clause whereby, among other things, the insurance shall not be vitiated or avoided as against a mortgagee notwithstanding that it could otherwise be so against any Chargor; and
- (c) each policy of insurance shall contain a provision to the effect that the insurance shall not be invalidated as against the Lender for non-payment of any premium due without the insurer first giving to the Lender not less than 14 days' written notice.

10.5.2 If a Chargor shall be in default of effecting or maintaining insurances or in producing any such policy or receipt to the Lender on demand, the Lender may take out or renew such insurances which the Lender may (acting reasonably) think expedient and all monies expended and costs reasonably incurred by the Lender under this provision shall be for the account of any such Chargor.

10.6 Book and other debts

10.6.1 It shall collect and realise the Debts in the ordinary course of trading as agent for the Lender and pay their proceeds into an Account. It shall hold all such proceeds on trust for the Lender pending payment of them into an Account.

10.6.2 It shall not set off, postpone or release any of the Debts or do or omit to do anything which may delay or prejudice the full recovery of all Debts without the prior written consent of the Lender.

10.7 General

It shall not do or cause or permit to be done anything which may in any way materially depreciate, jeopardise or otherwise prejudice the value to the Lender of the Security created by or under this Deed.

11. REPRESENTATIONS

11.1 General

Each Chargor makes the representations and warranties set out in this clause 11 to the Lender on the date of this Deed.

11.2 Status

- 11.2.1 It is a limited liability corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.
- 11.2.2 It has the power to own its assets and carry on its business as it is being conducted.

11.3 Binding obligations

Subject to the Legal Reservations:

- 11.3.1 the obligations expressed to be assumed by it in the Documents to which it is a party are legal, valid, binding and enforceable obligations; and
- 11.3.2 (without limiting the generality of clause 11.3.1), this Deed creates the Security which it purports to create and that Security is valid and effective.

11.4 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Documents and the granting of Security under this Deed do not conflict with:

- 11.4.1 any law or regulation, or judicial or official order, applicable to it;
- 11.4.2 its constitutional documents; or
- 11.4.3 any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.

11.5 Power and authority

- 11.5.1 It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Documents to which it is or will be a party and the transactions contemplated by those Documents.
- 11.5.2 No limit on its powers will be exceeded as a result of the borrowing, grant of Security or giving of guarantees or indemnities contemplated by the Documents to which it is a party.

11.6 Legal and beneficial ownership

It is the sole legal and beneficial owner of the respective assets over which it purports to grant Security.

11.7 Shares

- 11.7.1 The shares of any member of the Group which are subject to the Security created under this Deed are fully paid and not subject to any option to purchase or similar rights, other than the management options granted by the Company on or about the date of this Deed.
- 11.7.2 The constitutional documents of the companies whose shares are subject to the Security created under this Deed do not and could not restrict or inhibit any transfer of those shares on creation or enforcement of the Security created under this Deed.
- 11.7.3 There are no agreements in force which provide for the issue, allotment or transfer of, or grant any person the right to call for the issue, allotment or transfer of, any share or loan capital of any member of the Group (including any option or right of pre-emption or conversion), other than the management options granted by the Company on or about the date of this Deed.

12. POWER TO REMEDY

- 12.1 If a Chargor falls to comply with any of the undertakings set out in clause 10 (*Undertakings*), It shall allow and irrevocably authorise the Lender and/or such persons as it shall nominate to take such action on behalf of that Chargor as shall be necessary to ensure that it complies with those undertakings.
- 12.2 If any Chargor falls to perform any obligation or other covenant affecting the Secured Property or other Security Asset, each Chargor shall permit the Lender or its agents and contractors:
- 12.2.1 to enter on the Secured Property;
 - 12.2.2 to comply with or object to any notice served on any Chargor relating to the Secured Property or other Security Asset; and
 - 12.2.3 to take any action the Lender may reasonably consider expedient to prevent or remedy any breach of any such term or to comply with or object to any such notice.
- 12.3 Each Chargor shall within 3 Business Days of demand indemnify the Lender against any cost, loss or liability incurred by it in taking any of the steps referred to in this clause 12.

13. SECURITY POWER OF ATTORNEY

Each Chargor, by way of security, irrevocably and severally appoints the Lender, each Receiver and any of their delegates or sub-delegates to be its attorney to take any action which the Chargor is obliged to take under this Deed but which the Chargor has failed to do. Each Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause 13.

14. GUARANTEE AND INDEMNITY

- 14.1 Each Chargor irrevocably and unconditionally jointly and severally:
- 14.1.1 guarantees to the Lender punctual performance by each other Chargor of all that Chargor's obligations under the Documents;
 - 14.1.2 undertakes to the Lender that whenever another Chargor does not pay any amount when due under or in connection with any Document, that Chargor shall immediately on demand pay that amount as if it was the principal Chargor; and
 - 14.1.3 agrees that if for any reason, any amount claimed by the Lender under this clause 14 is not recoverable on the basis of a guarantee, it will be liable as a principal debtor and primary Chargor to indemnify the Lender against any cost, loss or liability it incurs as a result of a Chargor not paying any amount expressed to be payable by it under any Document on the date when it is expressed to be due including, for the avoidance of doubt, any cost, loss or liability incurred by the Lender as a result of any steps taken by it for the preservation or enforcement of the Security created pursuant to this Deed. The amount payable by a Chargor under this indemnity will not exceed the amount it would have had to pay under this clause 14 if the amount claimed had been recoverable on the basis of a guarantee.
- 14.2 **Continuing Guarantee**
- This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Chargor under the Documents, regardless of any intermediate payment or discharge in whole or in part.

14.3 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Chargor or any Security for those obligations or otherwise) is made by the Lender in whole or in part on the faith of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Chargor under this clause 14 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

14.4 Waiver of defences

The obligations of each Chargor under this clause 14 will not be affected by an act, omission, matter or thing which, but for this clause 14, would reduce, release or prejudice any of its obligations under this clause 14 (without limitation and whether or not known to it or the Lender) including:

- 14.4.1 any time, waiver or consent granted to, or composition with, any Chargor or other person;
- 14.4.2 the release of any other Chargor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- 14.4.3 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, any Chargor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- 14.4.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Chargor or any other person;
- 14.4.5 any amendment (however fundamental) or replacement of a Document or any other document or Security;
- 14.4.6 any unenforceability, illegality or invalidity of any obligation of any person under any Document or any other document or Security; or
- 14.4.7 any insolvency or similar proceedings.

14.5 Intent

Without prejudice to the generality of clause 14.4 (*Waiver of Defences*), each Chargor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Documents and/or any facility or amount made available under any of the Documents for the purposes of or in connection with any of the following:

- 14.5.1 business acquisitions of any nature;
- 14.5.2 increasing working capital;
- 14.5.3 enabling investor distributions to be made;
- 14.5.4 carrying out restructurings;
- 14.5.5 refinancing existing facilities;
- 14.5.6 refinancing any other indebtedness;
- 14.5.7 making facilities available to new borrowers;

14.5.8 any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and

14.5.9 any fees, costs and/or expenses associated with any of the foregoing.

14.6 Immediate recourse

Each Chargor waives any right it may have of first requiring the Lender (or any trustee or agent on its behalf) to proceed against or enforce any other rights or Security or claim payment from any person before claiming from that Chargor under this clause 14. This waiver applies irrespective of any law or any provision of any Document to the contrary.

14.7 Appropriations

Until all amounts which may be or become payable by the Chargors under or in connection with the Documents have been irrevocably paid in full, the Lender (or any trustee or agent on its behalf) may:

14.7.1 refrain from applying or enforcing any other moneys, Security or rights held or received by the Lender (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Chargor shall be entitled to the benefit of the same; and

14.7.2 hold in an interest-bearing suspense account any moneys received from any Chargor or on account of any Chargor's liability under this clause 14.

14.8 Deferral of Chargors' rights

Until all amounts which may be or become payable by the Chargors under or in connection with the Documents have been irrevocably paid in full and unless the Lender otherwise directs, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under the Documents or by reason of any amount being payable, or liability arising, under this clause 14:

14.8.1 to be indemnified by a Chargor;

14.8.2 to claim any contribution from any other guarantor of any Chargor's obligations under the Documents;

14.8.3 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender in respect of the Secured Obligations or of any other guarantee or Security taken pursuant to, or in connection with the Documents by the Lender;

14.8.4 to bring legal or other proceedings for an order requiring any Chargor to make any payment, or perform any obligation, in respect of which any Chargor has given a guarantee, undertaking or indemnity under clause 14.1 (Guarantee and Indemnity);

14.8.5 to exercise any right of set-off against any Chargor; and/or

14.8.6 to claim or prove as a creditor of any Chargor in competition with the Lender.

If a Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Lender by the Chargors under or in connection with the Documents to be repaid in full on trust for the Lender and shall promptly pay or transfer the same to the Lender in accordance with the Documents.

14.9 Additional security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or Security now or subsequently held by or on behalf of the Lender.

15. ENFORCEMENT OF SECURITY

15.1 When security is enforceable

On the occurrence of any Event of Default which is continuing, the Security created by and under this Deed is immediately enforceable.

15.2 Acts of enforcement

The Lender may, at its absolute discretion, at any time after the Security created by or under this Deed is enforceable:

- 15.2.1 enforce all or any part of the Security created by or under this Deed in any manner it sees fit;
- 15.2.2 exercise its rights and powers conferred upon mortgagees by the Law of Property Act 1925, as varied and extended by this Deed, and rights and powers conferred on a Receiver by this Deed, whether or not it has taken possession or appointed a Receiver to any of the Secured Assets;
- 15.2.3 appoint a Receiver to all or any part of the Secured Assets;
- 15.2.4 appoint an administrator in respect of any Chargor and take any steps to do so;
- 15.2.5 exercise its power of sale under section 101 of the Law of Property Act 1925 (as amended by this Deed); or
- 15.2.6 if permitted by law, appoint an administrative receiver in respect of any Chargor.

15.3 Right of appropriation

To the extent that the Security created by this Deed constitutes a "security financial collateral arrangement" and the Secured Assets constitute "financial collateral" for the purpose of the Financial Collateral Arrangements (No 2) Regulations 2003 (Regulations), the Lender shall have the right on giving prior notice to the relevant Chargor, at any time after the Security becomes enforceable, to appropriate all or any part of those Secured Assets in or towards discharge of the Secured Obligations. The parties agree that the value of the appropriated Secured Assets shall be, in the case of cash, the amount of cash appropriated and, in the case of Subsidiary Shares and Investments, determined by the Lender by reference to any available publicly available market price in the absence of which by such other means as the Lender (acting reasonably) may select including, without limitation, an independent valuation. For the purpose of Regulation 18(1) of the Regulations, each Chargor agrees that any such determination by the Lender will constitute a valuation "in a commercially reasonable manner".

15.4 Statutory powers - general

- 15.4.1 For the purposes of all powers implied by statute, the Secured Obligations are deemed to have become due and payable on the date of this Deed.
- 15.4.2 Section 103 of the Law of Property Act 1925 and section 93 of the Law of Property Act 1925 do not apply to the Security constituted by or under this Deed.
- 15.4.3 The statutory powers of leasing conferred on the Lender are extended so that, without the need to comply with any provision of section 99 or section 100 of the Law of Property Act 1925, the Lender is empowered to lease and make agreements for lease at a premium or otherwise, accept surrenders of leases and grant options or vary or reduce any sum payable under any leases or tenancy agreements as it may think fit.
- 15.4.4 Each Receiver and the Lender is entitled to all the rights, powers, privileges and immunities conferred by the Law of Property Act 1925 and the Insolvency Act 1986 on

mortgagees and Receivers when such Receivers have been duly appointed under the relevant Act.

15.5 Contingencies

If the Lender enforces the Security constituted by or under this Deed at a time when no amounts are due to the Lender under the Documents but at a time when amounts may or will become so due, the Lender (or the Receiver) may pay the proceeds of any recoveries effected by it into an interest bearing suspense account.

15.6 Mortgagee in possession - no liability

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

15.7 Redemption of prior mortgages

At any time after the Security created by or under this Deed has become enforceable the Lender may, at the sole cost of the Chargors (payable to the Lender on demand):

15.7.1 redeem any prior form of Security over any Secured Asset; and/or

15.7.2 procure the transfer of that Security to itself; and/or

15.7.3 settle and pass the accounts of any prior mortgagee, chargee or encumbrancer which once so settled and passed shall be conclusive and binding on the Chargors.

15.8 Subsidiary Shares and Investments – following an Event of Default

15.8.1 At any time after the Security created by or under this Deed has become enforceable, each Chargor shall on request by the Lender:

(a) deliver to the Lender such stock transfer forms or other transfer documents as the Lender may require to enable the Lender or its nominee or nominees to be registered as the owner of, and to obtain legal and beneficial title to, the Subsidiary Shares, the Investments and/or Related Rights referred to in such request;

(b) provide to the Lender certified copies of all resolutions and authorisations approving the execution of such transfer forms and registration of such transfers as the Lender may reasonably require;

(c) procure that each such transfer is promptly registered by the relevant company or other entity;

(d) procure that, immediately on their issue, all share certificates or other documents of title in the appropriate form, in respect of the relevant Subsidiary Shares, Investments and/or Related Rights, are delivered to the Lender in each case showing the registered holder as the Lender or its nominee or nominees (as applicable); and

(e) exercise all voting rights in respect of its Subsidiary Shares, Investments and Related Rights only in accordance with the instructions of the Lender.

15.8.2 At any time after the Security created by or under this Deed has become enforceable, the Lender may complete any transfer documents held by it in respect of the Subsidiary Shares, the Investments and/or the Related Rights in favour of itself or such other person or nominee as it shall select.

15.8.3 At any time after the Security created by or under this Deed has become enforceable, the Lender and its nominee or nominees may sell all or any of the Subsidiary Shares, Investments or Related Rights of the Chargors (or any of them) in any manner permitted by law and on such terms as the Lender shall in its absolute discretion determine.

15.8.4 If any Chargor receives any dividends, distributions or other monies in respect of its Subsidiary Shares, Investments and Related Rights at a time when the Lender has taken any steps to enforce the Security created by or under this Deed under clause 15.2, the relevant Chargor shall promptly and in any event within two Business Days pay such sums received directly to the Lender for application in accordance with clause 18 (*Application of monies*) and shall hold all such sums on (trust for the Lender pending payment of them to such account as the Lender shall direct.

16. RECEIVER

16.1 Appointment of Receiver

16.1.1

(a) At any time after any Security created by or under this Deed is enforceable, the Lender may appoint a Receiver to all or any part of the Secured Assets in accordance with clause 15.2.3 (*Acts of enforcement*).

(b) At any time, if so requested in writing by any Chargor, without further notice, the Lender may appoint a Receiver to all or any part of the Secured Assets as if the Lender had become entitled under the Law of Property Act 1925 to exercise the power of sale conferred under the Law of Property Act 1925.

16.1.2 Any Receiver appointed under this Deed shall be the agent of the relevant Chargor and that Chargor shall be solely responsible for his acts or defaults and for his remuneration and liable on any contracts or engagements made or entered into by him and in no circumstances whatsoever shall the Lender be in any way responsible for any misconduct, negligence or default of the Receiver.

16.1.3 Where a Chargor is an eligible company within the meaning of paragraphs 2 to 4 (inclusive) of Schedule A1 to the Insolvency Act 1986:

(a) obtaining a moratorium; or

(b) anything done with a view to obtaining a moratorium including any preliminary decision or investigation in terms of paragraph 43 of Schedule A1 to the Insolvency Act 1986

shall not be grounds for appointment of a Receiver.

16.2 Removal

The Lender may by written notice remove from time to time any Receiver appointed by it (subject to the provisions of section 45 of the Insolvency Act 1986 in the case of an administrative receiver) and, whenever it may deem appropriate, appoint a new Receiver in the place of any Receiver whose appointment has terminated.

16.3 Powers of Receiver

16.3.1 General

(a) In addition to those conferred by the Law of Property Act 1925 on any Receiver appointed under that Act, each Receiver has, and is entitled to exercise, all of the rights, powers and discretions set out in this clause 16.3.

- (b) If there is more than one Receiver holding office at the same time, unless the document appointing him states otherwise, each Receiver may exercise all of the powers conferred on a Receiver under this Deed or under the Insolvency Act 1986 individually and to the exclusion of any other Receivers.
- (c) A Receiver of a Chargor has all the rights, powers and discretions of an administrative receiver under the Insolvency Act 1986.
- (d) A Receiver may, in the name of any Chargor:
 - (i) do all other acts and things which he may consider expedient for realising any Secured Asset; and
 - (ii) exercise in relation to any Secured Asset all the powers, authorities and things which he would be capable of exercising if he were its absolute beneficial owner.

16.3.2 Borrow money

A Receiver may raise and borrow money (either unsecured or on the security of any Secured Asset, either in priority to the security constituted by this Deed or otherwise) on any terms and for whatever purpose which he thinks fit. No person lending that money need enquire as to the propriety or purpose of the exercise of that power or to check the application of any money so raised or borrowed.

16.3.3 Carry on business

A Receiver may carry on the business of any relevant Chargor as he thinks fit and, for the avoidance of doubt, a Receiver may apply for such Authorisations as he considers in his absolute discretion appropriate.

16.3.4 Compromise

A Receiver may 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 any relevant Chargor or relating in any way to any Secured Asset.

16.3.5 Delegation

A Receiver may delegate his powers in accordance with clause 17 (*Delegation*).

16.3.6 Employees

For the purposes of this Deed, a Receiver as he thinks appropriate, on behalf of the relevant Chargor or for itself as Receiver, may:

- (a) appoint and discharge managers, officers, agents, accountants, servants, workmen and others upon such terms as to remuneration or otherwise as he may think proper; and
- (b) discharge any such persons appointed by the relevant Chargor.

16.3.7 Leases

A Receiver may let any Secured Asset for any term and at any rent (with or without a premium) which he thinks proper and may accept a surrender of any lease or tenancy of any Secured Assets on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender).

16.3.8 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings or submit to arbitration or any form of alternative dispute resolution in the name of the relevant Chargor in relation to any Secured Asset as he considers expedient.

16.3.9 Possession

A Receiver may take immediate possession of, get in and collect any Secured Asset.

16.3.10 Protection of assets

A Receiver may, in each case as he may think fit:

- (a) make and effect all repairs and insurances and do all other acts which the relevant Chargor might do in the ordinary conduct of its business be they for the protection or for the improvement of the Secured Assets;
- (b) commence and/or complete any building operations on the Secured Property or other Secured Asset; and
- (c) apply for and maintain any planning permission, building regulation approval or any other permission, consent or licence.

16.3.11 Receipts

A Receiver may give valid receipts for all monies and execute all assurances and things which may be expedient for realising any Secured Asset.

16.3.12 Sale of assets

A Receiver may sell, exchange, convert into monies and realise any Secured Asset by public auction or private contract in any manner and on any terms which he thinks proper. The consideration for any such transaction may consist of cash, debenture 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 he thinks fit. Fixtures and any plant and machinery annexed to any part of the Secured Property may be severed and sold separately from the property containing them without the consent of the relevant Chargor.

16.3.13 Subsidiaries

A Receiver may form a Subsidiary of the relevant Chargor and transfer to that Subsidiary any Secured Asset.

16.3.14 Deal with Secured Assets

A Receiver may, without restriction sell, let or lease, or concur in selling, letting or leasing, or vary the terms of, determine, surrender or accept surrenders of, leases or tenancies of, or grant options and licences over or otherwise dispose of or deal with, all or any part of the Secured Assets without being responsible for loss or damage, and so that any such sale, lease or disposition may be made for cash payable by instalments, loan stock or other debt obligations or for shares or securities of another company or other valuable consideration. The Receiver may form and promote, or concur in forming and promoting, a company or companies to purchase, lease, licence or otherwise acquire interests in all or any of the Secured Assets or otherwise, arrange for such companies to trade or cease to trade and to purchase, lease, license or otherwise acquire all or any of the Secured Assets on such terms and conditions whether or not including payment by instalments secured or unsecured as he may think fit.

16.3.15 Voting rights

A Receiver may exercise all voting and other rights attaching to the Investments, Subsidiary Shares, Related Rights, and stocks, shares and other securities owned by that Chargor and comprised in the Secured Assets in such manner as he may think fit.

16.3.16 Security

A Receiver may redeem any prior Security and settle and pass the accounts of the person entitled to the prior Security so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on that Chargor and the money so paid shall be deemed to be an expense properly incurred by the Receiver.

16.3.17 Acquire land

The Receiver may purchase or acquire any land and purchase, acquire or grant any interest in or right over land.

16.3.18 Development

A Receiver may implement or continue the development of (and obtain all consents required in connection therewith) and/or complete any buildings or structures on, any real property comprised in the Secured Property and do all acts and things incidental to the Secured Property.

16.3.19 Landlord's obligations

A Receiver may on behalf of a Chargor and without consent of or notice to that Chargor exercise all the powers conferred on a landlord or a tenant by the Landlord and Tenants Acts, the Rents Acts and Housing Acts or any other legislation from time to time in force in any relevant jurisdiction relating to rents or agriculture in respect of any part of the Secured Property.

16.3.20 Uncalled capital

A Receiver may make calls conditionally or unconditionally on the members of any relevant Chargor in respect of uncalled capital.

16.3.21 Incidental matters

A Receiver may do all other acts and things including without limitation, signing and executing all documents and deeds as may be considered by the Receiver to be incidental or conducive to any of the matters or powers listed here or granted by law or otherwise incidental or conducive to the preservation, improvement or realisation of the Secured Assets and to use the name of the relevant Chargor for all the purposes set out in this clause 16.

16.4 Remuneration

The Lender may from time to time fix the remuneration of any Receiver appointed by it.

17. DELEGATION

- 17.1 The Lender and any Receiver may delegate by power of attorney or in any other manner all or any of the powers, authorities and discretions which are for the time being exercisable by the Lender and the Receiver (as appropriate) under this Deed to any person or persons as it shall think fit. Any such delegation may be made upon such terms and conditions (including the power to sub-delegate) as the Lender and Receiver (as appropriate) may think fit.

- 17.2 The Lender and any Receiver will not be liable or responsible to any Chargor or any other person for any losses, liabilities or expenses arising from any act, default, omission or misconduct on the part of any delegate.

18. APPLICATION OF MONIES

- 18.1 Sections 109(6) and (8) (Appointment, powers, remuneration and duties of receiver) of the Law of Property Act 1925 shall not apply to a Receiver appointed under this Deed.

- 18.2 All monies received by the Lender or any Receiver under this Deed shall (subject to claims of any person having a ranking in priority in law) be applied as follows:

18.2.1 first, in or towards payment of any unpaid fees, costs and expenses of, and all other amounts payable to, the Lender (and any Receiver or Delegate appointed by it) under this Deed or any Document;

18.2.2 second, to the Lender in or towards payment of any unpaid and outstanding amounts of the Secured Obligations;

18.2.3 third, in payment of the surplus (if any) to the relevant Chargors or other persons entitled to it

- 18.3 The Lender and any Receiver may place any money received, recovered or realised pursuant to this Deed in an interest bearing suspense account and it may retain the same for such period as it considers expedient without having any obligation to apply the same or any part of it in or towards discharge of the Secured Obligations.

19. REMEDIES AND WAIVERS

- 19.1 No failure to exercise, nor any delay in exercising, on the part of the Lender or any Receiver, any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.

- 19.2 A waiver given or consent granted by the Lender under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

20. PROTECTION OF THIRD PARTIES

- 20.1 No person (including a purchaser) dealing with the Lender or a Receiver or its or his agents has an obligation to enquire of the Lender, Receiver or others:

20.1.1 whether the Secured Obligations have become payable;

20.1.2 whether any power purported to be exercised has become exercisable;

20.1.3 whether any Secured Obligations or other monies remain outstanding;

20.1.4 how any monies paid to the Lender or to the Receiver shall be applied; or

20.1.5 the status, propriety or validity of the acts of the Receiver or the Lender.

- 20.2 The receipt by the Lender or any Receiver shall be an absolute and a conclusive discharge to a purchaser and shall relieve him of any obligation to see to the application of any monies paid to or by the direction of the Lender or any Receiver.

- 20.3 In clauses 20.1 and 20.2, purchaser includes any person acquiring, for money or monies worth, any lease of, or security over, or any other interest or right whatsoever in relation to, the Secured Assets or any of them.

21. ADDITIONAL SECURITY

The Security created by or under this Deed is in addition to and is not in any way prejudiced by any guarantee or security now or subsequently held by the Lender.

22. SETTLEMENTS CONDITIONAL

22.1 If the Lender (acting reasonably) believes that any amount paid by a Chargor or any other person in respect of the Secured Obligations is capable of being avoided or set aside for any reason, then for the purposes of this Deed, such amount shall not be considered to have been paid.

22.2 Any settlement, discharge or release between a Chargor and the Lender shall be conditional upon no Security or payment to or for the Lender by that Chargor or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any law relating to bankruptcy, insolvency or liquidation or otherwise.

23. SUBSEQUENT SECURITY

If the Lender receives notice of any other subsequent Security or other interest affecting all or any of the Secured Assets it may open a new account or accounts for the relevant Chargor in its books. If it does not do so then, unless it gives express written notice to the contrary to the relevant Chargor, as from the time of receipt of such notice by the Lender, all payments made by that Chargor to the Lender shall be treated as having been credited to a new account of that Chargor and not as having been applied in reduction of the Secured Obligations.

24. SET-OFF

The Lender may, set off any matured obligation due from a Chargor under Documents (to the extent beneficially owned by the Lender) against any matured obligation owed by the Lender to that Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Lender may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

25. NOTICES

25.1 Communications in writing

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

25.2 Addresses

The address and fax number (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 Deed is:

25.2.1 In the case of the Lender and each Original Chargor that identified in clause 25.3.3;

25.2.2 In the case of each Additional Chargor, that set out in the Accession Deed by which it became party to this Deed

or any substitute address, fax number or department or officer as the Party may notify to the other Parties by not less than 7 days' notice.

25.3 Delivery

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

(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 3 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, if addressed to that department or officer.

- 25.3.2 Any communication or document to be made or delivered to the Lender will be effective only when actually received by the Lender, as applicable, and then only if it is expressly marked for the attention of the department or officer identified below (or any substitute department or officer as the Lender shall specify for this purpose).

- 25.3.3 Any communication or document to be made or delivered to the Lender in accordance with this clause 25 will be deemed to have been made or delivered to the Lender if made or delivered to:

Address: 14th Floor, 82 King Street, Manchester M2 4WQ

Attention: Andrew Currie

Any communication or document to be made or delivered to an Original Chargor in accordance with clause 25 will be deemed to have been made or delivered to such Original Chargor if made or delivered to:

Address: 1st Floor, Tiverton Chambers, Lion Street, Abergavenny NP7 5P

Attention: Andrew Williams

26. PARTIAL INVALIDITY

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

27. ASSIGNMENT

The Lender may assign or otherwise transfer all or any part of its rights under this Deed or any Security created by or under it in accordance with the terms of the Documents.

28. RELEASES

Upon the expiry of the Security Period or in connection with a Permitted Disposal, the Lender shall, at the request and cost of the Chargors, take whatever action is necessary to release and reassign to each relevant Chargor:

- 28.1 Its rights arising under this Deed;

- 28.2 the Secured Assets (or part thereof, in the case of a Permitted Disposal) from the Security created by and under this Deed

and promptly return all documents or deeds of title delivered to it under this Deed.

29. CURRENCY CLAUSES

- 29.1 A repayment of any amount due under any Document or a part thereof shall be made in the currency in which that amount is denominated on its due date.

- 29.2 Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued.

29.3 Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

29.4 If a payment is made to the Lender under this Deed in a currency (Payment Currency) other than the currency in which it is expressed to be payable (Contractual Currency), the Lender may convert that payment into the Contractual Currency at the rate at which it (acting reasonably and in good faith) is able to purchase the Contractual Currency with the Payment Currency on or around the date of receipt of the payment and to the extent that the converted amount of the payment falls short of the amount due and payable the Chargors will remain liable for such shortfall.

30. CERTIFICATES AND DETERMINATIONS

Any certification or determination by the Lender of a rate or amount under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

31. COUNTERPARTS

This Deed or any Document entered into under or in connection with this Deed may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Deed or any such Document entered into under or in connection with this Deed by e-mail attachment or telecopy shall be an effective mode of delivery.

32. GOVERNING LAW

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

33. ENFORCEMENT

33.1 Jurisdiction of English courts

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

33.1.2 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.

33.1.3 This clause 33 is for the benefit of the Lender. As a result, the Lender shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Lender may take concurrent proceedings in any number of jurisdictions.

33.2 Service of process

33.2.1 Without prejudice to any other mode of service allowed under any relevant law each Chargor (not being incorporated in England and Wales) (Foreign Chargor):

- (a) irrevocably appoints the Company as its agent for service of process in relation to any proceedings before the English courts in connection with this Deed; and
- (b) agrees that failure by an agent for service of process to notify such Foreign Chargor of the process will not invalidate the proceedings concerned.

33.2.2 If the Company is unable for any reason to act as agent for service of process, the Company or the relevant Foreign Chargor must promptly (and in any event within 5 Business Days of such event taking place) appoint another agent on terms acceptable to the Lender. Failing this, the Lender may appoint another agent for this purpose.

This Deed has been entered into as a deed on the date given at the beginning of this Deed.

SCHEDULE 1**THE ORIGINAL CHARGORS**

Name	Jurisdiction of Incorporation	Registered Number
Enviroparks Operations Limited	England and Wales	09259401
Enviroparks (Hirwaun) Limited	England and Wales	05641261
Enviroparks (Wisbech) Limited	England and Wales	06305396
Biomax Fuels Limited	England and Wales	05928126
Enviroparks (Hirwaun Properties) Limited	England and Wales	06026061

SCHEDULE 2

PROPERTIES

REGISTERED LAND

Chargor	Country and district (or address or description)	Title number
Enviro Parks (Hirwaun Properties) Limited	Land on the north side of Fifth Avenue, Hirwaun Industrial Estate, Hirwaun, Aberdare and land lying to the north west side of Ninth Avenue, Hirwaun, Aberdare	CYM501127 and CYM548255

UNREGISTERED LAND

None on the date of this Deed.

SCHEDULE 3**SUBSIDIARY SHARES**

Chargor	Name and registered number of Subsidiary	Number and class of shares
Enviroparks (Wales) Limited	Enviroparks Operations Limited (registered number 09259401)	1 ordinary share of £1
Enviroparks (Wales) Limited	Enviroparks (Hirwaun) Limited (registered number 05641261)	2 ordinary shares of £1
Enviroparks (Wales) Limited	Enviroparks (Wilsbech) Limited (registered number 06305396)	1 ordinary share of £1
Enviroparks (Wales) Limited	Biomax Fuels Ltd (registered number 05928126)	100 ordinary shares of £1
Enviroparks (Hirwaun) Limited	Enviroparks (Hirwaun Properties) Limited (registered number 06026061)	1 ordinary share of £1

SCHEDULE 4
RELEVANT AGREEMENTS

PART 1

FORM OF NOTICE OF ASSIGNMENT

To: [**]

Dated: [**]

Dear Sirs

The agreement described in the attached schedule (Agreement)

We hereby notify you that we have assigned to [**] Limited (Lender) all our right, title and interest in and to the Agreement.

We hereby irrevocably and unconditionally authorise and instruct you:

1. without notice or reference to, or further authority from us and without enquiring as to the justification or the validity of those instructions, to comply only with any instructions from time to time received by you from the Lender relating to the Agreement and any rights under or in connection with the Agreement; and
2. to pay all sums payable by you under the Agreement directly to the Lender if instructed to do so by the Lender to such account as the Lender may specify.

Please sign and return the acknowledgement attached to one enclosed copy of this notice to the Lender and the other copy to us.

The provisions of this notice (and any non-contractual obligations arising out of or in connection with it) are governed by English law.

Yours faithfully

.....
for and on behalf of
[**] Limited

SCHEDULE

Date	Parties	Description
***	***	***

[Attach form of acknowledgment]

PART 2

FORM OF ACKNOWLEDGEMENT

To: [***] Limited [Lender]
[address]

To: [name of Chargor] (Chargor)
[address]

We acknowledge receipt of the notice of assignment (Notice) of which the above is a duplicate. Terms defined in the Notice shall have the same meaning when used in this acknowledgement. We confirm that:

1. there has been no amendment, waiver or release of any rights or interests in the Agreement since the date of the Agreement;
2. we will not agree to any amendment, waiver or release of any provision of the Agreement without the prior written consent of the Lender;
3. we shall act in accordance with the Notice;
4. as at the date of this acknowledgement we have not received any notice of assignment or charge of the Chargor's interest in the Agreement in favour of any other person;
5. as at the date of this acknowledgement, we are not aware of any breach by the Chargor of the terms of the Agreement; and
6. we do not have and have not claimed or exercised any right or claim against the Chargor or exercised or attempted to exercise any right of set-off, counterclaim or other right relating to the Agreement.

The provisions of this acknowledgement (and any non-contractual obligations arising out of or in connection with it) are governed by English law.

For and on behalf of
[***]

SCHEDULE 5
RELEVANT POLICIES

PART 1

FORM OF NOTICE OF ASSIGNMENT

To: [Insurer]

Dated: [***]

Dear Sirs

The Insurance policies described in the attached schedule (Relevant Policies)

We hereby notify you that we have assigned to [***] Limited (Lender) all our right, title and interest in and to the Relevant Policies.

We hereby irrevocably and unconditionally authorise and instruct you:

1. without notice or reference to or further authority from us and without enquiring as to the justification or the validity of those instructions, to comply only with any instructions from time to time received by you from the Lender relating to the Relevant Policies (or any of them); and
2. to pay all sums payable by you under the Relevant Policies (or any of them) directly to the Lender if instructed to do so by the Lender to such account as the Lender may specify.

Please sign and return the acknowledgement attached to one enclosed copy of this notice to the Lender and the other copy to us.

The provisions of this notice (and any non-contractual obligations arising out of or in connection with it) are governed by English law.

Yours faithfully

.....
for and on behalf of
[***] Limited

SCHEDULE

Date of policy	Insured	Policy type	Policy number
***	***	***	***

[Attach form of acknowledgment]

PART 2

FORM OF ACKNOWLEDGEMENT

To: [***] Limited [Lender]
[address]

To: [name of Chargor] (Chargor)
[address]

We acknowledge receipt of the notice of assignment (Notice) of which the above is a duplicate. Terms defined in the Notice shall have the same meaning when used in this acknowledgement. We confirm that:

1. there has been no amendment, waiver or release of any rights or interests in any Relevant Policy since the date of such policy;
2. we have noted the Lender's interest as mortgagee and first loss payee on each Relevant Policy;
3. we will not agree to any amendment, waiver or release of any provision of any Relevant Policy without the prior written consent of the Lender;
4. we shall act in accordance with the Notice;
5. as at the date of this acknowledgement we have not received any notice of assignment or charge of the Chargor's interest in any Relevant Policy or the proceeds of any Relevant Policy in favour of any other person; and
6. we do not have and have not claimed or exercised any right or claim against the Chargor or exercised or attempted to exercise any right of set-off, counterclaim or other right relating to any Relevant Policy.

The provisions of this acknowledgement (and any non-contractual obligations arising out of or in connection with it) are governed by English law.

For and on behalf of
[insurance company]

SCHEDULE 6

ACCOUNTS

PART 1

FORM OF NOTICE OF CHARGE

To: *[insert name and address of account holding institution]*

Account number: *[***]* (Account)
Sort code: *[***]*
Account holder: *[***]* Limited

We hereby notify you that we have charged by way of first fixed charge to *[***]* Limited (Lender) all our right, title and interest in and to the monies from time to time standing to the credit of the Account.

We hereby irrevocably and unconditionally authorise and instruct you:

1. to hold all monies from time to time standing to the credit of the Account to the order of the Lender and accordingly to pay all or any part of those monies to the Lender (or as it may direct) promptly following receipt of written instructions from the Lender to that effect; and
2. to disclose to the Lender such information relating to us and the Account as the Lender may from time to time request you to provide.

By countersigning this notice, the Lender authorises you to permit us to withdraw and otherwise deal with funds standing to the credit of the Account until:

- 2.1 you receive a notice in writing to the contrary from the Lender;
- 2.2 a petition is presented for a winding up order in respect of us or an application is made for an administration order in respect of us

(whichever occurs first).

Please sign and return the acknowledgement attached to one enclosed copy of this notice to the Lender and the other copy to us.

The provisions of this notice (and any non-contractual obligations arising out of or in connection with it) are governed by English law.

Yours faithfully

.....
for and on behalf of *[***]* Limited

Countersigned for and on behalf of
the Lender:

.....

[Attach form of acknowledgment]

PART 2

FORM OF ACKNOWLEDGEMENT

To: [***] Limited [Lender]
[address]

To: [name of Chargor] (Chargor)
[address]

We acknowledge receipt of the notice of charge (Notice) of which the above is a duplicate. Terms defined in the Notice shall have the same meaning when used in this acknowledgement.

We confirm that:

1. - we shall act in accordance with the Notice;
2. as at the date of this acknowledgement we have not received any notice of assignment or charge or other security over the Chargor's interest in the Account in favour of any other person; and
3. - we will not exercise any right of combination of accounts, set-off or lien over any monies standing to the credit of the Account.

The provisions of this acknowledgement (and any non-contractual obligations arising out of or in connection with it) are governed by English law.

For and on behalf of
[account holding institution]

SCHEDULE 7

FORM OF DEED OF ACCESSION

This Deed of Accession is made on [***]

Between

- (1) [***] (registered in England with number [***] (Acceding Obligor); and
- (2) [***] Limited (Lender).

Whereas

- (A) This Deed of Accession is supplemental to a composite guarantee and debenture dated [***] between, inter alia, [Newco] Limited and the Lender (Debenture).

It is agreed

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

1.1.1 Save to the extent otherwise defined in this Deed of Accession, terms defined in the Debenture have the same meaning when used in this Deed of Accession.

1.1.2 In this Deed of Accession, **Subsidiary Shares** means all shares present and future held by the Acceding Obligor or its Subsidiaries including those listed in schedule 2 (Subsidiary Shares) to this Deed of Accession.

1.2 Interpretation

Clauses 1.2 (*Interpretation*), 1.3 (*Third party rights*), 1.4 (*Administration*) and 1.5 (*Incorporated terms*) of the Debenture are incorporated in this Deed of Accession of Accession as if they were set out in full in this Deed of Accession, but so that references in those clauses to this Deed shall be construed as references to this Deed of Accession.

2. ACCESSION OF ACCEDING OBLIGOR

2.1 Accession

The Acceding Obligor agrees to be a Chargor for the purposes of the Debenture with immediate effect and agrees to be bound by all of the terms of the Debenture as if it had originally been a party to it.

2.2 Covenant to pay

The Acceding Obligor covenants with the Lender that it will pay and discharge the Secured Obligations when they become due for payment and discharge in accordance with the terms of the Documents.

2.3 Charging provisions

All security created by an Acceding Obligor under clauses 2.4 to 2.7 inclusive is:

- 2.3.1 a continuing security for the payment and discharge of the Secured Obligations;
- 2.3.2 granted with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994;

2.3.3 granted in respect of all the right, title and interest (if any), present and future of the Acceding Obligor in and to the relevant Secured Asset; and

2.3.4 In favour of the Lender.

2.4 First legal mortgages

The Acceding Obligor charges by way of first legal mortgage:

2.4.1 the properties described in schedule 1 (Properties) to this Deed of Accession;

2.4.2 all other interests and estates in freehold, leasehold and commonhold property (other than any Short Leasehold Property)

and, in each case, all Premises and Fixtures on such property for the time being.

2.5 Assignments

2.5.1 The Acceding Obligor assigns:

(a) the agreements described in schedule 4 (Relevant Agreements) to this Deed of Accession; and

(b) its Relevant Policies.

2.5.2 The Acceding Obligor shall remain liable to perform all its obligations under the Relevant Agreements, and the Relevant Policies.

2.5.3 Notwithstanding the other terms of this clause 2.5, prior to the occurrence of an Event of Default which is continuing, the Acceding Obligor may, subject to the other terms of the Documents, continue to exercise all and any of its rights under and in connection with the Relevant Agreement.

2.6 First fixed charges

The Acceding Obligor charges by way of first fixed charge:

2.6.1 all other interests and estate in any freehold, leasehold (other than any Short Leasehold Property) or commonhold property;

2.6.2 the proceeds of sale of its Secured Property and all licences to enter on or use any Secured Property;

2.6.3 the benefit of all other agreements, instruments and rights relating to its Secured Property;

2.6.4 all plant, machinery, vehicles, computers, office and other equipment, all furniture, furnishings, equipment and tools and any removals or replacement of them, (together Chattels) present and future and the benefit of all contracts, licences, warranties, maintenance contracts relating to them and any renewals and replacements of them;

2.6.5 the Subsidiary Shares together with all Related Rights;

2.6.6 the Investments together with all Related Rights;

2.6.7 all book and other debts due to the Acceding Obligor and their proceeds (both collected and uncollected) (together Debts) and all rights, guarantees, security or other collateral in respect of the Debts or any of them) and the benefit of any judgment or order to pay a sum of money and all rights to enforce the Debts (or any of them);

- 2.6.8 all monies from time to time standing to the credit of each account held by the Acceding Obligor with any bank, building society, financial institution or other person other than any Blocked Account (each an Account);
- 2.6.9 all its Intellectual Property;
- 2.6.10 all its goodwill and uncalled capital;
- 2.6.11 the benefit of all Authorisations held or utilised by It in connection with its business or the use of any of its assets and the right to recover and receive compensation payable in respect of any of them;
- 2.6.12 to the extent that any legal mortgage in clause 2.4 or any assignment in clause 2.5 is ineffective as a legal mortgage or an assignment (as applicable), the assets referred to in that clause.

2.7 Floating charge

The Acceding Obligor charges by way of first floating charge all its assets and undertaking wherever located both present and future other than any assets effectively charged by way of legal mortgage or fixed charge or assigned under clauses 2.4, 2.5 or 2.6.

2.8 Qualifying floating charge

This Deed of Accession contains a qualifying floating charge and clause 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by or under this Deed of Accession.

3. CONSENT OF EXISTING CHARGING COMPANIES

The Chargors agree to the terms of this and agree that its execution will in no way prejudice or affect any Security granted by any of them by or under the Debenture.

4. SECURITY POWER OF ATTORNEY

The Acceding Obligor, by way of security, irrevocably and severally appoints the Lender, each Receiver and any of their delegates or sub-delegates to be its attorney to take any action which the Acceding Obligor is obliged to take under this Deed of Accession or the Debenture but which Acceding Obligor has failed to do. The Acceding Obligor ratifies and confirms whatever any attorney does or prompts to do pursuant to its appointment under this clause 4.

5. NOTICES

The Acceding Obligor confirms that its address details for notices in relation to clause 25 of the Debenture are as follows:

Address: [**]

Facsimile: [**]

Attention: [**]

6. COUNTERPARTS

This Deed of Accession 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 Deed of Accession.

7. GOVERNING LAW

Clause 32 (*Governing law*) of the Debenture shall be incorporated in this Deed of Accession as if set out here in full but so that references to the Debenture shall be construed as references to this Deed of Accession.

This Deed of Accession has been entered into as a deed on the date given at the beginning of this Deed of Accession.

SCHEDULE 1

PROPERTIES

SCHEDULE 2

SUBSIDIARY SHARES

SCHEDULE 3

RELEVANT AGREEMENTS

SIGNATURES TO THE DEED OF ACCESSION

Company

Acceding Obligor

Executed as a deed by)

[**] Limited)

acting by a director in the presence of)

.....
Director

.....
Signature of witness

Name

Address

.....

The Lender

Executed as a deed by)

[**] as duly authorised attorney for and on)

behalf of [**] in the presence of)

.....

.....
Signature of witness

Name

Address

.....

SIGNATURES TO THE GUARANTEE AND DEBENTURE

The Company

Executed as a Deed (but not delivered
until dated) by
ENVIROPARKS (WALES) LIMITED
acting by two Directors or a Director
and the Secretary:-

)
)
)
)
)



.....
Director



.....
Director/Secretary

Original Chargors

Executed as a Deed (but not delivered
until dated) by
ENVIROPARKS (WALES) LIMITED
acting by two Directors or a Director
and the Secretary:-

)
)
)
)
)



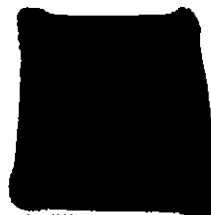
.....
Director



.....
Director/Secretary

Executed as a Deed (but not delivered
until dated) by
ENVIROPARKS OPERATIONS LIMITED
acting by two Directors or a Director
and the Secretary:-

)
)
)
)
)



.....
Director



.....
Director/Secretary

Executed as a Deed (but not delivered
until dated) by
ENVIROPARKS (HIRWAUN) LIMITED
acting by two Directors or a Director
and the Secretary:-

)
)
)
)
)

.....
Director

.....
Director/Secretary

Executed as a Deed (but not delivered
until dated) by
ENVIROPARKS (WISBECH) LIMITED
acting by ~~two Directors or a Director~~
~~and the Secretary~~ in the presence of:-

)
)
)
)
)

.....
Director

.....
Director/Secretary

Executed as a Deed (but not delivered
until dated) by
BIOMAX FUELS LIMITED
acting by ~~two Directors or a Director~~
~~and the Secretary~~ in the presence of:-

)
)
)
)
)

.....
Director

.....
Director/Secretary

Executed as a Deed (but not delivered
until dated) by
**ENVIROPARKS (HIRWAUN PROPERTIES)
LIMITED**
acting by two Directors or a Director
and the Secretary:-

)
)
)
)



Director



Director/Secretary

The Lender

SIGNED as a Deed
(but not delivered until dated) by
ZEUS RENEWABLES LIMITED
acting by a director in the presence of:-

)
)
)
)



Director

Signature of witness:



Name of witness: **SALLY HIRST**

Address:



Occupation:

