



Registration of a Charge

Company Name: **AEROSPACE RESOURCES LTD**

Company Number: **06153729**



XBYDM9LU

Received for filing in Electronic Format on the: **01/03/2023**

Details of Charge

Date of creation: **23/02/2023**

Charge code: **0615 3729 0001**

Persons entitled: **HEALTH PARTNERS EUROPE LTD.**

Brief description: **ALL ESTATES OR INTERESTS IN ANY FREEHOLD AND LEASEHOLD PROPERTIES (WHETHER REGISTERED OR UNREGISTERED) AND ALL COMMONHOLD PROPERTIES, NOW OR IN THE FUTURE (AND FROM TIME TO TIME) OWNED BY THE COMPANY, OR IN WHICH THE COMPANY HOLDS AN INTEREST TOGETHER WITH ALL PRESENT AND FUTURE EQUIPMENT, PLANT, MACHINERY, TOOLS, VEHICLES, FURNITURE, FITTINGS, INSTALLATIONS AND APPARATUS AND OTHER TANGIBLE MOVEABLE PROPERTY FOR THE TIME BEING OWNED BY THE COMPANY, INCLUDING ANY PART OF IT AND ALL SPARE PARTS, REPLACEMENTS, MODIFICATIONS AND ADDITIONS. FOR MORE DETAILS, PLEASE REFER TO THE INSTRUMENT.**

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: **BLAKE MORGAN LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 6153729

Charge code: 0615 3729 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 23rd February 2023 and created by AEROSPACE RESOURCES LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 1st March 2023 .

Given at Companies House, Cardiff on 2nd March 2023

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**

Date:

23rd FEBRUARY

2023

- (1) Aerospace Resources Ltd
- (2) Health Partners Europe Ltd.

Debenture

relating to

AEROSPACE RESOURCES LTD

BLAKE 
MORGAN

Blake Morgan LLP
Apex Plaza
Forbury Road
Reading RG1 1AX
www.blakemorgan.co.uk
Ref: GSC/753957/18.

Confidential

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THIS DEED IS MADE THE

DAY OF

23rd February 2023

BETWEEN:

- (1) **Aerospace Resources Ltd** a company incorporated and registered in England and Wales under company number 06153729 and whose registered office is at Northside House, 69 Tweedy Road, Bromley, Kent, England, BR1 3WA (the "**Chargor**"); and
- (2) **Health Partners Europe Ltd.**, a company incorporated and registered in England and Wales with company number 02865636 whose registered office is at Northside House, 69 Tweedy Road, Bromley, Kent, England, BR1 3WA (the "**Chargee**").

BACKGROUND:

- (A) The Chargee has lent various sums to the Chargor, the outstanding balance of which as at the date of this deed is £1,325,800.
- (B) Under this deed, the Chargor provides security to the Chargee as security for the payment of the Secured Liabilities.

AGREED TERMS:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following definitions apply in this deed:

Administrator	means an administrator appointed to manage the affairs, business and property of the Chargor pursuant to Clause 15.8.
Book Debts	means all present and future book and other debts, and monetary claims due or owing to the Chargor, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Chargor in relation to any of them.
Business Day	means a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.
Delegate	means any person appointed by the Chargee or any Receiver pursuant to Clause 18 and any person appointed as attorney of the Chargee, Receiver or Delegate.
Designated Account	means any account of the Chargor nominated by the Chargee as a designated account for the purposes of this deed.

Dormant Subsidiary	means any subsidiary of the Chargor which does not trade (for itself or as agent for any person) and does not own, legally or beneficially, assets (including, without limitation, indebtedness owed to it) which in aggregate have a value of £50,000 or more or its equivalent in other currencies.
Environment	means the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media.
Environmental Law	means all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment.
Environmental Licence	means any authorisation, permit or licence necessary under Environmental Law in respect of any of the Secured Assets.
Equipment	means all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property for the time being owned by the Chargor, including any part of it and all spare parts, replacements, modifications and additions.
Event of Default	has the meaning given to that expression in Clause 14.1.1.
Finance Documents	means: <ul style="list-style-type: none"> (a) this deed; (b) a mortgage over the Britten Norman Islander, G-NOIL (UK registered) aircraft (Serial Number 334) granted by the Chargor to the Chargee; (c) a mortgage over the Cessna F150J, G-AWUT (UK Registered) aircraft (Serial Number 0405) granted by the Chargor to the Chargee; (d) a mortgage over the Stampe SV4C/G, G-BWEF (UK Registered) aircraft (Serial Number 208) granted by the Chargor to the Chargee;

- (e) any documentation in relation to the Loan; and
- (f) any other document designated as a Finance Document by the Chargee.

Financial Collateral

means shall have the meaning given to that expression in the Financial Collateral Regulations.

Financial Collateral Regulations

means the Financial Collateral Arrangements (No 2) Regulations 2003 (SI 2003/3226).

Indebtedness

means any obligation to pay or repay money, present or future, whether actual or contingent, sole or joint and any guarantee or indemnity of any of those obligations but excluding trade creditors arising in the ordinary course of business.

Insurance Policy

means each contract and policy of insurance effected or maintained by the Chargor from time to time in respect of its assets or business (including, without limitation, any contract or policy of insurance relating to the Properties or the Equipment).

Intellectual Property

means the Chargor's present and future patents, trade marks, service marks, trade names, designs, copyrights, inventions, topographical or similar rights, business names, domain names, trade secrets, confidential information and know-how and all other intellectual property rights and any interest in any of these rights, whether or not registered, including all applications and rights to apply for registration and all fees, royalties and other rights derived from, or incidental to, these rights.

Inventory

all the Chargor's stock and inventory, including its interest in the inventory referred to (and defined as "**Inventory**") in the Relevant Agreement.

Investments

means all present and future certificated stocks, shares, loan capital, securities, bonds and investments (whether or not marketable) for the time being owned (at law or in equity) by the Chargor (including, but not limited to, the shares specified in Schedule 1), including any:

- (a) dividend, interest or other distribution paid or payable in relation to any of the Investments; and
- (b) right, money, shares or property accruing, offered or issued at any time in relation to any of the Investments by way of redemption, substitution,

exchange, conversion, bonus, preference or otherwise, under option rights or otherwise.

Loan	all monies owed by the Chargor to the Chargee from time to time and which, as at the date of this deed, amount to £1,325,800.
LPA 1925	means Law of Property Act 1925.
Planning Notice	has the meaning given to it in Clause 8.4.1.
Properties	means all estates or interests in any freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or in the future (and from time to time) owned by the Chargor, or in which the Chargor holds an interest (including, but not limited to, the properties specified in Schedule 2), and "Property" means any of them.
Receiver	means a receiver, receiver and manager or administrative receiver of any or all of the Secured Assets appointed by the Chargee under Clause 18.
Relevant Agreements	means each agreement specified in Schedule 3.
Secured Assets	means all the assets, property and undertaking for the time being subject to the Security created by, or pursuant to, this deed (and references to the Secured Assets shall include references to any part of them).
Secured Liabilities	means all present and future monies, obligations and liabilities owed by the Chargor to the Chargee, whether actual or contingent and whether owed jointly or severally, as principal or surety and/or in any other capacity, whether under or in connection with the Finance Documents, the Loan or otherwise, together with all interest (including, without limitation, default interest) accruing in respect of such monies or liabilities.
Security	means any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.
Security Financial Collateral Arrangement	means shall have the meaning given to that expression in the Financial Collateral Regulations.
Security Period	means the period starting on the date of this deed and ending on the date on which the Chargee is satisfied that all the Secured Liabilities have been unconditionally and

irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.

Subsidiary a subsidiary of the Chargor.

VAT means value added tax.

1.2 Interpretation

In this deed:

- 1.2.1 Clause and Schedule headings shall not affect the interpretation of this deed;
- 1.2.2 a reference to a person shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality) and that person's personal representatives, successors, permitted assigns and permitted transferees;
- 1.2.3 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- 1.2.4 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- 1.2.5 a reference to a party shall include that party's successors, permitted assigns and permitted transferees;
- 1.2.6 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- 1.2.7 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- 1.2.8 a reference to writing or written does not e-mail;
- 1.2.9 an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- 1.2.10 a reference to this deed (or any provision of it) or to any other agreement or document referred to in this deed is a reference to this deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this deed) from time to time;
- 1.2.11 unless the context otherwise requires, a reference to a Clause or Schedule is to a Clause of, or Schedule to, this deed and a reference to a paragraph is to a paragraph of the relevant Schedule;
- 1.2.12 any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;

- 1.2.13 a reference to an amendment includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly);
- 1.2.14 a reference to assets includes present and future properties, undertakings, revenues, rights and benefits of every description;
- 1.2.15 a reference to an authorisation includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- 1.2.16 a reference to continuing in relation to an Event of Default means an Event of Default that has not been remedied or waived;
- 1.2.17 a reference to determines or determined means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it;
- 1.2.18 a reference to a regulation includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation; and
- 1.2.19 where this deed imposes an obligation on the Chargor to do something if required or requested by the Chargee, it will do so promptly after it becomes aware of the requirement or request.

1.3 Clawback

If the Chargee considers that an amount paid by the Chargor in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration or bankruptcy of the Chargor or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this deed.

1.4 Nature of security over real property

A reference in this deed to a charge or mortgage of or over any Property includes:

- 1.4.1 all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) and fixed plant and machinery that are situated on or form part of that Property at any time;
- 1.4.2 the proceeds of the sale of any part of that Property and any other monies paid or payable in respect of or in connection with that Property;
- 1.4.3 the benefit of any covenants for title given, or entered into, by any predecessor in title of the Chargor in respect of that Property, and any monies paid or payable in respect of those covenants; and
- 1.4.4 all rights under any licence, agreement for sale or agreement for lease in respect of that Property.

1.5 Nature of security over Investments

A reference in this deed to any share, stock, debenture or other security or investment includes:

- 1.5.1 any dividend, interest or other distribution paid or payable in respect of that share, stock, debenture or other security or investment; and
- 1.5.2 any right, money, shares or property accruing, offered or issued at any time in relation to that share, stock, debenture or other security or investment by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise.

1.6 Perpetuity period

If the rule against perpetuities applies to any trust created by this deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

1.7 Schedules

The Schedules form part of this deed and shall have effect as if set out in full in the body of this deed. Any reference to this deed includes the Schedules.

2 COVENANT TO PAY

The Chargor shall, on demand, pay to the Chargee and discharge the Secured Liabilities when they become due.

3 GRANT OF SECURITY

3.1 Legal mortgage

As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee charges to the Chargee, by way of first legal mortgage, all the Properties.

3.2 Fixed charges

As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee charges to the Chargee by way of first fixed charge:

- 3.2.1 all Properties acquired by the Chargor in the future;
- 3.2.2 all present and future interests of the Chargor not effectively mortgaged or charged under the preceding provisions of this Clause 3 in, or over, any freehold, leasehold or commonhold property;
- 3.2.3 the benefit of all other contracts, guarantees, appointments and warranties relating to each Property and other documents to which the Chargor is a party or which are in its favour or of which it has the benefit relating to any letting, development, sale, purchase, use or the operation of any Property or otherwise relating to any Property (including, in each case, but without limitation, the right to demand and receive all monies whatever payable to or for its benefit under or arising from any of them, all remedies provided for in any of them or available at law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests and benefits whatever accruing to or for its benefit arising from any of them);

- 3.2.4 all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Chargor's business or the use of any Secured Asset, and all rights in connection with them;
- 3.2.5 all its present and future goodwill;
- 3.2.6 all its uncalled capital;
- 3.2.7 all the Equipment;
- 3.2.8 all the Intellectual Property;
- 3.2.9 all the Book Debts;
- 3.2.10 all the Investments;
- 3.2.11 all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person (including each Designated Account), together with all other rights and benefits accruing to or arising in connection with each account (including, but not limited to, entitlements to interest);
- 3.2.12 all its rights in respect of each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy, to the extent not effectively assigned under Clause 3.3;
- 3.2.13 all its rights in respect of each Relevant Agreement and all other agreements, instruments and rights relating to the Secured Assets, to the extent not effectively assigned under Clause 3.3; and
- 3.2.14 all its rights in respect of all agreements, instruments and rights relating to the Secured Assets.

3.3 Assignment

As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee assigns to the Chargee absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities:

- 3.3.1 all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy; and
- 3.3.2 the benefit of each Relevant Agreement and the benefit of all other agreements, instruments and rights relating to the Secured Assets.

3.4 Floating charge

As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee charges to the Chargee, by way of first floating charge:-

- 3.4.1 all the Inventory; and

- 3.4.2 all the undertaking, property, assets and rights of the Chargor at any time not effectively mortgaged, charged or assigned pursuant to Clause 3.1 to Clause 3.3 inclusive.

3.5 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by Clause 3.4.

3.6 Automatic crystallisation of floating charge

The floating charge created by Clause 3.4 shall automatically and immediately (without notice) convert into a fixed charge over the assets subject to that floating charge if:

- 3.6.1 the Chargor:
- (a) creates, or attempts to create, without the prior written consent of the Chargee, Security or a trust in favour of another person over all or any part of the Secured Assets (except as expressly permitted by the terms of this deed; or
 - (b) disposes, or attempts to dispose of, all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains uncrystallised);
- 3.6.2 any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets;
- 3.6.3 a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Chargor; or
- 3.6.4 an application is made to court, or an order is made, for the appointment of an administrator, or a notice of intention to appoint an administrator is given or an administrator is appointed.

3.7 Crystallisation of floating charge by notice

Except as provided in Clause 3.8, the Chargee may, at its sole discretion, at any time by notice to the Chargor convert the floating charge contained in this deed into a fixed charge as regards such Secured Assets as the Chargee may specify (whether generally or specifically) in that notice.

3.8 Part A1 moratorium

- 3.8.1 Subject to paragraph 3.8.2 below, the floating charge created by Clause 3.4 may not be converted into a fixed charge solely by reason of obtaining a moratorium (or anything done with a view to obtaining a moratorium) under Part A1 of the Insolvency Act 1986.
- 3.8.2 Paragraph 3.8.1 above does not apply to any floating charge referred to in section A52(4) of Part A1 of the Insolvency Act 1986.

3.9 Assets acquired after any floating charge has crystallised

Any asset acquired by the Chargor after any crystallisation of the floating charge created under this deed that, but for that crystallisation, would be subject to a floating charge under this deed, shall (unless the Chargee confirms otherwise to the Chargor in writing) be charged to the Chargee by way of first fixed charge.

4 NOTICE OF CHARGE OR ASSIGNMENT

4.1 Notice of assignment of Relevant Agreements

The Chargor shall give notice of the assignment of any Relevant Agreements and any other agreement assigned to the Chargee under Clause 3 in such form acceptable to the Chargee and to the other party or parties to such agreements and shall use reasonable endeavours to procure that such party or parties executes and delivers to the Chargee an acknowledgement of such notice in such form acceptable to the Chargee.

4.2 Notice of assignment of Insurance Policies

The Chargor shall give notice of the assignment of any Insurance Policies and any other agreement assigned to the Chargee under Clause 3 in such form acceptable to the Chargee to the other party or parties to such agreements and shall use reasonable endeavours to procure that such party or parties executes and delivers to the Chargee an acknowledgement of such notice in such form acceptable to the Chargee.

5 LIABILITY OF THE CHARGOR

5.1 Liability not discharged

The Chargor's liability under this deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

- 5.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Chargee that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- 5.1.2 the Chargee renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or
- 5.1.3 any other act or omission that, but for this Clause 5.1, might have discharged, or otherwise prejudiced or affected, the liability of the Chargor.

6 REPRESENTATIONS AND WARRANTIES

6.1 Times for making representations and warranties

The Chargor makes the representations and warranties set out in this Clause 6 to the Chargee on the date of this deed and on each day of the Security Period.

6.2 Status

The Chargor:

- 6.2.1 is a duly incorporated limited liability company validly existing under the law of its jurisdiction or incorporation; and
- 6.2.2 has the power to own its assets and carry on its business as it is being conducted.

6.3 Power and authority

- 6.3.1 The Chargor has the power to enter into deliver and perform, and has taken all necessary action to authorise its entry into, delivery and performance of, this deed and the transactions contemplated by them.
- 6.3.2 No limit on its powers will be exceeded as a result of the borrowing or grant of security contemplated by this deed.

6.4 Non-contravention

The entry into and performance by the Chargor of, and the transactions contemplated by, this deed do not and will not contravene or conflict with:

- 6.4.1 the Chargor's constitutional documents;
- 6.4.2 any agreement or instrument binding on it or its assets or constitute a default or termination event (however described) under any such agreement or instrument; or
- 6.4.3 any law or regulation or judicial or official order, applicable to it.

6.5 Authorisations

The Chargor has taken all necessary action and obtained all required or desirable authorisations to enable it to enter into, exercise its rights and comply with its obligations in this deed and to make it admissible in evidence in its jurisdiction of incorporation. Any such authorisations are in full force and effect.

6.6 Binding obligations

The Chargor's obligations under this deed are legal, valid, binding and enforceable and this deed creates:

- 6.6.1 valid, legally binding and enforceable Security for the obligations expressed to be secured by it; and
- 6.6.2 subject to registration in accordance with the Companies Act 2006 and, in the case of real property, registration at the Land Registry, perfected Security over the assets expressed to be subject to Security in it,

in favour of the Chargee, having the priority and ranking expressed to be created by this deed and ranking ahead of all (if any) Security and rights of third parties, except those preferred by law.

6.7 No filing or stamp taxes

Under the law of its jurisdiction of incorporation it is not necessary to file, record or enrol this deed with any court or other authority or pay any stamp, registration or similar taxes in relation to this deed or any transaction contemplated by it.

6.8 Governing law and enforcement

The choice of English law as the governing law of this deed will be recognised and enforced in its jurisdiction of incorporation and any judgment obtained in England and Wales in relation to this deed will be recognised and enforced in that jurisdiction.

6.9 Deduction of tax

No deduction for, or on account of, tax is required from any payment that the Chargor may make under this deed.

6.10 No default

6.10.1 No Event of Default or, on the date of this deed, event or circumstance which would, on the expiry of any grace period, the giving of notice, the making of any determination, satisfaction of any other condition or any combination thereof, constitute an Event of Default has occurred and is continuing.

6.10.2 No other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination, satisfaction of any other condition or any combination thereof, would constitute) a default or termination event (however described) under any other agreement or instrument which is binding on the Chargor, or to which any of its assets are subject, which has or is likely to have a material adverse effect on the Chargor's ability to perform its obligations under this deed.

6.11 Information

The information, in written or electronic format, supplied by, or on behalf of, the Chargor to the Chargee in connection with this deed was, at the time it was supplied or at the date it was stated to be given (as the case may be):

6.11.1 if it was factual information, complete, true and accurate in all material respects;

6.11.2 if it was a financial projection or forecast, prepared on the basis of recent historical information and on the basis of reasonable assumptions and was arrived at after careful consideration;

6.11.3 if it was an opinion or intention, made after careful consideration and was fair and made on reasonable grounds; and

6.11.4 not misleading in any material respect nor rendered misleading by a failure to disclose other information,

except to the extent that it was amended, superseded or updated by more recent information supplied by, or on behalf of, the Chargor to the Chargee.

6.12 Financial statements

6.12.1 Each set of financial statements delivered to the Chargee by the Chargor under this deed was prepared in accordance with consistently applied accounting principles, standards and practices generally accepted in its jurisdiction or incorporation and gives a true and fair view of the Chargor's financial condition and operations during the relevant accounting period and was approved by the Chargor's directors in compliance with section 393 of the Companies Act 2006.

6.12.2 There has been no material adverse change in the business, assets, financial condition, trading position or prospects of the Chargor since the date of this deed.

6.13 No litigation

No litigation, arbitration, administrative proceedings or investigations are taking place, pending or, to the Chargor's knowledge, threatened against it, any of its directors or any of its assets which if adversely determined, would materially and adversely affect the Secured Assets.

6.14 Ownership of Secured Assets

The Chargor is the sole legal and beneficial owner of the Secured Assets and has good, valid and marketable title to, the Secured Assets.

6.15 No Security

The Secured Assets are free from any Security other than the Security created by this deed.

6.16 No adverse claims

The Chargor has not received, or acknowledged notice of, any adverse claim by any person in respect of the Secured Assets or any interest in them.

6.17 No adverse covenants

There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever that materially and adversely affect the Secured Assets.

6.18 No breach of laws

There is no breach of any law or regulation that materially and adversely affects the Secured Assets.

6.19 No interference in enjoyment

No facility necessary for the enjoyment and use of the Secured Assets is subject to terms entitling any person to terminate or curtail its use.

6.20 No overriding interests

Nothing has arisen, has been created or is subsisting, that would be an overriding interest in any Property.

6.21 No prohibitions or breaches

There is no prohibition on the Chargor assigning its rights in any of the Secured Assets referred to in Clause 3.3 and the entry into of this deed by the Chargor does not, and will not, constitute a breach of any policy, agreement, document, instrument or obligation binding on the Chargor or its assets.

6.22 Environmental compliance

The Chargor has, at all times, complied in all material respects with all applicable Environmental Law and Environmental Licenses.

6.23 Enforceable security

This deed constitutes and will constitute the legal, valid, binding and enforceable obligations of the Chargor, and is and will continue to be, effective security over all and every part of the Secured Assets in accordance with its terms.

6.24 Investments

6.24.1 The Investments are fully paid and are not subject to any option to purchase or similar rights.

6.24.2 No constitutional document of an issuer of an Investment, nor any other agreement:

(a) restricts or inhibits any transfer of the Investments on creation or enforcement of the security constituted by this deed; or

(b) contains any rights of pre-emption in relation to the Investments.

6.24.3 The Chargor has complied with all notices relating to all or any of the Investments received by it pursuant to sections 790D and 790E of the Companies Act 2006.

6.24.4 No warning notice has been issued under paragraph 1(2) of Schedule 1B of the Companies Act 2006, and no restrictions notice has been issued under paragraph 1(3) of Schedule 1B of the Companies Act 2006, in respect of all or any of the Investments.

6.25 Avoidance of security

No Security expressed to be created under this deed is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Chargor or otherwise.

7 GENERAL COVENANTS

7.1 Negative pledge and disposal restrictions

7.1.1 The Chargor shall not at any time, except with the prior written consent of the Chargee:

- (a) create, purport to create or permit to subsist any Security on, or in relation to, any Secured Assets other than any Security created by this deed or any other Security granted in favour of the Chargee;
- (b) sell, assign, transfer, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Secured Assets (except, in the ordinary course of business, Secured Assets that are only subject to an uncrystallised floating charge); or
- (c) create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party.

7.2 Further Borrowing

The Chargor shall not, without the prior written consent of the Chargee, incur any additional Indebtedness.

7.3 Preservation of Secured Assets

The Chargor shall not do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Chargee, or materially diminish the value of any of the Secured Assets or the effectiveness of the security created by this deed.

7.4 Compliance with laws and regulations

7.4.1 The Chargor shall comply in all respects with all laws to which it may be subject if failure to do so would materially impair its ability to perform its obligations under this deed.

7.4.2 The Chargor shall not, without the Chargee's prior written consent, use or permit the Secured Assets to be used in any way contrary to law.

7.4.3 The Chargor shall:

- (a) comply with the requirements of any law and regulation relating to or affecting the Secured Assets or the use of it or any part of them;
- (b) obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Secured Assets or their use or that are necessary to preserve, maintain or renew any Secured Asset; and
- (c) promptly effect any maintenance, modifications, alterations or repairs that are required by any law or regulation to be effected on or in connection with the Secured Assets.

7.5 Notification of default

The Chargor shall notify the Chargee of any Event of Default or event or circumstance which would on the expiry of any grace period, the giving of notice, the making of any determination, satisfaction of any other condition or any combination thereof, constitute an Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

7.6 Enforcement of rights

The Chargor shall use its reasonable endeavours to:

- 7.6.1 procure the prompt observance and performance by the relevant counterparty to any agreement or arrangement with the Chargor forming part of the Secured Assets (including each counterparty in respect of a Relevant Agreement and each insurer in respect of an Insurance Policy) of the covenants and other obligations imposed on that counterparty); and
- 7.6.2 enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets which the Chargee may require from time to time.

7.7 Notice of misrepresentation and breaches

The Chargor shall, promptly on becoming aware of any of the same, give the Chargee notice in writing of:

- 7.7.1 any representation or warranty set out in this deed that is incorrect or misleading in any material respect when made or deemed to be repeated; and
- 7.7.2 any breach of any covenant set out in this deed.

7.8 Title documents

The Chargor shall, as so required by the Chargee, deposit with the Chargee and the Chargee shall, for the duration of this deed be entitled to hold:

- 7.8.1 all deeds and documents of title relating to the Secured Assets that are in the possession or control of the Chargor (and if these are not within the possession or control of the Chargor, the Chargor undertakes to obtain possession of all these deeds and documents of title);
- 7.8.2 all Insurance Policies and any other insurance policies relating to any of the Secured Assets that the Chargor is entitled to possess; and
- 7.8.3 all deeds and documents of title (if any) relating to the Book Debts as the Chargee may specify from time to time.

7.9 Ranking of obligations

The Chargor's payment obligations under this deed will, at all times, rank in all respects in priority to all its other indebtedness, other than indebtedness preferred by operation of law in the event of its winding-up.

7.10 Authorisations

The Chargor shall obtain all consents and authorisations necessary (and do all that is needed to maintain them in full force and effect) under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under this deed and to ensure the legality, validity, enforceability and admissibility in evidence of this deed in its jurisdiction of incorporation.

7.11 Insurance

7.11.1 The Chargor shall insure and keep insured (or where, in the case of any leasehold property, insurance is the responsibility of the landlord under the terms of the lease, either procure that the landlord insures and keeps insured or, if and to the extent that the landlord does not do so, itself insure and keep insured) the Secured Assets against:

- (a) loss or damage by fire or terrorist acts, including any third party liability arising from such acts;
- (b) other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Chargor; and
- (c) any other risk, perils and contingencies as the Chargee may reasonably require.

7.11.2 Any such insurance must:

- (a) be with an insurance company or underwriters, and on such terms, as are reasonably acceptable to the Chargee;
- (b) include property owners' public liability and third party liability insurance;
- (c) be for not less than the replacement value of the relevant Secured Assets (meaning in the case of any premises on any Property, the total cost of entirely rebuilding, reinstating or replacing the premises in the event of their being destroyed, together with architects', surveyors', engineers' and other professional fees and charges for shoring or propping up, demolition, site clearance and reinstatement with adequate allowance for inflation) and, in the case of any Property, loss of rents payable by the tenants or other occupiers of any Property for a period of at least three years, including provision for increases in rent during the period of insurance.

7.11.3 The Chargor shall, if requested by the Chargee, produce to the Chargee each policy, certificate or cover note relating to the insurance required by Clause 7.11.1 (or where, in the case of any leasehold property, that insurance is effected by the landlord, such evidence of insurance as the Chargor is entitled to obtain from the landlord under the terms of the relevant lease).

7.11.4 The Chargor shall, if requested by the Chargee, procure that a note of the Chargee's interest is endorsed upon each Insurance Policy effected or maintained by it or any person on its behalf in accordance with Clause 7.11.1 but without the Chargee having

any liability for any premium in relation to those insurance policies unless it has expressly and specifically requested to be made liable in respect of any increase in premium or unpaid premium in respect of any Insurance Policy.

7.11.5 The Chargor shall ensure that each Insurance Policy effected or maintained by it or any person on its behalf in accordance with Clause 7.11.1 contains:

- (a) a loss payee clause under which the Chargee is named as first loss payee (other than in respect of any claim under any public liability and third party liability insurances);
- (b) terms ensuring that it cannot be avoided or vitiated as against the Chargee by reason of the act or default of any other insured party or any misrepresentation, non-disclosure or failure to make a fair presentation of risk by any other insured party;
- (c) a waiver of each insurer's rights of subrogation against the Chargor, the Chargee and the tenants of any Property other than any such rights arising in connection with any fraud or criminal offence committed by any of those persons in respect of any Property or any insurance policy; and
- (d) terms ensuring that no insurer can repudiate, rescind or cancel it, treat it as avoided in whole or in part nor treat it as expired due to non-payment of premium without giving at least 30 days' prior written notice to the Chargee.

7.12 Insurance premiums

The Chargor shall:

- 7.12.1 promptly pay all premiums in respect of each Insurance Policy maintained by it in accordance with Clause 7.11.1 and do all other things necessary to keep that policy in full force and effect; and
- 7.12.2 (if the Chargee so requires) give to the Chargee copies of the receipts for all premiums and other payments necessary for effecting and keeping up each insurance policy as is required by Clause 7.11.1 (or where, in the case of leasehold property, insurance is effected by the landlord, such evidence of the payment of premiums as the Chargor is entitled to obtain from the landlord under the terms of the relevant lease).

7.13 No invalidation of insurance

The Chargor shall not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any Insurance Policy maintained by it in accordance with Clause 7.11.1.

7.14 Proceeds of insurance policies

All monies received or receivable by the Chargor under any Insurance Policy maintained by it in accordance with Clause 7.11.1 (including all monies received or receivable by it under any Insurance Policy) at any time (whether or not the security constituted by this deed has become enforceable) shall be applied in making good or recouping expenditure in respect of the loss

or damage for which those monies are received or, if the Chargee so directs, in or towards repayment of the Loan.

7.15 Information

The Chargor shall:

- 7.15.1 give the Chargee such information concerning the location, condition, use and operation of the Secured Assets as the Chargee may require;
- 7.15.2 permit any persons designated by the Chargee and any Receiver to enter on its premises and inspect and examine any Secured Asset, and the records relating to that Secured Asset, at all reasonable times and on reasonable prior notice; and
- 7.15.3 promptly notify the Chargee in writing of any action, claim or demand made by or against it in connection with any Secured Asset or of any fact, matter or circumstance which may, with the passage of time, give rise to such an action, claim or demand, together with, in each case, the Chargor's proposals for settling, liquidating, compounding or contesting any such action, claim or demand and shall, subject to the Chargee's prior approval, implement those proposals at its own expense.

7.16 Payment of outgoings

The Chargor shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Secured Assets and, on demand, produce evidence of payment to the Chargee.

7.17 Subsidiaries

- 7.17.1 The Chargor shall not incorporate or acquire any new Subsidiaries unless such Subsidiary grants Security to the Chargee in substantially the same form as this deed.
- 7.17.2 The Chargor shall not cause or permit any Dormant Subsidiary to commence trading or cease to satisfy the criteria for a Dormant Subsidiary unless such Dormant Subsidiary grants Security to the Chargee in substantially the same form as this deed.

8 PROPERTY COVENANTS

8.1 Maintenance and insurance

The Chargor shall keep all buildings and all fixtures on each Property:

- 8.1.1 in good and substantial repair and condition and shall keep all premises adequately and properly painted and decorated and replace any fixtures and fittings which have become worn out or otherwise unfit for use with others of a like nature and equal value; and
- 8.1.2 in such repair and condition as to enable each Property to be let in accordance with all applicable laws and regulations.

8.2 No alterations

The Chargor shall not, without the prior written consent of the Chargee:

- 8.2.1 pull down or remove the whole, or any part of, any building forming part of any Property or permit the same to occur;
- 8.2.2 make or permit any alterations to any Property, or sever or remove, or permit to be severed or removed, any of its fixtures or fittings (except to make any necessary repairs or renew or replace the same in accordance with Clause 8.1);
- 8.2.3 remove or make any alterations to any of the Equipment belonging to, or in use by, the Chargor on any Property (except to effect necessary repairs or replace them with new or improved models or substitutes); or
- 8.2.4 consent to the landlord of the Property making any alterations to the building (of which the Property forms part) or the services which serve the Property.

The Chargor shall promptly give notice to the Chargee if the premises (including the parking space) or fixtures or fittings forming part of the Property are destroyed or materially damaged.

8.3 Conduct of business on Properties

The Chargor shall carry on its trade and business on those parts (if any) of the Properties as are used for the purposes of trade or business in accordance with the standards of good management from time to time current in that trade or business.

8.4 Planning information

The Chargor shall:

- 8.4.1 give full particulars to the Chargee of any notice, order, direction, designation, resolution or proposal given or made by any planning authority or other public body or authority (a "**Planning Notice**") that specifically applies to any Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Planning Notice; and
- 8.4.2 at its own expense, immediately on request by the Chargee, and at the cost of the Chargor, take all reasonable and necessary steps to comply with any Planning Notice, and make, or join with the Chargee in making, any objections or representations in respect of that Planning Notice that the Chargee may desire.

The Chargor shall give full particulars to the Chargee of any claim, notice or other communication served on it in respect of any modification, suspension or revocation of any Environmental Licence or any alleged breach of any Environmental Law, in each case relating to any Property.

8.5 Compliance with covenants and payment of rent

The Chargor shall:

- 8.5.1 observe and perform all covenants, stipulations and conditions to which each Property, or the use of it, is or may be subjected, and (if the Chargee so requires) produce evidence sufficient to satisfy the Chargee that those covenants, stipulations and conditions have been observed and performed;
- 8.5.2 diligently enforce all covenants, stipulations and conditions benefiting each Property and shall not (and shall not agree to) waive, release or vary any of the same; and
- 8.5.3 (without prejudice to the generality of the foregoing) where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time, and perform and observe all the tenant's covenants and conditions.

8.6 Payment of rent and outgoings

The Chargor shall:

- 8.6.1 where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time; and
- 8.6.2 pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed on each Property or on its occupier.

8.7 Maintenance of interests in Properties

The Chargor shall not, without the prior written consent of the Chargee:

- 8.7.1 grant, or agree to grant, any licence or tenancy affecting the whole or any part of any Property, or exercise, or agree to exercise, the statutory powers of leasing or of accepting surrenders under sections 99 or 100 of the Law of Property Act 1925 (or agree to grant any such licence or tenancy, or agree to exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925);
- 8.7.2 in any other way dispose of, surrender or create, or agree to dispose of, surrender or create, any legal or equitable estate or interest in the whole or any part of any Property (or agree to dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of any Property);
- 8.7.3 let any person into occupation of or share occupation of the whole or any part of any Property; or
- 8.7.4 grant any consent or licence under any lease or licence affecting any Property.

8.8 Registration restrictions

- 8.8.1 If the title to the Property is not registered at the Land Registry, the Chargor shall procure that no person (other than itself) shall be registered under the Land

Registration Acts 1925 to 2002 as proprietor of all or any part of any Property without the prior written consent of the Chargee.

8.8.2 Whether or not title to any Property is registered at the Land Registry, if any caution against first registration or any notice (whether agreed or unilateral) is registered against the Chargor's title to any Property, the Chargor shall immediately provide the Chargee with full particulars of the circumstances relating to such caution or notice. If such caution or notice was registered to protect a purported interest the creation of which is not permitted under this deed, the Chargor shall immediately, and at its own expense, take such steps as the Chargee may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.

8.8.3 The Chargor shall be liable for the costs and expenses of the Chargee in lodging cautions against the registration of the title to the whole or any part of any Property from time to time.

8.9 Development restrictions

The Chargor shall not, without the prior written consent of the Chargee:

8.9.1 make or, insofar as it is able, permit others to make any application for planning permission or development consent in respect of the Property; or

8.9.2 carry out, or permit, or suffer to be carried out on any Property any development as defined in the Town and Country Planning Act 1990 and the Planning Act 2008, or change or permit or suffer to be changed the use of any Property.

8.10 Rent reviews

The Chargor shall, if the Property is subject to occupational leases or licences, implement any upwards rent review provisions and shall not, without the prior written consent of the Chargee, agree to any change in rent to less than the open market rental value of the relevant part of the Property.

8.11 Environment

The Chargor shall:

8.11.1 comply with all the requirements of Environmental Law; and

8.11.2 obtain and comply with all Environmental Licences.

8.12 No restrictive obligations

The Chargor shall not, without the prior written consent of the Chargee, enter into any onerous or restrictive obligations affecting the whole or any part of any Property, or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of any Property.

8.13 Proprietary rights

The Chargor shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of any Property without the prior written consent of the Chargee.

8.14 Inspection

The Chargor shall permit the Chargee, any Receiver and any person appointed by either of them to enter on and inspect any Property on reasonable prior notice.

8.15 Property information

The Chargor shall inform the Chargee promptly of any acquisition by the Chargor of, or contract made by the Chargor to acquire, any freehold, leasehold or other interest in any property.

8.16 VAT option to tax

The Chargor shall not, without the prior written consent of the Chargee:

8.16.1 exercise any VAT option to tax in relation to any Property; or

8.16.2 revoke any VAT option to tax exercised, and disclosed to the Chargee, before the date of this deed.

8.17 Registration at the Land Registry

The Chargor consents to an application being made by the Chargee to the Land Registrar for the following restriction in Form P to be registered against its title to each Property:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction is to be registered without a written consent signed by the proprietor for the time being of the charge dated _____ in favour of [Chargee]] referred to in the charges register."

9 INVESTMENT COVENANTS

9.1 Deposit of title documents

9.1.1 The Chargor shall:

- (a) promptly upon the request of the Chargee, deposit with the Chargee, or as the Chargee may direct, all stock or share certificates and other documents of title or evidence of ownership relating to any Investments owned by the Chargor at that time; and
- (b) promptly upon the request of the Chargee, on the purchase or acquisition by it of Investments after the date of this deed, deposit with the Chargee, or as the Chargee may direct, all stock or share certificates and other documents of title or evidence of ownership relating to those Investments.

9.1.2 At the same time as depositing documents with the Chargee, or as the Chargee may direct, in accordance with Clause 9.1.1, the Chargor shall also deposit with the Chargee, or as the Chargee may direct:

- (a) all stock transfer forms relating to the relevant Investments duly completed and executed by or on behalf of the Chargor, but with the name of the transferee, the consideration and the date left blank; and
- (b) any other documents (in each case duly completed and executed by or on behalf of the Chargor) that the Chargee may request to enable it or any of its nominees, or any purchaser or transferee, to be registered as the owner of, or otherwise obtain a legal title to, or to perfect its security interest in any of the relevant Investments,

so that the Chargee may, at any time and without notice to the Chargor, complete and present those stock transfer forms and other documents to the issuer of the Investments for registration.

9.2 Nominations

9.2.1 The Chargor shall terminate with immediate effect all nominations it may have made (including, without limitation, any nomination made under section 145 or section 146 of the Companies Act 2006) in respect of any Investments and, pending that termination, procure that any person so nominated:

- (a) does not exercise any rights in respect of any Investments without the prior written approval of the Chargee; and
- (b) immediately on receipt by it, forward to the Chargee all communications or other information received by it in respect of any Investments for which it has been so nominated.

9.2.2 The Chargor shall not, during the Security Period, exercise any rights (including, without limitation, any rights under sections 145 and 146 of the Companies Act 2006) to nominate any person in respect of any of the Investments.

9.3 Additional registration obligations

The Chargor shall:

- 9.3.1 obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of an issuer of any Investments, for the transfer of the Investments to the Chargee or its nominee, or to a purchaser on enforcement of the security constituted by this deed; and
- 9.3.2 procure the amendment of the share transfer provisions (including, but not limited to, deletion of any pre-emption provisions) under the articles of association, other constitutional document or otherwise of each issuer in any manner that the Chargee may require in order to permit the transfer of the Investments to the Chargee or its nominee, or to a purchaser on enforcement of the security constituted by this deed.

9.4 Dividends and voting rights before enforcement

- 9.4.1 Before the security constituted by this deed becomes enforceable, the Chargor may retain and apply for its own use all dividends, interest and other monies paid or payable in respect of the Investments and, if any are paid or payable to the Chargee or any of its nominees, the Chargee will hold all those dividends, interest and other monies received by it for the Chargor and will pay them to the Chargor promptly on request.
- 9.4.2 Before the security constituted by this deed becomes enforceable, the Chargor may exercise all voting and other rights and powers in respect of the Investments or, if any of the same are exercisable by the Chargee or any of its nominees, to direct in writing the exercise of those voting and other rights and powers provided that:
- (a) it shall not do so in any way that would breach any provision of this deed or for any purpose inconsistent with this deed; and
 - (b) the exercise of, or the failure to exercise, those voting rights or other rights and powers would not, in the Chargee's opinion, have an adverse effect on the value of the Investments or otherwise prejudice the Chargee's security under this deed.
- 9.4.3 The Chargor shall indemnify the Chargee against any loss or liability incurred by the Chargee (or its nominee) as a consequence of the Chargee (or its nominee) acting in respect of the Investments at the direction of the Chargor.
- 9.4.4 The Chargee shall not, by exercising or not exercising any voting rights or otherwise, be construed as permitting or agreeing to any variation or other change in the rights attaching to or conferred by any of the Investments that the Chargee considers prejudicial to, or impairing the value of, the security created by this deed.

9.5 Dividends and voting rights after enforcement

After the security constituted by this deed has become enforceable:

- 9.5.1 all dividends and other distributions paid in respect of the Investments and received by the Chargor shall be held by the Chargor on trust for the Chargee and immediately paid into a Designated Account or, if received by the Chargee, shall be retained by the Chargee; and
- 9.5.2 all voting and other rights and powers attaching to the Investments shall be exercised by, or at the direction of, the Chargee and the Chargor shall, and shall procure that its nominees shall, comply with any directions the Chargee may give, in its absolute discretion, concerning the exercise of those rights and powers.

9.6 Calls on Investments

The Chargor shall promptly pay all calls, instalments and other payments that may be or become due and payable in respect of all or any of the Investments. The Chargor acknowledges that the Chargee shall not be under any liability in respect of any such calls, instalments or other payments.

9.7 No alteration of constitutional documents or rights attaching to Investments

The Chargor shall not, without the prior written consent of the Chargee, amend, or agree to the amendment of:

9.7.1 the memorandum or articles of association, or any other constitutional documents, of any issuer of the Investments that is not a public company; or

9.7.2 the rights or liabilities attaching to, or conferred by, all or any of the Investments

9.8 Preservation of Investments

The Chargor shall ensure (as far as it is able to by the exercise of all voting rights, powers of control and other means available to it) that any issuer of any of the Investments (that is not a public company) shall not:

9.8.1 consolidate or subdivide any of the Investments, or re-organise, exchange, repay or reduce its share capital in any way;

9.8.2 issue any new shares or stock; or

9.8.3 refuse to register any transfer of any of the Investments that may be lodged with it for registration by, or on behalf of, the Chargee or the Chargor in accordance with this deed.

9.9 Investments information

The Chargor shall, promptly following receipt, send to the Chargee copies of any notice, circular, report, accounts and any other document received by it that relates to the Investments.

9.10 Compliance with requests for information

The Chargor shall promptly send a copy to the Chargee of, and comply with, all requests for information which is within its knowledge and which are made under any law or regulation or any similar provision in any articles of association or other constitutional document, or by any listing or other authority, relating to any of the Investments. If it fails to do so, the Chargee may elect to provide such information as it may have on behalf of the Chargor.

10 EQUIPMENT COVENANTS

10.1 Maintenance of Equipment

The Chargor shall:

10.1.1 maintain the Equipment in good and serviceable condition (except for expected fair wear and tear) in compliance with all relevant manuals, handbooks, manufacturer's instructions and recommendations and maintenance or servicing schedules;

10.1.2 at its own expense, renew and replace any parts of the Equipment when they become obsolete, worn out or damaged with parts of a similar quality and of equal or greater value; and

10.1.3 not permit any Equipment to be:

- (a) used or handled other than by properly qualified and trained persons; or
- (b) overloaded or used for any purpose for which it is not designed or reasonably suitable.

10.2 Payment of Equipment taxes

The Chargor shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Equipment and, on demand, produce evidence of such payment to the Chargee.

10.3 Notice of charge

10.3.1 The Chargor shall, if so requested by the Chargee, affix to and maintain on each item of Equipment in a conspicuous place, a clearly legible identification plate containing the following wording:

"NOTICE OF CHARGE

This [DESCRIBE ITEM] and all additions to it [and ancillary equipment] are subject to a fixed charge dated [DATE] in favour of [Chargee]."

10.3.2 The Chargor shall not, and shall not permit any person to, conceal, obscure, alter or remove any plate affixed in accordance with Clause 10.3.1.

11 BOOK DEBTS COVENANTS

11.1 Book Debts Account

11.1.1 The Chargor shall as an agent for the Chargee, collect in and realise all Book Debts, pay the proceeds into a Designated Account immediately on receipt and, pending that payment, hold those proceeds in trust for the Chargee.

11.1.2 The Chargor shall not, without the prior written consent of the Chargee, withdraw any amounts standing to the credit of any Designated Account.

11.1.3 The Chargor shall, if called on to do so by the Chargee, execute a legal assignment of the Book Debts to the Chargee on such terms as the Chargee may require and give notice of that assignment to the debtors from whom the Book Debts are due, owing or incurred.

11.2 Preservation of Book Debts

The Chargor shall not (except as permitted under Clause 11.1 or with the prior written consent of the Chargee) release, exchange, compound, set off, grant time or indulgence in respect of, or in any other manner deal with, all or any of the Book Debts.

12 RELEVANT AGREEMENTS COVENANTS

12.1 Relevant Agreements

12.1.1 The Chargor shall, unless the Chargee agrees otherwise in writing, comply with the terms of each Relevant Agreement and any other document, agreement or arrangement comprising the Secured Assets.

12.1.2 The Chargor shall not, unless the Chargee agrees otherwise in writing:

- (a) amend or vary or agree to any change in, or waive any requirement of or its rights under;
- (b) settle, compromise, terminate, rescind or discharge (except by performance); or
- (c) abandon, waive, dismiss, release or discharge any action, claim or proceedings against any counterparty to a Relevant Agreement or other person in connection with,

any Relevant Agreement or any other document, agreement or arrangement comprising the Secured Assets.

13 INTELLECTUAL PROPERTY COVENANTS

13.1 Preservation of rights

The Chargor shall take all reasonable action to safeguard and maintain present and future rights in, or relating to, the Intellectual Property including (without limitation) by observing all covenants and stipulations relating to those rights, and by paying all applicable renewal fees, licence fees and other outgoings.

13.2 Registration of Intellectual Property

The Chargor shall use all reasonable efforts to register applications for the registration of any Intellectual Property, and shall keep the Chargee informed of all matters relating to each such registration.

13.3 Maintenance of Intellectual Property

The Chargor shall not permit any Intellectual Property to be abandoned, cancelled or to lapse.

14 EVENT OF DEFAULT

14.1 Repayment on an Event of Default

14.1.1 Notwithstanding any other provision of this deed or the Loan, on or after the date upon which any of the following events shall occur (each an "**Event of Default**"), the Chargee may (i) by notice to the Chargor, declare that all or part of the outstanding principal amount of the Loan together with all unpaid interest accrued thereon and all other amounts accrued or outstanding under the Loan and any other sums owing by the Chargor to the Chargee be immediately due and payable, whereupon they shall become immediately due and payable; (ii) by notice to the Chargor, declare that all or part of the outstanding principal amount of the Loan and/or any other sums owed by the Chargor to the Chargee be payable on demand, whereupon they shall

immediately become payable on demand by the Chargee; and/or (iii) exercise any or all of its rights, remedies, powers or discretions under the Loan or this deed:

- (a) the Chargor fails to pay on the due date:
 - (i) any principal monies;
 - (ii) accrued and unpaid interest in respect of the Loan; or
 - (iii) any other amount payable by it to the Chargee;
- (b) any steps are taken for or with a view to the making of an administration order or the appointment of an administrator or trustee in bankruptcy in respect of the Chargor;
- (c) the Chargor stops payment of its debts generally or becomes unable to pay its debts within the meaning of Section 123(1) Insolvency Act 1986 or the Chargor ceases to carry on all or substantially all its business, or any compromise, composition, arrangement or agreement is made with the creditors of the Chargor;
- (d) a moratorium is declared in respect of any indebtedness of the Chargor. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium;
- (e) the appointment of a receiver, administrative receiver, administrator or trustee in bankruptcy in respect of or over all or a material part of the undertaking or assets of the Chargor;
- (f) distress or execution (or other similar process) is levied upon, or enforced against all or a material part of the assets or property of the Chargor and is not fully paid out or discharged within 21 days unless and for so long as the same is being contested in good faith (save in relation to any security granted on a limited recourse basis);
- (g) any process or events with an effect analogous to those in paragraphs (a) to (f) (inclusive) above occurs to the Chargor in a jurisdiction outside England and Wales;
- (h) any indebtedness of the Chargor is not paid when due or is declared to be or otherwise becomes due and payable prior to its specified maturity or any creditor of the Chargor becomes entitled to declare any such indebtedness due and payable prior to its specified maturity;
- (i) the security constituted by any mortgage, charge or other security document executed by the Chargor becomes enforceable and steps are taken to enforce the same; or
- (j) any event occurs (or circumstances exist) which in the reasonable opinion of the Chargee, has or is reasonably likely to result in a material adverse change in the business, assets or financial condition, trading position or prospects of the Chargor.

- 14.1.2 The Chargor shall forthwith give the Chargee written notice of the happening of any Event of Default.

15 POWERS OF THE CHARGE

15.1 Power to remedy

- 15.1.1 The Chargee shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Chargor of any of its obligations contained in this deed.
- 15.1.2 The Chargor irrevocably authorises the Chargee and its agents to do all things that are necessary or desirable for that purpose.
- 15.1.3 Any monies expended by the Chargee in remedying a breach by the Chargor of its obligations contained in this deed shall be reimbursed by the Chargor to the Chargee on a full indemnity basis and shall carry interest in accordance with Clause 22.1.
- 15.1.4 In remedying any breach in accordance with this Clause 15, the Chargee, its agents and their respective officers, agents and employees shall be entitled to enter onto any Property and to take any action as the Chargee may reasonably consider necessary or desirable, including, without limitation, carrying out any repairs, other works or development.

15.2 Exercise of rights

- 15.2.1 The rights of the Chargee under Clause 15.1 are without prejudice to any other rights of the Chargee under this deed.
- 15.2.2 The exercise of any rights of the Chargee under this deed shall not make the Chargee liable to account as a mortgagee in possession.

15.3 Power to dispose of chattels

- 15.3.1 At any time after the security constituted by this deed has become enforceable, the Chargee or any Receiver may, as agent for the Chargor, dispose of any chattels or produce found on any Property.
- 15.3.2 Without prejudice to any obligation to account for the proceeds of any disposal made under Clause 15.3.1, the Chargor shall indemnify the Chargee and any Receiver against any liability arising from any disposal made under Clause 15.3.1.

15.4 Chargee has Receiver's powers

To the extent permitted by law, any right, power or discretion conferred by this deed (either expressly or impliedly) or by law on a Receiver may, after the security constituted by this deed has become enforceable, be exercised by the Chargee in relation to any of the Secured Assets whether or not it has taken possession of any Secured Assets and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

15.5 Conversion of currency

- 15.5.1 For the purpose of, or pending the discharge of, any of the Secured Liabilities, the Chargee may convert any monies received, recovered or realised by it under this deed (including the proceeds of any previous conversion under this Clause 15.5) from their existing currencies of denomination into any other currencies of denomination that the Chargee may think fit.
- 15.5.2 Any such conversion shall be effected at Chargee's bank's then prevailing spot selling rate of exchange for such other currency against the existing currency.
- 15.5.3 Each reference in this Clause 15.5 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

15.6 New accounts

- 15.6.1 If the Chargee receives, or is deemed to have received, notice of any subsequent Security, or other interest, affecting all or part of the Secured Assets, the Chargee may open a new account for the Chargor in the Chargee's books. Without prejudice to the Chargee's right to combine accounts, no money paid to the credit of the Chargor in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured liabilities.
- 15.6.2 If the Chargee does not open a new account immediately on receipt of the notice, or deemed notice, under Clause 15.6.1, then, unless the Chargee gives express written notice to the contrary to the Chargor, all payments made by the Chargor to the Chargee shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured liabilities, as from the time of receipt or deemed receipt of the relevant notice by the Chargee.

15.7 Indulgence

The Chargee may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this deed (whether or not any such person is jointly liable with the Chargor) in respect of any of the Secured Liabilities, or of any other security for them without prejudice either to this deed or to the liability of the Chargor for the Secured Liabilities.

15.8 Appointment of an Administrator

- 15.8.1 The Chargee may, without notice to the Chargor, appoint anyone or more persons to be an Administrator of the Chargor pursuant to Paragraph 14 of Schedule 81 of the Insolvency Act 1986 if the security constituted by this deed becomes enforceable.
- 15.8.2 Any appointment under this Clause 15.8 shall:
 - (a) be in writing signed by a duly authorised signatory of the Chargee; and
 - (b) take effect, in accordance with paragraph 19 of Schedule B 1 of the Insolvency Act 1986.

- 15.8.3 The Chargee may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this Clause 15.8 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

16 WHEN SECURITY BECOMES ENFORCEABLE

16.1 Security becomes enforceable on Event of Default

The Security constituted by this deed shall become immediately enforceable if an Event of Default occurs and is continuing.

16.2 Discretion

After the Security constituted by this deed has become enforceable, the Chargee may, in its absolute discretion, enforce all or any part of that security at the times, in the manner and on the terms it thinks fit, and take possession of and hold or dispose of all or any part of the Secured Assets.

17 ENFORCEMENT OF SECURITY

17.1 Enforcement powers

- 17.1.1 For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this deed.
- 17.1.2 The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this deed) shall be immediately exercisable at any time after the security constituted by this deed has become enforceable under Clause 16.1.
- 17.1.3 Section 103 of the LPA 1925 does not apply to the Security constituted by this deed.

17.2 Extension of statutory powers of leasing

The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the Chargee and any Receiver, at any time after the security constituted by this deed has become enforceable, whether in its own name or in that of the Chargor, to:

- 17.2.1 grant a lease or agreement to lease;
- 17.2.2 accept surrenders of leases; or
- 17.2.3 grant any option of the whole or any part of the Secured Assets with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of the Chargor, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Chargee or Receiver thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

17.3 Access on enforcement

- 17.3.1 At any time after the Chargee has demanded payment of the Secured Liabilities or if the Chargor defaults in the performance of its obligations under this deed or the Loan, the Chargor will allow the Chargee or its Receiver, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Secured Asset and for that purpose to enter on any premises where a Secured Asset is situated (or where the Chargee or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to the Chargor for, or by any reason of, that entry.
- 17.3.2 At all times, the Chargor must use its best endeavours to allow the Chargee or its Receiver access to any premises for the purpose of Clause 17.3.1 (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

17.4 Prior Security

- 17.4.1 At any time after the security constituted by this deed has become enforceable, or after any powers conferred by any Security having priority to this deed shall have become exercisable, the Chargee may:
- (a) redeem that or any other prior Security;
 - (b) procure the transfer of that Security to it; and
 - (c) settle and pass any account of the holder of any prior Security (and any accounts so settled and passed shall, in the absence of any manifest error, be conclusive and binding on the Chargor).
- 17.4.2 All monies paid by the Chargee to an encumbrancer in settlement of any of those accounts shall, as from its payment by the Chargee, be due from the Chargor to the Chargee on current account and shall bear interest at a default rate of interest of 2% per annum and be secured as part of the Secured Liabilities.
- 17.4.3 The Chargor shall pay to the Chargee immediately on demand all principal, interest, costs, charges and expenses of, and incidental to, any such redemption or transfer, and such amounts shall be secured by this deed as part of the Secured Liabilities.

17.5 Protection of third parties

No purchaser, mortgagee or other person dealing with the Chargee, any Receiver or Delegate shall be concerned to enquire:

- 17.5.1 whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
- 17.5.2 whether any power the Chargee, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable; or
- 17.5.3 how any money paid to the Chargee, any Receiver or any Delegate is to be applied.

17.6 Privileges

Each Receiver and the Chargee is entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers.

17.7 No liability as mortgagee in possession

Neither the Chargee, any Receiver, any Delegate nor any Administrator shall be liable to account as mortgagee in possession in respect of all or any of the Secured Assets, nor shall any of them be liable for any loss on realisation of, or for any neglect or default of any nature in connection with, all or any of the Secured Assets for which a mortgagee in possession might be liable as such.

17.8 Relinquishing possession

If the Chargee, any Receiver or Delegate enters into or takes possession of any Property, it or he may at any time relinquish possession.

17.9 Conclusive discharge to purchasers

The receipt of the Chargee, or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Secured Assets or in making any acquisition in the exercise of their respective powers, the Chargee, and every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit.

17.10 Right of appropriation

17.10.1 To the extent that:

- (a) the Secured Assets constitute Financial Collateral; and
- (b) this deed and the obligations of the Chargor under it constitute a Security Financial Collateral Arrangement,

the Chargee shall have the right, at any time after the security constituted by this deed has become enforceable, to appropriate all or any of those Secured Assets in or towards the payment or discharge of the Secured Liabilities in any order that the Chargee may, in its absolute discretion, determine.

17.10.2 The value of any Secured Assets appropriated in accordance with this Clause:

- (a) in the case of cash, the amount standing to the credit of each of the Chargor's accounts with any bank, financial institution or other person, together with any accrued but unpaid interest, at the time the right of appropriation is exercised; and
- (b) in the case of Investments, the market price of those Investments at the time the right of appropriation is exercised determined by the Chargee by reference to a recognised market index or by any other method that the Chargee may select (including independent valuation).

17.10.3 The Chargor agrees that the methods of valuation provided for in this Clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

18 RECEIVER

18.1 Appointment

At any time after the Security constituted by this deed has become enforceable, or at the request of the Chargor, the Chargee may, without further notice, appoint by way of deed, or otherwise in writing, anyone or more persons to be a Receiver of all or any part of the Secured Assets.

18.2 Removal

The Chargee may, without further notice (subject to section 45 of the Insolvency Act 1986 in the case of an administrative receiver), from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

18.3 Remuneration

The Chargee may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925, and the remuneration of the Receiver shall be a debt secured by this deed, to the extent not otherwise discharged.

18.4 Power of appointment additional to statutory powers

The power to appoint a Receiver conferred by this deed shall be in addition to all statutory and other powers of the Chargee under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

18.5 Power of appointment exercisable despite prior appointments

The power to appoint a Receiver (whether conferred by this deed or by statute) shall be, and remain, exercisable by the Chargee despite any prior appointment in respect of all or any part of the Secured Assets.

18.6 Agent of the Chargor

Any Receiver appointed by the Chargee under this deed shall be the agent of the Chargor and the Chargor shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each Receiver shall continue until the Chargor goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Chargee.

19 POWERS OF RECEIVER

19.1 General

- 19.1.1 Any Receiver appointed by the Chargee under this deed shall, in addition to the powers conferred on him by statute, have the powers set out in Clause 19.2 to Clause 19.24.
- 19.1.2 A Receiver has all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the LPA 1925, and shall have those rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986 whether it is an administrative receiver or not.
- 19.1.3 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this deed individually and to the exclusion of any other Receiver.
- 19.1.4 Any exercise by a Receiver of any of the powers given by Clause 19 may be on behalf of the Chargor, the directors of the Chargor (in the case of the power contained in Clause 19.16) or himself.

19.2 Repair and develop Properties

A Receiver may undertake or complete any works of repair, building or development on the Properties and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

19.3 Grant or accept surrenders of leases

A Receiver may grant, or accept surrenders of, any leases or tenancies affecting any Secured Asset and may grant any other interest or right over any Property on any terms, and subject to any conditions, that he thinks fit.

19.4 Employ personnel and advisors

A Receiver may provide services and employ or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that he thinks fit. A Receiver may discharge any such person or any such person appointed by the Chargor.

19.5 Make and revoke VAT options to tax

A Receiver may make, exercise or revoke any value added tax option to tax as he thinks fit.

19.6 Charge for remuneration

A Receiver may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) that the Chargee may prescribe or agree with him.

19.7 Realise Secured Assets

A Receiver may collect and get in the Secured Assets or any part of them in respect of which he is appointed, and make any demands and take any proceedings as may seem expedient for that purpose, and take possession of the Secured Assets with like rights.

19.8 Manage or reconstruct the Chargor's business

A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Chargor.

19.9 Dispose of Secured Assets

A Receiver may sell, exchange, convert into money and realise all or any of the Secured Assets in respect of which he is appointed in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as he thinks fit. Any sale may be for any consideration that the Receiver thinks fit and a Receiver may promote, or concur in promoting, a company to purchase the Secured Assets to be sold.

19.10 Sever fixtures and fittings

A Receiver may sever and sell separately any fixtures or fittings from any Property without the consent of the Chargor.

19.11 Sell Book Debts

A Receiver may sell and assign all or any of the Book Debts in respect of which he is appointed in any manner, and generally on any terms and conditions, that he thinks fit.

19.12 Give valid receipts

A Receiver may give valid receipt for all monies and execute all assurances and things that may be proper or desirable for realising any of the Secured Assets.

19.13 Make settlements

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who claims to be a creditor of the Chargor or relating in any way to any Secured Asset.

19.14 Bring proceedings

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Secured Assets as he thinks fit.

19.15 Improve the Equipment

A Receiver may make substitutions of, or improvements to, the Equipment as he may think expedient.

19.16 Make calls on the Chargor's members

A Receiver may make calls conditionally or unconditionally on the members of the Chargor in respect of uncalled capital with (for that purpose and for the purpose of enforcing payments of any calls so made) the same powers as are conferred by the articles of association of the Chargor on its directors in respect of calls authorised to be made by them.

19.17 Insure

A Receiver may, if he thinks fit, but without prejudice to the indemnity in Clause 22, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Chargor under this deed.

19.18 Form subsidiaries

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

19.19 Powers under the LPA 1925

A Receiver may exercise all powers provided for in the LPA 1925 in the same way as if he had been duly appointed under the LPA 1925, and exercise all powers provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986.

19.20 Borrow

A Receiver may, for any of the purposes authorised by this Clause 19, raise money by borrowing from the Chargee (or from any other person) either unsecured or on the security of all or any of the Secured Assets in respect of which he is appointed on any terms that he thinks fit (including, if the Chargee consents, terms under which that security ranks in priority to this deed).

19.21 Redeem prior Security

A Receiver may redeem any prior Security and settle and pass the accounts to which the Security relates. Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Chargor, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

19.22 Delegation

A Receiver may delegate his powers in accordance with this deed.

19.23 Absolute beneficial owner

A Receiver may, in relation to any of the Secured Assets, exercise all powers, authorisations and rights he would be capable of exercising, and do all those acts and things, as an absolute beneficial owner could exercise or do in the ownership and management of the Secured Assets or any part of the Secured Assets.

19.24 Incidental powers

A Receiver may do any other acts and things:

19.24.1 that he may consider desirable or necessary for realising any of the Secured Assets;

19.24.2 that he may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this deed or law; or

19.24.3 that he lawfully may or can do as agent for the Chargor.

20 DELEGATION

20.1 Delegation

The Chargee or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this deed (including the power of attorney granted under Clause 24.1).

20.2 Terms

The Chargee and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that it thinks fit.

20.3 Liability

Neither the Chargee nor any Receiver shall be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

21 APPLICATION OF PROCEEDS

21.1 Order of application of proceeds

All monies received or recovered by the Chargee, a Receiver or a Delegate under this deed or in connection with the realisation or enforcement of all or part of the security constituted by this deed (other than sums received under any Insurance Policy), shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority (but without prejudice to the Chargee's right to recover any shortfall from the Chargor):

21.1.1 in or towards payment of or provision for all costs, charges and expenses incurred by or on behalf of the Chargee (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this deed, and of all remuneration due to any Receiver under or in connection with this deed;

21.1.2 in or towards payment of or provision for the Secured Liabilities in any order and manner that the Chargee determines; and

21.1.3 in payment of the surplus (if any) to the Chargor or other person entitled to it.

21.2 Appropriation

Neither the Chargee, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

21.3 Suspense account

All monies received by the Chargee, a Receiver or a Delegate under this deed:

- 21.3.1 may, at the discretion of the Chargee, Receiver or Delegate, be credited to any suspense or securities realised account;
- 21.3.2 shall bear interest, if any, at the rate agreed in writing between the Chargee and the Chargor; and
- 21.3.3 may be held in that account for so long as the Chargee, Receiver or Delegate thinks fit.

22 COSTS AND INDEMNITY

22.1 Costs

The Chargor shall, promptly on demand, pay to, or reimburse, the Chargee and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Chargee, any Receiver or any Delegate in connection with:

- 22.1.1 the negotiation, preparation, execution and delivery of this deed and the Secured Assets;
- 22.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Chargee's, a Receiver's or a Delegate's rights under this deed;
- 22.1.3 any amendment, extension, waiver, consent or suspension of rights (or any proposal for any of these) under or in connection with this deed;
- 22.1.4 any release of any security constituted by this deed; and
- 22.1.5 taking proceedings for, or recovering, any of the Secured Liabilities,

22.2 Indemnity

The Chargor, promptly on demand, agrees to indemnify the Chargee, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:

- 22.2.1 the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this deed or by law in respect of the Secured Assets;
- 22.2.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed; or
- 22.2.3 any default or delay by the Chargor in performing any of its obligations under this deed.

Any past or present employee or agent may enforce the terms of this Clause 22.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

23 FURTHER ASSURANCE

23.1 The Chargor shall, at its own expense, promptly do all such acts or execute all such documents as the Chargee or any Receiver may reasonably specify (and in such form as the Chargee may reasonably require in favour of the Chargee or its nominee(s)):

- 23.1.1 to create, perfect or protect the security intended to be created by this deed (including making all filings and registrations);
- 23.1.2 to facilitate the realisation or enforcement of any Secured Asset; or
- 23.1.3 facilitating the exercise of any right, power, authority or discretion exercisable by the Chargee or any Receiver in respect of any Secured Asset,

including, without limitation (if the Chargee or Receiver thinks it expedient) the execution of any transfer, mortgage, charge, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Secured Assets (whether to the Chargee or to its nominee) and the giving of any notice, order or direction and the making of any filing or registration which, in any such case, the Chargee may consider necessary or desirable.

24 POWER OF ATTORNEY

24.1 Appointment of attorneys

By way of security, the Chargor irrevocably appoints the Chargee, every Receiver and every Delegate separately to be the attorney of the Chargor and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things that:

- 24.1.1 the Chargor is required to execute and do under this deed; or
- 24.1.2 any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this deed or by law on the Chargee, any Receiver or any Delegate.

24.2 Ratification of acts of attorneys

The Chargor ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in Clause 24.1.

25 RELEASE

25.1 Subject to Clause 32.3, on the expiry of the Security Period, the Chargee shall, at the request and cost of the Chargor, take whatever action is necessary to:

25.1.1 release the Secured Assets from the security constituted by this deed; and

25.1.2 reassign the Secured Assets to the Chargor.

26 ASSIGNMENT AND TRANSFER

26.1 Assignment by the Chargor

The Chargor may not assign any of its rights, or transfer any of its rights or obligations, under this deed or enter into any transaction which would result in any of the Chargor's rights or obligations under this deed passing to another person.

27 SET-OFF

27.1 Chargee's right of set-off

The Chargee may at any time set off any liability of the Chargor to the Chargee against any liability of the Chargee to the Chargor, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this deed. If the liabilities to be set off are expressed in different currencies, the Chargee may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Chargee of its rights under this Clause 27 shall not limit or affect any other rights or remedies available to it under this deed or otherwise.

27.2 No obligation to set off

The Chargee is not obliged to exercise its rights under Clause 27.1. If it does exercise those rights it must promptly notify the Chargor of the set-off that has been made.

27.3 Exclusion of the Chargor's right of set-off

All payments made by the Chargor to the Chargee under this deed shall be made in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

28 AMENDMENTS, WAIVERS AND CONSENTS

28.1 Amendments

No amendment of this deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

28.2 Waivers and consents

28.2.1 A waiver of any right or remedy under this deed or by law, or any consent given under this deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the

circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.

- 28.2.2 A failure to exercise, or a delay in exercising, any right or remedy provided under this deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this deed. No single or partial exercise of any right or remedy provided under this deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this deed by the Chargee shall be effective unless it is in writing.

28.3 Rights and remedies

The rights and remedies provided under this deed are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

29 SEVERANCE

If, at any time, any provision of this deed is or becomes invalid, illegal 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.

30 COUNTERPARTS

30.1 Counterparts

- 30.1.1 This deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.
- 30.1.2 Transmission of an executed counterpart of this deed (but for the avoidance of doubt not just a signature page) shall take effect as delivery of an executed counterpart of this deed. If either method of delivery is adopted, without prejudice to the validity of the deed thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.
- 30.1.3 No counterpart shall be effective until each party has executed and delivered at least one counterpart.

31 THIRD PARTY RIGHTS

- 31.1 A person who is not a party to this deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.
- 31.2 The rights of the parties to rescind or agree any amendment or waiver under this deed are not subject to the consent of any other person.

32 FURTHER PROVISIONS

32.1 Independent security

The Security constituted by this deed shall be in addition to, and independent of, any other security or guarantee that the Chargee may hold for any of the Secured Liabilities at any time. No prior Security held by the Chargee over the whole or any part of the Secured Assets shall merge in the Security created by this deed.

32.2 Continuing security

The security constituted by this deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Chargee discharges this deed in writing.

32.3 Discharge conditional

Any release, discharge or settlement between the Chargor and the Chargee shall be deemed conditional on no payment or security received by the Chargee in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:

32.3.1 the Chargee or its nominee may retain this deed and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Chargee deems necessary to provide the Chargee with security against any such avoidance, reduction or order for refund; and

32.3.2 the Chargee may recover the value or amount of such security or payment from the Chargor subsequently as if the release, discharge or settlement had not occurred.

32.4 Certificates

A certificate or determination by the Chargee as to any amount for the time being due to it from the Chargor under this deed and the Loan shall be, in the absence of any manifest error, conclusive evidence of the amount due.

32.5 Consolidation

The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this deed.

33 NOTICES

33.1 Delivery

Any notice or other communication required to be given to a party under or in connection with this deed shall be sent by email to the address notified in writing to the Chargor or the Chargee (as the case may be).

33.2 Receipt

Any notice or other communication shall be deemed to have been received at the time of transmission, or, if this time falls outside business hours in the place of receipt, when business hours resume. In this Clause 33.2 business hours means 9.00am to 5.00pm Monday to Friday on a day that is not a public holiday in the place of receipt.

33.3 Service of proceedings

This Clause 33 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

34 GOVERNING LAW AND JURISDICTION

34.1 Governing law

This deed and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

34.2 Jurisdiction

Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this deed or its subject matter or formation (including non-contractual disputes or claims). Nothing in this Clause shall limit the right of the Chargee to take proceedings against the Chargor in any other court of competent jurisdiction, nor shall the taking of proceedings in anyone or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

34.3 Other service

The Chargor irrevocably consents to any process in any legal action or proceedings under Clause 34.2 being served on it in accordance with the provisions of this deed relating to service of notices. Nothing contained in this deed shall affect the right to serve process in any other manner permitted by law.

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

**Schedule 1
Shares**

Not applicable

**Schedule 2
Property**

**Part 1
Registered Property**

Not Applicable

**Part 2
Unregistered Property**

Not Applicable

Schedule 3
Relevant Agreements

Type of contract: Heads of Agreement

Date: 8 September 2011

Parties: the Chargor (1) and Cotech Trading Limited

Signatures to Debenture

THE CHARGOR

Executed as a Deed by **AEROSPACE RESOURCES LTD**
acting by a director in the presence of:

Director

Witness signature

Name
(in block capitals)

COLIN ELDER

Address

Occupation

THE CHARGEЕ

Executed as a Deed by **HEALTH PARTNERS EUROPE LTD.**
acting by a director in the presence of:

Director

Witness signature

Name
(in block capitals)

Address

Occupation

Signatures to Debenture

THE CHARGOR

Executed as a Deed by **AEROSPACE RESOURCES LTD**
acting by a director in the presence of:

}
Director

Witness signature

Name

(in block capitals)

Address

Occupation

THE CHARGEЕ

Executed as a Deed by **HEALTH PARTNERS EUROPE LTD.**
acting by a director in the presence of:

}
Director

Witness signature

Name

(in block capitals)

Address

Occupation