



Registration of a Charge

Company name: **PATTONAIR UK LIMITED**

Company number: **07603042**



X6IFCR3V

Received for Electronic Filing: **03/11/2017**

Details of Charge

Date of creation: **31/10/2017**

Charge code: **0760 3042 0004**

Persons entitled: **WELLS FARGO CAPITAL FINANCE (UK) LIMITED**

Brief description: **LAND – SEE CLAUSE 2.1.1(A) OF THE CHARGE, WHICH CREATES A FIRST LEGAL MORTGAGE OVER ALL THE PROPERTY (IF ANY) NOW BELONGING TO THE COMPANY AND SPECIFIED IN SCHEDULE 2 OF THE CHARGE AND ALL MATERIAL INTERESTS IN ANY FREEHOLD PROPERTY NOW OR IN THE FUTURE BELONGING TO THE COMPANY AND (TO THE EXTENT THAT THEY ARE NOT CHARGED BY WAY OF LEGAL MORTGAGE PURSUANT TO CLAUSE 2.1.1(A) OF THE CHARGE) SEE CLAUSE 2.1.1(B)(I) OF THE CHARGE, WHICH CREATES A FIRST FIXED CHARGE OVER ALL INTERESTS IN ANY FREEHOLD PROPERTY NOW OR IN THE FUTURE BELONGING TO THE COMPANY. INTELLECTUAL PROPERTY RIGHTS – SEE CLAUSE 2.1.1(B)(VI) OF THE CHARGE, WHICH CREATES A FIRST FIXED CHARGE OVER INTELLECTUAL PROPERTY (AS DEFINED IN THE CHARGE) (INCLUDING BUT NOT LIMITED TO THE SPECIFIED INTELLECTUAL PROPERTY (AS DEFINED IN THE CHARGE)) OWNED BY THE COMPANY INCLUDING ANY REVENUES OR OTHER INCOME ARISING THEREUNDER AND ANY CLAIMS FOR DAMAGES ARISING WITH RESPECT THERETO (WHETHER BY REASON OF INFRINGEMENT OR OTHERWISE HOWSOEVER).**

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: **NORTON ROSE FULBRIGHT LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7603042

Charge code: 0760 3042 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 31st October 2017 and created by PATTONAIR UK LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 3rd November 2017 .

Given at Companies House, Cardiff on 7th November 2017

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**

CONFIDENTIAL

EXECUTION VERSION

Dated 31 October 2017

PATTONAIR GROUP LIMITED
(and others as Chargors)

and

WELLS FARGO CAPITAL FINANCE (UK) LIMITED
(as Security Trustee)

DEBENTURE

I certify that, save for material
redacted pursuant to s.859G
of the Companies Act 2006,
this copy instrument is a correct copy
of the original instrument.

Norton Rose Fulbright LLP

Sign & Dated 01/11/2017

^NORTON ROSE FULBRIGHT

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Debenture

Dated 31 October 2017

Between

- (1) **Pattonair Group Limited** registered in England with number 07525301 (the **Company**);
- (2) **The Affiliates** of the Company listed in Schedule 1 (*The Chargors*) (together with the Company and each person which becomes a party to this Deed by executing a Deed of Accession, each a **Chargor** and together the **Chargors**); and
- (3) **Wells Fargo Capital Finance (UK) Limited** registered in England with number 2656007 as security trustee for the Secured Parties (the **Security Trustee**).

Recitals

- A The Chargors enter into this Deed to secure the repayment and satisfaction of the Secured Liabilities.
- B The Chargors and the Security Trustee intend that this document take effect as a deed notwithstanding that it may be executed under hand.

It is agreed:

1 Interpretation

1.1 Definitions

In this Deed:

Blocked Accounts means the bank accounts of the Chargors specified in Part I of Schedule 5 and/or in the Schedule to any Deed of Accession and/or such other bank accounts of the Chargors as the Security Trustee and the Company may designate or approve.

Book Debts means:

- (a) all book and other debts in existence from time to time (including, without limitation, any sums whatsoever owed by banks or similar institutions) both present and future, actual or contingent, due, owing to or which may become due, owing to or purchased or otherwise acquired by any Chargor; and
- (b) the benefit of all rights whatsoever relating to the debts referred to in (a) above including, without limitation, any related agreements, documents, rights and remedies (including, without limitation, negotiable or non-negotiable instruments, guarantees, indemnities, legal and equitable charges, reservation of proprietary rights, rights of tracing, unpaid vendor's liens and all similar connected or related rights and assets).

Charged Accounts means the Blocked Accounts and the Other Accounts.

Dangerous Substance means any substance of whatever kind and form and in whatever combination capable of causing harm to any lifeform or the environment.

Deed of Accession means a deed of accession substantially in the form set out in Schedule 6.

Discharge of Notes Debt has the meaning given in the Intercreditor Agreement.

Environmental Law means all laws, regulations, directives, statutes and any guidance, circular or regulations issued thereunder, subordinate legislation, common law, equity, all other international, national and local laws and all judgments, orders, instructions or awards of any court or competent authority concerning the protection of or compensation for damage to human health, the environment, or the condition, of any work place or the generation, dealing with, or disposal of any Dangerous Substance.

Environmental Licence means any consent, approval, authorisation, exemption, licence, order, permission, condition, recording, registration, variation, modification or transfer required by any Environmental Law.

Environmental Proceedings means any written claim or demand or any criminal, civil, judicial, regulatory or administrative proceedings, suit or action or other enforcement process brought or taken under any Environmental Laws (including without limitation any written claim or demand etc in respect of any Remedial Works) or any matter which would be the subject of any such written claim or demand etc but where liability has been admitted or otherwise settled or agreed.

^a **Equipment** means (save to the extent that any such items form part of such Chargor's stock in trade or are subject to any restrictions on charging or require the consent of any third party) all present and future plant, equipment, machinery, computers and computer hardware and software (whether owned or licensed), vehicles, tools, furniture and fixtures and all attachments, accessories owned by any Chargor and which are material to its business and property (other than Fixtures) now or in future relating to it or used in connection with it and replacements and substitutions for it wherever located. *

Excluded Assets means:

- (a) the interest in any accounts, contracts, permits, licenses, accounts receivable, general intangibles (other than any equity interests), leasehold interests, payment intangibles, chattel paper, letter of credit rights and promissory notes if the grant of a security interest or lien therein is prohibited as a matter of law, rule or regulation or under the terms of such accounts, contract, permit, license, account receivable, general intangibles (other than any equity interests), leasehold interest, payment intangible, chattel paper, letter of credit or promissory note, in each case (i) after giving effect to applicable law (including without limitation Section 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code as in effect in New York) or (ii) unless any consent or waiver has been obtained that would permit the Security Trustee's security interest or lien notwithstanding the prohibition or restriction on the pledge of such contract, lease, permit, license, license agreement or other agreement);
- (b) assets sold to a person who is not an Obligor in compliance with the Finance Documents;
- (c) assets owned by a Guarantor after the release of the guarantee of such Guarantor pursuant to the Finance Documents;
- (d) equity interests in any person other than wholly owned subsidiaries to the extent a pledge thereof is not permitted by the terms of such subsidiary's organizational or joint venture document;
- (e) payroll accounts and withholding tax payments related thereto and other employee wage and benefits payments and accrued and unpaid employee compensation payments (including salaries, wages, benefits and expense reimbursements, 401(k) and other retirement plans and employee benefits payments, including rabbi trusts for deferred compensation and health care benefits payments), trust accounts, escrow accounts, and other accounts holding funds for the benefit of third parties (other than any Obligor);

- (f) any segregated deposits that constitute a Permitted Security Interest and are prohibited from being subject to other Security Interests;
- (g) capital stock of Subsidiaries engaged in securitization transactions to the extent any applicable document does not permit the pledge;
- (h) property and assets released as permitted by the Finance Documents or the Intercreditor Agreement; and
- (i) any Excluded Land.

Excluded Land means:

- (a) any freehold property owned by a Chargor at the date of this Deed;
- (b) any leasehold property owned by a Chargor; and
- (a) any freehold property acquired by a Chargor after the date of this Deed, provided that the value (as determined by the purchase price) of such freehold property in the context of the business of the Group as a whole acquired by a Chargor does not exceed US\$5,000,000 (or its equivalent in any other currencies) in aggregate at any time.

Facility Agreement means the facility agreement originally dated 11 August 2017 as amended and restated on or about the date of this Deed between (amongst others) Pattonair Group Limited and others as Original Borrowers and/or Original Guarantors and Wells Fargo Bank, National Association (London Branch) and others as Original Lenders, Wells Fargo Capital Finance (UK) Limited and HSBC Bank plc as Arrangers and Wells Fargo Capital Finance (UK) Limited as Agent and Security Trustee.

Fixtures means all fixtures and fittings (including, without limitation, those of trade) and fixed plant and machinery on the Mortgaged Property.

Group Shares means all shares specified in Schedule 4 or in the Schedule to any Deed of Accession or, when used in relation to a particular Chargor, such of those shares as are specified against its name in Schedule 4 or in the Schedule to any Deed of Accession, together in each case with all other stocks, shares, debentures, bonds, warrants, coupons or other comparable securities and investments now or in the future owned by any or (when used in relation to a particular Chargor) that Chargor from time to time.

Insurances means all contracts and policies of insurance (other than those contracts and/or policies that are subject to a Restriction) taken out by a Chargor or in which any Chargor has a beneficial interest (to the extent of that interest), but excluding any third party liability or public liability insurance or any directors' and officers' insurance.

Intellectual Property means, save to the extent any such Intellectual Property is subject to a Restriction, all subsisting patents and subsisting rights of a similar nature held in any part of the world, applications for patents and such rights, divisions and continuations of such applications for patents, registered and unregistered trade marks, registered designs, utility models (in each case for their full period and all extensions and renewals of them), applications for any of them and the right to apply for any of them in any part of the world, inventions, confidential information, Know-how, business names, trade names, brand names, copyright and rights in the nature of copyright, design rights and get-up and any similar rights existing in any country; and the benefit (subject to the burden) of any and all agreements, arrangements and licences in connection with any of the foregoing including but not limited to the Specified Intellectual Property.

Intercreditor Agreement means the intercreditor agreement dated on or about the date of this Deed between the Security Trustee as Revolving Loan Agent and Bank of New York

Mellon Trust Company, N.A. in its capacity as Notes Agent (and acknowledged by, amongst others, the Chargors).

Know-how means all the body of knowledge, technical experience, expertise and skills, technical processes, secret processes, formulae and technical information held by any Chargor and relating to its business, which is not in the public domain.

Major Receivable means a Book Debt which is not a Rolls Royce Book Debt and which is for an amount of £100,000 or more.

Minor Receivable means a Book Debt which is not a Rolls Royce Book Debt and which is for an amount less than £100,000.

Mortgaged Property means any freehold property (including the Premises) the subject of the legal mortgage created by this Deed which is material in the context of the business of the Group as a whole.

Notes Debenture means the debenture dated on or about the date of this Deed between the Chargors and Bank of New York Mellon Trust Company, N.A.

Notes Priority Collateral has the meaning given in the Intercreditor Agreement.

Other Accounts means the bank accounts of the Chargors specified in Part II of Schedule 5 and/or in the Schedule to any Deed of Accession and/or such other bank accounts of the Chargors as the Security Trustee may designate or approve in accordance with the terms of this Deed.

Permitted Disposal means any disposal permitted under the terms of the Finance Documents.

Permitted Security Interest means any Security Interest which any Chargor is permitted to create or maintain under the terms of the Finance Documents.

Premises means any building on the Mortgaged Property.

Receiver means any individual or individuals (who may be an employee or employees of the Security Trustee) for the time being and from time to time appointed by the Security Trustee to be a receiver or receivers (and, where more than one individual is appointed jointly, they shall have the power to act severally, unless the Security Trustee shall specify to the contrary in their appointment) under this Deed and, where the context shall admit, any individual or individuals for the time being and from time to time so appointed in substitution, provided always that all such individuals shall be qualified under the Insolvency Act 1986 to act as a receiver of the property of any company with respect to which he is appointed or as an administrative receiver of any such company.

Regulations means the Financial Collateral Arrangements (No 2) Regulations 2003 (S.I. 2003/3226) or equivalent legislation in any applicable jurisdiction bringing into effect Directive 2002/47/EC on financial collateral arrangements, and Regulation means any of them.

Related Rights means, in relation to the Group Shares, all dividends and other distributions paid or payable after today's date on all or any of the Group Shares and all stocks, shares, securities (and the dividends or interest on them), rights or money accruing or offered at any time by way of redemption, bonus, preference, option rights or otherwise to or in respect of any of the Group Shares or in substitution or exchange for any of the Group Shares.

Remedial Works means:

- (a) any investigation, inspection, sampling or monitoring works; or

- (b) any works, steps or measures to treat, abate, remove, remedy, contain, control, manage or ameliorate the presence or actual or potential effect of any Dangerous Substance or any harm to the environment or human health or pollution of the environment.

Restriction means, in relation to any asset of a Chargor, any legal requirement, contract, lease, license or other third party arrangement which may prevent or condition that asset from being charged, would give a third party the right to terminate or otherwise amend any rights, benefits and/or obligations with respect to any member of the Group in respect of those assets or require any member of the Group to take any action materially adverse to its interests.

Revolving Loan Priority Collateral has the meaning given in the Intercreditor Agreement.

Rolls Royce Book Debts means all Book Debts payable by a Rolls Royce Counterparty.

Secured Liabilities means all present and future obligations and liabilities, whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever, of each Obligor to the Secured Parties under or pursuant to the Finance Documents.

Security Assets means all assets of each Chargor that are the subject of any security created by this Deed (and includes the Mortgaged Property).

Security Period means the period beginning on the date of this Deed and ending on the date on which the Secured Liabilities have been irrevocably and unconditionally satisfied in full. If any amount paid by any Chargor and/or in connection with the satisfaction of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of such Chargor, then that amount shall not be considered to have been irrevocably paid for the purpose of this Deed.

Security Shares means the Group Shares and the Related Rights and, in the case of any Chargor, means such of the Group Shares as are held by it at the relevant time, together with all Related Rights in respect of such Group Shares.

Specified Intellectual Property means the registered Intellectual Property (if any) specified in Schedule 7 or in the Schedule to any Deed of Accession.

1.2 Construction

1.2.1 Any reference in this Deed to:

- (a) **assets** includes present and future properties, revenues and rights of every description;
- (b) an **authorisation** means an authorisation, consent, approval, licence, resolution, filing or registration;
- (c) a **Finance Document** or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended or novated from time to time;
- (d) **indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (e) a **person** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing;
- (f) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or

supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

- (g) a **receiver** includes any receiver, manager and, if the Security Trustee is permitted by law to appoint an administrative receiver, includes an administrative receiver;
 - (h) a provision of law is a reference to that provision as amended or re-enacted;
 - (i) words importing the singular shall include the plural and vice versa;
 - (j) a charge or mortgage of any freehold property includes all Premises and Fixtures on that property, the proceeds of sale of any part of that property, and the benefit of any covenants for title (or any monies paid or payable in respect of them) given or entered into by any predecessor in title in respect of that property;
 - (k) any party or person includes any permitted successor, transferee or assignee.
- 1.2.2 Clause and Schedule headings are for ease of reference only.
- 1.2.3 A Default (including an Event of Default) is **continuing** if it has not been remedied or waived.
- 1.2.4 Capitalised terms defined in the Facility Agreement have the same meaning when used in this Deed unless the context requires otherwise.
- 1.2.5 If at any time the Company is the only Chargor the references in this Deed to **Chargors** shall, while such circumstance is continuing, be construed accordingly.
- 1.2.6 The terms of the other Finance Documents and of any side letters between the parties to this Deed in relation to the Finance Documents are incorporated in this Deed to the extent required for any purported disposition of the Security Assets contained in this Deed to be a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- 1.2.7 Each of the charges in Clause 2 over each category of the assets, each asset and each sub-category of each asset specified in such clause shall be read and construed separately, as though each such category, asset and sub-category were charged independently and separately of each other and shall apply to both present and future assets.

1.3 Intercreditor Agreement

This Deed is entered into subject to the terms of the Intercreditor Agreement. In the event of any inconsistency between the terms of this Deed and the provisions of the Intercreditor Agreement, the provisions of the Intercreditor Agreement shall prevail.

1.4 Deposit of documents

- 1.4.1 Subject to clause 1.4.2, discharge by a Chargor of its obligations under clauses 7.3 (*Property*), 7.4 (*Security Shares*), 7.7 (*Intellectual Property*) and 7.8 (*Equipment*) of the Notes Debenture shall constitute discharge of its obligations under clauses 7.3 (*Property*), 7.4 (*Security Shares*), 7.7 (*Intellectual Property*) and 7.8 (*Equipment*) of this Deed.
- 1.4.2 Each Chargor covenants that:
- (a) in respect of Revolving Loan Priority Collateral, at the times and in accordance with the terms of this Deed; and
 - (b) in respect of Notes Priority Collateral, as soon as reasonably practicable after the Discharge of Notes Debt has occurred and at all times during the Security Period following the Discharge of Notes Debt as soon as reasonably practicable after it receives them,

it shall deposit with the Security Trustee, in respect of or in connection with the Security Assets all deeds, certificates and other documents required to be deposited with the Security Trustee in relation to the relevant Security Assets under this Deed, all of which will be held by the Security Trustee at the expense and risk of the relevant Chargor.

2 Fixed Security

2.1.1 Each Chargor charges in favour of the Security Trustee as security for the payment of the Secured Liabilities:

- (a) by way of legal mortgage all the property (if any) now belonging to it and specified in Schedule 2 and all other material interests in any freehold property now or in the future belonging to it; and
- (b) by way of fixed charge:
 - (i) (to the extent that they are not charged by way of legal mortgage pursuant to Clause 2.1.1(a)) all interests in any freehold property now or in the future belonging to it;
 - (ii) all Equipment now or in the future belonging to it and its interest in any such Equipment in its possession now or in the future but excluding any such Equipment which is not owned by such Chargor;
 - (iii) all of its benefits, claims and returns of premiums in respect of the Insurances;
 - (iv) its goodwill and its uncalled capital both present and future;
 - (v) its rights under any hedging arrangements;
 - (vi) Intellectual Property owned by such Chargor including any revenues or other income arising thereunder and any claims for damages arising with respect thereto (whether by reason of infringement or otherwise howsoever);
- (c) by way of mortgage or, to the extent that this Deed does not take effect as a mortgage, by way of fixed charge Group Shares held now or in the future by it and/or any nominee on its behalf; and
- (d) by way of mortgage or to the extent that this Deed does not take effect as a mortgage, by way of fixed charge all the Related Rights accruing to all or any of the Group Shares held now or in the future by it and/or any nominee on its behalf.

PROVIDED THAT:

- (i) until an Enforcement Event, all dividends and other distributions paid or payable as referred to in paragraph (d) above may be paid directly to the relevant Chargor (in which case the Security Trustee or its nominee shall execute any necessary dividend mandate) and, if paid directly to the Security Trustee or its nominee shall be paid promptly by it to the relevant Chargor; and
- (ii) until an Enforcement Event, all voting rights attaching to the relevant Group Shares may be exercised by the relevant Chargor or, where the shares have been registered in the name of the Security Trustee or its nominee, as the relevant Chargor may direct in writing, and the Security Trustee and any nominee of the Security Trustee in whose name such Group Shares are registered shall execute any form of proxy or other document reasonably required in order for the relevant Chargor to do so.

- (e) by way of assignment or, to the extent that this Deed does not take effect as an assignment, by way of fixed charge all of its present and future rights, title and interest in and to:
 - (i) the Rolls Royce Book Debts, both uncollected and collected and the proceeds of the same owing to any Chargor;
 - (ii) all rights, securities and guarantees of whatsoever nature enjoyed or held by it in relation to anything in sub-paragraph 2.1.1(e)(i);
 - (iii) the Major Receivables, both uncollected and collected and the proceeds of the same owing to any Chargor;
 - (iv) all rights, securities and guarantees of whatsoever nature enjoyed or held by it in relation to anything in sub-paragraph 2.1.1(e)(iii);
 - (v) the Minor Receivables, both uncollected and collected and the proceeds of the same owing to any Chargor; and
 - (vi) all rights, securities and guarantees of whatsoever nature enjoyed or held by it in relation to anything in sub-paragraph 2.1.1(e)(v).

2.1.2 Each Borrower charges in favour of the Security Trustee by way of fixed charge as security for the payment of the Secured Liabilities all of its right, title and interest (if any) in and to the Blocked Accounts and all monies standing to the credit of any of the Blocked Accounts and the debts represented by them.

3 Floating Charge

3.1 Creation

Each Chargor charges by way of floating charge all its assets not otherwise effectively mortgaged or charged by way of fixed mortgage or charge under Clause 2 (*Fixed Security*).

3.2 Conversion by notice

The Security Trustee may by written notice to any Chargor convert the floating charge created by this Deed into a fixed charge in relation to all or any of such Chargor's assets specified in the notice if:

- (a) the Security Trustee has reasonable grounds for considering those assets, which are material in the context of the business as a whole, to be in jeopardy, by legal process or otherwise; or
- (b) an Enforcement Event has occurred.

3.3 No waiver

The giving by the Security Trustee of a notice pursuant to Clause 3.2 in relation to any class of any Chargor's assets, rights and property shall not be construed as a waiver or abandonment of the Security Trustee's rights to give other similar notices in respect of any other class of assets.

3.4 Insolvency Act 1986

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by Clause 3.1.

4 Nature of Security created

Subject in all cases to the Legal Reservations and any Permitted Security Interest, the Security Interests created under this Deed are created:

- (a) as a continuing security to secure the payment and discharge of the Secured Liabilities;
- (b) (except in the case of assets which are the subject of a legal mortgage under this Deed) over all present and future assets of the kind described which are owned by any Chargor and, to the extent that it does not own those assets, shall extend to any right or interest which it may have in them;
- (c) in favour of the Security Trustee as trustee for the Secured Parties; and
- (d) with full title guarantee.

5 Excluded Assets

- 5.1.1 There shall be excluded from the charges created by Clause 2 (*Fixed Security*) any Excluded Asset of each Chargor.
- 5.1.2 No Chargor shall, have any obligation to investigate title, review documentation (including in relation to leases, trade receivables or inventory) or review registers, provide surveys or other insurance, environmental or other due diligence or diligence of any potentially applicable Restriction, or to identify, satisfy or remove any such Restriction, in each case prior to, or as a condition of, entering into this Deed or at any time thereafter.
- 5.1.3 If a consent or waiver must be obtained or a condition be satisfied (including as a result of any Restriction) in order for any Excluded Asset to be subject to the charges created by Clause 2 (*Fixed Security*), the relevant Chargor shall use commercially reasonable endeavours to obtain consent to granting security over such assets to the extent such asset is material and provided that the relevant Chargor determines that such endeavours will not involve placing commercial relationships with third parties in jeopardy, such commercially reasonable endeavours shall only be exercised for a reasonable period of time given the circumstances from such date as the Security Trustee reasonably requests such Chargor to do so (but in no event shall such time period be greater than thirty (30) Business Days, following which such commercially reasonable endeavours shall be deemed to have been used.
- 5.1.4 On the waiver or consent being obtained, or the condition being satisfied, the relevant Excluded Asset shall become a Security Asset which is mortgaged or charged (as appropriate) under Clause 2 (*Fixed Security*) of this Deed.

6 Representations and Warranties

6.1 Making of representations

Each Chargor makes the representations and warranties set out in this Clause 6 to the Security Trustee and the other Secured Parties. Each of the representations and warranties so set out are made on the date of this Deed and the representations and warranties in Clauses 6.2 (*Title*), 6.4.1 to 6.4.2 (*Mortgaged Property*) inclusive, 6.4.5 (*Mortgaged Property*), 6.6 (*Security Shares*), 6.7.1 and 6.7.2 (*Specified Intellectual Property*) are deemed to be repeated by the Chargors throughout the Security Period on those dates on which the Repeating Representations are to be repeated in accordance with clause 19 of the Facility Agreement with reference to the facts and circumstances then existing.

6.2 Title

Subject in each case to the Legal Reservations and the Perfection Requirements, the Chargors are the sole legal and beneficial owners of the Security Assets free of any Security Interest or third party interest of any kind (other than pursuant to or as permitted by the Finance Documents).

6.3 Environmental Matters

Save as disclosed in writing by the relevant Chargor to the Security Trustee, each Chargor has at all times complied in all material respects with all applicable Environmental Law including the obtaining of and compliance with all requisite Environmental Licences (as varied or modified from time to time), in each case in relation to any Mortgaged Property:

- (a) as far as such Chargor is aware, no Dangerous Substance has been present, used, disposed of or otherwise dealt with at, on, in, from or under any Mortgaged Property or any Premises while within any Chargor's ownership, occupation or control in circumstances which are likely to result in any Environmental Proceedings;
- (b) as far as such Chargor is aware, no Dangerous Substance is present at, in, on or under or migrating onto or from any Mortgaged Property in circumstances which are likely to give rise to Environmental Proceedings;
- (c) no Chargor is involved in any material Environmental Proceedings and no Chargor is aware of any circumstances which are likely to give rise to such Environmental Proceedings, in each case in relation to any Mortgaged Property; and
- (d) as far as such Chargor is aware, no circumstances exist which will result in any Chargor having any requisite Environmental Licence revoked or modified or varied in a material manner in relation to any Mortgaged Property.

6.4 Mortgaged Property

- 6.4.1 The Chargor named as owner in respect of any Mortgaged Property is the legal and beneficial owner of such Mortgaged Property.
- 6.4.2 Other than as notified in writing to the Security Trustee, the Mortgaged Property is free from any agreement for lease, licence, tenancy, overriding lease or other occupational arrangement or overriding interest.
- 6.4.3 As far as each Chargor is aware and save as disclosed in writing by the relevant Chargor to the Security Trustee, there subsists no breach of any law or regulation which would affect materially the value of the Mortgaged Property.
- 6.4.4 There are no covenants, agreements, stipulations, reservations, conditions, interests, rights or other matters whatsoever which would have a material adverse effect on the Mortgaged Property so far as the Chargors are aware.
- 6.4.5 The Mortgaged Property is free from any financial encumbrance of whatsoever nature other than Permitted Security Interests.
- 6.4.6 Save as disclosed in writing by the relevant Chargor to the Security Trustee, no Chargor has received any notice of any material adverse claim, nor has any acknowledgement been given in respect of the ownership of the Mortgaged Property, or any interest in it.

6.5 Security

Subject to the Legal Reservations and Perfection Requirements, this Deed creates the various forms of security it purports to create and is not liable to be avoided or otherwise set aside on the liquidation or administration of any Chargor.

6.6 Security Shares

- 6.6.1 Subject to the Perfection Requirements, each Chargor is the sole beneficial owner of its Security Shares and, save where such Security Shares have been registered in the name of the Security Trustee or its nominee pursuant to this Deed and/or its nominee, is the absolute legal owner of such Security Shares subject to any Permitted Disposal.
- 6.6.2 Subject to the Perfection Requirements, the Group Shares are fully paid and non-assessable and neither the Group Shares nor the Related Rights are subject to any options to purchase or similar rights of any person which would adversely affect the interests of the Secured Parties.

6.7 Specified Intellectual Property

- 6.7.1 The details of the Specified Intellectual Property appearing or referred to in Schedule 7:
- (a) are true, accurate, and complete in all material respects; and
 - (b) no Chargor is the owner of any material interest in any other registered Intellectual Property which is not identified in that Schedule other than registered Intellectual Property which has been notified to the Security Trustee in writing and equivalent security has been granted by the relevant Chargor over such Intellectual Property within 15 days of such notification.
- 6.7.2 The Chargors are the sole legal and beneficial owners of any Specified Intellectual Property referred to in Clause 6.7.1 and, as far as the Chargor is aware, there are no (i) Security Interests, nor (ii) any options, rights of pre-emption, licences, agreements or other third party interests of any nature, affecting any such Specified Intellectual Property, other than those which are specifically identified in Schedule 7.
- 6.7.3 As far as each Chargor is aware and save as disclosed in writing by the relevant Chargor to the Security Trustee, nothing has been done or has been omitted to be done by or with the consent of the Chargors whereby any person (including any relevant registrar or other applicable authority) might reasonably be expected successfully (i) to seek cancellation or rectification or any other modification of any registration of or application for registration, in any jurisdiction, of any Specified Intellectual Property which is registered or subject to an application for registration in such jurisdiction, or (ii) to challenge the legality or validity of any such registration or application.
- 6.7.4 Save as disclosed in writing by the relevant Chargor to the Security Trustee, no Chargor is aware of any circumstances which would entitle a third party to a licence, permission, consent or assignment of, or in respect of, any Specified Intellectual Property or other Intellectual Property right.
- 6.7.5 Save as disclosed in writing by the relevant Chargor to the Security Trustee, no Chargor is aware of any actions, claims or allegations against any third party alleging infringement of any Specified Intellectual Property excluding where any such actions, claims or allegations are frivolous or vexatious, nor of any facts, matters or circumstances which could reasonably be expected to give rise to any such action, claim or allegation.
- 6.7.6 Save as disclosed in writing by the relevant Chargor to the Security Trustee, no Chargor is aware of any pending or anticipated actions, claims, counter-claims, applications or allegations impugning the validity or enforceability of any Specified Intellectual Property or its ownership of it excluding where any such actions, claims or allegations are frivolous or vexatious, nor of any facts, matters or circumstances which could reasonably be expected to give rise to any such action, claim, counter-claim, application or allegation.
- 6.7.7 Save as disclosed in writing by the relevant Chargor to the Security Trustee, as far as each Chargor is aware, no Chargor has done or omitted to do any act in relation to any Specified Intellectual Property which has resulted in any material breach or infringement of any third party's intellectual property rights.

7 Undertakings

7.1 Duration

The undertakings in this Clause 7 shall remain in force throughout the Security Period and are given by each Chargor.

7.2 General

7.2.1 Book debts and receipts: Each Chargor shall collect and realise its Book Debts and other monies and receipts in accordance with the Facility Agreement and, save to the extent that the Security Trustee otherwise agrees in writing, pay the proceeds thus realised into a Blocked Account (in the case of each Borrower) or an Other Account (in the case of any other Chargor) and, pending such payment into a Blocked Account or Other Account (as the case may be), hold the proceeds thus realised upon trust for the Secured Parties.

7.2.2 Restrictions on dealings: No Chargor shall:

- (a) create or permit to subsist any Security Interest over any Security Asset other than a Security Interest or (as the case may be) Quasi-Security, which is a Permitted Security Interest, Permitted Disposal or a Permitted Transaction or as created by this Deed; or
- (b) sell, transfer or otherwise dispose of any Security Asset, except for the disposal in the ordinary course of trade of any Security Asset subject to the floating charge created by Clause 3.1 or except as provided for under the Finance Documents (including for the avoidance of doubt any Permitted Disposal or Permitted Transaction).

7.3 Property

7.3.1 Environmental matters: Each Chargor shall:

- (a) as soon as reasonably practicable inform the Security Trustee:
 - (i) of any actual Environmental Proceedings or of any potential material Environmental Proceedings involving it in relation to any Mortgaged Property; and
 - (ii) upon receipt, of any communication of whatsoever nature, whether specific or general and whether from a third party or competent regulatory authority, served on it concerning any alleged breach of any Environmental Law or non-compliance with any Environmental Licence, in each case in relation to a Mortgaged Property and which, if substantiated, could have a material adverse effect upon its financial position or upon its ability to perform its obligations under this Deed;
- (b) as soon as reasonably practicable inform the Security Trustee if it becomes aware that any of the Mortgaged Property or any other property owned or occupied by any Chargor is likely to be entered on any register relating to (a) land use or (b) to Remedial Works affecting land and waters (including, without limitation, registers to be held by any competent regulatory authority under section 78R of the Environmental Protection Act 1990 or section 190 of the Water Resources Act 1991);
- (c) as soon as reasonably practicable inform the Security Trustee if it becomes aware of the presence of any Dangerous Substance in, on, at or under or migrating onto or from any Mortgaged Property or other property owned or occupied by any Chargor or of any other circumstance, event or incident which is likely to give rise to any Environmental Proceedings; and
- (d) as soon as reasonably practicable inform the Security Trustee of any actual or proposed variation, modification or revocation of any requisite Environmental Licence

held by such Chargor and of any refusal to grant or transfer to the Chargor any Environmental Licence required by it in relation to a Mortgaged Property.

7.3.2 Future Acquisitions and Legal Mortgage:

- (a) Each Chargor shall:
 - (i) upon the request of the Security Trustee (such request to be limited to one per year) or within 10 Business Days of an acquisition, notify the Security Trustee of the acquisition by it of any freehold property which is not Excluded Land (and for the purposes of this Clause 7.3.2 the date of exchange of contracts for such an acquisition shall be deemed the date of acquisition); and
 - (ii) within 120 days of the date of an acquisition of the kind referred to in clause 7.3.2(a)(i), at its cost, execute and deliver to the Security Trustee a legal mortgage (on terms no more onerous than the terms of this Deed) in favour of the Security Trustee of any freehold of the kind referred to in clause 7.3.2(a)(i) above.
- (b) The provisions of this Clause 7.3.2 shall not apply to Excluded Land.

7.3.3 Covenant compliance: Each Chargor shall:

- (a) perform all material terms on its part contained in any agreement to which the Mortgaged Property is subject; and
- (b) properly perform any material covenants and material stipulations of whatsoever nature affecting the Mortgaged Property.

7.3.4 Notices: Within 10 Business Days after the receipt by a Chargor of any material application, requirement, order or notice served or given by any public, local or other authority relating to any Mortgaged Property, such Chargor shall:

- (a) deliver a copy to the Security Trustee; and
- (b) inform the Security Trustee of any steps taken or proposed to be taken by way of compliance.

7.3.5 Power to Remedy: In case of default by any Chargor in performing any material obligation or other material covenant affecting the Mortgaged Property where such default would have a materially adverse effect on the valuation of the Mortgaged Property, each Chargor shall (following reasonable notice having been given by the Security Trustee to the Chargor and the Chargor having been afforded a reasonable opportunity to remedy the default or provide evidence to the Security Trustee of any dispute relating to an alleged default) permit the Security Trustee or its agents and contractors:

- (a) to enter on the Mortgaged Property;
- (b) to comply with or object to any notice served on any Chargor relating to the Mortgaged Property; and
- (c) to take any action the Security Trustee may reasonably consider expedient to prevent or remedy any breach of any such term or to comply with or object to any such notice,

provided that nothing in this Clause 7.3.5 (or otherwise in this Deed) shall entitle the Security Trustee or its agents and contractors to any action (including any Remedial Works) relating to any notice served under or breach of any Environmental Law (including without limitation Part II A of the Environmental Protection Act 1990).

7.4 Security Shares

- 7.4.1 Each Chargor shall deposit with the Security Trustee or as the Security Trustee may direct all bearer instruments and share certificates in relation to such Group Shares as are owned by it or in which it has or acquires an interest and their Related Rights and shall execute and deliver to the Security Trustee all such share transfers in order to, on an Enforcement Event, enable the Security Trustee or its nominees to be registered as the owner or otherwise to obtain a legal title to the same and, without limiting the generality of the foregoing, shall deliver to the Security Trustee as soon as reasonably practicable after the date of this Deed or the relevant Deed of Accession (unless it has already taken such action) executed (and, if required to be stamped, pre-stamped) share transfers for all such Group Shares in favour of the Security Trustee and/or its nominee(s) as transferees or, if the Security Trustee so directs, with the transferee left blank and, following an Enforcement Event, shall procure that all such share transfers are at the request of the Security Trustee promptly registered by the relevant company and that share certificates in the name of the Security Trustee and/or such nominee(s) in respect of all Group Shares are promptly delivered to the Security Trustee.
- 7.4.2 The Security Trustee and its nominee may, following an Enforcement Event, exercise or refrain from exercising (in the name of each Chargor, the registered holder or otherwise and without any further consent or authority from each Chargor and irrespective of any direction given by any Chargor) in respect of the Security Shares any voting rights and any powers or rights under the terms of the Security Shares or otherwise which may be exercised by the person or persons in whose name or names the Security Shares are registered or who is the holder thereof, including, without limitation, all the powers given to trustees by Section 10(3) and (4) of the Trustee Act 1925 as amended by Section 9 of the Trustee Investments Act 1961 in respect of securities or property subject to a trust PROVIDED THAT at all times prior to an Enforcement Event each Chargor may and shall continue to exercise any and all voting rights with respect to the Group Shares subject always to the terms of this Deed. No Chargor shall without the previous consent in writing of the Security Trustee exercise the voting rights attached to any of the Group Shares in favour of resolutions having the effect of changing the terms of the Group Shares (or any class of them) or any Related Rights in any way which would materially adversely affect the interests of the Secured Parties. Each Chargor hereby irrevocably appoints the Security Trustee or its nominees its proxy to exercise (following an Enforcement Event and as provided in or permitted by this Deed) all voting rights so long as the Group Shares belonging to it remain registered in its name.
- 7.4.3 Each Chargor during the continuance of this security will promptly following their due date make all payments which may become due and payable in respect of any of the Security Shares and, in the event of its failure to make any such payment, the Security Trustee may if it thinks fit make such payment on behalf of each Chargor. Any sums so paid by the Security Trustee shall be repayable by the relevant Chargor to the Security Trustee on demand and pending such repayment shall constitute part of the Secured Liabilities.
- 7.4.4 It is expressly agreed that, notwithstanding anything to the contrary contained in this Deed, each Chargor shall remain liable to observe and perform all of the conditions and obligations assumed by it in respect of the Security Shares and the Security Trustee shall not be under any obligation or liability by reason of or arising out of the security over the Security Shares conferred by this Deed. The Security Trustee shall not be required in any manner to perform or fulfil any obligation of any Chargor in respect of the Security Shares, or to make any payment, or to receive any enquiry as to the nature or sufficiency of any payment received by them, or to present or file any claim or take any other action to collect or enforce the payment of any amount to which they may have been or to which they may be entitled under this Deed at any time or times.
- 7.4.5 On an Enforcement Event and at any time thereafter the Security Trustee shall be entitled to put into force and exercise immediately as and when it may see fit any and every power possessed by the Security Trustee by virtue of the security over the Security Shares conferred by this Deed or available to a secured creditor (so that Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this security) and in particular (without limitation):

- (a) to sell all or any of the Security Shares in any manner permitted by law upon such terms as the Security Trustee shall in its absolute discretion determine;
 - (b) to collect, recover or compromise and give a good discharge for any monies payable to any Chargor in respect of the Security Shares or in connection therewith; and
 - (c) to act generally in relation to the Security Shares in such manner as the Security Trustee acting reasonably shall determine.
- 7.4.6 Promptly following conversion of any of the Group Shares from certificated to uncertificated form, and on the creation or conversion of any other securities which are for the time being comprised in the Security Shares in or into uncertificated form, each Chargor shall give such instructions or directions as the Security Trustee may reasonably require in order to protect or preserve its security.
- 7.4.7 Each Chargor shall, as soon as reasonably practicable after receipt of any certificate or other document evidencing any entitlement to further Security Shares, deposit it with the Security Trustee together with such share transfer forms in blank and other documents as the Security Trustee may reasonably require.

7.5 Opening of Accounts and Collection of Receivables

- 7.5.1 In accordance with the terms of the Facility Agreement, each Borrower shall open the relevant Blocked Accounts, and the Chargors shall maintain the Other Accounts and execute all deeds and documents and do all other acts and things reasonably required by the Security Trustee in connection with them and the Chargors shall maintain such accounts until the security constituted by this Deed has been discharged.
- 7.5.2 Promptly following the execution of this Deed or Deed of Accession (as applicable), each Borrower shall serve notice upon the bank at which each Blocked Account is opened (in respect of the relevant Blocked Accounts) in substantially the form set out in Schedule 3 and shall procure that the relevant bank returns the acknowledgement in substantially the form set out in Schedule 3 or such other form acceptable to the Security Trustee in its absolute discretion.
- 7.5.3 Until the security constituted by this Deed is discharged, no Chargor shall maintain any bank accounts which are not Charged Accounts.

7.6 Operation of Blocked Account

Subject to the terms of the Facility Agreement, until the expiry of the Security Period, no Borrower shall be entitled to withdraw the whole or any part of any amount standing to the credit of any Blocked Account and shall not take any action, claim or proceedings against the Security Trustee or any other party for the return or payment to any person of the whole or any part of any amount standing to the credit of any Blocked Account.

7.7 Intellectual Property

- 7.7.1 Without prejudice to Clause 15, each Chargor shall at its own expense execute any document and do all assurances acts and things as the Security Trustee may reasonably require to procure that the security created by this Deed is recorded as soon as possible by the Security Trustee in either (i) each register in each jurisdiction in which any Specified Intellectual Property is registered, or (ii) the relevant supranational registry.
- 7.7.2 Without prejudice to Clause 15, if after the date of this Deed, any Chargor (i) proposes to apply to register any Specified Intellectual Property in any register in which it is not already identified as being registered in or (ii) proposes to apply to register any Intellectual Property right not existing on the date of this Deed, such Chargor shall notify the Security Trustee and, if the Security Trustee so requires and promptly notifies the Chargor, such Chargor shall ensure that application is made for the security created by this Deed to be recorded, and that

any such security is recorded, at the same time as the application or registration (as the case may be) of such Intellectual Property.

- 7.7.3 Each Chargor shall use its reasonable endeavours to procure any third party consents which may be necessary to complete or to perfect the security intended to be created over the Intellectual Property pursuant to this Deed.
- 7.7.4 Subject to clause 7.7.7(b) below, each Chargor will make such registrations and pay such fees, renewal fees, registration taxes and similar amounts as are necessary to keep the Specified Intellectual Property in force.
- 7.7.5 Each Chargor will take such steps as are reasonably practicable to maintain and preserve its interests in its Specified Intellectual Property including applying to register any interests therein in any relevant register.
- 7.7.6 Each Chargor will promptly notify the Security Trustee in writing upon becoming aware of any circumstances which would make any of the representations in Clause 6.7 incorrect or misleading in any material respect if those representations were then to be repeated.
- 7.7.7 No Chargor will, without the prior written consent of the Security Trustee or as otherwise permitted under any of the Finance Documents:
 - (a) sell, transfer, license or otherwise dispose of any Specified Intellectual Property except for any Permitted Disposal;
 - (b) permit any Specified Intellectual Property which is registered or subject to an application for registration to be abandoned or cancelled, to lapse or to be liable to any claim for abandonment for non-use or otherwise, unless such Specified Intellectual Property is no longer material to the business of the relevant Chargor, in which case it should be allowed to lapse.

7.8 Equipment

- 7.8.1 Each Chargor will promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Premises and the Equipment.
- 7.8.2 Each Chargor will obtain all material authorisations from time to time required for the use and operation of the Equipment and not to do or permit to be done any act or omission whereby the Equipment or the use of it would contravene regulations for the time being in force.
- 7.8.3 To the extent such loss, theft, material damage or destruction would be materially prejudicial to the interests of the Secured Parties, each Chargor will, as soon as reasonably practicable, notify the Security Trustee of any loss, theft, material damage or destruction to the Equipment.
- 7.8.4 If an Event of Default has occurred and is continuing immediately upon request of the Security Trustee, each Chargor will give the Security Trustee such information concerning the location, condition, use and operation of the Equipment as the Security Trustee may reasonably require and to permit any persons designated by the Security Trustee during normal business hours to inspect and examine the Equipment and the records maintained in connection with it provided that each Chargor is given reasonable prior notice of such inspection.

8 When Security becomes Enforceable

The security constituted by this Deed shall become immediately enforceable and the power of sale and other powers conferred by section 101 of the Law of Property Act 1925, as varied or amended by this Deed, shall be immediately exercisable upon and at any time after an Enforcement Event after which the Security Trustee may in its absolute discretion enforce all or any part of the security in any manner it sees fit.

9 Enforcement of Security

9.1 General

- 9.1.1 For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due on the date of this Deed but such powers shall only be exercisable on and from an Enforcement Event.
- 9.1.2 Section 103 of the Law of Property Act 1925 (restricting the power of sale) and section 93 of the Law of Property Act 1925 (restricting the right of consolidation) do not apply to the security constituted by this Deed.
- 9.1.3 The statutory powers of leasing conferred on the Security Trustee are extended so that, without the need to comply with any provision of section 99 or 100 of the Law of Property Act 1925, the Security Trustee is empowered to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Trustee may think fit.

9.2 Agent of the Chargors

For all purposes each Receiver is deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Law of Property Act 1925. Every Receiver shall be the agent of the Chargor in respect of which he was appointed unless and until a liquidator shall be appointed of that Chargor, whereafter such Receiver shall act as principal but shall not become the agent of the Security Trustee. That Chargor alone shall be responsible for the Receiver's contracts, engagements, commissions, omissions, defaults and losses and for liabilities incurred by him. The Security Trustee shall not incur any liability of whatsoever nature (either to the Chargors or to any other person) by reason of the Security Trustee making his appointment as a Receiver or for any other reason, other than as a result of the Security Trustee or Receiver's gross negligence or wilful misconduct.

9.3 Mortgagee in Possession - No Liability

Neither the Security Trustee nor any Receiver or manager 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 otherwise be liable, other than as a result of the Security Trustee or Receiver's gross negligence or wilful misconduct.

9.4 Privileges

Each Receiver and the Security Trustee is entitled to all the rights, powers, privileges and immunities conferred by the Law of Property Act 1925 on mortgagees and receivers when such receivers have been duly appointed under that Act, except that section 103 of that Act does not apply.

9.5 Protection of third parties

No person (including a purchaser) dealing with the Security Trustee or a Receiver or its or his agents need enquire:

- (a) whether the Secured Liabilities have become payable; or
- (b) whether any power purported to be exercised has become exercisable; or
- (c) whether any money remains due; or
- (d) how any money paid to the Security Trustee or to the Receiver is to be applied.

9.6 Redemption of prior Mortgages

At any time after the security constituted by this Deed has become enforceable, the Security Trustee or any Receiver may, in the case of the Security Trustee at the sole cost of the Chargors (payable to the Security Trustee on demand) and in the case of a Receiver as an expense of the Receiver's receivership:

- (a) redeem any interest by way of security for the time being and from time to time ranking in point of security in priority to any of the security constituted by this Deed; and/or
- (b) (in the case of a redemption by the Security Trustee) procure the transfer of that interest by way of security to itself; and/or
- (c) settle and pass the accounts of any prior mortgagee, chargee or encumbrancer which once so settled and passed shall be conclusive and binding on the Chargor.

9.7 Financial Collateral

9.7.1 At any time after an Enforcement Event, the Security Trustee or any Receiver may to the extent that any Security Asset constitutes Financial Collateral, as defined in the Regulations, appropriate it and transfer the title in and to it to the Security Trustee insofar as not already transferred, subject to paragraphs (1) and (2) of Regulation 18.

9.7.2 The Security Trustee shall promptly attribute a value to the appropriated financial security as confirmed by reference to either the relevant public quoted index reflecting the right to effect an immediate sale thereof on a recognised stock exchange at such price on such date of valuation (if applicable) or a fair valuation opinion provided by an independent reputable internationally recognised third party professional firm of advisors and, in any event, attributed in a commercially reasonable manner.

9.7.3 Where the Security Trustee exercises its rights of appropriation and the value of the financial collateral appropriated in accordance with this Clause 8.7.3 differs from the amount of the Security Asset, either:

- (a) the Security Trustee must account to the relevant Chargor promptly upon the determination of such value for the amount by which the value of the appropriated financial collateral exceeds the Security Asset; or
- (b) the relevant Chargor will remain liable to the Security Trustee for any amount whereby the value of the appropriated financial collateral is less than the Security Asset.

10 Receiver

10.1 Appointment of Receiver

At any time after the security constituted by this Deed becomes enforceable, or, at any time if so requested by any Chargor in writing, the Security Trustee may (but shall not be obliged) without further notice (and whether or not the relevant Chargor shall have been accorded sufficient or any time in which to satisfy any relevant indebtedness) from time to time, and notwithstanding that, if such be the case, one or more than one Receiver shall have been appointed in respect of all or any of the Security Assets pursuant to this Clause 10.1 and not removed from such Security Assets, appoint in writing, under the hand of any manager of the Security Trustee, a Receiver of the Security Assets or any of them and, where so requested by a Chargor, whether or not those Security Assets shall belong to that Chargor.

10.2 Relationship with the Security Trustee

To the fullest extent permitted by law, any right, power or discretion conferred by this Deed (be

it express or implied) upon a Receiver of any Security Assets may, after the security created by this Deed has become enforceable, be exercised by the Security Trustee in relation to any Security Asset either:

- (a) without first appointing a Receiver; or
- (b) notwithstanding the appointment of a Receiver.

10.3 Removal

The Security Trustee may by writing under its hand (subject to Section 45 of the Insolvency Act 1986 (any requirement for an order of the court in the case of an administrative receiver)):

- (a) remove any Receiver appointed by it; and
- (b) whenever it deems it necessary or desirable, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

10.4 Remuneration

The Security Trustee may, from time to time, fix the remuneration of any Receiver and direct payment of the same out of monies accruing to him in the exercise of his powers, authorities and discretions by or pursuant to this Deed, but the Chargor in respect of which any Receiver shall have been appointed shall alone be liable for the payment of that remuneration.

11 Powers of Receiver

11.1 General

- 11.1.1 In addition to those conferred by the Law of Property Act 1925 on any receiver appointed under that Act, each Receiver has, and is entitled to exercise, all of the rights, powers and discretions set out in this Deed. The powers, authorities and discretions conferred by or pursuant to this Deed in relation to the Security Assets on the Security Trustee or any Receiver shall be in addition to, and not in substitution for, the powers conferred on mortgagees or receivers under the Law of Property Act 1925, and, where there is any ambiguity or conflict between the powers, authorities and discretions contained in that Act and those conferred by or pursuant to this Deed, the terms of this Deed shall prevail.
- 11.1.2 If there is more than one Receiver holding office at the same time, unless the document appointing him states otherwise, each Receiver may exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receivers.
- 11.1.3 A Receiver who is an administrative receiver of a Chargor has all the rights, powers and discretions of an administrative receiver under the Insolvency Act 1986.
- 11.1.4 A Receiver may, in the name of the relevant Chargor if he so wishes:
 - (a) do all other acts and things which he may consider necessary or desirable 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; and
 - (b) do and exercise in relation to any Security Asset all the powers, authorities and things which he would be capable of exercising as if he were its absolute beneficial owner.

11.2 Borrow and Lend Money

A Receiver may raise and borrow money (either unsecured or on the security of any Security Asset, either in priority to, *pari passu* with, or subsequent to, the security constituted by this Deed or otherwise) and may lend money either with or without security in the case of either

borrowing or lending money on any other terms and for whatever purpose which he thinks fit. No person lending that money need enquire as to the propriety or purpose of the exercise of that power or to check the application of any money so raised or borrowed.

11.3 Carry on Business

A Receiver may carry on, manage or concur in the carrying on or managing of, the business for the time being and from time to time of the relevant Chargor in such manner as he may think fit, including, without limitation, power to perform, repudiate, rescind, compromise, amend or vary any contract, instrument or agreement to which the relevant Chargor shall for the time being and from time to time be a party.

11.4 Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the relevant Chargor or relating in any way to any Security Asset.

11.5 Employees

Either in connection with any exercise by the Receiver of his powers by or pursuant to this Deed or otherwise for any purpose connected with any of the Security Assets, a Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others upon such terms as to remuneration or otherwise as he may think proper.

11.6 Leases

A Receiver may grant, or concur in the grant of, any leases or licences of any Security Asset for any term on any terms which he thinks fit (including, without limitation, at a rent or fee with or without a premium) and may accept a surrender of any lease or licence of any Security Asset on any terms which he thinks fit (including, without limitation, the payment of money to a lessee or licensee on a surrender).

11.7 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings to the relevant Chargor or its Security Assets as he thinks fit.

11.8 Possession

A Receiver may take immediate possession of, get in, and/or collect the Security Assets of the Chargor and, for that purpose, to enter upon its property or any other premises at which its Security Assets are for the time being and from time to time located and sever, dismantle or remove the same or any fixtures for the time being and from time to time therefrom without being liable for any loss or damage thereby occasioned.

11.9 Protection of Assets

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

- (a) make and effect, and concur in the making and effecting of, all repairs, maintenance, decoration, provision of all services (including, without limitation, lighting, heating and cleansing) structural and other alterations, improvements, additions and development in or to the Security Assets and do anything else in connection with the Security Assets which he may think fit or which he may deem proper for the efficient use or management of the Security Assets, as well as for the protection as for the improvement of the Security Assets or for the protection of the security hereby constituted;

- (b) commence and/or complete any building operations on the Mortgaged Property or other Security Asset;
- (c) apply for and maintain any planning permission, building regulation, approval or any other permission, consent or licence in relation to the Security Assets; and
- (d) effect and maintain insurances in respect of the Security Assets.

11.10 Receipts

A Receiver may give valid receipts for all monies and execute all deeds or documents (including, without limitation, with full power to convey any assets sold in the name of the relevant Chargor) as may be necessary or appropriate in the name of, or on behalf of the relevant Chargor for the purpose of exercising any of the powers, authorities and discretions conferred on the Receiver by or pursuant to this Deed and to use the name of the relevant Chargor for all or any of such powers, authorities and discretions, for which purpose the relevant Chargor hereby irrevocably appoints every such Receiver to be its attorney.

11.11 Sale of assets

A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction, tender or private treaty in any manner and on any terms and with or without such advertisement and in such lot or lots and together or separately as the Receiver thinks fit. The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over such period as the Receiver thinks fit. Fixtures may be severed and sold separately from the property containing them without the consent of the Chargor.

11.12 Subsidiaries

A Receiver may promote the formation of a or purchase a newly formed, or concur in the promotion of the formation of a or purchase a newly formed, subsidiary and/or subsidiaries of any Chargor with a view to the same purchasing, leasing, licensing or otherwise acquiring all or any of the assets of that Chargor and the Receiver may sell, lease, license or otherwise dispose all or any of the assets of that Chargor to such subsidiary or subsidiaries on such terms as he shall think fit.

11.13 Exercise of Rights

A Receiver may exercise or permit the relevant Chargor or any nominee of the relevant Chargor to exercise any powers or rights incidental to the ownership of its Security Assets in such manner as the Receiver may think fit and, in particular (as regards any shares, stock or other securities for the time being and from time to time included in its Security Assets), any rights for the time being and from time to time attached thereto.

11.14 Uncalled capital

A Receiver may call up all or any portion of any uncalled capital of a Chargor.

11.15 Professional advice

A Receiver may appoint a solicitor or accountant or other professionally qualified person to advise or assist it in the exercise of any of the powers, authorities and discretions by or pursuant to these presents or otherwise for any purpose connected with its Security Assets, and may discharge any such person.

11.16 Seal

A Receiver may use a Chargor's seal.

11.17 Intellectual Property

A Receiver may in respect of any Intellectual Property:

- (a) make such registrations and pay such fees, renewal fees, registration taxes and similar amounts as he thinks fit to keep such Intellectual Property in force;
- (b) take such steps as he thinks fit (including, without limitation, the institution of legal proceedings and the incurring of advertising expenditure) to police such Intellectual Property in any territory and to prevent third parties infringing it and otherwise to maintain and preserve its value; and
- (c) if he thinks fit, abandon or cancel such Intellectual Property or permit its registration (or application for registration) in any jurisdiction to lapse or to permit it to become liable to a claim for abandonment for non-use or otherwise.

12 Application of Proceeds

Any monies received by the Security Trustee or any Receiver after this Deed has become enforceable shall be applied in the order and manner specified in the Intercreditor Agreement.

13 Expenses and Indemnity

Promptly following any written demand by the Security Trustee, each Chargor shall pay all other costs and expenses (including legal fees subject to any agreed cap and VAT) properly incurred from time to time in connection with the enforcement of or preservation of rights under this Deed by each Secured Party, or any Receiver, attorney, manager, agent or other person appointed by the Security Trustee under this Deed or by statute, and keep each of them indemnified against any failure or delay in paying the same.

14 Delegation

The Security Trustee and any Receiver may, for the time being and from time to time, delegate by power of attorney or in any other manner (including, without limitation, under the hand of any manager of the Security Trustee) to any person any right, power or discretion exercisable by the Security Trustee or such Receiver (as the case may be) under this Deed. Any such delegation may be made upon the terms (including, without limitation, power to sub-delegate) and subject to any regulations which the Security Trustee or such Receiver (as the case may be) may think fit. Neither the Security Trustee nor any Receiver will be in any way liable or responsible to any Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate.

15 Further Assurances

15.1 General

Subject to the Agreed Security Principles, each Chargor shall, at its own expense, execute and do all such acts, deeds and things (including, without limitation, payment of all stamp duties and registration fees) the Security Trustee or a Receiver may reasonably require for:

- (a) perfecting or protecting the security intended to be created by this Deed over any Security Asset; and
- (b) after the security constituted by this Deed has become enforceable, facilitating the realisation of any Security Asset or the exercise of any right, power or discretion exercisable, by the Security Trustee or any Receiver in respect of any Security Asset,

including, without limitation, the execution of any transfer, conveyance, assignment or assurance of any property whether to the Security Trustee or to its nominees, and the giving of any notice, order or direction and the making of any registration, which in any such case, the Security Trustee may think necessary (acting reasonably) and in each case in a manner which is consistent with the remaining provisions of this Deed and, in the case of any document required to be executed under this Clause 15.1, containing clauses corresponding to and which are on terms no more onerous than the provisions of this Deed.

15.2 Further Subsidiaries

- 15.2.1 Each Chargor undertakes to ensure that each company which becomes a Required Subsidiary after the date of this Deed shall, as soon as reasonably practicable upon being required to do so by the Security Trustee, execute a Deed of Accession in substantially the form set out in Schedule 6 (subject to such amendments as may be required in accordance with the Agreed Security Principles) and such company shall on the date which such Deed of Accession is executed by it become a party to this Deed in the capacity of a Chargor and this Deed shall be read and construed for all purposes as if such company had been an original party to this Deed as a Chargor (but for the avoidance of doubt the security created by such company shall be created on the date of the Deed of Accession).
- 15.2.2 The Security Trustee may specify any amendments or changes to the form or manner in which any such new Chargor gives such security (including an acceptance of a limit on the liability of such new Chargor) which in the opinion of the Security Trustee (acting reasonably) is necessary in order that such security may lawfully be given.
- 15.2.3 The Company shall procure that all registrations or other steps necessary to perfect any security created by a Deed of Accession are completed as soon as is practicable after its execution and in any event within any applicable time limit.
- 15.2.4 Each Chargor (other than the Company) by its execution of this Deed or any Deed of Accession, irrevocably appoints the Company to execute on its behalf any Deed of Accession without further reference to or the consent of such Chargor and such Chargor shall be bound by any such Deed of Accession as if it had itself executed such Deed of Accession.

16 Power of Attorney

Each Chargor, by way of security, irrevocably and severally appoints the Security Trustee, each Receiver and any of their delegates or sub-delegates to be its attorney and on its behalf and in its name or otherwise to, following an Enforcement Event, execute and do all such acts, deeds and things which such Chargor is obliged to take under this Deed and generally, on its behalf and in its name, to exercise all or any of the powers, authorities and discretions conferred by or pursuant to this Deed on the Security Trustee or any Receiver. Each Chargor hereby ratifies and confirms and agrees to ratify and confirm whatever any attorney does or purports to do pursuant to its appointment under this Clause 16.

17 Continuing Security

17.1 Additional Security

The security constituted by this Deed is in addition to and is not in any way prejudiced by any other security now or subsequently held by the Security Trustee or the Secured Parties for any of the Secured Liabilities.

17.2 Continuing Security

The security constituted by this Deed is continuing and will extend to the ultimate balance of all the Secured Liabilities, regardless of any intermediate payment or discharge in whole or in

part.

17.3 Reinstatement

If any payment by a Chargor or any discharge given by any Secured Party (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

- (a) the liability of each Chargor shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) the Secured Parties shall be entitled to recover the value or amount of that security or payment from each Chargor, as if the payment, discharge, avoidance or reduction had not occurred.

17.4 Waiver of defences

The obligations of each Chargor under this Deed will not be affected by an act, omission, matter or thing which, but for this Clause 17.4, would reduce, release or prejudice any of its obligations under this Deed (without limitation and whether or not known to it or any Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any Obligor or any other person;
- (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 Obligor 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;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment (however fundamental) or replacement of a Finance Document or any other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings.

17.5 Chargor intent

Without prejudice to the generality of Clause 17.4, each Chargor expressly confirms that it intends that the security created by this Deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following:

- (a) acquisitions of any nature;
- (b) increasing working capital;
- (c) enabling investor distributions to be made;
- (d) carrying out restructurings;

- (e) refinancing existing facilities;
- (f) refinancing any other indebtedness;
- (g) making facilities available to new borrowers;
- (h) any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and
- (i) any fees, costs and/or expenses associated with any of the foregoing.

17.6 Immediate recourse

Each Chargor waives any right it may have of first requiring any Secured Party to proceed against or enforce any other rights or security or claim payment from any person before enforcing the security constituted by this Deed. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

17.7 Appropriations

Until all the Secured Liabilities have been irrevocably paid in full, the Secured Parties may:

- (a) refrain from applying or enforcing any other monies, security or rights held or received by the Security Trustee in respect of the Secured Liabilities, or apply and enforce the same in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and no Chargor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any monies received from any Chargor or on account of any Chargor's liability in respect of the Secured Liabilities.

17.8 Deferral of Chargors' rights

Until all the Secured Liabilities have been irrevocably paid in full and unless the Security Trustee otherwise directs, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents;
- (c) to claim as a creditor in any insolvency of an Obligor in competition with any Secured Party; and/or
- (d) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any of the Secured Parties' rights under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by the Secured Parties.

18 Miscellaneous

18.1 Covenant to pay

Each Chargor shall pay or discharge the Secured Liabilities in the manner provided for in any document creating or evidencing the Secured Liabilities and/or otherwise as agreed from time to time.

18.2 H.M. Land Registry

(a) Subject to paragraph (b) below, each Chargor shall, following the date of the relevant legal mortgage entered into pursuant to clause 7.3.2(a)(ii), apply to the Chief Land Registrar for a registration in the following terms to be entered on the Register of Title relating to any property registered at H.M. Land Registry in its name and against which a legal mortgage may be registered pursuant to this Deed:

(i) 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 [●] in favour of Wells Fargo Capital Finance (UK) Limited referred to in the charges register or their conveyancer"; and

(ii) a notice that the Lenders are under an obligation to make further advances on the terms and subject to the conditions of the Finance Documents.

(b) The Security Trustee hereby acknowledges and agrees that it will not seek to register (or procure that a Chargor registers) the charges created by this Deed over Excluded Land with the Land Registry or the Central Land Charges Registry or any other land registry.

18.3 New Accounts

If any Secured Party receives, or is deemed to be affected by, notice, whether actual or constructive, of any subsequent charge or other interest affecting any Security Asset and/or the proceeds of sale of any Security Asset, such Secured Party may open a new account for any Chargor. If the relevant Secured Party does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice. As from that time all payments made to such Secured Party will be credited or be treated as having been credited to the new account and will not operate to reduce any amount for which this Deed is security and, furthermore, such Secured Party shall be under no obligation to advance any monies or provide or continue to provide any credit facility to any Borrower.

18.4 Tacking

Each Lender (by the Security Trustee's execution of this Deed) covenants with each Chargor that it shall perform its obligations under any document creating or evidencing the Secured Liabilities (including any obligation to make available further advances).

18.5 Invalidity

If, at any time, any provision of this Deed is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired.

19 Release

19.1 Expiry of Security Period

Release of the Security Assets from the security constituted by this Deed shall be subject to and carried out in accordance with the terms of the Intercreditor Agreement provided that all fees and expenses including any legal fees shall be at the cost of the Chargors.

19.2 Permitted Disposals

On a disposal of any Security Asset which is permitted under the Finance Documents, the Security Trustee shall (at the cost of the relevant Chargor) execute a release of that Security Asset and/or reassign the benefit of the relevant Security Asset to the relevant Chargor.

19.3 Other Accounts

At any time before the security created by this Deed shall have become enforceable, in the absence of any directions from the Security Trustee to the contrary, any amounts permitted by the terms of the Finance Documents to be paid into an Other Account shall upon payment into such account stand released from the fixed charge over Book Debts created pursuant to Clause 2 and shall stand subject to the floating charge created by Clause 3, provided that such release shall in no respect prejudice the continuance of the fixed charge created pursuant to Clause 2 in respect of all other Book Debts.

20 Rights and Remedies

The rights of the Secured Parties under this Deed are cumulative, may be exercised as often as considered appropriate and are in addition to the general law. Such rights (whether arising hereunder or under the general law) shall not be capable of being waived or varied otherwise than by an express waiver or variation in writing and, in particular, any failure to exercise or delay in exercising any of such rights shall not operate as a waiver or variation of that or any other such right, any defective or partial exercise of any such rights shall not preclude any other or further exercise of that or any other such right, and no act or course of conduct or negotiation by any Secured Party or on its behalf shall in any way preclude it from exercising any such right or constitute a suspension or any variation of any such right.

21 Notices

21.1 Delivery and Receipt

21.1.1 Any communications to be made under or in connection with this Deed shall be made in writing, may be made by letter or facsimile and shall be deemed to be given as follows:

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

save that any notice delivered or received on a non-Business Day or after business hours shall be deemed to be given on the next Business Day at the place of delivery or receipt.

21.1.2 Any communication or document made or delivered to the Company in accordance with this Clause 21.1.2 will be deemed to have been made or delivered to each of the Chargors.

21.2 Addresses

21.2.1 The Company's and each other Chargor's address and facsimile number for notices are as detailed in clause 34.2 (*Addresses*) of the Facility Agreement, or such as the Company may notify to the Security Trustee by not less than five Business Days' notice.

21.2.2 The Security Trustee's address and facsimile number for notices are:

4th Floor
90 Long Acre
London WC2E 9RA

Facsimile no: +44 845 641 8889
For the attention of: Portfolio Manager - Pattonair

or such as the Security Trustee may notify to the Company by not less than five Business Days' notice.

22 Governing Law and Jurisdiction

22.1 Governing Law

This Deed is governed by English law.

22.2 Jurisdiction

22.2.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed) (a **Dispute**).

22.2.2 The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.

22.2.3 This Clause 22.2 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, a Secured Party may take concurrent proceedings in any number of jurisdictions.

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

Schedule 1 – The Chargors

Name of Chargor	Registration number (or equivalent, if any)
Pattonair Group Limited	07525301
Pattonair (Derby) Limited	03872238
Pattonair Limited	00974964
Pattonair UK Limited	07603042
Pattonair Europe Limited	07621385
Orchard House Limited	01644786
Pattonair Properties Limited	05901146
Pioneer IV Limited	10921159
Pioneer V Limited	10998173
Pattonair Holdings Limited	07525433
Quicksilver Midco Limited	07525408
Quicksilver Dollar Loanco Limited	07703661
Quicksilver Euro Loanco Limited	07703694
Pattonair (Wolverhampton) Limited	05538859
Aviation Supplies Co. Limited	02630697

Schedule 2 – Mortgaged Property

None at the date of this Deed

Schedule 3 – Form of Notice to Banks and Acknowledgement

Blocked Account Notice [On Headed Notepaper of relevant Borrower]

[Date]

[Bank]

[Branch]

Attention: []

Dear Sirs,

We hereby give you notice that pursuant to a Debenture dated ●, we have charged to Wells Fargo Capital Finance (UK) Limited as security trustee for itself and others (the **Security Trustee**) by way of fixed charge all our rights, title, interest and benefit in and to the following account(s) held with yourselves and all amounts standing to the credit of such account from time to time:

Account No. ●, sort code ●●-●●-●●

Account No. ●, sort code ●●-●●-●●

[Repeat as necessary]

(the **Blocked Account(s)**).

Please acknowledge receipt of this letter by returning a copy of the attached letter on your own headed notepaper with a receipted copy of this notice forthwith, to the Security Trustee at 4th Floor, 90 Long Acre, London, WC2E 9RA, Attention: Portfolio Manager - Pattonair.

Yours faithfully

.....
for and on behalf of
[the relevant Borrower]

Blocked Account Acknowledgement
[On the Headed Notepaper of Bank]

[Date]

Wells Fargo Capital Finance (UK) Limited (the **Security Trustee**)

4th Floor
90 Long Acre
London WC2E 9RA

Attention: Portfolio Manager - Pattonair

Dear Sirs,

[Name of Borrower] (Company)

We refer to the notice, received today from the Company with respect to the fixed charge which it has granted to the Security Trustee over the Blocked Account(s) (the **Notice**).

Terms not defined in this letter shall have the meanings given to them in the Notice.

We hereby acknowledge that the Company has charged to the Security Trustee by way of a fixed charge all of its rights, title, interest and benefit in and to the Blocked Account.

We hereby irrevocably undertake to you that until receipt by us of notice from you confirming that you no longer have any interest in the Blocked Account we shall:

- (a) not exercise any right of combination, consolidation, merger or set-off which we may have in respect of, or otherwise exercise any other right which we may have to apply any monies from time to time standing or accruing to the credit of the Blocked Account save for fees and charges payable to us for the operation of the Blocked Account;
- (b) promptly notify you of any renewal, renumbering or redesignation of any and all of the Blocked Account;
- (c) promptly send to you copies with respect to all the Blocked Account of all statements and, if requested by you, copies of all credits, debits and notices given or made by us in connection with such account;
- (d) not permit or effect any withdrawal or transfer from the Blocked Account by or on behalf of the Company save for withdrawals and transfers requested by you in writing or by accepted electronic payment channels to us pursuant to the terms of this letter;
- (e) comply with all instructions received by us from you from time to time with respect to the conduct of the Blocked Account provided that such instructions are given in accordance with the terms of this letter;
- (f) comply with all instructions received by us from you from time to time with respect to the movement of funds from the Blocked Account provided that:
 - (i) all instructions are received in writing or by accepted electronic payment channels; and
 - (ii) all instructions must be received by 2pm if they are to be complied with on the same Business Day. Instructions received outside such hours will be complied with on the next Business Day following such receipt;

- (iii) all instructions are given in compliance with the mandate entered into by you stipulating who may give instructions to us; and
 - (iv) to the extent that an instruction is given which would in our opinion cause the Blocked Account to become overdrawn we will transfer the outstanding balance in the account;
 - (g) we shall not be obliged to comply with any instructions received from you or undertake the transactions set out in paragraph (f) where:
 - (i) due to circumstances not within our direct control we are unable to comply with such instructions; and
 - (ii) that to comply with such instructions will breach a Court Order or be contrary to applicable law;
- and in each case we shall give notice thereof to the Company and the Security Trustee as well as reasons why we cannot comply with such instructions; and
- (h) in the event that we are unable to comply with any instructions due to circumstances set out in paragraph (g) we shall not be responsible for any loss caused to you or to the Company and in any event we shall not be liable for any consequential, special, secondary or indirect loss of or damage to goodwill, profits or anticipated savings (however caused).

You acknowledge that we are obliged to comply with the terms of this letter and that we have no notice of the particulars of the charge granted to you by the Company other than as set out in the Notice and this letter. You further acknowledge that subject to the terms of this letter we shall not be liable to you in any respect if the Company operates the Blocked Account in breach of any agreement entered into by the Company with you.

We note that, for the purposes of this letter, all notices, copy notices, advices and correspondence to be delivered to you shall be effectively delivered if sent by facsimile to you at number 0845 641 8889 or by post at the address at the top of this letter, in both cases marked for the attention of the Finance Director.

This letter is governed by and shall be construed in accordance with English law.

Yours faithfully

We hereby acknowledge and accept the terms of this letter

.....
for and on behalf of
[BANK]

.....
for and on behalf of
Wells Fargo Capital Finance (UK) Limited

Schedule 4 – Group Shares

Chargor	Company in which Shares are held	Type of Share	Number of Shares	Value of each Share
Orchard House Limited	Pattonair Limited	7% Preference	39,000	£1
Orchard House Limited	Pattonair Limited	Ordinary	39,000	£1
Pattonair UK Limited	Pattonair Properties Limited	Ordinary	2	£1
Pattonair UK Limited	Pattonair (Derby) Limited	Ordinary	2	£1
Pattonair UK Limited	Orchard House Limited	Ordinary	140,000	£1
Pattonair Group Limited	Pattonair UK Limited	Ordinary	1,931,922	£1
Pattonair Group Limited	Pattonair Europe Limited	Ordinary	2	£1
Pioneer IV Limited	Pioneer V Limited	Ordinary	1	£1
Pioneer IV Limited	Pattonair Holdings Limited	A Ordinary	1,600,000	£0.01
Pioneer IV Limited	Pattonair Holdings Limited	B1 Ordinary	399,956	£0.20
Pioneer IV Limited	Pattonair Holdings Limited	B2 Ordinary	44	£0.20
Pattonair Holdings Limited	Quicksilver Midco Limited	Ordinary	2,040,607	£1
Quicksilver Midco Limited	Pattonair Group Limited	Ordinary	77,013,373	£1
Pattonair Group Limited	Quicksilver Dollar Loanco Limited	Ordinary	7,926,004	£1
Pattonair Group Limited	Quicksilver Euro Loanco Limited	Ordinary	6,453,839	£1
Pattonair UK Limited	Pattonair (Wolverhampton) Limited	Ordinary	2	£1
Pattonair Limited	Aviation Supplies Co. Limited	Ordinary	2	£1
Pattonair Limited	Aviation Supplies Co. Limited	Preference	500,000	£0.10

Schedule 5 – Charged Accounts

Part I – Blocked Accounts

Chargor	Bank	Account Number	Sort Code
Pattonair (Derby) Limited	Lloyds Bank plc	████████	████████
Pattonair (Derby) Limited	Lloyds Bank plc	████████	████████
Pattonair (Derby) Limited	Lloyds Bank plc	████████	████████
Pattonair Limited	Lloyds Bank plc	████████	████████
Pattonair Limited	Lloyds Bank plc	████████	████████
Pattonair Limited	Lloyds Bank plc	████████	████████

Part II – Other Accounts

Chargor	Bank	Account Number	Sort Code
Pattonair (Derby) Limited	Lloyds Bank plc	████████	████████
Pattonair (Derby) Limited	Lloyds Bank plc	████████	████████
Pattonair (Derby) Limited	Lloyds Bank plc	████████	████████
Pattonair (Derby) Limited	Lloyds Bank plc	████████	████████
Pattonair Limited	Lloyds Bank plc	████████	████████
Pattonair Limited	Lloyds Bank plc	████████	████████
Pattonair Limited	Lloyds Bank plc	████████	████████
Pattonair Group Limited	Lloyds Bank plc	████████	████████
Pattonair Group Limited	Lloyds Bank plc	████████	████████
Pattonair Group Limited	Lloyds Bank plc	████████	████████
Quicksilver Midco Limited	Lloyds Bank plc	████████	████████

Schedule 6 – Deed of Accession

Deed of Accession

Dated

Between

- (1) ● Limited (the **New Chargor**) [registered in England with number ** whose registered office is at **] [a corporation organised and existing under the laws of ** whose principal place of business is at **] [of **];
- (2) ** (the **Company**) [registered in England with number ** whose registered office is at **] [for itself and as agent for and on behalf of each of the other Chargors presently party to the Debenture (as defined below)]; and
- (3) **Wells Fargo Capital Finance (UK) Limited** registered in England with number 2656007 as trustee for the Secured Parties (the **Security Trustee**).

Recitals

- A The Company entered into a deed of debenture dated ● (as supplemented and amended from time to time, the **Debenture**) in favour of the Security Trustee.
- B The New Chargor has at the request of the Company and in consideration of the Security Trustee continuing to make facilities available to the Borrowers and after giving due consideration to the terms and conditions of the Finance Documents and the Debenture and satisfying itself that there are reasonable grounds for believing that the entry into this Deed by it will be of benefit to it, decided in good faith and for the purpose of carrying on its business to enter into this Deed and thereby become a Chargor under the Debenture.
- C The Chargors and the Security Trustee intend that this document take effect as a deed notwithstanding that it may be executed under hand.

It is agreed:

- 1 Terms defined in the Debenture have the same meaning when used in this Deed.
- 2 The New Chargor agrees to become a party to and bound by the terms of the Debenture as a Chargor with immediate effect and so that the Debenture shall be read and construed for all purposes as if the New Chargor had been an original party to the Debenture in the capacity of Chargor (but so that the security created consequent on such accession shall be created on the date of this Deed).
- 3 The New Chargor undertakes to be bound by all of the covenants and agreements in the Debenture which are expressed to be binding on a Chargor.
- 4 The New Chargor grants to the Security Trustee the assignments, charges, mortgages and other Security Interests described in the Debenture as being granted, created or made by Chargors under the Debenture to the intent that its assignments, charges, mortgages and other Security Interests shall be effective and binding upon it and its property and assets and shall not in any way be avoided, discharged or released or otherwise adversely affected by any ineffectiveness or invalidity of the Debenture or of any other party's execution of the Debenture or any other Deed of Accession, or by any avoidance, invalidity, discharge or release of any guarantee, assignment or charge contained in the Debenture or in any other Deed of Accession.

- 5 The Debenture and this Deed shall be read and construed as one to the extent and so that references in the Debenture to:
- (a) this Deed and similar phrases shall be deemed to include this Deed;
 - (b) Schedule 2 shall be deemed to include a reference to Part I of the Schedule to this Deed;
 - (c) Schedule 4 shall be deemed to include a reference to Part II of the Schedule to this Deed;
 - (d) Schedule 5 shall be deemed to include a reference to Part III of the Schedule to this Deed; and
 - (e) Schedule 7 shall be deemed to include a reference to Part IV of the Schedule to this Deed.
- 6 The parties agree that the bank accounts of the New Chargor specified in Part III of the Schedule to this Deed shall be designated as Other Accounts for the purposes of the Debenture.
- 7 The Company, for itself and as agent for and on behalf of the other Chargors under the Debenture, agrees and consents to all of the matters provided for in this Deed.
- 8 Without limiting the generality of the other provisions of this Deed and the Debenture, pursuant to the terms of this Deed and the Debenture, the New Chargor as security for the payment and performance of the Secured Liabilities, and in the manner specified in Clause 4 of the Debenture charges in favour of the Security Trustee:
- (a) by way of legal mortgage all of the freehold property (if any) (other than Excluded Land) now belonging to it brief descriptions of which are specified in Part I of the Schedule to this Deed;
 - (b) by way of mortgage or, to the extent that this Deed does not take effect as a mortgage, by way of fixed charge all of the stocks, shares and other securities (if any) brief descriptions of which are specified in Part II of the Schedule to this Deed (which shall from today's date form part of the Group Shares for the purposes of the Debenture);
 - (c) [charges to the Security Trustee by way of a fixed charge all of its right, title and interest in and to:
 - (i) the Blocked Account(s) specified in the Schedule to the Accession Letter dated on or about today's date pursuant to which the New Chargor is to become a Borrower and a Guarantor under the Facility Agreement; and
 - (ii) all monies standing to the credit of such Blocked Account(s) and the debts represented by them;]**[INCLUDE IF NEW CHARGOR IS ALSO TO BE A BORROWER]**
 - (d) charges to the Security Trustee by way of fixed charge its registered Intellectual Property (if any) specified in Part IV of the Schedule to this Deed (which shall from today's date form part of the Specified Intellectual Property of the Chargors for the purposes of the Debenture).
- 9 This Deed is governed by English law.

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

SCHEDULE

Part I – Real Property

[Insert details of any real property owned by the New Chargor]

Part II – Group Shares

[Insert details of all Group Shares of the New Chargor]

Part III – Other Accounts

[Insert details of all Other Accounts of the New Chargor]

Part IV – Specified Intellectual Property

[Insert details of any registered Intellectual Property owned by the New Chargor]

a

b

c

SIGNATORIES
[to the Deed of Accession]

The New Chargor

Executed as a deed by)
● **Limited**)
a director in the presence of:)

Signature of witness:

Name of witness:

Address

.....

The Company

[for itself and as agent for the other
Chargors party to the Debenture]

Executed as a deed by)
● **[Limited]**)
a director in the presence of:)

Signature of witness:

Name of witness:

Address

.....

The Security Trustee

Wells Fargo Capital Finance (UK) Limited

By:

Schedule 7 – Specified Intellectual Property

Name of Chargor	Trademark
Pattonair Group Limited	PATTONAIR [word]
Pattonair Group Limited	AKRIVIS [word]

Signatories

The Company

Executed as a deed by
Pattonair Group Limited
a director in the presence of:

)
)
)



Signature of witness:

Name of witness:

ZOE ROBERTSON.....

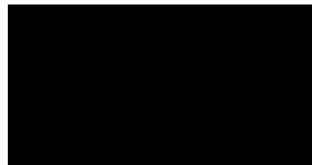
Address

ALCOT BUSINESS PARK
50 LONGBRIDGE LANE DERBY

The Other Chargors

Executed as a deed by
Pattonair (Derby) Limited
a director in the presence of:

)
)
)



Signature of witness:

Name of witness:

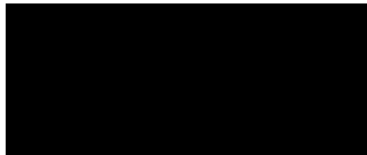
ZOE ROBERTSON.....

Address

ALCOT BUSINESS PARK
50 LONGBRIDGE LANE DERBY

Executed as a deed by
Pattonair Limited
a director in the presence of:

)
)
)



Signature of witness:

Name of witness:

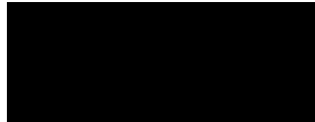
ZOE ROBERTSON.....

Address

ALCOT BUSINESS PARK
50 LONGBRIDGE LANE DERBY

Executed as a deed by
Pattonair UK Limited
a director in the presence of:

)
)
)



Signature of witness:



Name of witness:

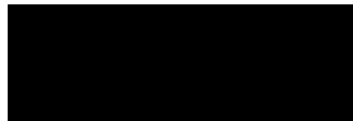
20E ROBERTSON

Address

ASCOT BUSINESS PARK
50 LONGBRIDGE LANE, DERBY

Executed as a deed by
Pattonair Europe Limited
a director in the presence of:

)
)
)



Signature of witness:



Name of witness:

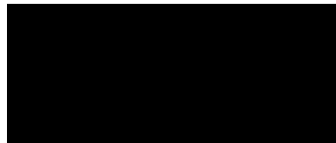
20E ROBERTSON

Address

ASCOT BUSINESS PARK
50 LONGBRIDGE LANE, DERBY

Executed as a deed by
Orchard House Limited
a director in the presence of:

)
)
)



Signature of witness:

ROBERTSON

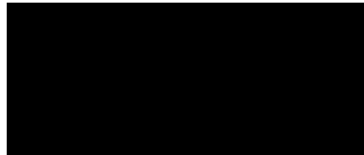
Name of witness:

20E ROBERTSON

Address

ASCOT BUSINESS PARK
50 LONGBRIDGE LANE, DERBY

Executed as a deed by
Pattonair Properties Limited
a director in the presence of:



Signature of witness:



Name of witness:

20E ROBERTSON

Address

ASCOT BUSINESS PARK
50 LONGBRIDGE LANE, DERBY

Executed as a deed by
Pioneer IV Limited
a director in the presence of

[Redacted]

Signature of witness:

[Redacted]

Name of witness:

Address

Stacy L. Mengel
360 North Crescent Drive, S. Bldg.
Beverly Hills, CA 90210

[Redacted]

Executed as a deed by
Pioneer V Limited
a director in the presence of

[Redacted]

Signature of witness:

[Redacted]

Name of witness:

Address

Stacy L. Mengel
360 North Crescent Drive, S. Bldg.
Beverly Hills, CA 90210

[Redacted]

Executed as a deed by
Pattonair Holdings Limited
a director in the presence of:

)
)
)

Signature of witness:

Name of witness:

Address

.....
.....
.....

Executed as a deed by)
Pioneer IV Limited)
a director in the presence of:)

Signature of witness:

Name of witness:

Address

.....

Executed as a deed by)
Pioneer V Limited)
a director in the presence of:)

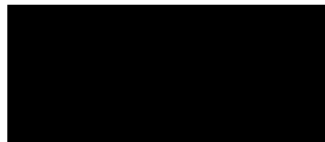
Signature of witness:

Name of witness:

Address

.....

Executed as a deed by)
Pattonair Holdings Limited)
a director in the presence of:)



Signature of witness:



Name of witness:

ZOE ROBERTSON

Address

ASCOT BUSINESS PARK

50 LONGBRIDGE LANE DERBY

Executed as a deed by
Quicksilver Midco Limited
a director in the presence of:

)
)
)



Signature of witness:



Name of witness:

20E ROBERTSON

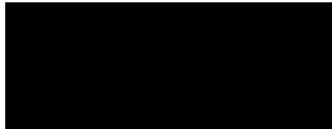
Address

ALLOT BUSINESS PARK

50 LONGBRIDGE LANE DUBLIN

Executed as a deed by
Quicksilver Dollar Loanco Limited
a director in the presence of:

)
)
)



Signature of witness:



Name of witness:

20E ROBERTSON

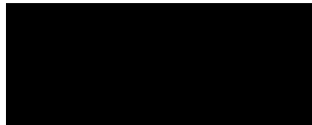
Address

ALLOT BUSINESS PARK

50 LONGBRIDGE LANE, DUBLIN

Executed as a deed by
Quicksilver Euro Loanco Limited
a director in the presence of:

)
)
)



Signature of witness:



Name of witness:

20E ROBERTSON

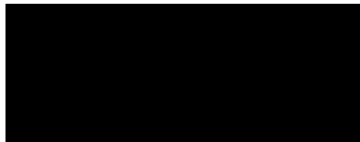
Address

ALLOT BUSINESS PARK

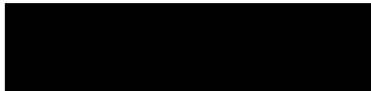
50 LONGBRIDGE LANE, DUBLIN

Executed as a deed by
Pattonair (Wolverhampton) Limited
a director in the presence of:

)
)
)



Signature of witness:



Name of witness:

20E ROBERTSON

Address

ALLOT BUSINESS PARK

50 LONGBRIDGE LANE, DUBLIN

Executed as a deed by)
Aviation Supplies Co. Limited)
a director in the presence of:)



Signature of witness:



Name of witness:

ZOE ROBERTSON

Address

ARCO BUSINESS PARK
50 LONGBRIDGE LANE, DERBY

The Security Trustee

Wells Fargo Capital Finance (UK) Limited

By:

Name:

Title:

Executed as a deed by)
Aviation Supplies Co. Limited)
a director in the presence of:)

Signature of witness:

Name of witness:

Address

.....

The Security Trustee

Wells Fargo Capital Finance (UK) Limited

By:



Name:

N K Hogg

Title:

DIRECTOR