



Registration of a Charge

Company name: **UKDN WATERFLOW GROUP LIMITED**

Company number: **07046026**



X40W13FE

Received for Electronic Filing: **09/02/2015**

Details of Charge

Date of creation: **05/02/2015**

Charge code: **0704 6026 0002**

Persons entitled: **LYCEUM CAPITAL FUND II A
LYCEUM CAPITAL FUND II B
LYCEUM CAPITAL INDUSTRIAL PARTNERS FUND II**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC**

**COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION
FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

PINSENT MASONS LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7046026

Charge code: 0704 6026 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 5th February 2015 and created by UKDN WATERFLOW GROUP LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 9th February 2015 .

Given at Companies House, Cardiff on 10th February 2015

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

EXECUTION COPY

DATED 5 February 2015

(1) UKDN WATERFLOW GROUP LIMITED AND OTHERS

(AS CHARGORS)

(2) LYCEUM CAPITAL FUND II A

(3) LYCEUM CAPITAL FUND II B

(4) LYCEUM CAPITAL INDUSTRIAL PARTNERS FUND II

(AS LENDERS)

CROSS-GUARANTEE AND DEBENTURE



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THIS CROSS-GUARANTEE AND DEBENTURE is made on

5 February 2015

BETWEEN:-

- (1) **THE COMPANIES** whose names are set out in Schedule 1 as chargors (the "Chargors" and each a "Chargor") and
- (2) **LYCEUM CAPITAL FUND II A** (registered under the Limited Partnerships Act 1907 with number LP11926) acting through its manager **LYCEUM CAPITAL PARTNERS LLP** ("Lyceum Fund A");
- (2) **LYCEUM CAPITAL FUND II B** (registered under the Limited Partnerships Act 1907 with number LP11927) acting through its manager **LYCEUM CAPITAL PARTNERS LLP** ("Lyceum Fund B"); and
- (3) **LYCEUM CAPITAL INDUSTRIAL PARTNERS FUND II** (registered under the Limited Partnership Act 1907 with number LP012622) acting through its manager **LYCEUM CAPITAL PARTNERS LLP** ("Lyceum Industrial").

THIS DEED WITNESSES as follows:-

1. **INTERPRETATION**

1.1 **Definitions**

In this Deed:-

- | | |
|-------------------------------------|--|
| "Account" | means any account opened or maintained by any Chargor at any bank or financial institution |
| "Charged Property" | means all the assets and undertaking of the Chargors which from time to time are, or purport to be, the subject of the security created in favour of the Lenders by or pursuant to this Deed |
| "Company" | UKDN Waterflow (Holdings) Limited (a company registered in England and Wales with company number 07045926) |
| "Convertible Loan Agreement" | means the £1,000,000 convertible loan agreement entered into on or about the date of this Deed between (1) the Lenders and (2) the Company |
| "Dissolution" | of a person includes the bankruptcy, insolvency, liquidation, amalgamation, reconstruction, reorganisation, administration, administrative or other receivership or dissolution of that person, and any equivalent or analogous proceeding by whatever name known and in whatever jurisdiction |
| "Enforcement Action" | means:-

(a) the acceleration of any Secured Liabilities or any declaration that any Secured Liabilities are prematurely due and payable or payable on demand;

(b) the taking of any steps to enforce or require the enforcement of this Deed (including the |

crystallisation of any floating charge);

- (c) the making of any demand against any Chargor in relation to any guarantee, indemnity or other assurance against loss in respect of any Secured Liabilities;
- (d) the exercise of any right of set-off against any Chargor in respect of any Secured Liabilities excluding any right of set off under a netting arrangement with the Chargor's clearing bank;
- (e) the suing for, commencing or joining of any legal or arbitration proceedings against any Chargor to recover any Secured Liabilities; or
- (f) the petitioning, applying or voting for, or the taking of any steps which may lead to any administration, winding-up, insolvency or dissolution of or in relation to any Chargor .

"Enforcement Date" means the date on which the Lenders first take Enforcement Action

"Finance Documents" means:-

- (a) the Convertible Loan Agreement; and
- (b) this Cross-Guarantee and Debenture.

"Fixed Plant and Equipment" means all plant, machinery or equipment of the Chargors of any kind which does not for any reason constitute a Fixture, but is now or at any time directly or indirectly attached by any means and for any purpose to any land or building, whether or not it is removable or intended to form part of the land or building

"Fixtures" means all things of any kind now or at any time affixed to the Land for any purpose, including, without limitation, trade and tenants fixtures

"Insurances" means any policy of insurance or assurance in which any Chargor has an interest and all claims and rebates of premium under any such policy

"Intellectual Property" means any of the following in which any Chargor has an interest:-

- (a) any registered intellectual property right in any territory or jurisdiction, including, without limitation, patents, trade marks, service marks, registered designs, and any similar right in any territory or jurisdiction and any applications or right to apply for any of the above
- (b) any invention, copyright, design right or performance right
- (c) any trade secrets, know-how and confidential

information and

- (d) the benefit of any agreement or licence for the use of any such right

"Land" means any estate, right or interest in or over land, whether legal or equitable, and wherever the land is situated including, without limitation, any buildings and Fixtures on the Land, and the benefit of any covenants or rights owed to any person or enforceable by him by virtue of the ownership possession or occupation of land but for these purposes **"Land"** excludes heritable property situated in Scotland

"Lenders" means, together Lyceum Fund A, Lyceum Fund B and Lyceum Industrial and each a **"Lender"**

"Loose Plant and Equipment" means, in relation to any Chargor, all plant, machinery, equipment and motor vehicles now or at any time owned by the Chargor as a capital asset which is not Fixed Plant and Equipment

"LPA" means the Law of Property Act 1925

"Monetary Claims" means all book and other debts and monetary claims now or in the future owing to any Chargor (whether alone or jointly with any other person), whenever payable and whether liquidated or unliquidated, certain or contingent including, without limitation, credit balances on any Account, and together with all cheques, bills of exchange, negotiable instruments, credits and securities at any time given in relation to, or to secure payment of, any such debt

"Notice of Charge" means a notice of charge in such form as may be specified by the Lenders

"Receiver" means any receiver, receiver and manager or administrative receiver of the whole or any part of the Charged Property

"Related Rights" means in relation to any Charged Property:-

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

"Secured Liabilities"

means all moneys and liabilities (whether actual or contingent) which are now or may at any time hereafter be due, owing or payable, or expressed to be due, owing or payable, to the Lender from or by any Chargor under the Finance Documents and any loan notes issued to the Lenders following any conversion of amounts owing under the Convertible Loan Agreement, including without limitation interest, commission, costs, charges, fees and expenses which the Lender may charge any Chargor

"Securities"

means all the right, title and interest of any Chargor, now or in the future, in any:-

- (a) stocks, shares, bonds, debentures, loan stocks, or other securities issued by any person
- (b) warrants, options or other rights to subscribe, purchase or otherwise acquire any stocks, shares, bonds, debentures, loan stocks or other securities or investments issued by any person and
- (c) units or other interests in any unit trust or collective investment scheme

"Security"

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

"Senior Facility Agreement"

means the facility agreement dated 8 January 2010 between, amongst others, the Company and HSBC Bank plc as amended on 8 January 2010, 22 December 2010, 14 October 2011, 7 December 2011, as amended and restated on 29 March 2012, 31 May 2013 and 9 May 2014, and amended, supplemented, novated or replaced from time to time

"Tax"

means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same)

1.2 Interpretation

In this Deed, unless the context otherwise requires:-

- 1.2.1 words importing the singular shall include the plural and vice versa and reference to any gender includes the other gender;
- 1.2.2 the term **"assets"** includes all property, rights and revenues whatsoever, and wheresoever, present and future;
- 1.2.3 references to a **"guarantee"** include an indemnity or any other form of surety;

- 1.2.4 all references to documents include all variations, extensions, restatements, novations and replacements of such documents and supplements to such documents;
- 1.2.5 all references to a party include references to its personal representatives, permitted assigns and transferees and its successors in title;
- 1.2.6 references to persons include bodies corporate, unincorporated associations and partnerships; and
- 1.2.7 words and phrases defined in the Companies Act 2006 have the same meanings in this Deed but the word "**company**" includes any body corporate.

1.3 **Statutes and headings**

In this Deed:-

- 1.3.1 any reference to any statute or statutory instrument includes any enactment replacing or amending it or any instrument, order or regulation made under it and also includes any past statutory provisions (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced; and
- 1.3.2 headings are for reference purposes only and shall not affect the construction of anything in this Deed.

1.4 **Clauses and Schedules**

In this Deed references to "**Clauses**" are to the clauses or sub-clauses of this Deed and references to the "**Schedule**" are to the schedule to this Deed. The Schedule shall be treated as an integral part of this Deed and references to this Deed shall include the Schedule.

2. **INTERCREDITOR AGREEMENT AND SENIOR FACILITY AGREEMENT**

This Deed is subject to the terms of the Senior Facility Agreement and the Intercreditor Agreement (as defined in the Senior Facility Agreement).

3. **GUARANTEE AND INDEMNITY**

3.1 **Guarantee**

Each Chargor unconditionally and irrevocably, jointly and severally, guarantees to the Lenders the due and punctual payment of the Secured Liabilities and agrees that, if at any time or from time to time any of the Secured Liabilities are not paid in full on their due date (whether at their stated date of payment, by acceleration, on demand or otherwise), it will immediately upon demand unconditionally pay to the Lenders the Secured Liabilities which have not been so paid.

3.2 **Indemnity**

As an original and independent obligation under this Deed, each Chargor shall:-

- 3.2.1 indemnify the Lenders and keep the Lenders indemnified against any cost, loss, expense or liability of whatever kind resulting from the failure of any Chargor to make due and punctual payment of any of the Secured Liabilities or resulting from any of the obligations under the Finance Documents being or becoming void, voidable, unenforceable or ineffective against a Chargor; and

- 3.2.2 pay on demand the amount of such cost, loss, expense or liability whether or not the Lenders has attempted to enforce any rights against any person or otherwise.

3.3 **Principal debtor**

As an original and independent obligation under this Deed and without prejudice to any other provision in this Deed, the Chargors agree (on a joint and several basis) that if, for any reason, any amount claimed by the Lenders under this Deed is not recoverable on the basis of a guarantee, it will be liable as a principal debtor and primary obligor to indemnify the Lenders against any cost, loss or liability it incurs as a result of a Chargor not paying any of the Secured Liabilities on the date when they are expressed to be due. The amount payable by a Chargor under this indemnity will not exceed the amount it would have had to pay under this Deed if the amount claimed had been recoverable on the basis of a guarantee.

4. **CHARGES**

4.1 **Mortgages and Fixed Charges**

As a continuing security for payment of the Secured Liabilities, each of the Chargors with full title guarantee charges to the Lenders all its right, title and interest from time to time in each of the following assets:-

- 4.1.1 by way of first legal mortgage all Land which is described in Schedule 2 (if any) and all other Land now vested in the Chargor;
- 4.1.2 by way of first fixed charge all other Land now vested in the Chargor (to the extent not effectively charged by Clause 4.1.1) and all Land acquired by the Chargor after the date of this Deed;
- 4.1.3 by way of first fixed charge:-
 - (a) the Securities;
 - (b) the Intellectual Property;
 - (c) the Monetary Claims (except for the Monetary Claims of UKDN Waterflow Technical Services Limited which shall not be subject to the first fixed charge created by this clause 4.1.3(c));
 - (d) the Fixed Plant and Equipment;
 - (e) the Loose Plant and Equipment;
 - (f) the Accounts;
 - (g) the Insurances;
 - (h) the Related Rights under or in connection with the Securities, the Accounts, the Insurances, the Intellectual Property, the Monetary Claims (except for any Monetary Claims of UKDN Waterflow Technical Services Limited), the Fixed Plant and Equipment and the Loose Plant and Equipment; and
 - (i) its present and future goodwill and uncalled capital.

4.2 Floating Charge

As continuing security for payment of the Secured Liabilities, each of the Chargors with full title guarantee charges by way of first floating charge the whole of the Chargor's undertaking and assets, present and future and wherever situated, which are not for any reason effectively charged (whether in law or equity) by way of fixed security by this Deed, including, without limitation, any heritable property of the Chargor situated in Scotland.

4.3 Trust

If or to the extent that for any reason the assignment or charging of any Charged Property is prohibited, the Chargors shall hold it on trust for the Lenders.

4.4 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 will apply to any floating charge created by this Deed.

5. CRYSTALLISATION OF FLOATING CHARGE

5.1 Crystallisation: By Notice

The Lenders may at any time by notice in writing to the Chargors convert the floating charge created by Clause 4.2 (*Floating Charge*) with immediate effect into a fixed charge as regards any property or assets specified in the notice if:-

- 5.1.1 the Enforcement Date has occurred;
- 5.1.2 the Lenders consider that any of the Charged Property may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process; or
- 5.1.3 the Lenders consider that it is necessary in order to protect the priority of the Security created by or pursuant to this Deed.

5.2 Crystallisation: Automatic

The floating charge created by Clause 4.2 (*Floating Charge*) will automatically be converted (without notice) with immediate effect into a fixed charge as regards all of the undertaking and assets subject to the floating charge if:-

- 5.2.1 any of the Chargors creates or attempts to create any Security (other than as permitted pursuant to the terms of the Senior Facility Agreement) over any of the Charged Property; or
- 5.2.2 any person levies or attempts to levy any distress, execution or other process against any of the Charged Property; or
- 5.2.3 any step is taken (including the presentation of a petition, the passing of a resolution or the making of an application) to appoint a liquidator, provisional liquidator, administrator or Receiver in respect of any of the Chargors, over all or any part of its assets, or if such person is appointed.

5.3 Crystallisation: Moratorium where directors propose voluntary arrangement

The floating charge created by Clause 4.2 (*Floating Charge*) may not be converted into a fixed charge solely by reason of:-

- 5.3.1 the obtaining of a moratorium; or

5.3.2 anything done with a view to obtaining a moratorium,
under Schedule A1 to the Insolvency Act 1986.

6. PERFECTION OF SECURITY

6.1 Notices of Charge

Promptly upon request of the Lenders, the Chargors shall deliver to the Lenders (or procure delivery of) Notices of Charge duly executed by, or on behalf of, the Chargor in respect of the Insurances, each Account and any other asset which is the subject of a charge pursuant to Clause 4.1.3 from time to time and in each case shall use all reasonable endeavours to procure that each notice is acknowledged by the party to whom such Notice of Charge is addressed.

6.2 Delivery of Documents of Title

The Chargors shall upon the execution of this Deed (or, if later, upon receipt or entitlement thereof), deposit with the Lenders and the Lenders during the continuance of this security shall be entitled to hold all deeds, certificates and other documents of title relating to Land, the Securities and the Insurances. In the case of the Securities, the Chargors shall also deliver such stock transfer forms or other instruments of transfer (stamped and executed in blank by the relevant Chargor) as the Lenders may request.

6.3 Application to the Land Registry

The Chargors and the Lenders shall apply to the Land Registry for the following to be entered into on the register of the title to any Land now or in the future owned by any of the Chargor:-

6.3.1 a restriction in the following terms:-

"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 *[insert date of charge]* in favour of *[insert name of Lenders]* referred to in the charges register (Form P)".

6.3.2 a notice that the Lender are under an obligation to make further advances on the terms and subject to the conditions of the Finance Documents and the security created by the charge dated *[insert date]* in favour of *[insert name of Lenders]* has been created for the purpose of securing such further advances.

7. FURTHER ASSURANCE

Each of the Chargors shall, at its own expense, at any time when required by the Lenders, do and concur in all acts or things as the Lenders may deem necessary or desirable for the purpose of the creation, perfection, protection or maintenance of this Deed or of any of the Security intended to be created by this Deed over all or any of the Charged Property or to facilitate the enforcement of that Security, or the exercise of any powers or discretions intended to be vested in the Lenders or any Receiver by this Deed.

8. RESTRICTIONS ON DEALING

8.1 Negative Pledge

Each of the Chargors undertakes that it shall not, at any time during the subsistence of this Deed, create or permit to subsist any Security over all or any part of the Charged Property, except as expressly permitted under the terms of the Senior Facility Agreement.

8.2 Disposals

Each of the Chargors undertakes that it shall not (and shall not agree to) at any time during the subsistence of this Deed, except as expressly permitted under the terms of the Senior Facility Agreement, sell, transfer, assign, lease or hire out, factor, discount, licence, lend, part with its interest in or otherwise dispose of any of the Charged Property or permit the same to occur, or agree to do any of the foregoing, provided that, until:-

8.2.1 the floating charge created by Clause 4.2 (*Floating Charge*) is converted into a fixed charge; or

8.2.2 the occurrence of the Enforcement Date,

the Chargors may hold, enjoy and deal with, in accordance with the Senior Facility Agreement, the Charged Property which is not at the relevant time expressed to be subject to a fixed charge or mortgage.

9. SECURITIES

9.1 Securities: Before Enforcement Date

Prior to the occurrence of the Enforcement Date, each of the Chargors shall:-

9.1.1 pay all dividends, interest and other monies arising from the Securities into an Account; and

9.1.2 exercise all voting rights in relation to the Securities for any purpose not inconsistent with the terms of the Senior Facility Agreement.

9.2 Securities: After Enforcement Date

After the occurrence of the Enforcement Date, the Lenders may at their discretion (in the name of the relevant Chargor or otherwise and without any further consent or authority from such Chargor):-

9.2.1 exercise (or refrain from exercising) any voting rights in respect of the Securities;

9.2.2 apply all dividends, interest and other monies arising from the Securities in accordance with Clause 18 (*Application of Moneys*);

9.2.3 transfer the Securities into the name of such nominee(s) of the Lenders as it shall require; and

9.2.4 exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Securities,

in each case, in such manner and on such terms as the Lenders may think fit and the proceeds of any such action shall form part of the Charged Property.

9.3 Securities: Payment of Calls

Each of the Chargors shall pay when due all calls or other payments which may be or become due in respect of any of the Securities which are not fully paid (unless reasonably contested), and in any case of default by any of the Chargors in such payment, the Lenders may, if it thinks fit, make such payment on behalf of such Chargor in which case any sums paid by the Lenders shall be reimbursed by such Chargor to the Lenders on demand and shall carry interest from the date of payment by the Lenders until reimbursed at the rate notified to such Chargor by the Lenders.

9.4 Securities: Exercise of Rights

Each Chargor shall not exercise any of its respective rights and powers in relation to any of the Securities in any manner which, in the opinion of the Lenders, would prejudice the effectiveness of, or the ability of the Lenders to realise, the security created by or pursuant to this Deed.

10. ACCOUNTS

10.1 Accounts: Notification and Variation

Each Chargor, during the subsistence of this Deed:-

10.1.1 shall promptly deliver to the Lenders on the date of this Deed (and, if any change occurs after the date of this Deed, on that date), details of each Account maintained by it with any bank or financial institution; and

10.1.2 shall not, without the Lenders' prior written consent, permit or agree to any variation of the rights attaching to any Account or close any Account unless such account closure is notified in advance to the Lenders.

10.2 Accounts: Operation Before Enforcement Date

Each Chargor shall, prior to the occurrence of the Enforcement Date, be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account.

10.3 Accounts: Operation After Enforcement Date

After the occurrence of the Enforcement Date, each Chargor shall not be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account except with the prior consent of the Lenders.

11. MONETARY CLAIMS

11.1 No dealing with Monetary Claims

No Chargor shall at any time during the subsistence of this Deed, without the prior written consent of the Lenders or as permitted pursuant to the terms of the Senior Facility Agreement, sell, factor, discount, transfer, assign, lend or otherwise dispose of any of the Monetary Claims or enter into any agreement to do any of the foregoing.

11.2 Proceeds of Monetary Claims

Each Chargor shall get in and realise the Monetary Claims in the ordinary course of business and pay the proceeds of those Monetary Claims into an Account.

12. INSURANCES

12.1 Insurances: Undertakings

Each Chargor shall at all times during the subsistence of this Deed:-

- 12.1.1 keep the Charged Property insured with those insurances normally maintained by prudent companies carrying on a similar business and with an insurance office or underwriters to be approved by the Lenders in writing from time to time and otherwise in accordance with the terms of the Senior Facility Agreement;
- 12.1.2 if required by the Lenders, cause each Insurance relating to the Charged Property to contain (in form and substance satisfactory to the Lenders) an endorsement naming the Lenders as sole loss payee in respect of all claims;
- 12.1.3 promptly pay all premiums and other moneys payable under all its Insurances or procure that such is done and, promptly upon request, produce to the Lenders a copy of each policy and evidence (acceptable to the Lenders) of the payment of such sums (or procure that such is done) and not do or omit to do or permit or suffer to be done or omitted to be done, anything which might render any Insurance required by this clause void, voidable or unenforceable; and
- 12.1.4 if required by the Lenders, provide a copy of all Insurances relating to the Charged Property to the Lenders.

12.2 Insurance: Default

If any Chargor defaults in complying with Clause 12.1 (*Insurance: Undertakings*), the Lenders may effect or renew any such Insurance on such terms, in such name(s) and in such amount(s) as it considers appropriate, and all moneys expended by the Lenders in doing so shall be reimbursed by the Chargors to the Lenders on demand and shall carry interest from the date of payment by the Lenders until reimbursed at the rate specified in Clause 14.1 (*Default interest payable*).

12.3 Application of Insurance Proceeds

All moneys received under any Insurance relating to the Charged Property may, prior to the occurrence of the Enforcement Date, be applied in accordance with the terms of the Senior Facility Agreement. After the occurrence of the Enforcement Date, the Chargors shall hold such moneys upon trust for the Lenders pending payment to the Lenders for application in accordance with Clause 18 (*Application of Moneys*) and the Chargors waive any right they may have to require that any such moneys are applied in reinstatement of any part of the Charged Property.

13. LAND

Each Chargor shall (with the intent that this Clause 13 (*Land*) shall apply in relation to all Land now vested in any of the Chargors or acquired by any Chargor after the date of this Deed):-

13.1 Repair and Alterations

- 13.1.1 keep or cause to be kept all buildings and Fixtures from time to time on or in any of its Land and all other plant, machinery and equipment belonging to it in good and substantial repair and good working order;
- 13.1.2 not, without the prior written consent of the Lenders, make or permit the making of any alteration or addition to any of its Land (other than internal

non-structural alterations) or commit or permit any person to commit any waste upon or injure or in any manner or by any means lessen the value of its Land or sever or permit to be severed from any of its Land any Fixtures except for the purpose of replacing them as soon as practicable with others of equal or greater value; and

- 13.1.3 permit any authorised representative of the Lenders at any time to enter any of its Land for any purpose without becoming liable to account as a mortgagee in possession and to inspect and test any work being carried out and, where any breach of covenant, defect, disrepair or unauthorised alteration, improvement or addition shall be found, remedy all such breaches and execute all such repairs or removals as the Lenders may require within 28 days after notice (or immediately, in case of emergency);

13.2 Statutes

- 13.2.1 comply with the provisions of all statutes and the requirement of any competent authority affecting any of its Land or the use of any of its Land or anything done on any Land; and
- 13.2.2 ensure that all consents and approvals under all statutes and the regulations and codes of practice of any competent authority affecting any of its Land have been obtained and are complied with, and produce on demand such evidence as the Lenders may require to satisfy itself that such consents and approvals have been obtained and are complied with;

13.3 Leases

- 13.3.1 pay the rents and observe and perform all covenants, conditions, agreements or obligations on its part to be observed and performed contained in any lease under which any of its Land is held by the Chargor and any licence, consent or approval given under any lease, and use its best endeavours to enforce observance and performance of the lessor's covenants in any lease;
- 13.3.2 not accelerate or defer payment of any moneys payable under any such lease and where any lease contains a provision for the review of rent promptly notify the Lenders of any attempt by the lessor to implement a review but not agree the reviewed rent or appoint or agree to the appointment of a third party to determine a rent review without the prior written consent of the Lenders;
- 13.3.3 not to apply for any licence, consent or approval under any such lease or any superior lease without the prior written consent of the Lenders; and
- 13.3.4 promptly give notice to the Lenders if the Chargor receives notice under section 146 of the LPA or any proceedings are commenced for forfeiture of any such lease or any superior lease or the lessor or any superior lessor re-enters or attempts to re-enter thereunder and at the request of the Lenders but at the cost of the Chargor take such steps as the Lenders may require in relation thereto;

13.4 Power of Leasing

not, without the prior written consent of the Lenders, exercise any of the powers of leasing or agreeing to lease vested in or conferred on mortgagors by common law or by statute or create or suffer to be created a tenancy of any description of any of its Land or confer or permit to be conferred upon any person any contractual licence, right or interest to occupy or use or grant any licence or permission to assign, underlet

or part with possession of the whole or any part of its Land or agree to do any of the foregoing, and sections 99 and 100 of the LPA shall not apply to this Deed;

13.5 Compulsory Acquisition

not without the prior written consent of the Lenders enter into any negotiations with any competent authority with regard to the compulsory acquisition of any of its Land or consent to the compulsory acquisition of any of its Land, and, if so requested by the Lenders, permit the Lenders or their authorised representatives to conduct such negotiations or to give such consent on the Chargor's behalf;

13.6 Outgoings

pay as and when the same become due all rates, taxes, duties, charges, assessments and other outgoings payable in respect of its Land; and

13.7 Encumbrances

comply with:-

13.7.1 all obligations, covenants, exceptions, reservations, licences, approvals, consents, stipulations, restrictions and conditions to which it is subject including, but without limitation, those relating to any of its Land or the use or enjoyment of any of its Land or imposed upon the Chargor as owner, occupier or user, as the case may be, of any of its Land; and

13.7.2 its obligations under any Security having priority to the Security created by or pursuant to this Deed.

14. DEFAULT INTEREST

14.1 Default interest payable

If a Chargor fails to pay any sum payable by it under this Deed on the due date for payment, that Chargor shall pay interest on such sum for the period from and including the due date up to the date of actual payment (both before and after any judgment) at a rate 2% per annum above the Applicable Rate (as defined in the Convertible Loan Agreement) .

14.2 Interest shall accrue from day to day

Interest under this Clause 14 (*Default Interest*) shall accrue from day to day, shall be compounded quarterly and shall be paid by the Chargors on demand.

15. DEMAND AND ENFORCEMENT

15.1 Enforcement

The Security created by this Deed shall become enforceable in respect of and against the Chargors:-

15.1.1 upon the occurrence of an Event of Default under any Finance Document;

15.1.2 upon any request being made by any of the Chargors to the Lenders for the appointment of a Receiver or for the Lenders to exercise any other power or right available to it;

15.1.3 upon the occurrence of any event causing, or purporting to cause, the floating charge created by this Deed to become fixed in relation to any Charged Property; or

- 15.1.4 upon the passing of any resolution, or the presentation of a petition for winding up of any Chargor or the making of an application for an administration order in relation to any Chargor or the taking of any steps in relation to the appointment of an administrator of any Chargor.

15.2 Demand for payment

Notwithstanding any other provision of this Deed, any demand for payment, and any other notice to be given by the Lenders under this Deed, shall be in writing and may be signed by any authorised signatory on behalf of the Lenders, and may be made or given to any Chargor at any place of business of the Chargors, or the registered office of the Chargors:-

- 15.2.1 by delivering it to any such place; or
- 15.2.2 by sending it by first class post to any such place (in which case it shall be deemed received at 10.00am on the next Business Day after posting, and proof of posting shall be proof of delivery); or
- 15.2.3 by sending it by fax to any fax number of the Chargors (in which case it shall be deemed received when sent, and proof of sending shall be proof of receipt).

15.3 Powers on enforcement

At any time after the Security created by this Deed has become enforceable, the Lenders may (without prejudice to any other rights and remedies and without notice to the Chargors) do all or any of the following:-

- 15.3.1 exercise the power of sale under section 101 of the LPA together with all other powers and rights conferred on mortgagees by the LPA, as varied and extended by this Deed, without the restrictions contained in sections 103 or 109(1) of the LPA; and
- 15.3.2 exercise the power of leasing, letting, entering into agreements for leases or lettings or accepting or agreeing to accept surrenders of leases in relation to any Charged Property, without the restrictions imposed by sections 99 and 100 of the LPA.

16. RECEIVERS

16.1 Appointment

At any time after the Security created by this Deed has become enforceable in respect of and against any Chargor, the Lenders may appoint any person or persons to be a Receiver or Receivers of all or any part of the Charged Property of such Chargor charged under this Deed or an administrator of such Chargor. An appointment over part only of such Charged Property shall not preclude the Lenders from making any subsequent appointment over any other part of such Charged Property.

16.2 Appointment in writing

The appointment of a Receiver shall be in writing, and may be signed by any authorised signatory on behalf of the Lenders. Where more than one person is acting at any time as Receiver, they shall have power to act severally as well as jointly.

16.3 Remuneration

The Lenders may from time to time determine the remuneration of the Receiver (which shall not be subject to the limit in section 109(6) of the LPA) and may (subject to the

application of section 45 of the Insolvency Act 1986) remove any person from office in relation to all or any part of the Charged Property of which he is the Receiver and at any time appoint a further or other Receiver or Receivers over all or any part of such Charged Property.

16.4 Powers

The Receiver shall be the agent of the Chargor (which shall be solely liable for his acts, defaults and remuneration) unless and until the Chargor goes into liquidation from which time he shall act as principal and shall not become the agent of the Lenders, and the Receiver shall have and be entitled to exercise in relation to the Charged Property all the powers:-

- 16.4.1 conferred by the LPA on mortgagees in possession and on receivers appointed under the LPA;
- 16.4.2 of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986, whether or not the Receiver is an administrative receiver;
- 16.4.3 and rights that an absolute owner would have in relation to any Charged Property; and
- 16.4.4 to do all things incidental or conducive to any functions, powers, authorities or discretions conferred or vested in the Receiver.

17. POWER OF ATTORNEY

17.1 Appointment

Each Chargor hereby irrevocably and by way of security appoints:-

- 17.1.1 the Lenders (whether or not a Receiver has been appointed); and also
- 17.1.2 (as a separate appointment) each Receiver,

severally as the attorney and attorneys of the Chargor with power to do any act, and execute and deliver any deed or other document, on behalf of and in the name of the Chargor, which the Chargor could be required to do or execute under any provision of this Deed, or which the Lenders in their sole opinion may consider necessary or desirable for perfecting the Lenders' title to any of the Charged Property of the Chargor or enabling the Lenders or the Receiver to exercise any of their or his rights or powers under this Deed.

17.2 Ratification

Each Chargor ratifies and confirms and agrees to ratify and confirm whatever any such attorney as is mentioned in Clause 17.1 (*Appointment*) shall do or purport to do in the exercise or purported exercise of all or any of the powers, acts or other matters referred to in Clause 17.1 (*Appointment*).

18. APPLICATION OF MONEYS

18.1 Application of moneys

All sums received by virtue of this Deed by the Lenders or the Receiver shall, subject to the payment of any claim having priority to this Deed, be paid or applied in the following order of priority:-

- 18.1.1 first, in or towards satisfaction of all costs, charges and expenses incurred and payments made by the Lenders, or the Receiver (including, without limitation, legal expenses) and of the remuneration of the Receiver;
- 18.1.2 secondly, in or towards payment of the Secured Liabilities in such order as the Lenders may at their discretion require; and
- 18.1.3 thirdly, as to the surplus (if any), to the person or persons entitled to such surplus,

and section 109(8) of the LPA shall not apply.

19. PROTECTION OF THIRD PARTIES

19.1 Statutory powers

In favour of any purchaser, the statutory powers of sale and of appointing a Receiver which are conferred upon the Lenders, as varied and extended by this Deed, and all other powers of the Lenders, shall be deemed to arise (and the Secured Liabilities shall be deemed due and payable for that purpose) immediately after the execution of this Deed.

19.2 Purchasers

No purchaser from or other person dealing with the Lenders, any person to whom they has delegated any of their powers, or the Receiver shall be concerned to enquire whether any of the powers which they have exercised has arisen or become exercisable, or whether the Secured Liabilities remain outstanding or whether any event has happened to authorise the Receiver to act or as to the propriety or validity of the exercise of any such power, and the title and position of a purchaser or such person shall not be impeachable by reference to any of those matters.

19.3 Receipts

The receipt of the Lenders or the Receiver shall be an absolute and conclusive discharge to a purchaser or any other person dealing with the Lenders.

20. PROTECTION OF THE LENDERS AND ANY RECEIVER

20.1 No liability

The Lenders and any Receiver shall not be liable in respect of any loss or damage which arises out of the exercise, or attempted or purported exercise of, or the failure to exercise any of their respective powers under this Deed.

20.2 Not mortgagee in possession

Without prejudice to any other provision of this Deed, entry into possession of any Charged Property shall not render the Lenders or the Receiver liable:-

- 20.2.1 to account as mortgagee in possession;
- 20.2.2 for any loss on realisation; or
- 20.2.3 for any default or omission for which a mortgagee in possession might be liable,

and if and whenever the Lenders or the Receiver enters into possession of any Charged Property it shall be entitled at any time they or he thinks fit to go out of such possession.

20.3 Indemnity

Each Chargor shall indemnify and keep indemnified the Lenders, every Receiver, and any person who acts as the servant, agent, delegate or attorney of any of them, against all claims, costs, expenses and liabilities which they may suffer or incur arising in any way out of the taking or holding of this Deed, the exercise or purported exercise of any right, power, authority or discretion given by them, or any other act or omission in relation to this Deed or the Charged Property.

20.4 Payments to be made in same currency

All payments to be made under this Deed shall be made in the currency or currencies in which the Secured Liabilities were expressed to be payable, and strictly in accordance with the terms of the Finance Documents.

20.5 Currency protection

If any amount due to be paid to the Lenders is, for any reason, paid in a currency (the "**currency of payment**") other than the currency in which it was expressed to be payable (the "**contractual currency**"), the Lenders may wherever they think fit apply the amount of the currency of payment received by them in the purchase, in accordance with their normal practice, of the contractual currency, and if this results in any shortfall below the amount due in the contractual currency, after deducting all taxes, costs and commissions payable in connection with that purchase, each Chargor shall indemnify the Lenders against the amount of the shortfall.

20.6 Continuing protection

The provisions of this Clause 20 shall continue in full force and effect notwithstanding any release or discharge of this Deed, or the discharge of any Receiver from office.

21. PROVISIONS RELATING TO THE LENDERS

21.1 Powers and discretions

The rights, powers and discretions given to the Lenders in this Deed:-

- 21.1.1 may be exercised as often as, and in such manner as, the Lenders think fit;
- 21.1.2 are cumulative, and are not exclusive of any of their rights under the general law; and
- 21.1.3 may only be waived in writing and specifically, and any delay in exercising, or non-exercise of, any right, is not a waiver of it.

21.2 Certificates

A certificate by an authorised officer of the Lenders as to any sums payable to the Lenders under this Deed shall (save in the case of manifest error) be conclusive and binding upon the Chargors for all purposes.

21.3 Assignment

The Lenders may assign this Deed to any successor in title to any of the Secured Liabilities and the Lenders may disclose any information in their possession relating to the Chargors, their affairs or the Secured Liabilities to any actual or prospective assignee.

21.4 Delegation

The Lenders may at any time and from time to time delegate by power of attorney or in any other manner to any person or persons all or any of the rights, powers and discretions which are for the time being exercisable by them under this Deed.

22. PRESERVATION OF GUARANTEE AND SECURITY

22.1 Continuing Security

This Deed and the obligations of the Chargors under this Deed shall be a continuing security to the Lenders and shall remain in force until expressly discharged in writing by the Lenders notwithstanding any intermediate settlement of account or other matter or thing whatsoever and shall be without prejudice and in addition to any other right, remedy or Security of any kind which the Lenders may have now or at any time in the future for or in respect of any of the Secured Liabilities.

22.2 No Merger

This Deed is in addition to, without prejudice to, and shall not merge with, any other right, remedy, guarantee, indemnity or Security which the Lenders may at any time hold for any other Secured Liabilities.

22.3 Waiver of Defences

Neither the Security created by this Deed nor the obligations of the Chargors under this Deed will be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice that Security or any of those obligations (whether or not known to it or the Lenders) including:-

- 22.3.1 any time, waiver or consent granted to, or composition with, the Chargors or other person;
- 22.3.2 the release of any Chargor or any other person under the terms of any composition or arrangement with any person;
- 22.3.3 the taking, variation, compromise, exchange, renewal, enforcement or release of, or refusal or neglect to perfect, take up or enforce, any guarantee and/or indemnity from or any Security over assets of any Chargor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- 22.3.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members, status or constitution of any Chargor or any other person;
- 22.3.5 any amendment (however fundamental), replacement, variation, novation, assignment or the avoidance or termination of a Finance Document or any other document or Security;
- 22.3.6 any unenforceability, illegality or invalidity of any obligation of, or any Security created by, any person under any Finance Document or any other document;
- 22.3.7 the Dissolution of a Chargor or any other person;
- 22.3.8 the granting by the Lenders to any Chargor of any other financial accommodation or the withdrawal or restriction by the Lender of any financial

accommodation, or the absence of any notice to the Chargors of any such granting, withdrawal or restriction; or

- 22.3.9 any other thing done or omitted or neglected to be done by the Lenders or any other person or any other dealing, fact, matter or thing (including, but without limitation, any circumstances whatsoever affecting or preventing recovery of amounts under the Finance Documents) which, but for this provision, might operate to exonerate or discharge a Chargor from, or otherwise prejudice or affect, any of the Chargors' obligations under this Deed.

22.4 Order of Recourse

This Deed may be enforced against the Chargors without the Lenders first having recourse to any other right, remedy, guarantee, indemnity or Security held by or available to any of them, without taking any steps or proceedings against any other person, and without resorting to any other means of payment.

22.5 No right of subrogation

Until the Secured Liabilities have been discharged and satisfied in full the Chargors shall not, without the Lenders' prior written consent:-

- 22.5.1 be subrogated to any rights of the Lenders arising under the Finance Documents, or in respect of any proof in the Dissolution of any Chargor, or otherwise howsoever; or
- 22.5.2 in respect of any moneys payable or paid under this Deed, seek to enforce repayment from any Chargor or any other surety, whether by subrogation, indemnity, contribution or otherwise, or to exercise any other right, claim or remedy of any kind which may accrue to it in respect of the amount so paid or payable; or
- 22.5.3 claim payment of any other moneys for the time being due to it by any Chargor or any other surety on any account whatsoever, or exercise any other right, claim or remedy which it has in respect thereof;
- 22.5.4 be entitled to any right of a surety (including any right of contribution from any other surety) discharging, in whole or in part, its liability in respect of the principal debt or in competition with the Lenders; or
- 22.5.5 claim any set-off or assert any counterclaim against any Chargor or any other surety.

22.6 No competing proofs

Until the Secured Liabilities have been discharged and satisfied in full the Chargors shall not, in the event of the Dissolution of any Chargor, or any other surety, claim or prove in competition with the Lender, or accept any direct or indirect payment or distribution, in respect of any moneys owing to such Chargor by the Chargor or any such other surety on any account whatsoever, provided that a Chargor shall, if so directed by the Lenders, prove for the whole or any part of the moneys due to such Chargor from the Chargor or any other surety on terms that the benefit of such proof and of all moneys to be received by a Chargor in respect thereof shall be held on trust for the Lenders and applied in discharging the Chargor's obligations under this Deed.

22.7 Suspense Accounts

The Lenders may, without prejudice to any other rights they may have, at any time and from time to time place (and keep for such time as it may think prudent) any

moneys received, recovered or realised under or by virtue of this Deed on a separate or suspense account to the credit either of any Chargor or, at the sole discretion of the Lenders if an Event of Default has occurred, of the Lenders as the Lenders shall think fit without any intermediate obligation on the Lenders' part to apply the same or any part of it in or towards the discharge of the Secured Liabilities and without any right on the part of a Chargor to sue any other surety or prove in the Dissolution of any other surety in competition with or so as to diminish any dividend or other advantage that would or might come to the Lenders, or to treat the liability of any surety as diminished.

22.8 New Accounts

If the Lenders receive notice of any subsequent charge or other security interest affecting any of the Charged Property, the Lenders shall be entitled to close any Chargor's then current account or accounts and to open a new account or accounts for any Chargor. If the Lenders do not open a new account or accounts immediately on receipt of such notice they shall nevertheless be treated as if they had done so at the time when they received such notice, and as from that time all payments made for the credit of any Chargor shall be credited or be treated as having been credited to such new account or accounts and shall not operate to reduce the amount due from any Chargor to the Lenders at the time when they received such notice.

22.9 Tacking

For the purposes of section 94(1) of the LPA and section 49(3) of the Land Registration Act 2002 the Lenders confirm that they shall make further advances to the Chargors on the terms and subject to the conditions of the Finance Documents.

22.10 Reinstatement

If any payment by the Chargors or discharge given by the Lenders (whether in respect of the obligations of the Chargors or any Security for those obligations or otherwise) is avoided or reduced as a result of insolvency, liquidation, administration or any similar event:-

22.10.1 the liability of the Chargors and the Security created by this Deed shall continue as if the payment, discharge, avoidance or reduction had not occurred; and

22.10.2 the Lenders shall be entitled to recover the value or amount of that Security or payment from the Chargors, as if the payment, discharge, avoidance or reduction had not occurred.

23. NO SET-OFF OR WITHHOLDING BY CHARGORS

23.1 No set-off

All payments to be made by a Chargor to the Lenders under this Deed shall be made in full without any set-off, restriction or condition and without any deduction for or on account of any counterclaim.

23.2 No withholding

All payments to be made by a Chargor to the Lenders under this Deed shall be made in full without deduction or withholding of or in respect of any Tax, unless each Chargor is required by law to make any such deduction or withholding.

23.3 Gross-up

If (i) a Chargor is required by law to make any deduction or withholding from any payment to the Lenders under this Deed of or in respect of any Tax, or (ii) the Lenders (or any person on its behalf) is required by law to make any payment of or in respect of any Tax (except on account of Tax on the overall net income of the Lenders) on or calculated by reference to the amount of any sum received or receivable by it under this Deed, then:-

23.3.1 such Chargor shall notify the Lenders of any such requirement or any change in such requirement as soon as it becomes aware of it;

23.3.2 such Chargor shall pay the required deduction, withholding or payment to the appropriate authority before the date on which penalties attach thereto (subject, in the case of any such Tax referred to in paragraph (ii) above, to the Lenders giving each Chargor reasonable notice thereof);

23.3.3 the sum payable by each Chargor in respect of which the deduction, withholding or payment is required shall be increased to the extent necessary to ensure that, after the making of the deduction, withholding or payment, the Lenders receives on the due date and retains (free from any liability in respect of the deduction, withholding or payment) a net sum equal to that which it would have received and retained had no deduction, withholding or payment been required or made; and

23.3.4 forthwith after the due date of any payment referred to in this Clause 23.3 (*Gross Up*), such Chargor shall deliver to the Lenders evidence satisfactory to the Lenders that such payment has been made (including all relevant Tax receipts if they are available).

24. SET-OFF

24.1 Lenders may set off

The Lenders may, without notice to the Chargors and without prejudice to any of the Lenders' other rights, set off any matured obligation owed by a Chargor under this Deed to the Lenders against any obligation (whether or not matured) owed by the Lender to such Chargor, regardless of the place of payment or currency of such obligations.

24.2 Different currencies

If the obligations referred to in Clause 24.1 (*Lender may set-off*) are in different currencies, then, for the purpose of any such set-off, the Lenders may convert any such obligations at the rate of exchange determined by the Lenders in its absolute discretion to be prevailing at the date of set-off.

25. RELEASE

25.1 Upon the irrevocable and unconditional payment and discharge in full of the Secured Liabilities, the Lenders shall, or shall procure that their appointees will, at the request and cost of the Chargors:-

25.1.1 release the Charged Property from this Deed; and

25.1.2 re-assign the Charged Property that has been assigned to the Lenders under this Deed.

25.2 Section 93 of the LPA dealing with the consolidation of mortgages shall not apply to this Deed.

26. MISCELLANEOUS PROVISIONS

26.1 Joint and several liability

The liability of each Chargor hereunder to the Lenders shall be joint and several and every agreement and undertaking on their part shall take effect accordingly.

26.2 Severability

If any provision of this Deed is illegal, invalid or unenforceable in any jurisdiction, that shall not affect:-

26.2.1 the validity or enforceability of any other provision, in any jurisdiction; or

26.2.2 the validity or enforceability of that particular provision, in any other jurisdiction.

26.3 Costs, charges and expenses

All costs, charges and expenses incurred or paid by the Lenders or by the Receiver in the exercise of any power or right given by this Deed or in relation to any consent requested by any of the Chargors, or in perfecting or otherwise in connection with this Deed, the other Finance Documents or the Charged Property, all sums recoverable under Clause 20 (*Protection of the Lenders and any Receiver*) and all costs of the Lenders (on an indemnity basis) of all proceedings for the enforcement of this Deed or for obtaining payment of moneys by this Deed secured, shall be recoverable from the Chargors on demand as debts, and shall bear interest at 2 per cent. per annum above the Applicable Rate (as defined in the Convertible Loan Agreement).

26.4 Contracts (Rights of Third Parties) Act 1999

The Lenders, any Receiver and their respective officers, employees and agents may enforce any term of this Deed which purports to confer a benefit on that person, but no other person who is not a party to this Deed has any right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.

26.5 Counterparts

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

27. NOTICES

27.1 Communications in Writing

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

27.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) for any communication or document to be made or delivered under or in connection with this Deed is:-

27.2.1 in the case of each Chargor, that identified with its name below;

27.2.2 in the case of the Lenders, that identified with its name below,

or any substitute address, fax number, or department or officer as the Chargor may notify to the Lenders (or the Lenders may notify to the Chargors, if a change is made by the Lenders) by not less than five Business Days' notice.

27.3 Delivery

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

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

and, if a particular department or officer is specified as part of its address details provided under clause 27.4 (*Parties' Details*) of this Deed if addressed to that department or officer.

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

27.4 Parties' Details

Notices shall be addressed as follows:

27.4.1 Notices for the Chargors shall be marked for the attention of and sent to:

Name: The Finance Director

Address: The UK Drainage Network

2480 Regents Court, The Crescent, Birmingham Business Park
B37 7YE

27.4.2 Notices for the Lenders shall be addressed or sent to:

Address: Lyceum Capital Partners LLP

Burleigh House
357 Strand
London WC2R 0HS

28. GOVERNING LAW

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

EXECUTED AND DELIVERED AS A DEED by the Chargors and executed by the Lenders on the date set out at the beginning of this Deed.

SCHEDULE 1 CHARGORS

Name of Chargor	Registration number (or equivalent, if any) Jurisdiction of incorporation	Registered Address
UKDN Waterflow Group Limited (formerly known as UKDN Waterflow Limited)	7046026 England and Wales	Block A Waterside Drive Langley Slough SL3 6EZ
UKDN Waterflow (Holdings) Limited	7045926 England and Wales	Block A Waterside Drive Langley Slough SL3 6EZ
UKDN Waterflow Limited (formerly known as UKDN Limited)	4679632 England and Wales	Block A Waterside Drive Langley Slough SL3 6EZ
Waterflow Holdings Limited	05132656 England and Wales	Block A, The Courtyard Langley Business Park Waterside Drive Langley Slough SL3 6EZ
UKDN Waterflow Technical Services Limited (formerly known as The Waterflow Group Limited)	00858432 England and Wales	Block A, The Courtyard Langley Business Park Waterside Drive Langley Slough SL3 6EZ
Drain Control Limited	07820054 England and Wales	Block A Waterside Drive Langley Slough SL3 6EZ

SCHEDULE 2
DETAILS OF LAND
REGISTERED LAND

The Chargor did not own any Land at the time the Debenture was executed.

The Chargors

EXECUTED (but not delivered until
the date hereof) **AS A DEED** by
UKDN WATERFLOW GROUP LIMITED
acting by a director in the presence of :-

Signature of witness:

Name of witness:

Address:

EXECUTED (but not delivered until
the date hereof) **AS A DEED** by
UKDN WATERFLOW (HOLDINGS)
LIMITED acting by a director in the
presence of :-

Signature of witness:

Name of witness:

Address:

EXECUTED (but not delivered until
the date hereof) **AS A DEED** by
UKDN WATERFLOW LIMITED acting by a
director in the presence of :-

Signature of witness:

Name of witness:

Address:

EXECUTED (but not delivered until
the date hereof) **AS A DEED** by
WATERFLOW HOLDINGS LIMITED
acting by a director in the presence of :-

Signature of witness:

Name of witness:

Address:

EXECUTED (but not delivered until
the date hereof) **AS A DEED** by
UKDN WATERFLOW TECHNICAL
SERVICES LIMITED acting by a director in
the presence of :-

Signature of witness:

Name of witness:

Address:

EXECUTED (but not delivered until
the date hereof) **AS A DEED** by
DRAIN CONTROL LIMITED acting by a
director in the presence of :-

Signature of witness:

Name of witness:

Address:

The Lenders

EXECUTED as a Deed (but not delivered
until dated) by
a Member for and on behalf of
LYCEUM CAPITAL PARTNERS LLP
in its capacity as Manager of
LYCEUM CAPITAL FUND II A

in the presence of:-

Signature of witness:

Name of witness:

Address:

Occupation:

EXECUTED (but not delivered until)
the date hereof) **AS A DEED** by)
UKDN WATERFLOW TECHNICAL)
SERVICES LIMITED acting by a director in
the presence of :-

Signature of witness:

Name of witness:

Address:

EXECUTED (but not delivered until)
the date hereof) **AS A DEED** by)
DRAIN CONTROL LIMITED acting by a)
director in the presence of :-

Signature of witness:

Name of witness:

Address:

The Lenders

EXECUTED as a Deed (but not delivered)
until dated) by [REDACTED])
a Member for and on behalf of)
LYCEUM CAPITAL PARTNERS LLP)
in its capacity as Manager of)
LYCEUM CAPITAL FUND II A

in the presence of:- [REDACTED]

Signature of witness: [REDACTED]

Name of witness: [REDACTED]

Address: [REDACTED]

Occupation: [REDACTED]

EXECUTED as a Deed (but not delivered
until dated) by [REDACTED]
a Member for and on behalf of
LYCEUM CAPITAL PARTNERS LLP
in its capacity as Manager of
LYCEUM CAPITAL FUND II B

)
)
)
)

[REDACTED]

in the presence of:- [REDACTED]

Signature of witness: [REDACTED]

Name of witness: [REDACTED]

Address: [REDACTED]

Occupation: *Investment Manager*

EXECUTED as a Deed (but not delivered
until dated) by [REDACTED]
a Member for and on behalf of
LYCEUM CAPITAL PARTNERS LLP
in its capacity as Manager of
LYCEUM CAPITAL INDUSTRIAL
PARTNERS FUND II

)
)
)
)

[REDACTED]

in the presence of:- [REDACTED]

Signature of witness: [REDACTED]

Name of witness: [REDACTED]

Address: [REDACTED]

Occupation: *Investment Manager*

