



Registration of a Charge

Company name: **SOLAR CAPTURE TECHNOLOGIES LIMITED**

Company number: **07893854**



X9HFT935

Received for Electronic Filing: **09/11/2020**

Details of Charge

Date of creation: **28/10/2020**

Charge code: **0789 3854 0005**

Persons entitled: **THE NEWCASTLE UPON TYNE, NORTH TYNESIDE AND
NORTHUMBERLAND COMBINED AUTHORITY**

Brief description: **THE PROPERTIES (IF ANY) SPECIFIED IN SCHEDULE 1 TO THE INSTRUMENT AND ALL THE ESTATE AND INTEREST OF THE CHARGOR IN ANY FREEHOLD AND LEASEHOLD PROPERTY LOCATED IN ENGLAND AND WALES NOW VESTED IN THE CHARGOR TOGETHER WITH ALL BUILDINGS AND FIXTURES (AS DEFINED IN THE INSTRUMENT) ON AND THE PROCEEDS OF SALE OF ALL OR ANY PART OF SUCH PROPERTY AND THE BENEFIT OF ANY COVENANTS FOR TITLE GIVEN OR ENTERED INTO BY ANY PREDECESSOR IN TITLE AND ANY MONIES PAID OR PAYABLE IN RESPECT OF THOSE COVENANTS (OTHER THAN ANY PROPERTY SPECIFIED IN SCHEDULE 1 TO THE INSTRUMENT). ANY PATENTS, TRADE MARKS, SERVICE MARKS, DESIGNS, BUSINESS NAMES, COPYRIGHTS, DESIGN RIGHTS, MORAL RIGHTS, INVENTIONS, CONFIDENTIAL INFORMATION, KNOWHOW AND OTHER INTELLECTUAL PROPERTY RIGHTS AND INTERESTS, WHETHER REGISTERED OR UNREGISTERED; AND THE BENEFIT OF ALL APPLICATIONS AND RIGHTS TO USE SUCH ASSETS OF EACH MEMBER OF THE GROUP (AS DEFINED IN THE INSTRUMENT).**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **WARD HADAWAY**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7893854

Charge code: 0789 3854 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 28th October 2020 and created by SOLAR CAPTURE TECHNOLOGIES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 9th November 2020 .

Given at Companies House, Cardiff on 10th November 2020

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

Dated 28th October 2020

Solar Capture Technologies Limited
as Chargor

and

**The Newcastle upon Tyne, North Tyneside and Northumberland
Combined Authority**
as Lender

DEBENTURE

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This Deed is made on 28th October 2020

Between

- (1) **Solar Capture Technologies Limited** (CRN: 07893854) whose registered office is situated at Pv Technical Centre, Albert Street, Blyth, Northumberland, NE24 1LZ (the "**Chargor**");
- (2) **The Newcastle upon Tyne, North Tyneside and Northumberland Combined Authority** of the Civic Centre, Newcastle upon Tyne, Tyne and Wear, United Kingdom, NE1 8QH as the accountable body of the North East Local Enterprise Partnership (the "**Lender**").

Recitals

- (A) Pursuant to the Funding Agreement, the Lender, as accountable body of the North East Local Enterprise Partnership, has made certain funding available to the Chargor on the terms of the Funding Agreement.
- (B) It is a condition of the Funding Agreement that the Chargor enters into this Deed.

This Deed Witnesses That:

1. **Definitions And Interpretation**

1.1. Definitions

Terms defined in the Funding Agreement shall, unless otherwise defined in this Deed, have the same meaning in this Deed. In addition and in this Deed, unless the context otherwise requires:

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| "Accounts" | means each Collection Account and each Proceeds Account, and each an "Account"; |
| "Account Bank" | means a bank, financial institution or other person with which the Chargor maintains an Account or any other account; |
| "Administrator" | means any person appointed as an administrator under Schedule B1 to the Insolvency Act 1986; |
| "Affiliates" | means in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company; |
| "Alternative Remedy" | means any contractual right or remedy, guarantee, indemnity, bill, note or any Security now or at any time held by the Lender in respect of the Secured Obligations or any of them (other than any contained in this Deed); |
| "Assigned Assets" | means the Secured Assets assigned under clause 3.2; |

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| "Cash at Bank" | <p>means together:</p> <ul style="list-style-type: none"> (a) all monies (including interest) standing to the credit of the Chargor's accounts (including the Accounts) with any Account Bank; (b) all deposits made by the Chargor with any Account Bank; and (c) all other sums held for the Chargor by any Account Bank, <p>and the debt represented by each of them;</p> |
| "Charged Property" | means the Secured Assets charged under Clauses 3.1.1 and 3.1.2.1 (Fixed Charges); |
| "Collection Account" | means the Chargor's account with any bank, financial institution or other person into which the proceeds of realisation of Debts are to be paid pursuant to Clause 11 (Book and other Debts); |
| "Collateral Instruments" | means notes, bills of exchange, certificates of deposit and other negotiable and non-negotiable instruments, guarantees and any other documents or instruments which contain or evidence an obligation (with or without security) to pay, discharge or be responsible directly or indirectly for, any liabilities of any person and includes any document or instrument creating or evidencing Security; |
| "Debts" | means all book and other monetary debts, revenues and claims, now or at anytime in the future, due owing or incurred to the Chargor (but excluding Cash at Bank) the proceeds of those book and other monetary debts and claims and the benefit of all rights and remedies of any nature (including guarantees and security) relating to those book and other monetary debts and claims and all present and future things in action which give rise or may give rise to a debt or debts; |
| "Default Rate" | means a rate of interest determined in accordance with Clause 7.5 of the Funding Agreement; |
| "Enforcement Date" | means the date determined in accordance with Clause 16.1 (when security becomes enforceable); |
| "Equipment" | means machinery, equipment, furniture, furnishings, fittings and fixtures and other tangible personal property (other than Inventory), including, without limitation, data processing hardware and software, motor vehicles, aircraft, dies, tools, jigs and office equipment, together with all present and future additions thereto, replacements or |

upgrades thereof, components and auxiliary parts and supplies used or to be used in connection therewith and all substitutes for any of the foregoing, and all manuals, drawings, instructions, warranties and rights with respect thereto wherever any of the foregoing is located and any other asset which would be treated as a fixed asset under the generally accepted accounting principles then applicable in the United Kingdom;

"Expenses"

means all costs (including legal costs), charges and expenses, and any VAT on such costs, charges and expenses sustained or incurred from time to time by any Relevant Person in connection with:

- (a) the perfection of this Security (including all fees payable in connection with the registration or filing of this Security at all appropriate registries);
- (b) the enforcement, defence or protection of this Security (including the costs of any investigation by any person for the purposes of determining whether any action is appropriate to enforce, defend or protect the Security);
- (c) the appointment of any Receiver, delegate or sub-delegate under this Deed; or
- (d) the pursuit of any rights contained in this Deed or under any document referred to in this Deed or otherwise in connection with the Secured Assets;

"Fixtures"

means all fixtures and fittings (including trade fixtures and fittings), fixed plant and machinery;

"Floating Charge"

means any of the floating charges created by Clause 3.3 (Floating Charge);

"Funding Agreement"

means the funding agreement dated on or about the date of this Deed and made between the Lender and the Chargor;

"Group"

means the Chargor and its Affiliates for the time being, and "member of the Group" shall be construed accordingly;

"Holding Company"

means, in relation to a person, any other person in respect of which it is a Subsidiary;

"Incapacity"

means, in relation to a person, any action, legal proceedings or other procedure or step taken in relation to:

- (a) the suspension of payments, a moratorium of any Indebtedness, winding-up, dissolution, administration, amalgamation, reconstruction or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise);

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| | <ul style="list-style-type: none"> (b) a composition, compromise, assignment or arrangement with any creditor; (c) the appointment of a liquidator, Receiver, Administrator or other similar officer in respect of that person or any of its assets; (d) enforcement of any Security over any assets of that person; or <p>any analogous procedure or step in any jurisdiction;</p> |
| "Indebtedness" | means any obligation for the payment or repayment of money, whether as principal or surety and whether present or future, actual or contingent; |
| "Intellectual Property" | <p>means, in relation to the Chargor:</p> <ul style="list-style-type: none"> (a) any patents, trade marks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests, whether registered or unregistered; and (b) the benefit of all applications and rights to use such assets of each member of the Group, <p>including those listed in Schedule 4 (Intellectual Property);</p> |
| "Inventory" | means inventory, goods and merchandise, wherever located, raw materials, work-in-progress, finished goods, returned goods and materials and supplies of any kind, nature or description used in connection with the Chargor's business or used in connection with the manufacture, packing, shipping, advertising, selling or finishing of such goods, merchandise and such other specified property, and all documents of title or other documents representing them; |
| "LPA" | means the Law of Property Act 1925; |
| "Party" | means a party to this Deed at any time (and together the "Parties"); |
| "Planning Acts" | means all legislation from time to time regulating the development, use safety and control of property including without limitation, the Town and Country Planning Acts 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991 and the Planning and Compulsory Purchase Act 2004 and any instrument, |

plan, regulation, permission and direction made or issued thereunder or deriving validly therefrom;

"Proceeds Account"

means any account of the Chargor maintained with an Account Bank for the purposes of Clause 19.4 (Proceeds Account) (if any);

"Receiver"

means a receiver and/or manager, an administrative receiver (within the meaning of section 29(2) Insolvency Act 1986) appointed by the Lender pursuant to Clause 18.1 (Appointment of Receiver) (provided always that any reference to an administrative receiver is only applicable where there is no prohibition on appointing an administrative receiver by section 72A of the Insolvency Act 1986);

"Receivership Assets"

has the meaning given to it in Clause 18.1 (Appointment of Receiver);

"Relevant Jurisdiction"

means, in relation to the Chargor:

- (a) its jurisdiction of incorporation; and
- (b) any jurisdiction where it conducts its business;

"Relevant Person"

means any of the Lender an Administrator, any Receiver, any attorney, delegate or sub-delegate of the Lender, Administrator or any Receiver and any Stock Transferee;

"Secured Assets"

means all property, assets, undertakings, rights and benefits, mortgaged, charged or assigned to the Lender under or pursuant to this Deed;

"Secured Obligations"

means all moneys obligations and liabilities whatsoever whether for principal interest or otherwise which may now or at any time in the future be due owing or incurred by either the Chargor to the Lender, including, without limitation, all such moneys, obligations and liabilities due owing or incurred under or in connection with the Finance Documents (or any of them) or on any other account whatsoever in each case:

- (a) whether actual or contingent and whether incurred alone or jointly with any other person(s);
- (b) whether incurred as primary obligor, as surety or as guarantor;
- (c) whether incurred directly to the Lender or whether the Lender is entitled to claim the payment or discharge of any obligations or liabilities solely by reason of an assignment or transfer to it by the person originally entitled; and

in whatever currency those obligations and liabilities maybe denominated;

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| "Securities" | means all the shares listed in Schedule 3 (Securities) and all other stocks, shares, bonds and securities of any kind whatsoever (including warrants and options to acquire or subscribe for any of the same) whether marketable or otherwise and all interests (including but not limited to loan capital) in any person, including all allotments, rights, benefits and advantages whatsoever at any time accruing, offered or arising in respect of or incidental to the same and all money or property accruing or offered at any time by way of conversion, redemption, bonus, preference, option, dividend, distribution, interest, or otherwise in respect thereof; |
| "Stock Transferee" | means the Lender or any other person to whom any of the Securities are transferred by or at the direction of the Lender in accordance with the provision of this Deed; |
| "Subsidiary" | shall have the meaning given to it in Section 1159 of the Companies Act 2006; |
| "Tax Deduction" | means any withholding or deduction for and on account of any Taxes from any payment or receipt under this Deed; |
| "Tax Payment" | means any payment made by the Lender on account of Taxes in respect of any payment or receipt under this Deed; |
| "VAT" | means value added tax or any similar tax. |

1.2. Headings

Clause headings and the contents page are inserted for convenience of reference only and shall be ignored in the interpretation of this Deed.

1.3. The Schedules

The schedules are part of this Deed and shall have effect accordingly.

1.4. Third Party Rights

1.4.1. Unless expressly provided to the contrary in this Deed, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "Third Parties Act") to enforce or enjoy the benefit of any term of this Deed.

1.4.2. Notwithstanding any term of this Deed, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.

1.5. Irrevocable Payment

If the Lender (acting reasonably) considers an amount paid by the Chargor or other person in respect of the Secured Obligations is capable of being avoided, set aside or otherwise affected on the liquidation or administration of the Chargor or person, then that amount shall not be considered to have been irrevocably paid for the purpose of this Deed.

1.6. Incorporation of Terms

The terms of the Funding Agreement are incorporated into this Deed to the extent required for any purported disposition of the Secured Assets contained in this Deed to be a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.7. Construction

In interpreting this Deed, unless the context otherwise requires, a reference to:

- 1.7.1. the "**Lender**", the "**Chargor**", any "**Party**", an "**Obligor**", or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees (whether immediate or derivative);
- 1.7.2. the liquidation, administration, insolvency, bankruptcy or other similar incapacity of any body corporate includes the equivalent proceeding or occurrence in any other relevant jurisdiction;
- 1.7.3. the "**Secured Assets**" or "**Charged Property**" is to be construed as a reference to all or any part of the same;
- 1.7.4. "**assets**" includes present and future properties, revenues and rights of every description;
- 1.7.5. a "**Finance Document**" or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as the same may have been, or may (from time to time) be, amended, supplemented, extended or novated;
- 1.7.6. items, events or words as a list of possibilities following the words "**include**", "**includes**" or "**including**" shall be construed as a non-exhaustive list and shall not limit the generality of the relevant provision of this Deed;
- 1.7.7. "**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;
- 1.7.8. general words introduced by the word "**other**" are not to be given a restrictive meaning because they are preceded by words indicating a particular class of acts, matters or things and general words are not to be given a restrictive meaning because they are followed by particular examples intended to be embraced by the general words;

- 1.7.9. a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality), joint venture or consortium;
- 1.7.10. 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;
- 1.7.11. a reference to "**continuing**" in relation to an Event of Default means an Event of Default that has not been waived in writing by the Lender;
- 1.7.12. a statute or statutory provision is to be construed as a reference to that statute or statutory provision as the same may have been, or may, from time to time, be, amended, supplemented, consolidated, re-enacted or replaced and includes all instruments, orders and regulations made under that statute or statutory provision for the time being in force;
- 1.7.13. words (including defined words and phrases) denoting the singular shall include the plural and vice versa and words importing a gender include any other;
- 1.7.14. a time of day is a reference to London time;
- 1.7.15. "**£**" denotes the lawful currency of the United Kingdom for the time being; and
- 1.7.16. a provision of law is a reference to that provision as amended or re-enacted.

1.8. Effect as a Deed

This Deed is intended to take effect as a deed notwithstanding that any party may have executed it under hand only.

2. **Secured Obligations**

2.1. Covenant to Pay:

The Chargor irrevocably and unconditionally hereby covenants with the Lender that it will on demand pay and discharge in full the Secured Obligations due, owing or incurred by it on the due date for payment or discharge of such obligations and liabilities and otherwise in the manner provided in the Finance Documents and hereby agrees to indemnify the Lender immediately on demand against any cost, loss, or liability suffered by the Lender if any obligation covenanted to be paid guaranteed by it is or becomes unenforceable, invalid or illegal.

2.2. Expenses

The Chargor shall on demand pay and reimburse to the Relevant Person all Expenses incurred by that Relevant Person. All Expenses are to be charged and

paid as between the Chargor and a Relevant Person on the basis of a full indemnity.

2.3. Interest

Any amount not paid when due under this Deed shall bear interest (both before and after judgement) at the Default Rate calculated day by day from the due date until the date such amount is unconditionally and irrevocably paid and discharged in full, save to the extent that interest at that rate on that amount for that period is charged pursuant to the relevant Finance Document and itself constitutes a Secured Obligation. The Chargor shall pay such interest on demand.

3. **Security**

3.1. Fixed Charges

The Chargor as beneficial owner and with full title guarantee, as a continuing security for the payment, discharge and performance of the Secured Obligations charges to the Lender:

3.1.1. by way of first legal mortgage:

3.1.1.1. the properties (if any) specified in Schedule 1 (Properties); and

3.1.1.2. all the estate and interest of the Chargor in any freehold and leasehold property located in England and Wales now vested in the Chargor together with all buildings and Fixtures on and the proceeds of sale of all or any part of such property and the benefit of any covenants for title given or entered into by any predecessor in title and any monies paid or payable in respect of those covenants (other than any property specified in Schedule 1 (Properties));

3.1.2. by way of first fixed charge (to the extent not the subject of a legal mortgage by virtue of Clause 3.1.1:

3.1.2.1. all the estate and interest of the Chargor in any freehold and leasehold property now or at any time in the future belonging to or charged to the Chargor together with all buildings and Fixtures on and the proceeds of sale of all or any part of such property and the benefit of any covenants for title given or entered into by any predecessor in title and any money that is paid or payable in respect of those covenants;

3.1.2.2. the benefit of all guarantees, collateral warranties, contracts, agreements, covenants given or made by any person in favour of the Chargor in connection with the use, occupation, construction, repair or maintenance of the Charged Property or of any building or Fixture on the Charged Property and the benefit of any guarantees,

- indemnities or similar instruments given or made in connection with the same;
- 3.1.2.3. all Equipment (if any) specified in Schedule 2 (Equipment) and the benefit of all contracts and warranties relating to the same;
- 3.1.2.4. all Equipment (other than any Equipment specified in Schedule 2 (Equipment)) now, or from time to time hereafter owned by the Chargor or in which the Chargor has an interest and the benefit of all contracts and warranties relating to the same;
- 3.1.2.5. all of its Debts;
- 3.1.2.6. all of its Securities;
- 3.1.2.7. all of its present and future Intellectual Property;
- 3.1.2.8. all of its present and future uncalled capital and goodwill;
- 3.1.2.9. all of its present and future benefits and rights under or in respect of any present or future contracts and/or policies of Insurance and the proceeds of all claims under them (to the extent the same are not otherwise subject to an effective fixed charge pursuant to this Clause 3.1);
- 3.1.2.10. all of its Cash at Bank;
- 3.1.2.11. all of its present and future plant, machinery, equipment, vehicles, computers and other chattels and its interest in plant, machinery, equipment, vehicles, computers or other chattels in its possession (other than for the time being part of its stock in trade or work in progress); and
- 3.1.2.12. the benefit of all present and future licences, permissions, consents, authorisations, concessions and agreements held in connection with this business or the use of any of its assets and the right to recover and receive all compensation that may at any time become payable to it in respect of any of them.

3.2. Assignment

The Chargor as beneficial owner and with full title guarantee hereby assigns as a continuing security for the payment, discharge and performance of the Secured Obligations in favour of the Lender (subject to the right of the Chargor to require the re-assignment of it upon payment or discharge in full of the Secured Obligations) (insofar as they are capable of being assigned by way of security) all the rights, title and interest of the Chargor in, to, arising under or resulting from any agreement to which the Chargor is a party except to the extent that it is subject to any fixed charge created under any other provisions of this Deed.

3.3. Floating Charge

- 3.3.1. The Chargor as beneficial owner and with full title guarantee, as a continuing security for the payment, discharge and performance of the Secured Obligations charges to the Lender all its undertaking (present and future, wherever situated), including, without limitation, its stock in trade or work in progress and the assets charged, mortgaged or assigned pursuant to this Deed if and in so far as any such mortgage, charge or assignment shall for any reason be ineffective.
- 3.3.2. The provisions of paragraph 14 of Schedule B1 Insolvency Act 1986 apply to the floating charges in Clause 3.3.1 which shall be qualifying floating charges and shall be enforceable at any time on or after the Enforcement Date.

3.4. Redemption and Release

Subject always to the provisions of Clause 14.6 (*Conditional Discharge*) upon the Secured Obligations being unconditionally and irrevocably paid or discharged in full, the Lender shall, at the request and cost of the Chargor, release this Security and re-assign the Assigned Assets to the Chargor.

3.5. Third Party Consents

- 3.5.1. Where any third party's consent is required for the creation of any Security contemplated by this Deed and such consent has not been obtained at the time of execution of this Deed the Chargor shall:
- 3.5.1.1. use all reasonable endeavours to obtain such consent as soon as reasonably possible; and
- 3.5.1.2. provide a copy of such consent to the Lender.
- 3.5.2. Until such time as the relevant third party's consent has been obtained, the charge or assignment of the asset to which it relates shall not take effect and shall be conditional upon obtaining that consent.
- 3.5.3. On the issue of the relevant third party's consent, the relevant assets shall stand charged or as the case may be assigned to the Lender pursuant to this Deed.
- 3.5.4. If the Lender so requests following receipt of a third party's consent, the Chargor shall execute a legal mortgage, charge or assignment in respect of the relevant asset in accordance with Clause 15.2 (*Legal Charge*).

4. The Land Registry

4.1. Restriction on Title

- 4.1.1. The Chargor hereby consents to the Lender's application to the Chief Land Registrar in Form RX1 for the registration of the following restriction against each of the registered titles specified in Schedule 1

(*Properties*) (and against any title to any unregistered Property specified in Schedule 1 (*Properties*) which is or ought to be the subject of a first registration of title at the Land Registry at the date of this Deed):

"RESTRICTION:

No disposition of the registered estate by the proprietor of the registered estate is to be registered without a prior written consent signed by the proprietor for the time being of the charge dated [date] in favour of [the chargee] referred to in the charges register or, if appropriate, signed on such proprietor's behalf by its attorney, director or secretary."

- 4.1.2. In respect of any property charged pursuant to Clause 3.1.1 (*Fixed Charges*) title to which is registered at the Land Registry, the Chargor hereby represents and warrants that the Security created by this Deed does not contravene any of the provisions of the memorandum and articles of association or any other constitutional documents of the Chargor.

4.2. Further Advances

Any obligation on the part of the Lender to make further advances to the Chargor under the Finance Documents shall be deemed to be incorporated in this Deed for the purposes of Section 94(1)(c) of the LPA and the Lender may apply in Form CH2 to the Chief Land Registrar to enter a note of such obligation on the register of each title referred to in Schedule 1 (*Properties*).

4.3. Maximum Amount

The Chargor hereby confirms that it will at any time on or after the execution of this Deed at the request of the Lender enter into an agreement as to the maximum sum secured by this Deed. Such agreement shall form part of this Deed and will be registered by the Lender in Form CH3 against each title referred to in Clause 4.1 above.

5. **Effect Of Covenants**

The provisions of Clauses 6 (Restrictions on dealing) to 12 (Securities) inclusive constitute the covenant of the Chargor in favour of the Lender and shall apply until this Security is released by the Lender in accordance with Clause 3.4 (Redemption and Release).

6. **Restrictions On Dealing**

6.1. Negative Pledge

The Chargor shall not create, agree or attempt to create or permit to subsist any Security over all or any of its assets or undertaking other than a Permitted Encumbrance.

6.2. Equity of Redemption

The Chargor shall not, nor shall it agree to, dispose of the equity of redemption in respect of all or any part of the Secured Assets.

6.3. Asset Disposal

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

- 6.3.1. the Secured Assets;
- 6.3.2. any right to use the Secured Assets other than in its ordinary course of business; or
- 6.3.3. the whole or any part of any right of access to the Secured Assets,

provided that nothing in this clause 6.3 shall restrict the ability of the Chargor to operate its Accounts (including, but not limited to, paying amounts into and withdrawing amounts from any Account) until the occurrence of an Event of Default.

7. **Right Of Appropriation**

7.1. To the extent that any of the Secured Assets constitutes "financial collateral" and are subject to a legal or equitable mortgage under this Deed which is or forms part of a "security financial collateral arrangement" (in each case as defined in, and for the purpose of the Financial Collateral Arrangements (No.2) Regulations 2003 (SI 2003 No.3226) (the "**Regulations**") the Lender shall have the right to appropriate all or any part of such financial collateral in or towards discharge of the Secured Obligations.

7.2. For the purposes detailed in Clause 7.1 above the Parties agree that the value of such financial collateral so appropriated shall be:

- 7.2.1. in the case of cash, the amount outstanding to the credit of the Collection Account together with accrued but unposted interest at the time the right of appropriation is exercised; and
- 7.2.2. in the case of Securities, the market price of such Securities at such time as determined by the Lender (acting reasonably) by reference to a relevant public index or by such other process as the Lender may select, including independent valuation.

7.3. The Parties agree that each method of valuation provided for in this Deed shall constitute a commercially reasonable method of valuation for the purpose of the Regulations.

8. **General Covenants**

The undertakings in this Clause 8 are given to the Lender by the Chargor and shall remain in force from the date of this Deed until the Secured Obligations have been irrevocably and unconditionally paid in full and the Security created under this

Deed has been released and discharged. The Chargor undertakes with the Lender that it shall:

8.1. Conduct of Business

- 8.1.1. conduct and carry on its business in a proper and efficient manner;
- 8.1.2. not make any substantial alteration in the nature or mode of conduct of its business; and
- 8.1.3. keep or cause to be kept proper books of account relating to its business;

8.2. No New Subsidiaries

not form, create or acquire any Subsidiary unless the Lender has given its prior written consent;

8.3. Information

give the Lender such information relating to any of its Secured Assets as the Lender may reasonably require from time to time;

8.4. Notice of Claims and Adverse Circumstances

immediately give notice in writing to the Lender of:

- 8.4.1. any action, claim or demand made by or against the Chargor in connection with the Secured Assets or any of them or any fact, matter or circumstance which may give rise to such action, claim or demand; and
- 8.4.2. any other fact, matter or circumstance which may materially affect any of its Secured Assets or affect its ability to perform its obligations under this Deed;

8.5. Prejudice to Value of Security

not do, cause or permit to be done anything that may in anyway depreciate, jeopardise or otherwise materially prejudice the value of this Security to the Lender;

8.6. Compliance with Law

comply with the provisions of all present or future laws, statutes and directives and any regulation, notice order or direction (including those issued by any governmental, municipal or other regulatory authority) made under any laws, statutes or directives which relate to the Secured Assets their use, occupation or possession;

8.7. Outgoings and Covenants

- 8.7.1. punctually pay all rents, rates, Taxes and other outgoings of any nature (including governmental or municipal) for the time being payable by the owner or occupier of the Secured Assets;
- 8.7.2. observe and perform in accordance with their terms all restrictive and other covenants under which the Secured Assets are held or which affect the Secured Assets or relate to their use and enjoyment; and
- 8.7.3. enforce and not waive or release any covenants, conditions, agreements or obligations benefiting the Secured Assets where a failure to enforce or any such waiver or release may adversely affect the value of the Secured Assets;

8.8. Deposit of Title Documents

Deposit with and permit the Lender, during the continuance of this Security to retain all deeds and documents of title relating to the Secured Assets including the Charged Property and such other documents relating to the Secured Assets as the Lender may request from time to time.

9. Insurance

The Chargor will comply with clause 10.3 (*Insurance*) of the Funding Agreement as if such terms were set out in this Debenture and all references to the "Borrower" in the Funding Agreement were to the Chargor.

10. Property Covenants

10.1. Title Documents

The Chargor shall, on execution of this Deed or, if later, on receipt, deposit with the Lender all deeds and documents of title relating to the Charged Property.

10.2. Variation of Title

The Chargor shall not effect or concur in any variation of the terms of any conveyance, grant, assignment, contract, agreement or other deed or document relating to or affecting the Charged Property, its development or use.

10.3. Compliance with Property Agreements

The Chargor shall:

- 10.3.1. observe and perform the terms and conditions of any lease, tenancy, licence or agreement (each a "property agreement") under which Charged Property of the Chargor is held and enforce observance and performance of the covenants given by the counter-party to each such property agreement; and
- 10.3.2. promptly notify the Lender upon its becoming aware of any action, claim, fact or circumstance arising in respect of any such property

agreement described in Clause 10.3.1 above that is likely to materially and adversely affect the value of its interest in such property agreement.

10.4. Notice of Damage

The Chargor shall promptly give notice to the Lender if the Charged Property is materially damaged or destroyed.

10.5. Repair

The Chargor shall keep the Charged Property, all buildings, Fixtures, Equipment and all computers, vehicles and equipment material to the conduct of its business in good repair and condition and in good working order.

11. **Book And Other Debts**

11.1. Collection and Payment

The Chargor shall upon written notice from the Lender or following the occurrence of an Event of Default:

11.1.1. get in and realise all its Debts in the ordinary course of its business and hold the proceeds of such collection and realisation (until payment into its Collection Account) on trust for the Lender; and

11.1.2. immediately upon receipt pay the proceeds of such getting in and collection of Debts into the Collection Account.

11.2. Dealings

The Chargor shall not sell, factor, discount, release, exchange, compound, set-off, deal with or grant time or indulgence in respect of all or any of its Debts or any interest in them, except as may be permitted by the Finance Documents or as required by Clause 11.1 (Collection and payment) above.

11.3. Release from Fixed Charge

Any proceeds of the Debts received by the Chargor and paid into a Collection Account in accordance with Clause 11.1 (Collection and payment) shall, upon payment into such account, be released from the fixed charge created by Clause 3.1.2.5 (Fixed Charges) and shall be subject to the fixed charge created by Clause 3.1.2.10 (Fixed charges).

11.4. Notices to Account Bank

11.4.1. The Chargor shall immediately following its execution of this Deed, give notice to the Account Bank substantially in the form set out in Part I of Schedule 5 (Form of Notice of a charge from Chargor to Account Bank) and use all reasonable endeavours (including incurring reasonable costs and expenses) to ensure that the Account Bank delivers to the Lender an acknowledgement in the form set out in Part II of Schedule 5

(Form of acknowledgement of notice of charge to be delivered by the Account Bank to the Lender).

- 11.4.2. As soon as is reasonably practicable after receipt of such acknowledgement the Lender shall deliver to the Account Bank a notice substantially in the form set out in Part III of Schedule 5 (Form of letter from the Lender to the Account Bank).

12. Securities

12.1. Documents

The Chargor shall, and shall procure that any nominee of the Chargor shall, deposit with the Lender or otherwise as the Lender may direct:

- 12.1.1. all share certificates and other documents of title or evidence of ownership relating to its Securities;
- 12.1.2. all deeds or instruments of transfer (duly executed by the registered holder but omitting the name of the transferee and the date) relating to those Securities;
- 12.1.3. such other documents (duly executed where required) relating to its Securities as the Lender may from time to time reasonably require to enable the Lender or its nominee to be registered as the owner of, or otherwise to acquire legal title to, those Securities or for vesting title to them in any purchaser or transferee; and
- 12.1.4. all documents it receives in relation to any rights, monies or property arising out of its Securities (including any circular, notice of meeting or report).

12.2. Transfers

The Chargor shall, and shall procure that any nominee of the Chargor shall, on request by the Lender:

- 12.2.1. execute legal transfers of its Securities to the Lender (or its nominees); and
- 12.2.2. execute all such other documents and take such action as the Lender may reasonably require for perfecting its title to the Securities or for vesting or enabling it to vest the same in itself or in any purchaser or transferee.

12.3. Calls and Other Liabilities

- 12.3.1. The Chargor shall pay all calls or other amounts that may become due in respect of any of its Securities.
- 12.3.2. The Chargor indemnifies and agrees to keep indemnified each Stock Transferee against any liability in respect of any calls or other liabilities in connection with any Securities.

- 12.3.3. The Chargor shall remain liable to observe and perform all obligations assumed by it in respect of its Securities and none of the Lender and any Stock Transferee shall be under any obligation or liability by reason of the charge over the Securities contained in this Deed.

12.4. Voting and Dividend Rights

- 12.4.1. The Chargor shall, unless an Event of Default has occurred and is continuing, be entitled:

- 12.4.1.1. (subject to Clause 12.4.2 below) to exercise, or direct a Stock Transferee in writing to exercise, all voting rights attached to its Securities in such manner as the Chargor thinks fit; and
- 12.4.1.2. to receive and retain any dividends, distributions or other monies paid or derived from its Securities but shall forward to the Lender promptly on receipt any notices or documents relating to such dividends, distributions or monies or their declaration.

- 12.4.2. The Chargor may not, without the previous written consent of the Lender (which shall not be unreasonably withheld), exercise or direct the exercise of voting rights attaching to any of the Securities in a manner which:

- 12.4.2.1. may have the effect of changing the terms of, or varying the rights attaching to, any of the Securities in a manner prejudicial to the interests of the Lender;
- 12.4.2.2. would impair the value of those Securities; or
- 12.4.2.3. would cause a Stock Transferee to incur any cost or expense or render itself subject to any liability unless previously indemnified to its satisfaction.

12.5. Enforcement

- 12.5.1. At all times whilst an Event of Default has occurred and is continuing, the Lender shall be entitled to:

- 12.5.1.1. receive and retain all dividends, distributions and other monies paid or derived from the Securities; and
- 12.5.1.2. exercise or direct the exercise of the voting rights attaching to the Securities in such manner as it considers fit.

- 12.5.2. The Chargor shall comply with, or procure compliance with, any direction of the Lender given pursuant to Clause 12.5.1.2 above and, if the Lender so requires, shall deliver to the Lender a duly executed form of proxy or other authority (in the form required by the Lender)

appointing such person as the Lender may select as proxy of the Chargor or its nominee.

12.6. Return of Securities

If any of the Securities are released from this Security the Lender will not be obliged to return the Securities in identical form provided that the Securities which are returned are in name of the Chargor, of the same type and for the same nominal value in aggregate.

13. **Floating Charge**

13.1. Crystallisation

The Lender may from time to time, by notice to the Chargor, convert the Floating Charge into a specific fixed charge as regards all or any of the Chargor's assets specified (whether generally or specifically) in the notice:

- 13.1.1. if an Event of Default has occurred and is continuing; or
- 13.1.2. if the Lender (in good faith) considers those assets to be in jeopardy, whether due to a risk of being seized or sold under any form of distress, attachment, execution, sequestration or other legal process or otherwise.

13.2. Automatic Crystallisation

Notwithstanding any other provision of this Deed, the Floating Charge shall (in addition to the circumstances in which the same will occur under the general law) automatically and without need for notice operate as a fixed charge the moment:

- 13.2.1. the Chargor breaches Clause 6 (Restrictions on dealing); or
- 13.2.2. any person levies or attempts to levy any distress, attachment, execution, sequestration or other legal process against any of the Secured Assets; or
- 13.2.3. a resolution is passed or an order is made for the winding up, dissolution, administration or other reorganisation of the Chargor; or
- 13.2.4. an Administrator is appointed or any step intended to result in such appointment is taken,

provided that in the case of Clauses 13.2.1 and 13.2.2 above the Floating Charge shall only operate as a fixed charge over those of the Secured Assets to which the breach or levy relates.

14. **Nature Of Security**

14.1. Continuing Security

This Security is created as, and shall remain, a continuing security notwithstanding any settlement of account or other matter whatsoever.

14.2. No Consolidation

This Security is additional to and shall not merge with or prejudice or be prejudiced by any Alternative Remedy. Section 93 of the LPA shall not apply to this Security.

14.3. Preservation of Rights

14.3.1. The obligations of the Chargor shall not be affected, nor shall the rights, powers and remedies conferred on the Lender by this Deed be discharged, impaired or otherwise affected by:

14.3.1.1. any time, indulgence or concession given to the Chargor or any other person in respect of the Secured Obligations or any of them;

14.3.1.2. any compounding, discharge, release or variation of the indebtedness or liabilities of the Chargor or any other person guaranteeing or securing the Secured Obligations or any of them;

14.3.1.3. any amendment to, or variation, waiver or replacement of, any of the terms of any agreement or document relating to the Secured Obligations or any of them or of any Alternative Remedy;

14.3.1.4. any failure to take, or fully to take, or to perfect or enforce or realise any Alternative Remedy agreed to be taken in respect of the Secured Obligations or any of them;

14.3.1.5. any release, exchange, invalidity or unenforceability of or dealing with any Alternative Remedy;

14.3.1.6. the winding-up, dissolution, administration or other Incapacity or any change in status, constitution, control or ownership of the Chargor or any other person;

14.3.1.7. the illegality, invalidity or unenforceability of, or any defect in any obligation of the Chargor or other person under, the Finance Documents or any other document relating to the Secured Obligations or any of them; or

14.3.1.8. any other act, omission, circumstance, matter or thing which, but for this provision, might operate to release or otherwise exonerate the Chargor from its obligations under this Deed, whether in whole or in part.

14.3.2. The Chargor agrees to be bound by this Deed notwithstanding that any other person intended to execute it or to provide any Alternative Remedy may not do so.

14.4. Enforcement

The Lender may enforce this Security against the Chargor, its assets and undertaking without the need for the Lender to take steps to enforce any Alternative Remedy.

14.5. Cumulative Rights

The rights and remedies provided in this Deed are cumulative and not exclusive of any rights and remedies provided by law and may be exercised as often as necessary.

14.6. Conditional Discharge

Any release, settlement or discharge between the Lender and the Chargor or any of them shall be conditional upon no security, disposition or payment to the Lender by any person being avoided, set aside, reduced or ordered to be refunded for any reason. If any such security, disposition or payment is avoided, set aside, reduced or ordered to be refunded the Lender shall be entitled to recover the value or amount of any such security, disposition or payment from the Chargor subsequently (including by enforcing this Security) as if such release, settlement or discharge had not occurred.

14.7. Retention of Deed

The Lender shall be entitled to retain this Deed after as well as before the payment of all Secured Obligations for such period as the Lender shall determine.

14.8. Accounts

If at any time this Security ceases to be a continuing security or the Lender receives, or is deemed to be affected by, any notice (actual or constructive) of any subsequent Security, all payments made to the Lender from that time shall be, or shall be deemed to be, credited to such new account(s) and shall not reduce the Secured Obligations at the time of such cessation or receipt or deemed receipt of notice.

15. **Perfection**

15.1. Further Assurance

The Chargor shall, at its own expense, promptly execute, deliver and do all such deeds, documents, acts and things (including further Security over the Secured Assets or any of them) as the Lender may reasonably require for the purpose of:

- 15.1.1. registering, perfecting or protecting the security intended to be created by this Deed;
- 15.1.2. obtaining the full benefit of the rights conferred on the Lender under this Deed; or
- 15.1.3. exercising any of the powers, authorities and discretions vested in the Lender or any Receiver by this Deed.

15.2. Legal Charge

Without prejudice to the generality of Clause 15.1 (Further Assurance), the Chargor shall promptly on request by the Lender, execute in favour of the Lender a legal mortgage, charge or assignment over all or any of the Secured Assets subject to, or intended to be subject to, any fixed charge or assignment created by this Deed in such form as the Lender may require (but containing terms no more onerous than those in this Deed).

15.3. Power of Attorney

15.3.1. After an Event of Default has occurred and is continuing, the Chargor by way of security irrevocably appoints the Lender, every Receiver and every person nominated for the purpose as delegate by the Lender or a Receiver, severally as the Chargor's attorney and on its behalf and in its name or otherwise:

15.3.1.1. to execute, deliver or otherwise perfect or do any deed, document, assurance, act or thing which the Chargor has failed to do in accordance with this Deed (including to make any demand of or to give any notice or receipt to any person owing monies to the Chargor and to execute and deliver any charges, legal mortgages, assignments or other security and transfers of Securities);

15.3.1.2. generally in its name and on its behalf to exercise all or any of the powers, authorities and discretions conferred on the Lender or any Receiver or their respective delegates by or pursuant to this Deed or by statute and to execute, deliver or otherwise perfect and do all such deeds, documents, acts and things as may be required or may be deemed proper by the Lender or any Receiver for the full exercise of those powers, authorities and discretions.

15.3.2. The Chargor agrees to ratify and confirm whatever any attorney shall do or purport to do in the exercise or purported exercise of the power of attorney in Clause 15.3.1.

15.3.3. The power of attorney granted by this Clause 15.3 (Power of Attorney) is as regards the Lender and its delegates (and as the Chargor irrevocably acknowledges), granted irrevocably and for value as part of the security constituted by this Deed to secure proprietary interests in and the performance of obligations owed to the respective donees within the meaning of Powers of Attorney Act 1971.

16. **Enforcement**

16.1. When Security Becomes Enforceable

This Deed shall become immediately enforceable at any time:

- 16.1.1. following the occurrence of an Event of Default which is continuing;
- 16.1.2. upon a step or proceeding being taken (including the giving of notice of an intention to appoint an administrator under paragraph 15 or 26 of Schedule B1 of the Insolvency Act 1986) for the appointment of an Administrator, liquidator or provisional liquidator or with a view to seeking a moratorium; and
- 16.1.3. upon the Lender being invited to enforce the Security comprised in this Deed,

and at such time the Secured Obligations shall be deemed to become due within the meaning of Section 101 of the LPA and the Lender may without further notice and without the restrictions contained in Section 103 of the LPA enforce this Security and exercise all the powers conferred on a mortgagee by the LPA and all the powers and discretions conferred by this Deed.

16.2. Power of Sale

The power of sale and other powers conferred by Section 101 of the LPA (as varied or extended by this Deed) shall arise on execution of this Deed and shall be exercisable at any time after this Security has become enforceable. Section 103 of the LPA shall not apply to this Security.

16.3. Statutory Powers of Leasing

The provisions of Sections 99 and 100 of the LPA shall not apply to this Security and the Lender may, whilst this Security is enforceable, grant leases, make agreements for lease, accept surrenders of leases and grant options in relation to the Secured Assets on such terms as it thinks fit.

17. **Appointment Of Administrator**

At any time on or after an event in Clause 16.1 (*When Security Becomes Enforceable*) has occurred the Lender may appoint an Administrator in respect of the Chargor pursuant to paragraph 14 of Schedule B1 to the Insolvency Act 1986.

18. **Appointment And Powers Of Receivers And Lender**

18.1. Appointment of Receiver

Whilst this Security is enforceable or if the Chargor so requests the Lender in writing at any time, the Lender may, by instrument in writing executed as a deed or under the hand of any director or other duly authorised officer appoint any person to be a Receiver of such part of the Secured Assets as the Lender may specify (the "**Receivership Assets**"). Any such appointment may be made subject to such qualifications, limitations and/or exceptions (either generally or in relation to specific assets or classes of asset) as may be specified in the instrument effecting the appointment. Where more than one Receiver is appointed, each joint Receiver shall have power to act severally, independently of any other joint Receivers, except to the extent that the Lender may specify to the contrary in the appointment. The Lender may remove any Receiver so appointed and appoint another in his place.

18.2. Receiver as Agent

Any Receiver shall be the agent of the Chargor in respect of which, or in respect of the assets of which, he is appointed and the Chargor shall be solely responsible for his acts or defaults and for his remuneration. This agency shall continue until the Chargor shall go into liquidation and from that time the Receiver shall act as principal and shall not become the agent of the Lender.

18.3. Remuneration of Receiver

The Chargor irrevocably authorises the Lender to agree as it sees fit, and free from the restrictions contained in Section 109(6) of the LPA, the remuneration payable to any Receiver.

18.4. General Powers

The Lender and any Receiver shall (except where expressly or impliedly excluded by any provision of this Deed and, in the case of a Receiver, subject to any limitations set out by the Lender in the relevant appointment) have all the powers conferred on mortgagees or receivers by law or any statute without the restrictions of section 103 of the LPA. Where there is any conflict or ambiguity between those powers and the provisions of this Deed, the provisions of this Deed shall prevail.

18.5. Additional Powers of Receivers

In addition to but without limiting any of the powers referred to in Clause 18.4 (*General powers*), any Receiver shall have the power, on behalf of and at the expense of the Chargor or otherwise (and notwithstanding the Incapacity of the Chargor), to do or omit to do anything which the Chargor could do or omit to do in respect of the Secured Assets or any of them, and in particular the Receiver shall have power:

- 18.5.1. to enter into, take possession of, collect and get in the Receivership Assets or any of them and all rents and other income accruing in respect of them, in each case in such manner as the Receiver thinks fit;
- 18.5.2. to take, defend, settle or discontinue any proceedings or submit to arbitration in the name of the Chargor or otherwise as may seem expedient;
- 18.5.3. to carry on, manage, develop, reconstruct, amalgamate or diversify the whole or any part of the Chargor's business, or to concur in so doing;
- 18.5.4. to enter into, carry into effect, complete, deliver, perform, repudiate, rescind or vary any deed, contract, transaction or arrangement to which the Chargor is, or is to be, party;
- 18.5.5. to purchase, lease or otherwise acquire and/or to develop or improve the whole or any part of the Charged Property or other assets (including the completion, with or without modification, of any building which is in the course of construction or renovation and any development in which the Chargor was engaged);

- 18.5.6. for the purpose of exercising any of the powers, authorities and discretions conferred on him by or pursuant to this Deed or of defraying costs, charges, losses or expenses (including his remuneration) incurred by him in the exercise of those powers, authorities and discretions or for any other purpose approved in advance by the Lender, to raise or borrow any monies and to secure the payment of such monies upon the whole or any part of the Receivership Assets, whether in priority to this Security or otherwise;
- 18.5.7. to sell (by private contract, private auction or public auction), convey, transfer, assign, let, surrender or accept surrenders of, grant licences of or otherwise dispose of or deal with the whole or any part of the Receivership Assets, or to concur in so doing, in such manner, for such consideration (whether cash or in some other form and whether payable immediately or in instalments spread over such period as he may think fit) and generally on such terms as he may think fit;
- 18.5.8. to grant or accept a surrender of a lease or tenancy of any of the Receivership Assets and to take a lease or tenancy of the Charged Property required or convenient for the business of the Chargor;
- 18.5.9. to apply for any appropriate licence, permission or approval in relation to the Charged Property, its use or development;
- 18.5.10. to acquire, renew, extend, grant, vary or otherwise deal with such easements, rights, privileges and licences over or for the benefit of the Charged Property as the Receiver shall think expedient;
- 18.5.11. without any further consent by or notice to the Chargor, to exercise for and on behalf of the Chargor all or any of the powers and rights conferred on a landlord or tenant by the Landlord and Tenant Acts 1927 and 1987 in respect of the Charged Property or arising under any enactments from time to time affecting the Charged Property;
- 18.5.12. to carry out any and all acts necessary to comply with any Environmental Claim without incurring personal liability;
- 18.5.13. to promote the formation of new companies with a view to them purchasing, leasing or otherwise acquiring interests in all or any of the Receivership Assets on such terms as the Receiver may think fit, or otherwise arrange for those companies to trade or cease to trade;
- 18.5.14. to make and effect such repairs, renewals and improvements to the Receivership Assets or any of them as the Receiver may think fit and to maintain, renew, take out or increase insurances;
- 18.5.15. to make calls on the members of the Chargor in respect of uncalled capital;
- 18.5.16. to sign any document, execute and deliver any deed and do all such other acts and things including the making of payments, whether in the name of the Chargor or otherwise, considered by the Receiver to be

incidental or conducive to any of his powers or to the protection and/or realisation of this Security;

- 18.5.17. effect and maintain insurances in respect of the business and properties of the Chargor;
- 18.5.18. use the Chargor's seal;
- 18.5.19. draw, accept, make and endorse any bill of exchange or promissory note in the name and on behalf of the Chargor;
- 18.5.20. do all such things as may be necessary for the realisation of the Receivership Assets;
- 18.5.21. transfer to Subsidiaries of the Chargor the whole or any part of the business or Receivership Assets;
- 18.5.22. make any arrangement or compromise on behalf of the Chargor in respect of the Receivership Assets;
- 18.5.23. to do anything in relation to the Receivership Assets as the Receiver could do if he were absolutely entitled to them; and
- 18.5.24. rank and claim in the bankruptcy, insolvency, sequestration or liquidation of any person indebted to the Chargor and to receive dividends, and to accede to trust deeds for the creditors of any such person.

18.6. Appointments and Employment

Any Receiver may in the exercise of his powers appoint or employ (on such terms as he thinks fit) and rely upon the advice of and discharge any agents, managers, consultants, professional advisers, workmen or such other persons as he considers fit.

18.7. Severance of Fixtures

Any Receiver may sever and sell Fixtures separately from the property to which they may be annexed and any sale or other disposition may be made upon any such terms as to indemnity as the Receiver may think fit.

18.8. Exercise of Receiver's powers

Any Receiver may exercise his powers in his absolute discretion, as he considers necessary or desirable to realise or to maintain the value of any Receivership Assets or the efficacy of this Security.

18.9. Lender's Powers

Whilst this Security is enforceable, all the powers, authorities and discretions conferred by this Deed (expressly or impliedly) on a Receiver may be exercised by the Lender whether or not any Receiver shall have been appointed.

18.10. Redemption of Prior Security

The Lender may, at any time after this Security has become enforceable, redeem any Security having priority to this Security or procure the transfer of such Security to itself. In connection with such redemption or transfer, the Lender may settle and pass the accounts of the beneficiary of that Security, which will be conclusive and binding on the Chargor. The Chargor shall on demand pay to the Lender all principal monies, interest, costs, charges and expenses of and incidental to any such redemption and transfer.

18.11. Lender's Discretion

Any discretion or power which may be exercised or any determination which may be made by the Lender under this Deed may (save as otherwise provided in this Deed) be exercised or made in its absolute and unfettered discretion and it shall not be obliged to give reasons for such exercise or determination.

18.12. Power to Remedy Breaches

If the Chargor breaches any of the covenants contained in this Deed the Lender may (without being liable as mortgagee in possession), at the Chargor's cost, carry out and do such acts which it, in its absolute discretion, considers the Chargor ought to have done to comply with such covenants.

18.13. Power to Delegate

The Lender or any Receiver may from time to time delegate (including by power of attorney) to any person or persons any of the powers, authorities and discretions that are for the time being exercisable by the Lender or a Receiver under this Deed. Any such delegation may be made upon such terms and conditions (including the power to sub-delegate) as the Lender or such Receiver may think fit. Neither the Lender nor any Receiver will be liable or responsible to the Chargor or any other person for any losses, liabilities or damages arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.

19. **Application Of Proceeds**

19.1. Proceeds

Any monies received by the Lender or any Receiver shall (subject to the payment of any claims having priority to this Security) be applied in the following order:

- 19.1.1. in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise of his powers (including his remuneration) and of all outgoings paid by him and liabilities incurred by him in exercising those powers;
- 19.1.2. in or towards payment of the Secured Obligations in such order (whether as to principal and interest and notwithstanding Section 109(8) LPA or otherwise) as the Lender may specify; and
- 19.1.3. in payment of the surplus (if any) to the Chargor or other person entitled to it.

19.2. Suspense Account

All monies received, recovered or realised by the Lender or any Receiver under this Deed may be credited at the discretion of the Lender or that Receiver to a suspense account in any name and may be held in that account for so long as the Lender or that Receiver thinks fit pending its application in accordance with Clause 19.1 (Proceeds).

19.3. Application by Lender

Until all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full, Lender may:

- 19.3.1. refrain from applying any monies held or received by it in respect of the Secured Obligations or apply them in such manner and order as it sees fit; and
- 19.3.2. hold in a suspense account (in such name as and for so long as it sees fit) any monies received from the Chargor or other person in respect of the Secured Obligations.

19.4. Proceeds Accounts

- 19.4.1. If this Security is enforced (whether by the appointment of a Receiver or otherwise) at a time when no amounts are due under the Finance Documents but at a time when amounts may become due, the Lender or the Receiver may pay the proceeds of any recoveries it makes into such number of Proceeds Accounts as it considers appropriate.
- 19.4.2. The Lender or a Receiver may withdraw amounts standing to the credit of the Proceeds Accounts and apply them in accordance with Clause 19.1 (Proceeds).

20. **Set-Off**

20.1. Contractual Set-off

The Lender may, at any time and without notice to the Chargor, combine, consolidate or merge all or any of the accounts of the Chargor with the Lender and may set-off or transfer any sum (whether or not then due) standing to the credit of any such accounts and/or apply any monies received or otherwise held by the Lender or that Beneficiary in or towards satisfaction of the whole or any part of the Secured Obligations which are due and payable. This may be done notwithstanding that such balances or monies and the Secured Obligations may be expressed in different currencies and the Lender is authorised to effect the necessary currency conversion at its spot rate of exchange for the relevant currencies as at 11.00 am (London time) on the date such conversion is effected.

20.2. Other set-off Rights

The Lender shall not be under any obligation to exercise any of its rights under Clause 20.1 (Contractual set-off), which rights are in addition to, and without

prejudice to, any other right of set off, combination or consolidation of accounts or any other right of a similar nature to which it may at any time be entitled.

21. Protection For Third Parties

- 21.1. No person dealing with any Receiver or the Lender shall be concerned to enquire whether this Security has become enforceable or whether any power that the Receiver or the Lender is purporting to exercise has become exercisable.
- 21.2. The receipt of an Administrator, or a Receiver or the Lender shall be an absolute and conclusive discharge to any purchaser and shall relieve him of any obligation to see to the application of any monies paid to or at the direction of an Administrator, or the Receiver or the Lender.
- 21.3. All the protection to purchasers contained in Sections 104 and 107 LPA shall apply to any person purchasing from or dealing with an Administrator, or a Receiver or the Lender.

22. Liability

22.1. To Account

No Relevant Person shall in any circumstances (including the entry into or taking possession of the Secured Assets) be liable (including as mortgagee in possession) to account to the Chargor for anything except that Relevant Person's actual receipts.

22.2. Other Liabilities

No Relevant Person shall in any circumstances be liable to the Chargor for any loss or damage arising from or as a result of:

- 22.2.1. any realisation of the Secured Assets;
- 22.2.2. any act, default or omission of a Relevant Person in respect of the Secured Assets or the realisation of them;
- 22.2.3. any exercise or non-exercise of any power, authority or discretion conferred on a Relevant Person under this Deed or by any statute; or
- 22.2.4. any negligence or default of a Relevant Person's nominees, correspondents or agents,

or for any other loss of any nature in connection with the Secured Assets.

22.3. Acts of Others

The Lender shall not have any liability to the Chargor for any act, default or omission of any other Relevant Person.

23. **Payments**

23.1. No Deductions

All sums received by the Lender under this Deed shall be received in full without any set-off, counter-claim, withholding or deduction save for any Tax Deduction required by law.

23.2. Tax Gross Up

If any Tax Deduction or Tax Payment is required then the Chargor making (or which has made) the relative payment shall promptly pay to the Lender such additional amounts as will result in the receipt or retention by the Lender of the amount which would otherwise have been received or retained by it had no such Tax Deduction or Tax Payment been made.

23.3. Due Currency

No payment to the Lender (including under any judgement or court order) shall discharge any obligation of the Chargor unless it is made in the currency in which such obligation was incurred (the "due currency"). If a payment is not made in the due currency and on actual conversion into the due currency it is insufficient to pay or discharge in full the relevant obligation the Lender shall have a further separate cause of action against the Chargor for that insufficiency.

23.4. Purchase of Currency

Whilst this Security is enforceable the Lender may, without notice, purchase such amount of any currency (whether using monies held by the Lender or any Receiver or using its own monies) at the Lender's then prevailing spot rate of exchange (as conclusively determined by the Lender) for effecting such purchase as the Lender considers fit to cover the Chargor's obligations and liabilities, actual or contingent, present or future.

24. **Representations**

24.1. General

The Chargor makes the representations and warranties set out in this Clause 24 to the Lender.

24.2. No Security Interests

Its Secured Assets are, or when acquired will be, beneficially owned by the Chargor free from any Security other than as created by this Deed and a Permitted Encumbrance.

24.3. No Avoidance

This Deed creates the Security which it purports to create and is not liable to be avoided or otherwise set aside on the liquidation or administration of the Chargor or otherwise.

24.4. Ownership of Secured Assets

The Chargor is the sole legal and beneficial owner of all its Secured Assets.

24.5. No Proceedings Pending or Threatened

No litigation, arbitration or administrative proceeding has currently been started or, to the best of its knowledge, threatened in relation to any Secured Asset.

24.6. Charged Securities

The Securities are fully paid and the Securities listed in Schedule 3 (Securities) constitute the entire share capital owned by the Chargor in the relevant company.

24.7. Property

In relation to the Charged Property:

24.7.1. All information provided to and used by the Chargor's legal advisers in preparation of any report on title was and remains true and complete in all material respects;

24.7.2. except as disclosed to the Lender in any report on title:

24.7.2.1. there is no breach of the Planning Acts or any other law or regulation which may materially affect the value or marketability of the Property;

24.7.2.2. there is no covenant, agreement, stipulation, reservation, condition, interest, right or other matter affecting the Charged Property;

24.7.2.3. there is no unregistered interest which overrides (a) first registration or (b) registered dispositions affecting the Charged Property, and there is no person in adverse possession of the Charged Property;

24.7.2.4. no person has a right to terminate the use of a facility necessary for the enjoyment and use of the Charged Property;

24.7.2.5. the Chargor is not is aware of any adverse claim in respect of the ownership of, or any interest in, the Charged Property;

24.7.2.6. the Charged Property is free from any tenancies or licences; and

24.7.2.7. the Charged Property is in good and substantial repair.

24.8. Times when Representations Made

24.8.1. All the representations and warranties in this Clause 24 are made by the Chargor on the date of this Deed and are also deemed to be made by the Chargor on each date that any payment is to be made by the Chargor under any of the Finance Documents.

24.8.2. Each representation or warranty deemed to be made after the date of this Deed shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

25. **Notices**

25.1. Communications in Writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by letter.

25.2. Addresses

The address (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is that identified with its name below or any substitute address or department or officer as the Party may notify to the Lender (or the Lender may notify to the other Parties, if a change is made by the Lender) by not less than five Business Days' notice.

25.2.1. The contact details of the Chargor are:

Address: Pv Technical Centre
Albert Street
Blyth
Northumberland
NE24 1LZ

Name: Steven Caseley

25.2.2. The contact details of the Lender are:

Address: c/o NELEP
St James' Gate
Newcastle upon Tyne
NE1 4PG

Attention: Matthew Ebbatson

25.3. Delivery

Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be

effective when it has been left at the relevant address or 2 Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address and, if a particular department or officer is specified as part of its address details provided under Clause 25.2 (Addresses), if addressed to that department or officer.

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

25.4. Notification of address

Promptly upon receipt of notification of an address or change of address pursuant to Clause 25.2 (Addresses) or changing its own address, the Chargor shall notify the other Parties.

25.5. Electronic Communication

- 25.5.1. Any communication to be made between the Chargor or the Lender under or in connection with the Finance Documents may be made by electronic mail or other electronic means, if the Chargor and the Lender:

25.5.1.1. agree that, unless and until notified to the contrary, this is to be an accepted form of communication;

25.5.1.2. notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

25.5.1.3. notify each other of any change to their address or any other such information supplied by them.

- 25.5.2. Any electronic communication made between the Chargor and the Lender will be effective only when actually received in readable form only if it is addressed in such a manner as the Chargor or Lender shall specify for this purpose.

25.6. English Language

Any notice given under or in connection with any Finance Document must be in English.

25.7. Certificates and Determinations

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

26. **Waivers, Consents, Partial Invalidity And Trusts**

26.1. Waivers and Consents

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

26.2. Severability of Provisions

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

26.3. Trusts

The perpetuity period applicable to any trust contained in or arising from this Deed will be a period of 125 years.

27. **Counterparts**

This Deed may be executed in any number of counterparts, each of which shall be an original and all of those counterparts taken together shall be deemed to constitute one and the same instrument.

28. **Governing Law And Enforcement**

28.1. Governing Law

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

28.2. Enforcement

Jurisdiction of English courts

28.2.1. 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**").

28.2.2. 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.

28.2.3. This Clause 28.2 is for the benefit of the Lender only. As a result, the Lender shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by

law, the Lender may take concurrent proceedings in any number of jurisdictions.

In Witness of which the parties have executed this Deed as a deed on the date first before written.

SCHEDULE 1

Properties (if any)

Registered land

| Address | Title Number | Land Registry |
|----------------|---------------------|----------------------|
|----------------|---------------------|----------------------|

Unregistered land

| Full description of address and title |
|--|
|--|

SCHEDULE 2

Equipment (if any)

SCHEDULE 3

Securities (if any)

| Name of company | Company Number | Number and Class of Shares |
|------------------------|-----------------------|---------------------------------------|
|------------------------|-----------------------|---------------------------------------|

SCHEDULE 4

Intellectual Property (if any)

| Description | Date | Parties |
|--------------------|-------------|----------------|
|--------------------|-------------|----------------|

SCHEDULE 5

Part I

Form of Notice of Charge the Chargor to Account Bank

[On Chargor's Headed Notepaper]

To: [Insert name and address of Account Bank] **Date:** [•]

FAO: [Name of contact]

Dear Sirs,

Debenture dated [•] (the "Debenture") between (1) Solar Capture Technologies Limited (the "Chargor") and (2) The Newcastle upon Tyne, North Tyneside and Northumberland Combined Authority as the accountable body of the North East Local Enterprise Partnership (the "Lender")

Terms defined in the Debenture shall have the same meaning when used in this letter.

1. This letter constitutes notice to you that, under the Debenture we have:
 - 1.1. charged our Debts to the Lender by way of fixed charge;
 - 1.2. undertaken to the Lender that after the occurrence of an Event of Default, we will pay into our [•] with you (Sort Code [•]), Account Name [•], Account Number [•]) (the "**Collection Account**") all money which we receive in respect of our Debts and pending such payment to hold all money so received on trust for the Lender; and
 - 1.3. charged all our interests and rights (if any) in or to any money at any time standing to the credit of our Collection Account to the Lender by way of fixed charge.
2. We each hereby irrevocably and unconditionally instruct and authorise you (notwithstanding any previous instructions which we may have given you to the contrary):
 - 2.1. to disclose to the Lender without any reference to, or further authority from, us and without any inquiry by you as to the justification for such disclosure, such information relating to our Collection Account as the Lender may, at any time and from time to time, request you to disclose to it;
 - 2.2. to hold all sums from time to time standing to the credit of our Collection Account with you to the order of the Lender;
 - 2.3. to pay or release all or any part of the sums from time to time standing to the credit of our Collection Account in accordance with the written instructions of the Lender at any time or times to the extent that you are not

prohibited from doing so by reason of Court Order or legal or regulatory requirements and always provided that you are not prevented from doing so by reason of technical or operational difficulties;

- 2.4. to comply with the terms of any written notice or instructions in any way relating to or purporting to relate to our Collection Account, the sums standing to the credit of that account from time to time or the debts represented thereby which you receive at any time from the Lender without reference to, or further authority from, us and without any inquiry by you as to the justification for or validity of such notice or instructions; and
- 2.5. not to act upon our instructions with regard to our Collection Account unless the Lender confirms those instructions to you in writing.
3. The Chargor is not permitted to withdraw any amount from any Collection Account without the prior written consent of the Lender.
4. The instructions and authorisations contained in this letter shall remain in full force and effect and shall not be revoked or varied without the prior written consent of the Lender.
5. This letter and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.
6. Please acknowledge receipt of this letter and confirm your acceptance of the instructions and authorisations contained in it by sending a letter addressed to us and the Lender in the form of the acknowledgement attached.

Yours faithfully

.....
For and on behalf of
[the Chargor]

Part II

Form of Acknowledgement of Notice of Charge to be delivered by the Account Bank to the Lender

[pursuant to Clause 11.4.1 of this Deed]

[on Account Bank's Headed Notepaper]

To: [name and address of Lender] **Date:** [•]

FAO: [Name of contact]

cc: [name and address of Chargor]

Dear Sirs,

Collection Accounts

We hereby acknowledge receipt of a letter (a copy of which is attached) dated [•] (the "**Notice**") addressed to us by [the Chargor] (the "Chargor"). We confirm we hold all of the [Collection Accounts].

Terms defined in the Notice shall have the same meaning when used in this letter.

1. We hereby agree with the Lender and acknowledge and confirm that we:
 - 1.1. accept the instructions contained in the Notice and undertake to act in accordance and comply with the Notice;
 - 1.2. have not received notice of the interest of any third party in any Collection Account;
 - 1.3. have neither claimed or exercised, nor will claim or exercise without your prior written consent any Security, set-off, counterclaim or other rights in respect of any Collection Account or funds in it or debts represented by them;
 - 1.4. shall not accept from the Chargor any further instructions in respect of a Collection Account without having received your written confirmation of such instructions;
 - 1.5. shall pay all monies received by us for the account of the Chargor to (and only to) the credit of the Collection Account in the name of the Chargor specified in the Notice unless you otherwise agree in writing; and
 - 1.6. shall not permit any amount to be withdrawn from a Collection Account, without your prior written consent.
2. This letter and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

Yours faithfully

.....

For and on behalf of
[name of Account Bank]

Part III

Form of letter from the Lender to the Account Bank

[pursuant to Clause 11.4.2 of this Deed]

[on the headed notepaper of the Lender]

To: [Name and address of Account Bank]

Date: [•]

FAO: [Name of contact]

Dear Sirs

Collection Accounts

We refer to:

1. the notice to you dated [•] from [•] (the "**Chargor**") concerning the accounts (the "**Collection Accounts**") of the Chargor (as defined therein) with you (the "**Notice**");
2. the Debenture (as defined in the Notice); and
3. the acknowledgement dated [•], issued by you to us in response to the Notice.

Terms defined in the Notice shall have the same meaning when used in this letter unless otherwise defined herein.

We confirm as Lender that subject to our right to withdraw such consent in whole or in part as indicated below, we consent to the following transactions in relation to the Collection Accounts in accordance with the terms of your mandates from the Chargor so far as those terms are not inconsistent with this letter:

- (a) you may collect and pay to the credit of any Collection Account the proceeds of credits for the account of the Chargor;
- (b) you may make payments to third parties on the instructions of the Chargor and debit the amounts involved to the Collection Account(s) of the Chargor;
- (c) you may debit to any Collection Account(s) of the Chargor amounts due to you from the Chargor; and
- (d) in order to enable you to make available net overdraft facilities on the Collection Accounts, you may set-off debit balances on any of the Collection Account against credit balances on any other Collection Accounts provided that all such Collection Accounts are included in group netting arrangements operated by you for the Chargor.

The consents in this letter will remain in effect until you receive notice from us withdrawing the same (which we may do wholly or in part), whereupon consent to the above mentioned transactions shall be withdrawn to the extent stated in the notice.

If the consent referred to in paragraph (d) above is withdrawn, you shall nevertheless be entitled immediately to set-off debit balances and credit balances on the relevant Collection Accounts as described in paragraph (d) above as and to the extent existing immediately prior to the receipt by you of the notice from us withdrawing such consent.

This letter and any non-contractual obligations arising out of or in connection with it are governed by and construed in accordance with English Law.

Please acknowledge receipt of this letter by signing and returning to us the enclosed copy of this letter.

Yours faithfully

.....
Authorised Signatory
Lender

Receipt acknowledged

.....
Authorised Signatory
[Account Bank]

Date [•]

SCHEDULE 6

Form of Notice of Assignment of Assigned Asset

To: [●]

[date]

Dear Sirs

Agreement dated [●] between [●] and [●] (the "Agreement")

We give you notice that, by a Debenture dated [●] between [●] and [●] we have assigned to [●] (the "Lender") all of our right, title, interest and benefit in and to the Agreement and any sums payable to us pursuant to the Agreement.

We also notify you that:

- 1 we may not agree to any variation, amendment, release or termination of, or any supplement to, the Agreement without the prior written consent of the Lender;
- 2 subject to paragraph 1 above, you may continue to deal with us in relation to the Agreement until you receive written notice to the contrary from the Lender, from which time you should deal only with the Lender;
- 3 you are authorised to disclose to the Lender such information about the Agreement as the Lender may request from time to time;
- 4 you are to pay all monies to which we are entitled under the Agreement direct to the Lender (and not to us) unless the Lender directs you otherwise in writing; and
- 5 the provisions of this notice may only be varied or revoked with the written consent of the Lender.

Please sign the enclosed copy of this notice and send it to the Lender by way of confirmation that:

- (a) you agree to act in accordance with the provisions of this notice; and
- (b) you have not received notice that we have assigned our rights under the Agreement or sums payable under it to a third party or created any other interest (whether by way of security or otherwise) in the Agreement or those sums in favour of a third party.

This notice is governed by the laws of England.

Yours faithfully

.....
On behalf of [●]

[On copy]

To: [●]

[insert address]

We, [●] acknowledge receipt of the above notice and confirm the matters set out in paragraphs (a) and (b) above.

.....
On behalf of

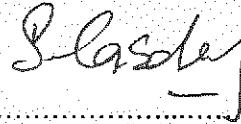
[●]

Date [●]

SIGNATURES

Chargor

SIGNED and delivered as a deed by
SOLAR CAPTURE TECHNOLOGIES LIMITED
acting by a director
in the presence of:



.....
Director

Witness

Signature : *Stones*
Name : SOPHIE TOWNES
Occupation : SOLICITOR
Address : Sintons LLP
The Cube, Barrack Road
Newcastle Upon Tyne
NE4 6DB

Lender

Executed as a deed by)
The Newcastle upon Tyne,)
North Tyneside and Northumberland)
Combined Authority)
by affixing its Common Seal)
in the presence of:)

.....
Authorised Signatory