



Registration of a Charge

Company Name: **LTS PARTNERS LIMITED**

Company Number: **07166296**



XCI9EU1D

Received for filing in Electronic Format on the: **13/12/2023**

Details of Charge

Date of creation: **13/12/2023**

Charge code: **0716 6296 0002**

Persons entitled: **DEUTSCHE PFANDBRIEFBANK AG AS COMMON SECURITY AGENT**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **SIAN MOORE, CMS CAMERON MCKENNA NABARRO OLSWANG LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7166296

Charge code: 0716 6296 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 13th December 2023 and created by LTS PARTNERS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 13th December 2023 .

Given at Companies House, Cardiff on 18th December 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: 13 DECEMBER 2023

**SUPPLEMENTAL SECURITY AGREEMENT RELATING TO PARTNERSHIP INTERESTS
IN A LIMITED LIABILITY PARTNERSHIP**

Between

(1) RICHARD CLIVE DESMOND AND LTS PARTNERS LIMITED
(as Members)

(2) BADGER PROPERTY PARTNERS LLP
(as Principal Debtor)

and

(3) DEUTSCHE PFANDBRIEFBANK AG
(as Common Security Agent)

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THIS DEED is made on . 13 . December 2023

BETWEEN:

- (1) **RICHARD CLIVE DESMOND** of 60 The Bishops Avenue, London N2 0BE and **LTS PARTNERS LIMITED** (registered in England with number 07166296 and whose registered office is at The Northern and Shell Building, 10 Lower Thames Street, London, EC3R 6EN) (each a “**Member**” and together the “**Members**”);
- (2) **BADGER PROPERTY PARTNERS LLP** (registered in England - No. OC313362) whose registered office is at The Northern and Shell Building, 10 Lower Thames Street, London, EC3R 6EN as borrower under the Senior Facility Agreement and issuer under the Junior Bond Instrument (the “**Principal Debtor**”); and
- (3) **DEUTSCHE PFANDBRIEFBANK AG** as security agent for the Secured Parties (as defined below) (the “**Common Security Agent**” which expression shall include any person appointed as security agent or as an additional security agent from time to time).

RECITALS

- (A) It is a term of the Debt Documents that the Members enter into this Deed to secure their respective Partnership Interests (as defined below) in favour of the Common Security Agent by way of third party security for the Secured Liabilities.
- (B) This Deed is supplemental to, and without prejudice to, a security agreement dated 13 December 2018 and made between (1) the Chargor and (2) the Common Security Agent (the “**Original Security Agreement**”).
- (C) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed, unless the context otherwise requires or unless otherwise defined or provided for in this Deed, words and expressions shall have the same meanings as are attributed to them under the Intercreditor Agreement. In addition, the following words and expressions shall have the following meanings:

“**Article 55 BRRD**” means Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms “**Authorisation**” means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;

“**Bail-In Action**” means the exercise of any Write-down and Conversion Powers;

“**Bail-In Legislation**” means:

- (a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time;
- (b) in relation to the United Kingdom, the UK Bail-In Legislation; and

- (c) in relation to any state other than such an EEA Member Country and the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation;

“**EEA Member Country**” means any member state of the European Union, Iceland, Liechtenstein and Norway;

“**EU Bail-In Legislation Schedule**” means the document described as such and published by the Loan Market Association (or any successor person) from time to time;

“**Intercreditor Agreement**” means an agreement dated 13 December 2018 and as amended and restated from time to time including most recently on or about the date of this Deed and made between the parties to this Deed and additionally Deutsche Pfandbriefbank AG, in its capacities as Agent, Original Senior Lender and Original Hedge Counterparty and SGH Collectives Fund PCC transacting in respect of its protected cell SGH Collectives Fund Cell 34 PC as Junior Creditor, relating to (inter alia) the ranking of the Liabilities owed by the Debtors to the Creditors

“**Legal Reservations**¹” means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under the Limitation Acts, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;
- (c) the limitation of the enforcement of the terms of leases of real property by laws of general application to those leases;
- (d) similar principles, rights and remedies under the laws of any Relevant Jurisdiction; and
- (e) any other matters which are set out as qualifications or reservations as to matters of law of general application in any legal opinions supplied to the Common Security Agent in connection with the Security Documents on or before the date of this Deed;

“**Limitation Acts**” means the Limitation Act 1980 and the Foreign Limitation Periods Act 1984;

“**LPA**” means the Law of Property Act 1925;

“**Material Adverse Effect**” means a material adverse effect on:

- (a) the business, operations, property or financial condition of the Principal Debtor;
- (b) the ability of the Principal Debtor to perform its payment and other material obligations (including for the avoidance of doubt, all those contained in clause 22 (*Property Undertakings*)) of the Senior Facility Agreement;
- (c) the validity or enforceability of, or the effectiveness or ranking of any Security granted or purported to be granted pursuant to any of, the Debt Documents; or
- (d) the rights or remedies of any Secured Party under any of the Debt Documents;

“**Member 1**” means Richard Clive Desmond whose correspondence address is at The Northern & Shell Building, 10 Lower Thames Street, London, EC3R 6EN;

¹ CMS note to NRF: we can't share our legal opinion with you but it includes the standard wording you would expect to see in a legal opinion.

“Member 2” means LTS Partners Limited (registered in England and Wales with registration number 07166296) and whose registered office is at The Northern & Shell Building, 10 Lower Thames Street, London, EC3R 6EN;

“Mental Incapacity” means in relation to a person any order being made or receiver appointed under the Mental Health Act 1983, the Mental Health Act 2007 or any analogous step or procedure being taken in any other jurisdiction;

“Partnership Agreement” means the limited liability partnership agreement dated 26 May 2010 made between the Members (as members) and the Principal Debtor (as limited liability partnership);

“Partnership Interest” means, in respect of a Member (in its capacity as a member of the Principal Debtor and whether held by it or by any nominee on its behalf), all of its interest, share or units, both present and future and from time to time, in the Principal Debtor (including, without limitation, in the capital and assets of the Principal Debtor);

“Party” means a party to this Deed;

“Receiver” means a receiver or a receiver and manager of the whole or any part of the Security Assets, in each case, appointed by the Common Security Agent under this Deed;

“Related Rights” means, in respect of any Partnership Interest:

- (a) any monies paid or payable in respect of that Partnership Interest (whether as income, capital or otherwise and including, without limitation, all distributions of profits or capital of whatsoever nature, any proceeds of sale and any right, money or property accruing or offered at any time in relation to that Partnership Interest or in substitution or exchange for that Partnership Interest);
- (b) all assets derived from that Partnership Interest; and
- (c) all rights and remedies and all proceeds and claims arising or derived from or incidental or otherwise in connection to that Partnership Interest;

“Relevant Jurisdiction” means, in relation to a Member:

- (a) (if a corporate entity) the jurisdiction under whose laws the Member is incorporated as at the date of this Deed;
- (b) any jurisdiction which any asset subject to or intended to be subject to this Security is situated;
- (c) any jurisdiction where it conducts its business; and
- (d) the jurisdiction whose laws govern the perfection of any of the Security Documents entered into by it;

“Resolution Authority” means any body which has authority to exercise any Write-down and Conversion Powers;

“Secured Liabilities” means all the Liabilities and all other present and future liabilities and obligations at any time due, owing or incurred by any Debtor to any Secured Party under the Debt Documents, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity;

“Secured Parties” means the Common Security Agent, any Receiver or Delegate and each of the Creditors from time to time but only if it is a Party to the Intercreditor Agreement or has acceded

to the Intercreditor Agreement, in the appropriate capacity, pursuant to clause 17.6 of the Intercreditor Agreement (*Creditor Accession Undertaking*);

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

“Security Assets” means the Partnership Interests, the Related Rights and all of the Member’s rights under the Partnership Agreement, all such assets of each Member being the subject of Security created (or purported to be created), or constituted (or purported to be constituted), by this Deed;

“Security Period” means the period beginning on the date of this Deed and ending on the date on which the Common Security Agent (acting in good faith) 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 incurred or arising;

“UK Bail-In Legislation” means Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings); and

“Write-down and Conversion Powers” means:

- (a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule;
- (b) in relation to the UK Bail-In Legislation, any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers; and
- (c) in relation to any other applicable Bail-In Legislation:
 - (i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and
 - (ii) any similar or analogous powers under that Bail-In Legislation.

1.2 Construction

- (a) In this Deed (except where the context requires otherwise):
- (i) capitalised terms defined in the Intercreditor Agreement have, unless expressly defined in this Deed, the same meaning in this Deed;
 - (ii) provisions of clause 0 (*Construction*) of the Intercreditor Agreement apply to this Deed as though they were set out in full in this Deed except that references in such clause to the Intercreditor Agreement are to be construed as references to this Deed;
 - (iii) “**Common Security Agent**” and “**Member**” include, where the context admits, their respective successors in title, permitted assigns and personal representatives and, in the case of the Common Security Agent, its permitted assigns and permitted transferees to, or of, its rights and/or obligations under this Deed and any person from the time being appointed as Common Security Agent or Common Security Agents in accordance with the Intercreditor Agreement;
 - (iv) the term “**this Security**” means any security created or constituted by this Deed;
 - (v) any covenant or undertaking of a Member under this Deed remains in force during the Security Period;
 - (vi) the Common Security Agent considers that an amount paid to a Secured Party under a Debt Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed;
 - (vii) a reference to a “**Debt Document**” or any other agreement, instrument or document is a reference to that Debt Document or other agreement, instrument or document as amended, novated, supplemented, extended, restated or replaced including, without limitation, any amendment or supplement providing for further advances;
 - (viii) a reference to a “**Security Asset**” includes the proceeds of sale of that Security Asset;
 - (ix) the “**Member(s)**” comprise more than one person, reference to the “**Members**” is to all of them and references to “**the Member**” or “**a Member**” is to all or any of them (as the case may be);
 - (x) a reference to any asset includes any present and future asset;
 - (xi) headings and the contents page are for ease of reference only and shall not affect the interpretation of this Deed; and
 - (xii) a Schedule is a reference to a clause of or schedule to this Deed.
- (b) This Deed is drafted in the English language. If this Deed is translated into another language, the English language text shall in any event prevail.

- (c) The Schedule and recitals form an integral part of this Deed and shall have effect as if set out in full in the body of this Deed and any reference to this Deed includes the Schedule and recitals.

1.3 Third party rights

- (a) Unless expressly provided to the contrary in the Intercreditor Agreement, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the “Third Parties Act”) to enforce or enjoy the benefit of any term of this Deed or any other document issued or entered into under or in connection with it but this does not affect any right or remedy of a third party which exists or is available apart from the Third Parties Act.
- (b) Notwithstanding any term of any Debt Document, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.
- (c) Any Receiver may, subject to this clause 1.3 and the Third Parties Act, rely on any clause of this Deed which expressly confers rights on it.

2. LIMITED RECOURSE

Notwithstanding any other provision of this Deed, the respective liability of each Member under this Deed is limited to the value of the Security Assets for the time being of that Member.

3. CREATION OF SECURITY

3.1 General

- (a) All the Security created under this Deed:
 - (i) is created in favour of the Common Security Agent for itself and as security agent for the other Secured Parties;
 - (ii) is a continuing security for the payment and satisfaction of all the Secured Liabilities;
 - (iii) is created by each Member to the extent of its right, title and interest (if any), present and future and whether joint or several, legal or beneficial, in and to the relevant Security Assets from time to time;
 - (iv) ranks as first charges and assignments, as applicable; and
 - (v) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (b) The Common Security Agent holds the benefit of this Deed on trust for itself and the other Secured Parties upon and subject to the terms of this Deed and the Intercreditor Agreement.

3.2 Assignments

Each Member assigns by way of security all of its rights, title, benefit and interest from time to time under and in respect of:

- (a) its Partnership Interest together with all Related Rights from time to time accruing to its Partnership Interest; and
- (b) the Partnership Agreement.

3.3 Fixed charges

Each Member charges by way of first fixed charge, to the extent not validly and effectively assigned pursuant to clause 3.2 (*Assignments*), all of its rights, title, benefit and interest from time to time under and in respect of:

- (a) its Partnership Interest together with all Related Rights from time to time accruing to its Partnership Interest; and
- (b) the Partnership Agreement.

3.4 Separate charges and assignments

Each of the assignments and charges referred to in clauses 3.2 (*Assignments*) and 3.3 (*Fixed charges*) (inclusive) shall be read and construed as, and deemed to be, separate assignments or charges (as applicable) over each of the items mentioned in each such clause, so that each item mentioned in each clause shall be deemed to be subject to a separate assignment or charge (as applicable). Without limiting the previous sentence, if any such items shall be found not to be subject to a fixed charge, such finding shall not of itself result in any other such item being deemed not to be subject to a fixed charge.

3.5 General

- (a) Each Member shall remain liable to perform all of its obligations under the Partnership Agreement and as a member in the Principal Debtor and no Secured Party shall assume any obligation to perform any obligations under the Partnership Agreement by virtue of this Deed.
- (b) No provision of this Deed shall operate to constitute any Secured Party as a member in the Principal Debtor.

4. NEGATIVE PLEDGE AND RESTRICTIONS ON DISPOSALS

4.1 No Member shall without the prior written consent of the Common Security Agent:

- (a) create or attempt to create or permit to subsist or arise any Security on or over any Security Asset other than any Security created by this Deed;
- (b) sell, transfer or otherwise dispose of any Security Asset or permit the same to occur;
- (c) take or permit the taking of any action whereby the rights attaching to any of the Security Assets are amended; or
- (d) enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer, assign, lend, factor, pledge, charge, exchange or otherwise dispose of any of the Security Assets nor permit any other person to do any such thing.

5. CONSENTS

5.1 Notwithstanding any provision in the Partnership Agreement to the contrary, each Member confirms that it:

- (a) agrees to, and approves, the entry by the Principal Debtor into each of the Debt Documents to which it is a party;

- (b) has approved and authorised the Principal Debtor to enter into the Security Documents and to create the Security created pursuant to such Security Documents in favour of the Common Security Agent;
- (c) consents to the Security created by the other Members in favour of the Common Security Agent pursuant to this Deed and that is shall be deemed to have consented to each and any assignment and/or charge of a partnership interest granted by any future member to the Principal Debtor pursuant to any Security Document to be entered into from time to time by any such future member in favour of the Security Agreement and as security for the Secured Liabilities;
- (d) hereby waives any right of pre-emption vested in it pursuant to the Partnership Agreement or otherwise in relation to any Partnership Interest (or any partnership interest in the Principal Debtor of any future member in the Principal Debtor) transferred or otherwise sold pursuant to the enforcement of the Security created by or under any Security Document; and
- (e) consents to any assignment or other transfer of the Security Assets (or any of them) to the Common Security Agent or any nominee(s) of the Common Security Agent and also to any assignment or other transfer of any of the Security Assets pursuant to any enforcement of this Security.

6. REPRESENTATIONS AND WARRANTIES

Save as expressly stated, each Member makes the representations and warranties set out in this clause 6 to the Common Security Agent for the benefit of the Secured Parties.

6.1 Status

- (a) With respect to Member 1 only:
 - (i) as at the date of this Deed, he is domiciled and resident in the United Kingdom and is a citizen of the United Kingdom with passport number 550173144;
 - (ii) he is not a minor; and
 - (iii) as at the date of this Deed, he does not suffer from any Mental Incapacity.
- (b) With respect to Member 2 only:
 - (i) it is a limited liability corporation, duly incorporated and validly existing under the laws of England and Wales; and
 - (ii) it has the power to own its assets and carry on its business as it is being conducted.

6.2 Binding obligations

The obligations expressed to be assumed by it in this Deed are, subject to the Legal Reservations, legal, valid, binding and enforceable obligations.

6.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, this Deed and the granting of the Security created or evidenced or expressed to be created or evidenced under this Deed do not and will not conflict with:

- (a) any law or regulation applicable to it;

- (b) with respect to Member 2 only, its constitutional documents;
- (c) the Partnership Agreement; or
- (d) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.

6.4 Powers and authority

- (a) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of this Deed and the transactions contemplated by this Deed.
- (b) With respect to Member 2 only, no limit on its powers will be exceeded as a result of the grant of Security contemplated by this Deed.

6.5 No proceedings

- (a) With respect to Member 1 only:
 - (i) he is not subject to a bankruptcy order or debt relief order nor is there an outstanding bankruptcy petition or an application for a debt relief order filed or made in respect of him;
 - (ii) he is not subject to a bankruptcy restrictions order or undertaking, or a debt relief restrictions order or undertaking;
 - (iii) no individual voluntary arrangement (or non-statutory scheme or compromise for the benefit of creditors) in relation to him is in effect nor has such an arrangement ever been proposed in relation to him nor has any order been made under Section 252 of the Insolvency Act 1986 (interim order) or application been made for such an order;
 - (iv) he is not unable to pay his debts within the meaning of section 268 of the Insolvency Act 1986 nor has any statutory demand (as defined in section 268(1)(a) of the Insolvency Act 1986) been served on him which remains unsatisfied and unpaid nor is he otherwise insolvent; and/or
 - (v) none of his Security Assets are subject to any distress, injunctive action or execution or are in the control of a trustee in bankruptcy, supervisor, receiver, manager or mortgagee in possession.
- (b) With respect to each Member:
 - (i) no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, are reasonably likely to have a Material Adverse Effect have (to the best of its knowledge and belief having made due and careful enquiry) been started or threatened against it; and
 - (ii) no judgment or order of a court, arbitral body or agency which is reasonably likely to have a Material Adverse Effect has (to the best of its knowledge and belief (having made due and careful enquiry)) been made against it.
- (c) Clause 6.5(a)(iv) shall not apply to any statutory demand which is frivolous or vexatious and is discharged, stayed or dismissed within 10 Business Days of service.

6.6 Validity and admissibility in evidence

All Authorisations required:

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Deed; and
- (b) to make this Deed admissible in evidence in any Relevant Jurisdictions,

have been obtained or effected and are in full force and effect except any Authorisation referred to in clause 6.8 (*No filing or stamp taxes*), which Authorisation will be promptly obtained or effected after the date of this Deed.

6.7 Governing law and enforcement

- (a) Subject to the Legal Reservations, the choice of English law as the governing law of this Deed will be recognised and enforced in any Relevant Jurisdiction.
- (b) Subject to the Legal Reservations, any judgement obtained in England in relation to this Deed will be recognised and enforced in any Relevant Jurisdiction.

6.8 No filing or stamp taxes

Under the laws of its Relevant Jurisdictions, it is not necessary that this Deed be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to this Deed or the transactions contemplated by this Deed except registration of a statement of particulars and a certified copy of this Deed at Companies House under the Companies Act 2006 and payment of associated fees, which registrations, filings, taxes and fees will be made and paid promptly after the date of this Deed.

6.9 Good title to assets

It has a good, valid and marketable title to its Security Assets, in each case, free from any Security other than any Security created pursuant to this Deed.

6.10 Legal and beneficial ownership

- (a) Each Member is the sole legal and beneficial owner of its Security Assets.
- (b) The Security Assets of each Member are owned by it free from any claims, third party rights, onerous covenants competing interests or Security other than any Security created pursuant to this Deed.
- (c) There are no covenants, agreements, conditions, interest, rights or other matters whatsoever which adversely affect the Security Assets.
- (d) Save with the prior written consent of the Common Security Agent, no Member has sold or otherwise disposed of or agreed to sell or otherwise dispose of or granted or agreed to grant any option in respect of all or any of its rights, title and interest in and to its Security Assets.
- (e) Each Member has complied with all laws and regulation relating to the Security Assets in all material respects.

6.11 The Partnership Interests

- (a) The Members are all of the members in the Principal Debtor.
- (b) No Partnership Interest is subject to any option to purchase or similar rights.

- (c) The Partnership Agreement does not restrict or inhibit any transfer of the Security Assets on creation or enforcement of this Security.
- (d) All contributions payable by each Member under the Partnership Agreement or otherwise in connection with its Partnership Interest have been made or paid in full and there are no monies or liabilities outstanding in respect of them.

6.12 Acting as principal

It is acting in all matters relating to this Deed as principal for its own account and not as agent or trustee or in any other capacity whatsoever on behalf of any third party.

6.13 Security

Subject to the Legal Reservations, this Deed creates the Security it purports to create and is not liable to be avoided or otherwise set aside on the liquidation of a Member or otherwise and the Security Assets are not subject to any prior or pari passu Security.

6.14 Centre of main interests and establishments

With respect to Member 2 only, for the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (**Regulation**), its centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in England and Wales and it has no “establishment” (as that term is used in Article 2(h) of the Regulations) in any other jurisdiction.

6.15 Times for making representations and warranties

The representations and warranties in this clause 6 are made by each Member (save where stated to be given by a particular Member) on the date of this Deed and unless given by reference to a specific date, shall be deemed to be repeated by each Member by reference to the facts and circumstances then existing on the first day of each Interest Period under the Senior Facility Agreement.

7. UNDERTAKINGS

7.1 Duration

Each Member undertakes to the Common Security Agent for the benefit of the Secured Parties in accordance with this clause 7. The undertakings in this clause 7 remain in force throughout the Security Period.

7.2 Authorisations

It shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) supply certified copies to the Common Security Agent of,

any Authorisation required under any law or regulation of a Relevant Jurisdiction to enable it to perform its obligations under this Deed and to ensure the legality, validity, enforceability or admissibility in evidence of this Deed.

7.3 Partnership Interests

- (a) Until any steps are taken to enforce this Security in accordance with this Deed, it shall be entitled to receive and retain all distributions and other monies receivable in respect of its Partnership Interest and Related Rights.

- (b) Until any steps are taken to enforce this Security, it shall be entitled to exercise all voting and other rights in respect of its Partnership Interest and Related Rights provided that it does not exercise those rights in a manner which is likely to be prejudicial to the interests of the Secured Parties.
- (c) It shall make all payments which may become due and payable in respect of any of its Partnership Interest and Related Rights. If it fails to make any such payments, the Common Security Agent may, but shall not be obliged to, make such payment on behalf of the relevant Member. Any sums so paid by the Common Security Agent shall be repayable by the relevant Member to the Common Security Agent on demand and pending such repayment shall constitute part of the Secured Liabilities.
- (d) It shall remain liable to observe and perform all of the conditions and obligations assumed by it in respect of its Partnership Interest and Related Rights and the Common Security Agent shall not be required to perform or fulfil any obligation of any Member in respect of any Partnership Interest or Related Rights.
- (e) It shall comply with any notice served on it (save where compliance with any such notice is reasonably likely to be prejudicial to the interests of the Secured Parties in which case it shall only comply with any such notice if it has first obtained the prior approval of the Common Security Agent unless otherwise required by any law or regulation), whether under the Limited Liability Partnerships Act 2000 or pursuant to the Partnership Agreement or any articles of association or other constitutional document of any relevant entity, in respect of or in connection with any Partnership Interest or Related Rights and will promptly provide to the Common Security Agent a copy of that notice.
- (f) It shall promptly, upon the request of the Common Security Agent, provide to the Common Security Agent a copy of all other notices, reports, accounts and circulars received by it in respect of or in connection with any of the Security Assets.
- (g) It shall not do or permit to be done anything to render the Partnership Agreement void or voidable.

7.4 Partnership Interests – following an Event of Default

- (a) If an Event of Default is continuing, it shall on request by the Common Security Agent:
 - (i) (if applicable) deliver to the Common Security Agent such transfer documents as the Common Security Agent may require to enable the Common Security Agent or its nominee or nominees to be registered as the owner of, and to obtain legal and beneficial title to, the Partnership Interests and/or Related Rights referred to in such request;
 - (ii) provide to the Common Security Agent certified copies of all resolutions and authorisations approving the execution of such transfer documents and registration of such transfers as the Common Security Agent may reasonably require;
 - (iii) procure that each such transfer is promptly registered by the Principal Debtor;
 - (iv) procure that, promptly on their issue, all documents of title in the appropriate form, in respect of the relevant Partnership Interest and/or Related Rights, are delivered to the Common Security Agent (or as it shall direct) in each case

showing the registered holder as the Common Security Agent or its nominee or nominees (as applicable); and/or

- (v) exercise all voting rights in respect of its Partnership Interest and Related Rights only in accordance with the instructions of the Common Security Agent.
- (b) If it receives any distributions or other monies in respect of its Partnership Interest and/or Related Rights at any time when the Common Security Agent has made a request under clause 7.4(a) or any steps have been taken to enforce this Security, it shall promptly pay such sums received directly to the Common Security Agent for application in accordance with clause 15 (*Application of Proceeds*) of the Intercreditor Agreement and shall hold all such sums on trust for the Common Security Agent pending payment of them to such account as the Common Security Agent shall direct.

7.5 Partnership Agreement

It shall not, without the prior consent of the Common Security Agent, amend, or agree to any amendment of, the Partnership Agreement.

7.6 Partnership

It shall not agree to terminate, dissolve or wind up the Principal Debtor without the prior approval of the Common Security Agent.

7.7 Retention of documents

The Common Security Agent may retain any document delivered to it pursuant to clause 7.4 or otherwise until this Security is released and if, for any reason it ceases to hold any such document before such time, it may by notice to the relevant Member require that the relevant document be redelivered to it and that Member shall promptly comply (or procure compliance) with such notice.

7.8 Maintenance of security

No Member shall do or cause or permit anything to be done which would be reasonably likely to materially and adversely affect this Security or which would be reasonably likely in any way materially depreciate, jeopardise or otherwise prejudice the value to the Secured Parties of this Security or which is a variation or abrogation of the rights attaching to or conferred by all or any part of the Security Assets, in each case, without the prior written consent of the Common Security Agent and shall take such action (as is available to it) as the Common Security Agent may in its discretion direct in relation to any proposed compromise, arrangement, reorganisation, conversion, repayment, offer or scheme of arrangement affecting all or any part of the Security Assets.

7.9 Indemnity

- (a) The Principal Debtor shall indemnify the Common Security Agent on a full indemnity basis against calls or other payments relating to the Security Assets and any defect in a Member's title to its Security Assets.
- (b) The Principal Debtor shall indemnify the Common Security Agent on a full indemnity basis against all actions, proceedings, losses, costs, claims and demands suffered or incurred in respect of anything done or omitted in any way relating to the Security Assets or in the exercise or purported exercise of the powers contained in this Deed by the Common Security Agent.

7.10 Covenant to perform

Each Member shall at all times comply with the terms (express or implied) of this Deed and of all contracts to which it is a party relating to the Secured Liabilities.

8. NOTICE OF ASSIGNMENT

8.1 Each Member must:

- (a) on the date of this Deed, serve a notice of assignment, substantially in the form set out in part I (Form of notice) of The Schedule (Partnership Interests), on the Principal Debtor; and
- (b) ensure that the Principal Debtor acknowledges that notice substantially in the form of part II (Form of acknowledgement) of The Schedule (Partnership Interests) within 5 Business Days of that notice being given.

9. WHEN SECURITY BECOMES ENFORCEABLE

9.1 Enforcement

This Security will become immediately enforceable upon the occurrence of an Event of Default which is continuing.

9.2 Discretion

After this Security has become enforceable, the Common Security Agent may in its absolute discretion enforce all or any part of this Security in any manner it sees fit subject to and in accordance with the terms of the Intercreditor Agreement.

9.3 Statutory powers

The power of sale and other powers conferred by section 101 of the LPA, as amended and varied by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

10. ENFORCEMENT OF SECURITY

10.1 General

- (a) For the purposes of all powers implied or conferred by statute (including the power of sale and other powers conferred by section 101 of the LPA, as varied and extended by this Deed) and all other powers conferred on a mortgagee by law, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- (b) Section 103 of the LPA (restricting the power of sale) and section 93 of the LPA (restricting the right of consolidation) of the LPA do not apply to this Security.

10.2 No liability as mortgagee in possession

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

10.3 Privileges

Each Receiver and the Common Security Agent is entitled to all the rights, powers and privileges and immunities conferred by the LPA on mortgagees and receivers duly appointed under the LPA except that section 103 of the LPA does not apply.

10.4 Protection of third parties

- (a) In favour of any purchaser or person dealing in good faith, the Secured Liabilities shall be deemed to become due, and all rights or enforcement conferred upon the Common Security Agent by the LPA, as varied and extended by this Deed, shall be deemed to arise, immediately after the execution of this Deed.
- (b) No person (including a purchaser) dealing with the Common Security Agent or a Receiver or its or his agent(s) will be bound or concerned to enquire:
 - (i) whether the Secured Liabilities are or have become due or payable; or
 - (ii) whether any power which the Common Security Agent or a Receiver is exercising or purporting to exercise has arisen, become exercisable or is being properly exercised; or
 - (iii) as to the propriety or regularity of any sale by or other dealing with the Common Security Agent or any Receiver; or
 - (iv) whether any money remains due under the Debt Documents; or
 - (v) how any money paid to the Common Security Agent or to that Receiver is to be applied,or be concerned with notice to the contrary. Any such sale or dealing shall be deemed to be within the powers conferred by this Deed and to be valid and effective.

10.5 Redemption of prior Security

- (a) At any time after this Security has become enforceable, the Common Security Agent may:
 - (i) redeem any prior Security against any Security Asset; and/or
 - (ii) procure the transfer of that Security to itself; and/or
- (b) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled or passed will be, in the absence of manifest error, conclusive and binding on each Member.
- (c) The Principal Debtor must pay to the Common Security Agent, immediately on demand, the costs and expenses incurred by the Common Security Agent in connection with any such redemption and/or transfer, including the payment of any principal or interest.

10.6 Contingencies

If this Security is enforced at a time when no amount is due under the Debt Documents but at a time when amounts may or will become due, the Common Security Agent (or the Receiver) may pay the proceeds of any recoveries effected by it into a suspense account or other account selected by it.

10.7 No duty to exercise powers

The powers conferred on the Common Security Agent by this Deed are solely to protect its interests in the Security Assets and shall not impose any duty on it to exercise any such powers. The Common Security Agent shall not have any duty as to any Security Asset and shall incur no liability for:

- (a) ascertaining or taking action in respect of any calls, instalments, conversions, exchanges, maturities, tenders or other matters in relation to any Security Asset or the nature or sufficiency of any payment whether or not the Common Security Agent has or is deemed to have knowledge of such matters; or
- (b) taking any necessary steps to preserve rights against prior parties or any other rights pertaining to any Security Asset.

11. POWER OF SALE

At any time after this Security has become enforceable, the Common Security Agent may, without further notice to any Member, exercise the power to sell or otherwise dispose of the whole or any part of the Security Assets, in such manner and on such terms and for such consideration (whether payable immediately or by instalments) as the Common Security Agent shall, in its absolute discretion, think fit and without liability for loss whatsoever, and may (without prejudice to any right which it may have under any other provision of this Deed) treat such part of the Security Assets as consists of money as if it were the proceeds of such a sale or other disposal.

12. RECEIVER

12.1 Appointment of Receiver

- (a) Except as provided below, the Common Security Agent may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:
 - (i) this Security has become enforceable; or
 - (ii) a Member so requests the Common Security Agent in writing at any time.
- (b) Any appointment of a Receiver under clause 12.1(a) may be by deed, under seal or otherwise in writing signed by any officer or manager of the Common Security Agent or any person authorised for this purpose by the Common Security Agent.
- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the LPA) does not apply to this Deed.
- (d) The Common Security Agent is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under the Insolvency Act 2000 except with the leave of the court.

12.2 Removal

The Common Security Agent may by writing under its hand 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.

12.3 Remuneration

The Common Security Agent may fix the remuneration of any Receiver appointed by it and the maximum rate specified in section 109(6) of the LPA will not apply.

12.4 Agent of each Member

- (a) A Receiver will (save as otherwise required or provided as a matter of law) be deemed to be the agent of a Member and that Member shall be solely responsible for his acts or defaults and the Principal Debtor shall be solely responsible for his remuneration.

- (b) No Secured Party will incur any liability (either to a Member or to any other person) by reason of the appointment of a Receiver or for any other reason.

12.5 Exercise of Receiver powers by the Common Security Agent

To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Common Security Agent in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver and irrespective of whether the Common Security Agent has taken possession of any Security Asset.

13. POWERS OF RECEIVER

13.1 General

- (a) Each Receiver has, and is entitled to exercise, all of the rights, powers and discretions set out below in this clause 13 in addition to those conferred on it by any law, this includes all of the rights, powers and discretions conferred on a receiver appointed under the LPA and the Insolvency Act 1986 including, without limitation, those powers provided for in Schedule 1 of the Insolvency Act 1986.
- (b) 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.

13.2 Receiver's powers

A Receiver may:

- (a) take immediate possession of, get in and collect any Security Assets;
- (b) carry on the business of a Member as it relates to the Security Assets as he thinks fit;
- (c) appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he may think proper and discharge any such persons appointed by a Member;
- (d) raise and borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which he thinks fit and no person lending that money is concerned to enquire as to the propriety or purpose of the exercise of that power or to check the application of any money so raised or borrowed;
- (e) sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which he thinks proper and the consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and may be payable in a lump sum or by instalments spread over such period as he thinks fit;
- (f) settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of a Member or relating in any way to any Security Asset;
- (g) bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any Security Asset which may seem to him to be expedient;

- (h) give valid receipts for all moneys and execute all assurances and things which may be proper or desirable for realising any Security Asset;
- (i) delegate his powers in accordance with clause 16 (*Delegation*);
- (j) do all other acts and things which he may consider desirable or necessary for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;
- (k) exercise in relation to any Security Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of the same; and
- (l) use the name of a Member for any of the above purposes.

14. APPLICATION OF PROCEEDS

- (a) Any moneys received by the Common Security Agent or any Receiver after this Security has become enforceable must be applied in accordance with clause 15 (*Application of Proceeds*) of the Intercreditor Agreement.
- (b) This clause 14 is subject to the payment of any claims having priority over this Security. This clause 14 does not prejudice the right of any Secured Party to recover any shortfall from a Member.

15. EXPENSES AND INDEMNITY

15.1 The Principal Debtor must:

- (a) immediately on demand pay all costs and expenses (including legal fees) incurred in connection with this Deed by any Secured Party, Receiver, attorney, manager, agent or other person appointed by the Common Security Agent under this Deed or the Intercreditor Agreement;
- (b) keep each of them indemnified against any failure or delay in paying those costs or expenses; this includes any costs and expenses arising from any actual or alleged breach by any person of any law or regulation and all losses, actions, claims, expenses, demands or liabilities whether in tort, contract or otherwise and whether arising at common law in equity or by statute which may be incurred by or made against any of them (or by or against any manager, agent, officer or employee for whose liability, act or omission any of them may be answerable) as a consequence of:
 - (i) anything done or omitted in the exercise or purported exercise of the powers contained in this Deed; or
 - (ii) any breach by a Member of any of its obligations under or in connection with this Deed.

16. DELEGATION

16.1 Power of Attorney

The Common Security Agent and/or any Receiver may delegate by power of attorney or in any other manner to any person any right, power, authority or discretion exercisable by it under this Deed.

16.2 Terms

Any such delegation may be made upon the terms (including, without limitation, power to sub-delegate) and subject to any regulations which the Common Security Agent or such Receiver (as the case may be) may think fit.

16.3 Liability

Neither the Common Security Agent nor any Receiver will be in any way liable or responsible to a Member for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate, unless (as long as no Default is continuing) such loss or liability was directly caused by the Common Security Agent nor any Receiver's gross negligence or wilful default.

17. FURTHER ASSURANCES

Each Member must, take whatever action the Common Security Agent or a Receiver may reasonably require for:

- (a) creating, perfecting or protecting the security created or intended to be created by this Deed; or
- (b) facilitating:
 - (i) the realisation of any assets which are, or are intended to be, the subject of the Security created by or under this Deed; or
 - (ii) the exercise of any right, power or discretion exercisable, by the Common Security Agent or any Receiver or any of its delegates or sub-delegates in respect of any assets which are, or are intended to be, the subject of any Security created by or under this Deed; or
 - (iii) the enforcement of this Security.

This includes (without limitation):

- (aa) the execution of any charge, transfer, conveyance, assignment or assurance (in such form as the Common Security Agent may require) of any property, whether to the Common Security Agent or to its nominee or to any other person; or
- (bb) the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Common Security Agent or any Receiver may think expedient.

18. SECURITY POWER OF ATTORNEY

Each Member, by way of security, irrevocably and severally appoints the Common Security Agent, each Receiver and any of its delegates or sub-delegates to be its attorney, with full power of substitution and delegation, in its name, on its behalf and as its act and deed, to take any action which that Member is obliged to take under this Deed but has failed to do. Each Member hereby ratifies and confirms and shall ratify and confirm whatever any attorney does or purports to do under its appointment under this clause 18.

19. PRESERVATION OF SECURITY

19.1 Continuing security

- (a) This Security is a continuing security and shall remain in full force and effect and will extend to the ultimate balance of the Secured Liabilities regardless of any intermediate payment or discharge by a Member or any other person of the whole or any part of the Secured Liabilities.
- (b) All references to the Junior Creditors and the Secured Liabilities owed to the Junior Creditors in the Original Security Agreement shall on and from the date of this Deed be read and construed as references to the Junior Creditors and the Secured Liabilities owed to the Junior Creditors as defined in the Intercreditor Agreement and the Original Security Agreement is, on and from the date of this Deed, so modified and amended.
- (c) The Chargor confirms that the execution of this Deed shall in no way prejudice or affect the security granted by it (or covenants given by it) under the Original Security Agreement.

19.2 Reinstatement

- (a) If any settlement, discharge, release or arrangement (whether in respect of the obligations of the Members and any Debtor or any security for those obligations or otherwise) is made in whole or in part on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation, or any analogous procedure or step in any jurisdiction, or otherwise, without limitation then the liability of each Member under this Deed will continue or be reinstated as if the settlement, discharge, release or arrangement had not occurred and the Secured Parties shall be entitled to recover the value or amount of any such payment or security from a Member as if each such settlement, discharge, release or arrangement had not occurred.
- (b) Each Secured Party may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

19.3 Waiver of defences

The obligations of each Member under this Deed and this Security will not be affected by any act, omission or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this Deed (whether or not known to any Member, any Secured Party or any other person). This includes:

- (a) any time, waiver or consent granted to, or composition with, any person;
- (b) the release of any person under the terms of any composition or arrangement;
- (c) the taking, variation, compromise, exchange renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person;
- (d) any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to perfect, enforce or realise the full value of any security;
- (e) any incapacity or lack of power, authority or legal personality of or insolvency or dissolution or change in the members or status of any person;

- (f) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Debt Document or any other document or security;
- (g) any unenforceability, illegality, invalidity, voidability or non-provability of any obligation of any person under any Debt Document or any other document or security; or
- (h) any insolvency or similar proceedings.

19.4 Immediate recourse

Each Member waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from any Member under this Deed or enforcing this Security. This waiver applies irrespective of any law or provision of a Debt Document to the contrary.

19.5 Appropriations

Until all amounts which may be or become payable by the Debtors under or in connection with the Debt Documents have been irrevocably paid in full, each Secured Party (or any trustee or agent on its behalf) may at any time during the Security Period without affecting the liability of any Member under this Deed:

- (a) refrain from applying or enforcing any other monies, security or rights held or received by that Secured Party (or any trustee or agent on its behalf) in respect of those amounts;
- (b) apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise); and/or
- (c) hold in an interest bearing suspense account any monies received from any Member or on account of the liability of any Member under this Deed.

19.6 Non-competition

- (a) Unless the Security Period has expired or the Common Security Agent otherwise requests, no Member shall, after a claim has been made under this Deed or by virtue of any payment or performance by it under this Deed:
 - (i) be subrogated to any rights, security or monies held, received or receivable by any Secured Party (or any trustee or agent on its behalf);
 - (ii) be entitled to any right of contribution or indemnity in respect of any payment made or monies received on account of any Member's liability under this Deed or be entitled to require any Secured Party (or any trustee or agent on its behalf) to effect or implement marshalling;
 - (iii) claim, rank, prove or vote as a creditor of the Principal Debtor or any other Debtor or its estate in competition with any Secured Party (or any trustee or agent on its behalf); or
 - (iv) receive, claim or have the benefit of any payment, distribution or security from or on account of any Member or any other Debtor, or exercise any right of set-off as against any Member or any other Debtor.
- (b) Each Member must hold in trust for and promptly pay or transfer to the Common Security Agent for the Secured Parties any payment or distribution or benefit of security

received by it contrary to this clause 19.6 or in accordance with any directions given by the Common Security Agent under this clause 19.6.

- (c) The Common Security Agent shall be entitled to direct any Member and any other Debtor or any other party which has an obligation to pay the Secured Liabilities or part to prove for the whole or any part of any debt or other claim that one or more of them may have in the liquidation or bankruptcy of another of them to the fullest extent permitted by law and any such direction shall not affect any Member's liability or the liability of any other Debtor or give any Member or any other Debtor any recourse against the Secured Parties.

19.7 Additional security

This Security is in addition to, and is not in any way prejudiced by, any other Security which any Secured Party may hold at any time for the Secured Liabilities (or any of them).

20. CUSTODY

The Common Security Agent shall be entitled to provide for the safe custody by third parties of all stock and share certificates and documents of title deposited with it or its nominees relating to the Security Assets and shall not be responsible for any loss of or damage to any such certificates or documents.

21. ASSIGNMENT AND TRANSFER

- 21.1 No Member may assign, transfer, novate or dispose of any of its rights and obligations under this Deed.
- 21.2 The Common Security Agent may assign, transfer, novate or dispose of any of its rights and obligations under this Deed to any person to whom it assigns, transfers, novates or disposes of any of its rights and obligations under the Intercreditor Agreement.
- 21.3 The Common Security Agent may disclose to any person related to the Common Security Agent, any other Secured Party and/or any person to whom it is proposing to transfer, novate or assign or has transferred, novated or assigned any of its rights and obligations under this Deed any information about the Members and/or the Security Assets.

22. MISCELLANEOUS

22.1 Set-off

The Principal Debtor agrees a Secured Party may at any time after this Security has become enforceable, without notice or further demand, combine or consolidate all or any of its then existing accounts including any accounts in the name of the Common Security Agent or the Principal Debtor with others (whether current, deposit, loan or any other nature whatsoever subject to notice or not and whether in sterling or in any other currency) and set-off or transfer any sum standing to the credit of any one or more of those accounts in or towards satisfaction of the Secured Liabilities.

22.2 New accounts

- (a) If any subsequent charge or other interest affects any Security Asset, each Secured Party may open a new account with the Principal Debtor.
- (b) If a Secured Party does not open a new account, unless it gives express written notice to the contrary to a Member, it will nevertheless be treated as if it had done so at the

time when it received or was deemed to have received notice of that charge or other interest

- (c) As from that time all payments made by or on behalf of a Member to a Secured Party will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability.

22.3 Certificates and determinations

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

22.4 Common Security Agent's discretion

Any liability or power which may be exercised or any determination which may be made under this Deed in each case by the Common Security Agent may be exercised or made in its absolute and unfettered discretion and the Common Security Agent shall not be obliged to give reasons.

22.5 Remedies and waivers

- (a) No failure to exercise, nor any delay in exercising, on the part of the Common Security Agent or any Receiver or any Secured Party, any right, power or remedy under this Deed shall operate as a waiver of any such right, power or remedy or constitute an election to affirm this Deed, nor shall any single or partial exercise or waiver of any right, power or remedy prevent any further or other exercise, or the exercise, of any other right, power or remedy. No election to affirm this Deed on the part of the Common Security Agent or any Receiver shall be effective unless it is in writing. The rights, powers and remedies provided in this Deed are cumulative and are not, nor are they to be construed as, exclusive of any rights, powers or remedies provided by law or otherwise and may be exercised from time to time and as often as the Common Security Agent deems expedient.
- (b) A waiver given or consent granted by the Common Security Agent or any Receiver under this Deed will be effective only if given in writing and then only in the instance and for the purposes for which it was given.

22.6 Partial invalidity

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Deed nor the legality, validity or enforceability of such provisions under the law of any other jurisdiction will in any way be affected or impaired and, if any part of the Security constituted, or intended to be constituted, by this Deed, is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the Security.

22.7 Amendment

- (a) No modification or variation of this Deed (or any document entered into pursuant to or in connection with this Deed) shall be valid unless it is in writing and signed by or on behalf of each of the parties to this Deed. For the avoidance of doubt, no modification or variation of this Deed shall be valid if made by e-mail.
- (b) Unless expressly so agreed, no modification or variation of this Deed shall constitute or be construed as a general waiver of any provisions of this Deed, nor shall it affect any rights, obligations or liabilities under this Deed which have already accrued up to the date of such modification or waiver, and the rights and obligations of the parties under

this Deed shall remain in full force and effect, except and only to the extent that they are so modified or varied.

22.8 Contractual recognition of bail-in

Notwithstanding any other term of any Debt Document or any other agreement, arrangement or understanding between the Parties, each Party acknowledges and accepts that any liability of any Party to any other Party under or in connection with the Debt Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
 - (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
 - (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
 - (iii) a cancellation of any such liability; and
- (b) a variation of any term of any Debt Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

23. RELEASE

Upon the expiry of the Security Period, the Common Security Agent shall (or shall procure that their nominees shall (as the case may be)) promptly at the request and cost of and upon payment by the Principal Debtor, take whatever action is necessary to release and reassign (without giving any representation or warranty (express or implied)) to each Member:

- (a) its rights arising under this Deed; and
- (b) the Security Assets from this Security,

and, as applicable, return all documents or deeds of title delivered to it under this Deed.

24. COUNTERPARTS

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

25. NOTICES

25.1 Communications in writing

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

25.2 Addresses

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

- (a) in the case of:

Richard Clive Desmond

Address: The Northern & Shell Building, 10 Lower
Thames Street, London, EC3R 6EN

Fax no.:

LTS Partners Limited

Address: The Northern & Shell Building, 10 Lower
Thames Street, London, EC3R 6EN

Fax no.:

For the Attention of: Richard Clive Desmond/Robert Sanderson, Director; and

(b) in the case of the Common Security Agent:

Deutsche Pfandbriefbank AG

Address: 23rd Floor, 20 Fenchurch Street, London EC3M 3BY,
United Kingdom

Fax no.: +44 (0) 20 7743 7700

For the Attention of: Head of UK Credit Risk Management, Northern Europe

or any substitute address, fax number, or department or officer as a Member may notify to the Common Security Agent (or the Common Security Agent may notify to the Members, if a change is made by the Common Security Agent) by not less than 5 Business Days' notice.

25.3 Delivery

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

- (i) if by way of fax, when received in legible form; or
- (ii) if by way of letter, when it has been left at the relevant address or 5 Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under clause 25.2 (*Addresses*), if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Common Security Agent will be effective only when actually received by the Common Security Agent and then only if it is expressly marked for the attention of the department or officer specified as part of its address details provided under clause 25.2 (*Addresses*) (or any substitute department or officer as the Common Security Agent shall specify for this purpose).

(c) Any communication or document which becomes effective, in accordance with clauses 25.3(a)(i) and 25.3(a)(ii), after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day.

25.4 Electronic communication

(a) Any communication to be made between any Parties to this Deed under or in connection with this Deed may be made by electronic mail or other electronic means to the extent that those Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication and if those Parties:

- (i) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
 - (ii) notify each other of any change to their address or any other such information supplied by them by not less than 5 Business Days' notice.
- (b) Any electronic communication between those Parties will be effective only when actually received in readable form and in the case of any electronic communication made by a Member to the Common Security Agent only if it is addressed in such a manner as the Common Security Agent shall specify for this purpose.
- (c) Any electronic communication which becomes effective, in accordance with clause 25.4(b), after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day.

25.5 English language

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

26. GOVERNING LAW AND JURISDICTION

26.1 Governing law

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

26.2 Jurisdiction

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including claims for set-off and counterclaim and any dispute regarding the existence, validity or termination of this Deed and/or any non-contractual obligations arising out of or in connection with this Deed) (a "Dispute").
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and no Party will argue to the contrary.
- (c) This clause 26.2 (*Jurisdiction*) is for the benefit of the Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

26.3 Service of process

- (a) Without prejudice to any other mode of service allowed under any relevant law, if Member 1 shall no longer be able to make the representation set out in clause 6.1(a)(i) (*Status*), Member 1:
 - (i) shall immediately advise the Common Security Agent accordingly; and

- (ii) shall promptly irrevocably appoint an agent for service of process in relation to any proceedings before the English courts in connection with any Debt Document; and
 - (iii) agrees that failure by a process agent to notify Member 1 of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, Member 1 must immediately (and in any event within 10 Business Days of such event taking place) appoint another agent on terms acceptable to the Common Security Agent. Failing this, the Common Security Agent may appoint another agent for this purpose.

THIS DEED has been signed by or on behalf of the Common Security Agent and executed as a deed by each Member and is delivered in the date given at the beginning of this Deed.

THE SCHEDULE
PARTNERSHIP INTERESTS

Part I
Form of notice

[On the letterhead of the relevant Member]

To: Badger Property Partners LLP
 The Northern and Shell Building,
 10 Lower Thames Street,
 London, EC3R 6EN (the “Principal Debtor”)

[Date] 20[●]

Dear Addressees,

We refer to the limited liability partnership agreement dated 26 May 2010 made between made between (1) Richard Clive Desmond and LTS Partners Limited (as members) and Badger Property Partners LLP, a limited liability partnership registered in England and Wales with number OC313362 (as limited liability partnership) (the “Principal Debtor”) (the “Partnership Agreement”).

We give you notice that by a security agreement dated [●] 2023 (the “Deed”), we have assigned by way of security to Deutsche Pfandbriefbank AG (as security agent for the Secured Parties as referred to in the Deed, the “Common Security Agent”):

- (a) all of our respective rights, title and interest in and to the Partnership Agreement;
- (b) all of our respective rights, title and interest all of its interest, share or units, both present and future and from time to time, in the Principal Debtor (including, without limitation, in the capital and assets of the Principal Debtor) (the “Partnership Interests”); and
- (c) all monies paid or payable to each of us, respectively, in respect of the Partnership Interests or the Partnership Agreement (whether as income, capital or otherwise and including, without limitation, all distributions of profits or capital of whatsoever nature, any proceeds of sale and any right, money or property accruing or offered at any time in relation to that Partnership Interest or in substitution or exchange for that Partnership Interest), all assets derived from the Partnership Interest and all rights and remedies and all proceeds and claims arising or derived from or incidental or otherwise in connection to the Partnership Interest (the “Related Rights”).

We hereby irrevocably and unconditionally authorise and instruct you that you may continue to deal with us in relation to the Partnership Agreement and our respective Partnership Interests until you receive written notice to the contrary from the Common Security Agent and upon receipt of any such notice from the Common Security Agent:

- 1. without notice or reference to or further authority from us and without enquiring as to the justification or the validity of those instructions, to comply only with any instructions from time to time received by you from the Common Security Agent relating to the Partnership Agreement, the Partnership Interest and/or the Related Rights including, without limitation, each of our rights to receive distributions or any other payments of whatsoever nature from the Principal Debtor pursuant to the Partnership Agreement, the Partnership Interest and/or the Related Rights; and
- 2. to pay all sums payable by you to us pursuant to the or in connection with the Partnership Agreement, the Partnership Interest and/or the Related Rights (or any of them) directly to our

account with [●] at [●], Account No. [●], Sort Code [●] or such other account as the Common Security Agent may specify from time to time.

The instructions in this letter may not be varied or revoked without the prior written consent of the Common Security Agent.

This letter and all non-contractual obligations arising out of it shall be governed by and construed in accordance with English law.

Please acknowledge receipt of this letter and your acceptance of the instructions and authorisations contained in it within 7 days of receiving this letter by sending a letter in the enclosed form direct to the Common Security Agent at Deutsche Pfandbriefbank AG, 23rd Floor, 20 Fenchurch Street, London EC3M 3BY, United Kingdom marked for the attention of Head of UK Credit Risk Management, Northern Europe.

Yours faithfully,

.....
[MEMBER]

(Director/Duly authorised signatory)

Part II
Form of acknowledgement

[On the letterhead of the Principal Debtor]

To: Deutsche Pfandbriefbank AG as Common Security Agent

Copy: [The relevant Member]

[Date] [●]

Dear Addressees,

We acknowledge receipt of a notice dated [●] 20[●] (the “Notice”) and addressed to us by [●] (the “Member”) in relation to the Partnership Agreement, the Partnership Interest and the Related Rights (each as defined in the Notice).

We accept the instructions and authorisations contained in the Notice and undertake to act in accordance and comply with the terms thereof.

We confirm that:

1. we will not agree to any amendment, waiver or release of any provision of the Partnership Agreement or in respect of any Partnership Interest or Related Right without the prior written consent of the Common Security Agent; and
2. as at the date of this acknowledgement, we have not received any notice that the Member has assigned any of its rights under or to the Partnership Agreement or the Partnership Interest or Related Rights or otherwise granted any security or other interest in respect of any of its rights, title or interest under or to the Partnership Agreement or in respect of the Partnership Interest or Related Rights.

This letter and all non-contractual obligations arising out of it shall be governed by and construed in accordance with English law.

Yours faithfully,

.....

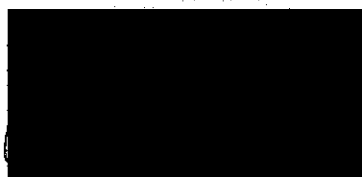
[The Principal Debtor]

(Designated member/Duly authorised signatory)

SIGNATURES

Members

EXECUTED as a deed by
by **RICHARD CLIVE DESMOND**



in the presence of:



Witness's Signature

Name

Richard Martin

Address

The Northern and Shell Building
10 Lower Thames Street, London EC3R 6EN

Occupation

Company Director

EXECUTED as a deed by
by **LTS PARTNERS LIMITED**
acting by its director in the presence of
.....
in the presence of:

)
)
)
)
)

Director's Signature



Print Name

ROBERT SANDERSON

Witness's Signature



Name

Alexander Campbell

Address

Memory Crystal, 165 Fleet Street
London EC4A 2DY

Occupation

Trainee Solicitor

Principal Debtor

Director of LTS Partners Limited
EXECUTED as a deed by *for and on behalf of*) Signature ..

BADGER PROPERTY PARTNERS LLP)

acting by its member)

in the presence of) Print Name. *ROBERT SANDERSON*

Witness's
Signature. 

Name. *Alexander Campbell*

Address. *Manery Crystal, 165 Fleet Street*
London EC4A 2DY

Occupation. *Trainee Solicitor*

Common Security Agent

EXECUTED as a deed by DEUTSCHE
PFANDBRIEFBANK AG, a company
incorporated in the Federal Republic of
Germany, acting by

Signatures of

.....and

.....
Authorised signatory

.....
who, in accordance with the laws of that
territory, are acting under the authority of the
company

.....
Authorised signatory

Signature in the name of the company

Deutsche Pfandbriefbank AG

Principal Debtor

EXECUTED as a deed by) Signature

BADGER PROPERTY PARTNERS LLP)

acting by its member)

in the presence of) Print Name.....

Witness 's

Signature.....

Name.....

Address.....

.....

.....

Occupation.....

Common Security Agent

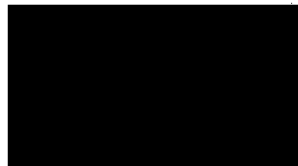
EXECUTED as a deed by **DEUTSCHE
PFANDBRIEFBANK AG**, a company
incorporated in the Federal Republic of
Germany, acting by

SIMON BROWNE.....and

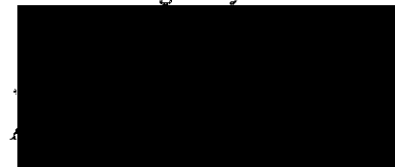
NIAMH WATKINS.....

who, in accordance with the laws of that
territory, are acting under the authority of the
company

Signatures of



Authorised signatory



Signature in the name of the company

Deutsche Pfandbriefbank AG