



Registration of a Charge

Company Name: **VERTICAL FINANCIAL SERVICES LIMITED**

Company Number: **08247189**



Received for filing in Electronic Format on the: **27/09/2022**

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Details of Charge

Date of creation: **27/09/2022**

Charge code: **0824 7189 0004**

Persons entitled: **ONESAVINGS BANK PLC**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **SQUIRE PATTON BOGGS (UK) LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8247189

Charge code: 0824 7189 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 27th September 2022 and created by VERTICAL FINANCIAL SERVICES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 27th September 2022 .

Given at Companies House, Cardiff on 29th September 2022

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



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

EXECUTION VERSION

DATED 27 September 2022

THE COMPANIES LISTED IN SCHEDULE 1
as Chargors (1)

and

ONESAVINGS BANK PLC
as Chargee (2)

SUPPLEMENTAL DEBENTURE

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EXECUTION VERSION

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EXECUTION VERSION

DATE OF SUPPLEMENTAL DEBENTURE

27 September 2022

PARTIES

- (1) THE COMPANIES LISTED IN SCHEDULE 1 to this Deed (the "**Chargors**"); and
- (2) **ONESAVINGS BANK PLC**, a company incorporated in England and Wales with company number 07312896 whose registered office is at Reliance House, Sun Pier, Chatham, Kent ME4 4ET (the "**Chargee**").

IT IS AGREED:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

- (a) terms defined in, or construed for the purposes of, the Facility Agreement (as defined below) have the same meanings when used in this Deed (unless the same are otherwise defined in this Deed); and
- (b) the following terms have the following meanings:

"Account Bank" means:

- (a) National Westminster Bank plc; and/or
- (b) subject to clause 11.9 (*Change of Account Bank*), such other bank with which each Borrower Current Account is maintained from time to time.

"Act" means the Law of Property Act 1925.

"Advance Rate" means:

- (a) in relation to each Eligible Receivable, the percentage as set out in the Facility Agreement or such other percentage as the Lender shall agree from time to time at its sole discretion; and
- (b) in relation to each Ineligible Receivable, 0 per cent.

"Assigned Assets" means the Security Assets expressed to be assigned pursuant to clause 4.2 (*Security assignments of the Chargor*).

"Authorisation" means an authorisation, consent, permit, approval, resolution, licence, exemption, filing, notarisation or registration.

"Borrower" means VFS Legal Limited in its capacity as Borrower under the Facility Agreement.

"Borrower Current Account" means each account in the name of the Borrower notified by the Borrower to the Lender into which all Principal Receipts and Revenue Receipts are collected by the Borrower in accordance with clause 11 (*Accounts*) of the Facility Agreement, and any replacement or additional account designated a **"Borrower Current Account"** by the Lender and the Borrower from time to time.

"Charged Accounts" means:

- (a) each Borrower Current Account; and
- (b) each other account charged by or pursuant to this Deed.

"Charged Investments" means the Charged Securities and all present and future Related Rights accruing to all or any of the Charged Securities.

"Charged Securities" means:

- (a) the investments specified in part 2 of Schedule 2 (*Details of Security Assets*); and
- (b) all other stocks, shares, bonds, warrants, coupons, negotiable instruments, or other investments of any kind now or in future owned (legally or beneficially) by any of the Chargors or held by a nominee, trustee, fiduciary or clearance system on its behalf or in which any of the Chargors has an interest at any time.

"Customer" means, in relation to a Facility Receivable, the person or persons named as entering into that Facility Receivable and to whom funds in connection with that Facility Receivable are advanced.

"Debenture Security" means the Security created or evidenced by or pursuant to this Deed.

"Default Rate" means the rate of interest determined in accordance with clause 8.2 (*Default interest*) of the Facility Agreement.

"Delegate" means any delegate, sub-delegate, agent, attorney or co-trustee appointed by the Chargee or by a Receiver.

"Effective Date" means the date of this Deed.

"Eligibility Criteria" means each of the matters set out in schedule 7 (*Eligibility Criteria*) of the Facility Agreement which apply to each Facility Receivable.

"Eligible Receivable" means a Facility Receivable which:

- (a) complies at all times with the Eligibility Criteria; and
- (b) complies at all times with the Underwriting Criteria.

"Enforcement Date" means the date on which the Lender demands the payment or discharge of all or any of the Secured Obligations pursuant to clause 22.17 (*Acceleration*) of the Facility Agreement.

"Event of Default" means any event or circumstance specified as such in clause 22 (*Events of Default*) of the Facility Agreement.

"Facility" means the revolving credit facility made available under the Facility Agreement.

"Facility Agreement" means the revolving credit facility agreement dated 1 March 2016 as amended on 2 November 2017, 5 February 2018, 18 July 2018, 20 December 2018, 18 June 2019 and 23 June 2021 and as amended and restated on 31 March 2020 and made between (1) VFS Legal Limited (as Borrower), (2) Virtual Business Operation Services Limited (as Servicer and Guarantor), (3) Vertical Financial Services Limited (as Parent and Guarantor) and (4) OneSavings Bank plc (as Lender) as amended from time to time.

"Facility Receivables" means each receivable which has been documented by an Underlying Loan Agreement and which is:

- (a) an Eligible Receivable; or
- (b) an Ineligible Receivable.

"Group" means the Borrower, the Parent, the Servicer and its Subsidiaries.

"Guarantors" means Virtual Business Operation Services Limited and Vertical Financial Services Limited.

"Ineligible Receivable" means any Receivable that is not an Eligible Receivable.

"Insurances" means all policies of insurance (and all cover notes) which are at any time held by or written in favour of any of the Chargors or in which any of the Chargors from time to time has an interest (including, without limitation the policies of insurance (if any) specified in part 6 of Schedule 2 (*Details of Security Assets*)).

"Intellectual Property" means:

- (a) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets of each member of the Group (which may now or in the future subsist),

(including, without limitation, the intellectual property rights (if any) specified in part 4 of Schedule 2 (*Details of Security Assets*)).

"Lender" means OneSavings Bank plc in its capacity as lender under the Facility Agreement.

"Loan" means the Revolving Loan.

"Month" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month.

"Obligors" means the Borrower and the Guarantors.

"Other Receivables" means all present and future book debts and other debts, rentals, royalties, fees, VAT and monetary claims and all other amounts at any time recoverable or receivable by, or due or owing to, a Chargor (whether actual or contingent and whether arising under contract or in any other manner whatsoever) together with:

- (a) the benefit of all rights, guarantees, Security and remedies relating to any of the foregoing (including, without limitation, negotiable instruments, indemnities, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights); and
- (b) all proceeds of any of the foregoing, including, without limitation, all Receipts.

"Outstanding Principal Balance" means the principal amount from time to time outstanding under an Eligible Receivable (for the avoidance of doubt, including any third party legal, brokerage, valuation or procuration fees but excluding accrued interest, arrears of interest, capitalised interest, insurance premiums, charges or other expenses of a revenue nature (whether accrued or capitalised)).

"Parent" means Vertical Financial Services Limited in its capacity as parent under the Facility Agreement.

"Party" means a party to this Deed.

"Permitted Security" means any security created pursuant to the Security Documents.

"Planning Acts" means (a) the Town and Country Planning Act 1990, (b) the Planning (Listed Buildings and Conservation Areas) Act 1990, (c) the Planning (Hazardous Substances) Act 1990, (d) the Planning (Consequential Provisions) Act 1990, (e) the Planning and Compensation Act 1991, (f) any regulations made pursuant to any of the foregoing and (g) any other legislation of a similar nature.

"Principal Receipts" means all principal received or recovered in respect of the Facility Receivables (excluding all amounts of interest owing in respect thereof which has been capitalised but including, without limitation, repayments of principal by Customers and all insurance monies received or recovered in respect of the Facility Receivables to which the Borrower is beneficially entitled (but only to the extent that such amounts are paid by way of compensation for amounts which would otherwise have constituted a Principal Receipt)).

"Real Property" means all estates and interests in freehold, leasehold and other immovable property (in England and Wales) now or in future belonging to any of the Chargors, or in which any of the Chargors has an interest at any time (including the registered and unregistered land (if any) in England or Wales specified in part 1 of Schedule 2 (*Details of Security Assets*) together with:

- (a) all buildings and fixtures (including trade fixtures) and fixed plant and machinery at any time thereon;
- (b) all easements, rights and agreements in respect thereof; and
- (c) the benefit of all covenants given in respect thereof.

"Receipts" means all Principal Receipts and Revenue Receipts.

"Receivables Pool" means at any time the aggregate of the outstanding Eligible Receivables of the Borrower at that time.

"Receiver" means any receiver, manager or administrative receiver appointed by the Lender in respect of any of the Chargors or any of the Security Assets.

"Related Rights" means, in relation to any Charged Security:

- (a) all monies paid or payable in respect of that Charged Security (whether as income, capital or otherwise);
- (b) all shares, investments or other assets derived from that Charged Security; and/or
- (c) all rights derived from or incidental to that Charged Security.

"Relevant Contract" means:

- (a) each agreement (if any) specified in part 5 of Schedule 2 (*Details of Security Assets*) as a "Relevant Contract"; and
- (b) any other agreement designated in writing by the Chargee and each Chargor as a Relevant Contract,

together with each other agreement supplementing or amending or novating or replacing the same.

"Revenue Receipts" means the sum of all monies (including, without limitation, prepayment penalties and all amounts of interest owing in respect thereof which have been capitalised) and interest received or recovered in respect of the Facility Receivables (other than Principal Receipts), all insurance monies received or recovered in respect of the Facility Receivables to which the Borrower is beneficially entitled (but only to the extent that such amounts are paid by way of compensation for amounts which would otherwise have constituted a Revenue Receipt) and all other revenues to which the Borrower is beneficially entitled (including, without limitation, the costs, fees and expenses payable by a Customer to the extent the Borrower is reimbursed by such Customer for and is beneficially entitled to the same)).

"Secured Obligations" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or alone or in any other capacity whatsoever) of any of the Chargors to the Chargee under or pursuant to the Finance Documents, except for any obligation which, if it were included here, would constitute unlawful financial assistance or its equivalent in any other jurisdiction.

"Security Assets" means all property and assets from time to time mortgaged, charged or assigned (or expressed to be mortgaged, charged or assigned) pursuant to clauses 4 (*Fixed Security*) and 5 (*Floating Charge*) of this Deed.

"Security Period" means the period beginning on the date of this Deed and ending on the date on which the Lender has determined (acting reasonably) that the Secured Obligations have been irrevocably and unconditionally paid and discharged in full.

"Servicer" means Virtual Business Operation Services Limited in its capacity as servicer under the Facility Agreement.

"Sterling" and "£" means the lawful currency of the United Kingdom of Great Britain and Northern Ireland.

"Underlying Receivables Purchase Agreement" means the agreement documenting a Facility Receivables purchase made by the Borrower from a Customer.

"Utilisation" means a utilisation of the Facility.

"Utilisation Date" means the date of a Utilisation, being the date on which the relevant Loan is to be made, such date falling on or after the Effective Date.

"Utilisation Request" means a notice substantially in the form set out in schedule 2 (*Utilisation Request*) of the Facility Agreement.

1.2 Interpretation

- (a) Unless a contrary indication appears, in this Deed the provisions of clause 1.2 (*Construction*) of the Facility Agreement (other than clause 1.2(d)) apply to this Deed as though they were set out in full in this Deed, except that references to "this Agreement" will be construed as references to "this Deed",
- (b) Unless a contrary indication appears, any reference in this Deed to:
 - (i) the **"Chargor"** and the **"Chargee"** or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Chargee, any person for the time being appointed as Chargee in accordance with the Finance Documents;
 - (ii) **"this Deed"**, the **"Facility Agreement"**, any other **"Finance Document"** or any other agreement or instrument is a reference to this Deed, the Facility Agreement, that other Finance Document or that other agreement or instrument as amended, supplemented, extended, restated, novated and/or replaced in any manner from time to time (however fundamentally and even if any of the same increases the obligations of each Chargor or provides for further advances); and
 - (iii) **"Secured Obligations"** includes obligations and liabilities which would be treated as such but for the liquidation, administration or dissolution of or similar event affecting any Chargor.

- (c) Each undertaking of a Chargor (other than a payment obligation) contained in this Deed:
 - (i) must be complied with at all times during the Security Period; and
 - (ii) is given by each Chargor for the benefit of the Chargee.
- (d) The terms of the other Finance Documents, and of any side letters between any of the parties to them in relation to any Finance Document, are incorporated in this Deed to the extent required to ensure that any disposition of the Real Property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (e) If the Chargee reasonably considers that an amount paid by a Chargor to it under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of a Chargor, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.
- (f) The Parties intend that this document shall take effect as a deed notwithstanding the fact that a Party may only execute this document under hand.

1.3 Third party rights

A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.

1.4 Declaration of Trust

Notwithstanding any other provisions of this Deed:

- (a) the provisions of this Deed are subject in all respects to the provisions of the Declaration of Trust.
- (b) neither the Chargors nor the Chargee will be required to take, or omit to take any steps or action under or in connection with this Deed to the extent the same would be inconsistent with or result in a breach of the provisions of the Declaration of Trust.

2 COVENANT TO PAY

2.1 Covenant to pay

- (a) Each Chargor, as principal obligor and not merely as surety, covenants in favour of the Chargee that it will pay and discharge the Secured Obligations from time to time when they fall due.
- (b) Every payment by a Chargor of a Secured Obligation which is made to or for the benefit of the Chargee, such payment being due and payable in accordance with the relevant Finance Document, shall operate in satisfaction to the same extent of the covenant contained in clause 2.1(a).

3 GRANT OF SECURITY

3.1 Nature of security

All Security and dispositions created or made by or pursuant to this Deed are created or made:

- (a) in favour of the Chargee;
- (b) with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994, or as the case may be as beneficial owner; and
- (c) as continuing security for payment of the Secured Obligations.

3.2 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to any floating charge created by or pursuant to this Deed (and each such floating charge is a qualifying floating charge for the purposes of the Insolvency Act 1986).

4 FIXED SECURITY

4.1 Fixed charges of the Chargors

Each Chargor charges and agrees to charge all of its present and future right, title and interest in and to the following assets which are at any time owned by it, or in which it from time to time has an interest:

- (a) by way of first legal mortgage:
 - (i) the Real Property (if any) specified in part 1 of Schedule 2 (*Details Security Assets*); and
 - (ii) all other Real Property (if any) at the date of this Deed vested in, or charged to, a Chargor (not charged by clause 4.1(a)(i));
- (b) by way of first fixed charge:
 - (i) all other Real Property and all interests in Real Property (not charged by clause 4.1(a));
 - (ii) all licences to enter upon or use land and the benefit of all other agreements relating to land (wherever situated);
 - (iii) the proceeds of sale of all Real Property;
 - (iv) all fixtures and fittings from time to time attached to the Real Property; and
 - (v) all rents receivable from any lease granted out of the Real Property;

- (c) by way of first fixed charge all plant and machinery (not charged by clause 4.1(c) or 4.1(b)) and the benefit of all contracts, licences and warranties relating to the same;
- (d) by way of first fixed charge:
 - (i) all computers, vehicles, furniture, furnishings, office equipment and other equipment (not charged by clause 4.1(c)); and
 - (ii) the benefit of all contracts, licences and warranties relating to the same;
- (e) by way of first fixed charge:
 - (i) the Charged Securities referred to in part 2 of Schedule 2 (*Details of Security Assets*); and
 - (ii) all other Charged Securities (not charged by clause 4.1(e)(i)),

in each case, together with (A) all Related Rights from time to time accruing to those Charged Securities and (B) all rights which each Chargor may have at any time against any clearance or settlement system or any custodian in respect of any Charged Investments;
- (f) by way of first fixed charge:
 - (i) each Borrower Current Account and all monies to which each Chargor is beneficially entitled at any time standing to the credit of each Borrower Current Account; and
 - (ii) all accounts of each Chargor with any bank, financial institution or other person at any time (not charged by clause 4.1(f)(i) or 4.1(f)(ii)) and all monies to which each Chargor is beneficially entitled at any time standing to the credit of such accounts,

in each case, together with all interest from time to time accrued or accruing on such monies, any investment made out of such monies or account and all rights to repayment of any of the foregoing;
- (g) by way of first fixed charge all book debts and other debts of each Chargor and the proceeds of payment or realisation of each of them until receipt into each Borrower Current Account;
- (h) by way of first fixed charge:
 - (i) the Intellectual Property (if any) specified in part 4 of Schedule 2 (*Details of Security Assets*); and
 - (ii) all other Intellectual Property (if any) (not charged by clause 4.1(h)(i));
- (i) to the extent that any Assigned Asset is not effectively assigned under clause 4.2 (*Security assignments of the Chargor*), by way of first fixed charge such Assigned Asset;

- (j) by way of first fixed charge (to the extent not otherwise charged or assigned in this Deed):
 - (i) the benefit of all licences, consents, agreements and Authorisations held or used in connection with the business of each Chargor or the use of any of its assets; and
 - (ii) any letter of credit issued in favour of each Chargor and all bills of exchange and other negotiable instruments held by it; and
- (k) by way of first fixed charge all of the goodwill and uncalled capital of each Chargor.

4.2 Security assignments of the Chargors

Each Chargor assigns and agrees to assign absolutely (subject to a proviso for reassignment on redemption) all of its present and future right, title and interest in and to:

- (a) each Facility Receivable governed by English law and all rights and remedies in connection therewith;
- (b) all Receipts;
- (c) the Relevant Contracts, all rights and remedies in connection with the Relevant Contracts and all proceeds and claims arising from them;
- (d) each of the following:
 - (i) all Insurances specified in part 6 of Schedule 2(*Details of Security Assets*); and
 - (ii) all other Insurances (not assigned by clause 4.2(d)(i)),
 and all claims under the Insurances and all proceeds of the Insurances to the extent that, in each case, a Chargor is beneficially entitled to them;
- (e) all Other Receivables (not assigned under clauses 4.2(a) to 4.2(d) inclusive) and all rights and remedies in connection therewith; and
- (f) all rights in and remedies in connection with the Valuations.

To the extent that any Assigned Asset described in clause 4.2(e) is not assignable, the assignment which that clause purports to effect shall operate as an assignment of all present and future rights and claims of each Chargor to any proceeds of such Insurances.

4.3 Notice of assignment and/or charge - immediate notice

Immediately upon execution of this Deed each Chargor shall:

- (a) in respect of the Charged Accounts in existence at the date of this Deed, deliver a duly completed notice to the Account Bank and shall use all reasonable

endeavours to procure that the Account Bank executes and delivers to the Chargee an acknowledgement, in each case in the respective forms set out in Schedule 3 (*Form of notice to and acknowledgement from Account Bank*); and

- (b) in respect of each Relevant Contract referred to in part 5 of Schedule 2 to which it is a party, deliver a duly completed notice of assignment to each other party to that Relevant Contract and use its reasonable endeavours to procure that each such party executes and delivers to the Chargee an acknowledgement, in each case in the respective forms set out in Schedule 3 (*Form of notice to and acknowledgement by party to Relevant Contract*),

or, in each case, in such other form as the Chargee shall agree.

4.4 Notice of assignment – Facility Receivables etc.

Following the Enforcement Date, each Chargor will as soon as reasonably practicable after a written request by the Chargee upon request by the Chargee, in respect of each Facility Receivable and all Receipts, in each case assigned to the Chargee pursuant to clause 4.2 (*Security assignments of the Chargor*), deliver a duly completed notice of assignment to the relevant Customer and use its reasonable endeavours to procure that each such Customer executes and delivers to the Chargee an acknowledgment, each substantially in such form as specified by the Chargee.

4.5 Assigned Assets

The Chargee is not obliged to take any steps necessary to preserve any Assigned Asset, to enforce any term of a Relevant Contract against any person or to make any enquiries as to the nature or sufficiency of any payment received by it pursuant to this Deed.

5 FLOATING CHARGE

Each Chargor charges and agrees to charge by way of first floating charge all of its present and future assets and undertaking (wherever located) not otherwise effectively charged by way of legal mortgage or first fixed charge or assigned pursuant to clause 4.1 (*Fixed charges of the Chargor*), clause 4.2 (*Security assignments of the Chargor*) or any other provision of this Deed.

6 CONVERSION OF FLOATING CHARGE

6.1 Conversion by notice

The Chargee may, by written notice to each Chargor, convert the floating charge created under this Deed into a fixed charge as regards all or any of the assets of each Chargor specified in the notice if:

- (a) the Enforcement Date has occurred; or
- (b) the Chargee, acting reasonably, considers any Security Assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process.

6.2 Small companies

The floating charge created under this Deed by each Chargor shall not convert into a fixed charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of the Chargor.

6.3 Automatic conversion

- (a) In the case of each Chargor, the floating charge created under this Deed shall (in addition to the circumstances in which the same will occur under general law) automatically convert into a fixed charge:
 - (i) in relation to any Security Asset which is subject to a floating charge if:
 - (A) each Chargor creates (or attempts or purports to create) any Security (save any Permitted Security or where the Chargee has given prior written consent) on or over the relevant Security Asset without the prior written consent of the Chargee; or
 - (B) any third party levies or attempts to levy any distress, execution, attachment or other legal process against any such Security Asset; and
 - (ii) over all Security Assets of each Chargor which are subject to a floating charge if an administrator is appointed in respect of each Chargor or the Chargee receives notice of intention to appoint such an administrator (as contemplated by the Insolvency Act 1986).

6.4 Partial conversion

The giving of a notice by the Chargee pursuant to clause 6.1 (*Conversion by notice*) in relation to any class of assets of a Chargor shall not be construed as a waiver or abandonment of the rights of the Chargee to serve similar notices in respect of any other class of assets or of any other right of the Chargee.

7 CONTINUING SECURITY

7.1 Continuing security

The Debenture Security is continuing and will extend to the ultimate balance of the Secured Obligations regardless of any intermediate payment or discharge in whole or in part. This Deed shall remain in full force and effect as a continuing security for the duration of the Security Period.

7.2 Additional and separate security

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

7.3 Right to enforce

This Deed may be enforced against each Chargor without the Chargee first having recourse to any other right, remedy, guarantee or Security held by or available to it or any of them.

8 LIABILITY OF CHARGOR RELATING TO SECURITY ASSETS

Notwithstanding anything contained in this Deed or implied to the contrary, each Chargor remains liable to observe and perform all conditions and obligations assumed by it in relation to the Security Assets. The Chargee is under no obligation to perform or fulfil any such condition or obligation or to make any, payment in respect of any such condition or obligation.

9 ACCOUNTS

No monies at any time standing to the credit of any account (of any type and however designated) of each Chargor with the Chargee or in which each Chargor has an interest (and no rights and benefits relating thereto) shall be capable of being assigned to any person other than the Chargee.

10 REPRESENTATIONS

10.1 General

Each Chargor makes the representations and warranties set out in this clause 10 to the Chargee.

10.2 Ownership of Security Assets

Each Chargor is the sole legal and beneficial owner of all of the Security Assets identified against its name in Schedule 2 (*Details of Security Assets*).

10.3 Charged Securities

The Charged Securities listed in part 2 of Schedule 2 (*Details of Security Assets*) are fully paid and constitute the entire share capital owned by each Chargor in the relevant company and constitute the entire share capital of each such company as at the date of this Deed.

10.4 Real Property

In relation to the Real Property, part 1 of Schedule 2 (*Details of Security Assets*) identifies all freehold and leasehold Real Property (if any) which is beneficially owned by each Chargor at the date of this Deed.

10.5 Time when representations made

- (a) All the representations and warranties in this clause 10 are made by each Chargor on the date of this Deed and are also deemed to be made by each Chargor on each Utilisation Date; and

- (b) 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.

11 UNDERTAKINGS BY THE CHARGOR

11.1 Negative pledge and Disposals

Each Chargor shall not do or agree to do any of the following without the prior written consent of the Chargee except as expressly permitted by the Facility Agreement:

- (a) create or permit to subsist any Security on any Security Asset other than as created by this Deed or any Permitted Security; or
- (b) sell, transfer, lease, lend or otherwise dispose of (whether by a single transaction or a number of transactions and whether related or not and whether voluntarily or involuntarily) the whole or any part of its interest in any Security Asset.

11.2 Security Assets generally

Each Chargor shall:

- (a) notify the Chargee within seven days of receipt of every material notice, order, application, requirement or proposal given or made in relation to the Security Assets by any competent authority, and (if required by the Chargee):
 - (i) promptly provide it with a copy of the same; and
 - (ii) either (A) comply with such notice, order, application, requirement or proposal or (B) make such objections to the same as the Chargee may require or approve;
- (b) pay all rates, rents and other outgoings owed by it in respect of the Security Assets;
- (c) comply with:
 - (i) all obligations in relation to the Security Assets under any present or future regulation or requirement of any competent authority or any Authorisation; and
 - (ii) all covenants and obligations affecting any Security Asset (or its manner of use),

where failure to do so has or is reasonably likely to have a Material Adverse Effect;

- (d) not, except with the prior written consent of the Chargee, enter into any onerous or restrictive obligation affecting any Security Assets;
- (e) provide the Chargee with all information which it may reasonably request in relation to the Security Assets; and

- (f) not do, cause or permit (so far as it is lawfully able) to be done other than with the prior written consent of the Chargee anything which may in any way depreciate, jeopardise or otherwise prejudice the value or marketability of any Security Asset (or make any omission which has such an effect).

11.3 Deposit of documents and notices

- (a) On or after the Enforcement Date each Chargor shall, as soon as reasonably practicable upon the request of the Chargee, (and without prejudice to clause 11.10(a)), deposit with the Chargee all deeds and documents of title relating to the Facility Receivables (each of which the Chargee may hold throughout the Security Period).
- (b) Subject to clause 11.11(a)(i) below, each Chargor shall as soon as reasonably practicable upon the request of the Chargee (and without prejudice to clause 11.10(a)), deposit with the Chargee:
 - (i) all deeds and documents of title relating to the Security Assets other than those Security Assets referred to in clauses 4.2(a) and 4.2(c); and
 - (ii) all local land charges, land charges and HM Land Registry search certificates and similar documents received by or on behalf of each Chargor,

(each of which the Chargee may hold throughout the Security Period).

11.4 Real Property undertakings - acquisitions and notices to HM Land Registry

Without prejudice to any restrictions contained in the Facility Agreement regarding the acquisition of any interest in any freehold or leasehold property:

- (a) each Chargor shall notify the Chargee as soon as reasonably practicable before contracting to purchase any estate or interest in any freehold or leasehold property; and
- (b) each Chargor shall, in respect of any freehold or leasehold Real Property which is acquired by it after the date of this Deed, the title which is registered at HM Land Registry or the title to which is required to be so registered:
 - (i) give HM Land Registry written notice of this Deed; and
 - (ii) procure that notice of this Deed is clearly noted in the Register to each such title.

11.5 Real Property undertakings - maintenance

- (a) Each Chargor shall maintain all buildings and erections forming part of the Security Assets in a good state of repair.
- (b) Each Chargor shall not, except with the prior written consent of the Chargee:

- (i) confer on any person any lease or tenancy of any of the Real Property or accept a surrender of any lease or tenancy (whether independently or under any statutory power);
 - (ii) confer on any person any right or licence to occupy any land or buildings forming part of the Real Property; or
 - (iii) grant any licence to assign or sub-let any part of the Real Property.
- (c) Each Chargor shall not carry out any development within the meaning of the Planning Acts in or upon any part of the Real Property without first obtaining such permissions as may be required under or by virtue of the Planning Acts and, in the case of development involving a substantial change in the structure of, or a change of use of, any part of the Real Property, without first obtaining the written consent of the Chargee.
 - (d) Each Chargor shall not do, or permit to be done, anything as a result of which any lease may be liable to forfeiture or otherwise be determined.
 - (e) Each Chargor shall permit the Chargee and any person nominated by it at all reasonable times with reasonable notice to enter any part of the Real Property and view the state of it.

11.6 Insurance

- (a) Each Chargor shall at all times comply with its obligations as to insurance contained in the Facility Agreement.
- (b) If at any time any Chargor defaults in:
 - (i) effecting or keeping up the insurances required under the Facility Agreement; or
 - (ii) producing any Insurances or receipt thereof to the Chargee on demand,
 the Chargee may (without prejudice to its rights under clause 12 (*Power to remedy*)) take out or renew such policies of insurance in any sum which the Chargee may reasonably think expedient. All monies which are expended by the Chargee in doing so shall be deemed to be properly paid by the Chargee and shall be reimbursed by the relevant Chargor on demand.
- (c) Each Chargor shall notify the Chargee if any claim arises or is made under the Insurances relating to a Chargor or any of its assets.
- (d) Each Chargor shall, subject to the rights of the Chargee under clause 11.6(a), diligently pursue its rights under the Insurances.
- (e) In relation to the proceeds of Insurances to which each Chargor is beneficially entitled, all claims and monies received or receivable by such Chargor under any Insurances shall (subject to the rights or claims of any lessor or landlord of any part of the Security Assets) be applied in accordance with the Facility Agreement or (if no requirement as to application is so imposed) in repairing, replacing, restoring or rebuilding the property damaged or destroyed or, in each

case after the occurrence of the Enforcement Date which is continuing, in permanent reduction of the Secured Obligations in accordance with the Facility Agreement.

11.7 Dealings with and realisation of Facility Receivables and Borrower Current Accounts

- (a) Each Chargor shall comply at all times with the provisions of the Facility Agreement relating to each Borrower Current Account and the collection of all Receipts (in particular clause 11 (*Accounts*) of the Facility Agreement) and in particular shall:
 - (i) without prejudice to clause 11.1 (*Negative pledge and Disposals*) (but in addition to the restrictions in that clause), not, without the prior written consent of the Chargee, sell, assign, charge, factor or discount or in any other manner deal with any Facility Receivable;
 - (ii) collect all Receipts promptly in the ordinary course of trading as agent for the Chargee;
 - (iii) promptly upon receipt pay all monies which it receives in respect of the Facility Receivables into each Borrower Current Account or any replacement or additional Borrower Current Account as designated by the Lender and the Borrower pursuant to the Facility Agreement; and
 - (iv) pending such payment, hold all monies so received on trust for the Chargee.
- (b) The Chargor shall deal with the Receipts (both collected and uncollected) and each Borrower Current Account in accordance with any directions given in writing from time to time by the Chargee and, in default of and subject to such directions, in accordance with this Deed and the Facility Agreement.
- (c) The Chargor shall deliver to the Chargee such information as to the amount and nature of its Facility Receivables as the Chargee may from time to time reasonably require (taking into account the requirements of the Finance Documents).

11.8 Account Bank and notices

- (a) The initial Account Bank is National Westminster Bank plc unless the Chargee specifies otherwise.
- (b) The Chargor shall deliver to the relevant Account Bank a duly completed notice and use its reasonable endeavours to procure that such Account Bank executes and delivers to the Chargee an acknowledgement, in each case in the respective forms set out in Schedule 3 (*Form of notice to and acknowledgement from Account Bank*).

11.9 Change of Account Bank

- (a) The Account Bank may only be changed to another bank or financial institution with the consent of the Chargee.

- (b) A change only becomes effective when the proposed new Account Bank agrees with the Chargee and each Chargor (in a manner satisfactory to the Chargee acting reasonably) to fulfil the role of the Account Bank under this Deed.
- (c) If there is a change of Account Bank the net amount (if any) standing to the credit of the relevant Charged Account maintained with the old Account Bank will be transferred to the corresponding Charged Accounts maintained with the new Account Bank promptly upon the appointment taking effect. By this Deed each Chargor irrevocably gives all authorisations and instructions necessary for any such transfer to be made.
- (d) Each Chargor shall not be liable, and shall not be construed to be in breach of this Deed, for any failure or delay by the old Account Bank to transfer, or the new Account Bank to receive, any monies which such Chargor gave instructions for transfer in accordance with clause 11.9(c) above.
- (e) Each Chargor shall take any action which the Chargee requires to facilitate a change of Account Bank and any transfer of credit balances (including the execution of bank mandate forms) and irrevocably appoints the Chargee as its attorney to take any such action if each Chargor should fail to do so.

11.10 Charged Investments - protection of security

- (a) Each Chargor shall, promptly upon execution of this Deed or (if later) as soon as is practicable after its acquisition of any Charged Securities, by way of security for the Secured Obligations:
 - (i) (to the extent that the relevant documents have not been deposited with a clearance system, settlement system or a custodian acceptable to the Chargee) deposit with the Chargee (or as the Chargee may direct) all certificates and other documents of title or evidence of ownership to the Charged Securities and any applicable Related Rights; and
 - (ii) execute and deliver to the Chargee:
 - (A) instruments of transfer in respect of the Charged Securities (executed in blank and left undated); and/or
 - (B) such other documents as the Chargee shall require (acting reasonably) to enable it (or its nominees) to be registered as the owner of or otherwise to acquire a legal title to the Charged Securities and their Related Rights (or to pass legal title to any purchaser).
- (b) In respect of any Charged Investment held by or on behalf of any nominee of any clearance or settlement system, each Chargor shall promptly upon execution of this Deed or (if later) promptly upon acquisition of an interest in such Charged Investment deliver to the Chargee duly executed stock notes or other document in the name of the Chargee (or as it may direct) issued by such nominee and representing or evidencing any benefit or entitlement to such Charged Investment.

(c) Each Chargor shall:

- (i) promptly give notice to any custodian of any agreement with each Chargor in respect of any Charged Investment in a form the Chargee may require (acting reasonably); and
- (ii) use its reasonable endeavours to procure that the custodian acknowledges that notice in a form the Chargee may require.

(d) After the Enforcement Date, each Chargor shall:

- (i) instruct any clearance system to transfer any Charged Investment held by it for each Chargor or its nominee to an account of the Chargee or its nominee with such clearance system; and
- (ii) take whatever action the Chargee may request for the dematerialisation or rematerialisation of any Charged Investment held in a clearance system.

Without prejudice to the rest of this clause 11.10, the Chargee may, at the expense of each Chargor, take whatever action is required for the dematerialisation or rematerialisation of the Charged Investments.

- (e) Each Chargor shall promptly pay all calls or other payments which may become due and payable in respect of its Charged Investments,
- (f) No Chargor shall nominate another person to enjoy or exercise all or any specified rights of that Chargor in relation to its Charged Investments, as contemplated by section 145 of the Companies Act 2006 or otherwise.
- (g) Without limiting its obligations under clause 11.2(e), each Chargor shall comply with all requests for information within its knowledge relating to the Charged Investments which are made under section 793 of the Companies Act 2006 or which could be made under section 793 if the relevant company were a public limited company or under any similar provision contained in the articles of association or other constitutional documents of the relevant company or otherwise relating to the Charged Investments and, if it fails to do so, the Chargee may provide such information as it may have on behalf of each Chargor.

11.11 Rights of the Parties in respect of Charged Investments

- (a) Until such time as the Debenture Security is enforceable under clause 13.1 and the Chargee has taken steps to enforce the Debenture Security under clause 13.3, each Chargor shall be entitled to:
 - (i) receive and retain all dividends, distributions and other monies paid on or derived from its Charged Securities; and
 - (ii) exercise all voting and other rights and powers attaching to its Charged Securities, provided that it must not do so in a manner which:

- (A) has the effect of changing the terms of such Charged Securities (or any class of them) or of any Related Rights unless permitted by the Finance Documents; or
 - (B) is prejudicial to the interests of the Chargee under the Finance Documents.
- (b) At any time following the Enforcement Date, the Chargee may complete the instrument(s) of transfer for all or any Charged Securities on behalf of each Chargor in favour of itself or such other person as it may select.
- (c) At any time when any Charged Security is registered in the name of the Chargee or its nominee, the Chargee shall be under no duty to:
 - (i) ensure that any dividends, distributions or other monies payable in respect of such Charged Security are duly and promptly paid or received by it or its nominee;
 - (ii) verify that the correct amounts are paid or received; or
 - (iii) take any action in connection with the taking up of any (or any offer of any) Related Rights in respect of or in substitution for, any such Charged Security.

12 POWER TO REMEDY

12.1 Power to remedy

If at any time each Chargor does not comply with any of its obligations under this Deed, the Chargee (without prejudice to any other rights arising as a consequence of such non-compliance) shall be entitled (but not bound) to rectify that default. Each Chargor irrevocably authorises the Chargee and its employees and agents by way of security to do all such things (including entering the property of each Chargor) which are necessary or desirable to rectify that default.

12.2 Mortgagee in possession

The exercise of the powers of the Chargee under this clause 12 shall not render it, liable as a mortgagee in possession.

12.3 Monies expended

Each Chargor shall pay to the Chargee on demand any monies which are expended by the Chargee in exercising its powers under this clause 12, together with interest at the Default Rate from the date on which those monies were expended by the Chargee (both before and after judgment) and otherwise in accordance with clause 8.2 (*Default interest*) of the Facility Agreement.

13 WHEN SECURITY BECOMES ENFORCEABLE

13.1 When enforceable

This Debenture Security shall become immediately enforceable upon the occurrence of the Enforcement Date.

13.2 Statutory powers

The power of sale and other powers conferred by section 101 of the Act (as amended or extended by this Deed) shall be immediately exercisable upon and at any time after the occurrence of the Enforcement Date.

13.3 Enforcement

After this Debenture Security has become enforceable, the Chargee may in its absolute discretion enforce all or any part of the Debenture Security in such manner as it sees fit.

14 ENFORCEMENT OF SECURITY

14.1 General

For the purposes of all rights and powers implied by statute, the Secured Obligations are deemed to have become due and payable on the date of this Deed. Sections 93 and 103 of the Act shall not apply to the Debenture Security.

14.2 Powers of leasing

The statutory powers of leasing conferred on the Chargee are extended so as to authorise the Chargee to lease, make agreements for leases, accept surrenders of leases and grant options as the Chargee may think fit and without the need to comply with section 99 or 100 of the Act.

14.3 Powers of Chargee

- (a) At any time after the Debenture Security becomes enforceable pursuant to clause 13.1 above (or if so requested by the Chargor by written notice at any time), the Chargee may without further notice (unless required by law):
 - (i) appoint any person (or persons) to be a Receiver of all or any part of the Security Assets and/or of the income of the Security Assets; and/or
 - (ii) appoint or apply for the appointment of any person who is appropriately qualified as an administrator of each Chargor; and/or
 - (iii) exercise all or any of the powers conferred on mortgagees by the Act (as amended or extended by this Deed) and/or all or any of the powers which are conferred by this Deed on a Receiver, in each case without first appointing a Receiver or notwithstanding the appointment of any Receiver; and/or

- (iv) exercise (in the name of each Chargor and without any further consent or authority of each Chargor) any voting rights and any powers or rights which may be exercised by any person(s) in whose name any Charged Investment is registered or who is the holder of any of them.
- (b) The Chargee is not entitled to appoint a Receiver in respect of any Security Assets of the Chargor which are subject to a charge which (as created) was a floating charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of each Chargor.

14.4 Redemption of prior mortgages

- (a) At any time after the Debenture Security has become enforceable, the Chargee may:
 - (i) redeem any prior Security against any Security Asset; and/or
 - (ii) procure the transfer of that Security to itself; and/or
 - (iii) settle and pass the accounts of the holder of any prior Security and any accounts so settled and passed shall be conclusive and binding on each Chargor.
- (b) All principal, interest, costs, charges and expenses of and incidental to any such redemption and/or transfer shall be paid by each Chargor to the Chargee on demand.

14.5 Privileges

- (a) Each Receiver and the Chargee is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers when such receivers have been duly appointed under the Act, except that section 103 of the Act does not apply.
- (b) To the extent that the Security Assets constitute "financial collateral" and this Deed and the obligations of each Chargor under this Deed constitute a "security financial collateral arrangement" (in each case for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226)) each Receiver and the Chargee shall have the right after this Security has become enforceable pursuant to clause 13.1 above to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Obligations.
- (c) For the purpose of clause 14.5(b) above, the value of the financial collateral appropriated shall be such amount as the Receiver or Chargee reasonably determines having taken into account advice obtained by it from an independent investment or accountancy firm of national standing selected by it.

14.6 No liability

- (a) Neither the Chargee nor any Receiver shall be liable (A) in respect of all or any part of the Security Assets or (B) for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, its or his respective powers (unless such loss or damage is caused by its or his gross negligence or wilful misconduct).
- (b) Without prejudice to the generality of clause 14.6(a), neither the Chargee nor any Receiver shall be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

14.7 Protection of third parties

No person (including a purchaser) dealing with the Chargee or any Receiver or Delegate will be concerned to enquire:

- (a) whether the Secured Obligations have become payable; or
- (b) whether any power which the Chargee or the Receiver is purporting to exercise has become exercisable; or
- (c) whether any money remains due under any Finance Document; or
- (d) how any money paid to the Chargee or to the Receiver is to be applied.

15 RECEIVER

15.1 Removal and replacement

The Chargee may from time to time remove any Receiver appointed by it (subject, in the case of an administrative receivership, to section 45 of the Insolvency Act 1986) and, whenever it may deem appropriate, may appoint a new Receiver in the place of any Receiver whose appointment has terminated.

15.2 Multiple Receivers

If at any time there is more than one Receiver of all or any part of the Security Assets and/or the income of the Security Assets, each Receiver shall have power to act individually (unless otherwise stated in the appointment document).

15.3 Remuneration

Any Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and the Chargee (or, failing such agreement, to be fixed by the Chargee).

15.4 Payment by Receiver

Only monies actually paid by a Receiver to the Chargee in relation to the Secured Obligations shall be capable of being applied by the Chargee in discharge of the Secured Obligations.

15.5 Agent of Chargors

Any Receiver shall be the agent of each Chargor in respect of which it is appointed. Each Chargor shall (subject to the Companies Act 2006 and the Insolvency Act 1986) be solely responsible for his acts and defaults and for the payment of his remuneration. The Chargee shall not incur any liability (either to any Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

16 POWERS OF RECEIVER

16.1 General powers

Any Receiver shall have:

- (a) all the powers which are conferred on the Chargee by clause 14.3 (*Powers of Chargee*);
- (b) all the powers which are conferred by the Act on mortgagees in possession and receivers appointed under the Act;
- (c) (whether or not he is an administrative receiver) all the powers which are listed in schedule I of the Insolvency Act 1986; and
- (d) all powers which are conferred by any other law conferring power on receivers.

16.2 Additional powers

In addition to the powers referred to in clause 16.1 (*General powers*), a Receiver shall have the following powers:

- (a) to take possession of, collect and get in all or any part of the Security Assets and/or income in respect of which he was appointed;
- (b) to manage the Security Assets and the business of each Chargor as he thinks fit;
- (c) to redeem any Security and to borrow or raise any money and secure the payment of any money in priority to the Secured Obligations for the purpose of the exercise of his powers and/or defraying any costs or liabilities incurred by him in such exercise;
- (d) to sell or concur in selling, leasing or otherwise disposing of all or any part of the Security Assets in respect of which he was appointed without the need to observe the restrictions imposed by section 103 of the Act, and without limitation:
 - (i) fixtures may be severed and sold separately from the Real Property containing them, without the consent of each Chargor;
 - (ii) the consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration (and the amount of such consideration may be dependent upon profit or turnover or be determined by a third party); and

- (iii) any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit;
- (e) to alter, improve, develop, complete, construct, modify, refurbish or repair any building or land and to complete or undertake or concur in the completion or undertaking (with or without modification) of any project in which each Chargor was concerned or interested before his appointment (being a project for the alteration, improvement, development, completion, construction, modification, refurbishment or repair of any building or land);
- (f) to carry out any sale, lease or other disposal of all or any part of the Security Assets by conveying, transferring, assigning or teasing the same in the name of each Chargor and, for that purpose, to enter into covenants and other contractual obligations in the name of and so as to bind, each Chargor;
- (g) to take any such proceedings (in the name of any of each Chargor or otherwise) as he shall think fit in respect of the Security Assets and income in respect of which he was appointed (including proceedings for recovery of rent or other monies in arrears at the date of his appointment);
- (h) to enter into or make any such agreement, arrangement or compromise as he shall think fit;
- (i) to insure, and to renew any insurances in respect of, the Security Assets as he shall think fit (or as the Chargee shall direct);
- (j) to appoint and employ such managers, officers and workmen and engage such professional advisers as he shall think fit (including, without prejudice to the generality of the foregoing power, to employ his partners and firm);
- (k) to form one or more Subsidiaries of each Chargor and to transfer to any such Subsidiary all or any part of the Security Assets;
- (l) to operate any rent review clause in respect of any Real Property in respect of which he was appointed (or any part thereof) and to apply for any new or extended lease; and
- (m) to:
 - (i) give valid receipts for all monies and to do all such other things as may seem to him to be incidental or conducive to any other power vested in him or necessary or desirable for the realisation of any Security Asset;
 - (ii) exercise in relation to each Security Asset all such powers and rights as he would be capable of exercising if he were the absolute beneficial owner of the Security Assets; and
 - (iii) use the name of each Chargor for any of the above purposes.

17 APPLICATION OF PROCEEDS

17.1 Application

All monies received by the Chargee or any Receiver after the Debenture Security has become enforceable shall be applied in the following order:

- (a) *firstly*, in satisfaction of, or provision for, all costs, charges and expenses incurred, and payments made, by the Chargee or any Receiver or Delegate and of all remuneration due to the Receiver in connection with this Deed or the Security Assets;
- (b) *secondly*, in or towards satisfaction of the remaining Secured Obligations in accordance with clause 17.2 (*Appropriation and suspense account*) subject to any provision to the contrary in the Facility Agreement; and
- (c) *thirdly*, in payment of any surplus to each Chargor or other person or persons entitled to it.

17.2 Appropriation and suspense account

- (a) Subject to clause 17.1 (*Application*), the Chargee shall apply all payments received in respect of the Secured Obligations in reduction of any part of the Secured Obligations in any order or manner which it may determine.
- (b) Any such appropriation shall override any appropriation by each Chargor.

18 DELEGATION

Each of the Chargee and any Receiver may delegate, by power of attorney (or in any other manner) to any person, any right, power or discretion exercisable by them under this Deed upon any terms (including power to sub-delegate) which it may think fit. Neither the Chargee nor any Receiver shall be in any way liable or responsible to each Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

19 FURTHER ASSURANCES

Clause 21.31 (*Further assurance*) of the Facility Agreement shall apply to this Deed *mutatis mutandis*.

20 POWER OF ATTORNEY

Each Chargor, by way of security, irrevocably and severally appoints the Chargee, each Receiver and any Delegate to be its attorney to take any action which each Chargor is obliged to take under this Deed including in relation to Clause 21.31 (*Further assurance*) of the Facility Agreement. Each Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause.

21 CURRENCY CONVERSION

All monies received or held by, the Chargee or any Receiver under this Deed may be converted from their existing currency into such other currency as the Chargee or the

Receiver considers necessary or desirable to cover the obligations and liabilities comprised in the Secured Obligations in that other currency at the Chargee's (or such other bank or financial institutions as nominated by the Chargee) rate of exchange for such currencies. Each Chargor shall indemnify the Chargee against all costs, charges and expenses incurred in relation to such conversion. Neither the Chargee nor any Receiver shall have any liability to each Chargor in respect of any loss resulting from any fluctuation in exchange rates after any such conversion.

22 CHANGES TO THE PARTIES

22.1 Chargors

Each Chargor may not assign any of its rights or obligations under this Deed.

22.2 Chargee

The Chargee may assign or transfer all or any part of its rights under this Deed in accordance with the terms of the Facility Agreement. Each Chargor shall, promptly upon being requested to do so by the Chargee, enter into such documents as may be necessary or desirable to effect such assignment or transfer.

23 MISCELLANEOUS

23.1 New accounts

- (a) If the Chargee receives, or is deemed to be affected by, notice, whether actual or constructive, of any subsequent Security (save where the Chargee has given prior written consent) affecting any Security Asset and/or the proceeds of sale of any Security Asset or any guarantee under the Finance Documents ceases to continue in force, it may open a new account or accounts for each Chargor. If it 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 such notice.
- (b) As from that time all payments made to the Chargee will be credited or be treated as having been credited to the new account and will not operate to reduce any amount of the Secured Obligations.

23.2 Tacking

- (a) The Parties shall perform their respective obligations under the Facility Agreement (including any obligation to make available further advances).
- (b) This Deed secures advances already made and further advances to be made.

23.3 Land Registry

- (a) Each Chargor shall apply to the Chief Land Registrar and consents to such an application being made by or on behalf of the Chargee for a restriction in the following terms to be entered on the Register of Title relating to any Real Property registered at the Land Registry (or any unregistered land subject to first registration) and against which this Deed may be noted:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [] 2022 in favour of OneSavings Bank plc as Chargee referred to in the charges register or, if appropriate, signed on such proprietor's behalf by its secretary or conveyancer."

- (b) Each Chargor:
 - (i) authorises the Chargee to make any application which the Chargee deems appropriate for the designation of this Deed, the Facility Agreement or any other Finance Document as an exempt information document under rule 136 of the Land Registration Rules 2003;
 - (ii) shall use its reasonable endeavours to assist with any such application made by or on behalf of the Chargee; and
 - (iii) shall notify the Chargee in writing as soon as it receives notice of any person's application under rule 137 of the Land Registration Rules 2003 for the disclosure of this Deed, the Facility Agreement or any other Finance Document following its designation as an exempt information document.
- (c) Each Chargor shall not make any application under rule 138 of the Land Registration Rules 2003 for the removal of the designation of any such document as an exempt information document.
- (d) Each Chargor shall promptly make all applications to and filings with the Land Registry which are necessary or desirable under the Land Registration Rules 2003 to protect the Debenture Security.

23.4 Protective clauses

Each Chargor is deemed to be a principal debtor in relation to this Deed. The obligations of each Chargor under, and the security intended to be created by, this Deed shall not be impaired by any forbearance, neglect, indulgence, extension or time, release, surrender or loss of securities, dealing, amendment or arrangement by any Secured Party which would otherwise have reduced, released or prejudiced this Debenture Security or any surety liability of each Chargor (whether or not known to it or to any Secured Party).

24 COUNTERPARTS

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

25 RELEASE

25.1 Release

- (a) Upon the expiry of the Security Period the Chargee shall, at the request and cost of each Chargor, take whatever action is necessary to release or re-assign (without recourse or warranty) the Security Assets from the Security.

- (b) Notwithstanding any other term of this Deed or the Facility Agreement, each Chargor and the Servicer are permitted to deal with the Facility Receivables in the manner set out in the Underlying Receivables Purchase Agreement including:
- (i) if any Customer elects to redeem his or her Facility Receivable in accordance with its terms, then each Chargor and/or the Servicer shall be entitled to permit such redemption and to perform all acts necessary for, or conducive to, such redemption but without prejudice to the Chargor's obligations under the Finance Documents;
 - (ii) if the Borrower, pursuant to, and in accordance with, any provision of the Underlying Receivables Purchase Agreement or otherwise with the consent of the Chargee, disposes of any Facility Receivable, the security constituted by this Deed over such Facility Receivable and the Borrower's interest therein and the custody of the title deeds relating thereto (to the extent the relevant title deeds are in the custody of the Chargee) shall be released without any further action being required, provided that, if necessary, the Chargee, at the request and cost of the Borrower, shall execute a release or discharge of its interest in such Facility Receivable; and/or
 - (iii) if the Customer, pursuant to, and in accordance with, any provision of the Underlying Receivables Purchase Agreement or otherwise with the consent of the Chargee, disposes of any Facility Receivable, the security constituted by this Deed over such Facility Receivable and the Customer's interest therein and the custody of the title deeds relating thereto (to the extent the relevant title deeds are in the custody of the Chargee) shall be released without any further action being required, provided that, if necessary, the Chargee, at the request and cost of the Customer, shall execute a release or discharge of its interest in such Facility Receivable.

25.2 Reinstatement

Where any discharge (whether in respect of the obligations of the Chargor or any security for those obligations or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise (without limitation), the liability of each Chargor under this Deed shall continue as if the discharge or arrangement had not occurred. The Chargee may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

26 GOVERNING LAW

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

27 ENFORCEMENT

27.1 Jurisdiction of English courts

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "**Dispute**").
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This clause 27.1 is for the benefit of the Chargee only. As a result, the Chargee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Chargee may take concurrent proceedings in any number of jurisdictions.

IN WITNESS of which this Deed has been duly executed by each Chargor as a deed and duly executed by the Chargee and has been delivered on the first date specified on page 1 of this Deed.

SCHEDULE 1

Chargors

Company Name	Company Number	Registered Office
VFS Legal Limited	07700234	Kingfisher House, 21-23 Elmfield Road, Bromley, Kent, BR1 1LT
Virtual Business Operation Services Limited	08053101	Kingfisher House, 21-23 Elmfield Road, Bromley, Kent, BR1 1LT
Vertical Financial Services Limited	08247189	Kingfisher House, 21-23 Elmfield Road, Bromley, Kent, BR1 1LT

EXECUTION VERSION

SCHEDULE 2

Details of Security Assets

Part 1: Real Property

Registered Land				
Chargor	Address	Administrative Area		Title Number
Unregistered Land				
Chargor	Address	Document describing the Real Property		
		Date	Document	Parties

Part 2: Charged Securities

Chargor	Name of company in which shares are held	Class of shares held	Number of shares held	Issued share capital

Part 3: Charged Accounts

Borrower Current Accounts			
Account Holder	Sort Code	Account Bank	Account number
VFS Legal Limited		National Westminster Bank plc	
VFS Legal Limited Business Reserve		National Westminster Bank plc	

Part 4: Intellectual Property

Part 4A – Trade Marks				
Proprietor/ADP number	TM number	Jurisdiction/ apparent status	Classes	Mark text

Part 4B – Patents		
Proprietor/ADP number	Patent Number	Description

Part 5: Relevant Contracts

Chargor	Date of Relevant Contract	Parties (amongst others)	Details of Relevant Contract

Part 6: Insurances

Chargor	Insurer	Policy Number

SCHEDULE 3

Form of notice to and acknowledgement from Account Bank

To: []
Attn: []
[Insert address]

Dear Sirs

Account Holder: [VFS Legal Limited, Virtual Business Operation Services Limited, Vertical Financial Services Limited] (the "**Chargor**")

- 1 We give notice that, by a debenture dated [• 2022] (the "**Debenture**"), we have charged to OneSavings Bank plc (the "Chargee") as Chargee in the Debenture all our present and future right, title and interest in and to:
 - (a) each Borrower Current Account (as defined in the schedule to this letter), all monies from time to time standing to the credit of each Borrower Current Account and all additions to or renewals or replacements thereof (in whatever currency); and
 - (b) all other accounts from time to time maintained with you by the Chargor and all monies at any time standing to the credit of such accounts,(together the "**Charged Accounts**") and to all interest from time to time accrued or accruing on the Charged Accounts, any investment made out of any such monies or account and all rights to repayment of any of the foregoing by you.
- 2 The Chargee, by its countersignature of this notice, agrees that the Chargor may continue to withdraw monies from the Charged Accounts.
- 3 We irrevocably authorise and instruct you from time to time:
 - (a) to hold all monies from time to time standing to the credit of the Charged Accounts to the order of the Chargee;
 - (b) to pay all or any part of the monies standing to the credit of the Charged Accounts to the Chargee (or as it may direct) promptly following receipt of written instructions from the Chargee to that effect; and
 - (c) to disclose to the Chargee such information relating to the Chargor and the Charged Accounts as the Chargee may from time to time request you to provide.
- 4 This notice may only be revoked or amended with the prior written consent of the Chargee.
- 5 Please confirm by completing the enclosed copy of this notice and returning it to the Chargee (with a copy to the Chargor) that you agree to the above and that:

- (a) you accept the authorisations and instructions contained in this notice and you undertake to comply with this notice;
 - (b) you have not, at the date this notice is returned to the Chargee, received notice of any assignment or charge of or claim to the monies standing to the credit of any Charged Account or the grant of any security or other interest over those monies or any Charged Account in favour of any third party and you will notify the Chargee promptly should you do so in the future; and
 - (c) you do not at the date of this notice and will not in the future exercise any right to combine accounts or any rights of set-off or lien or any similar rights in relation to the monies standing to the credit of the Charged Accounts, in each case without the consent of the Chargee.
- 6 This notice, and any acknowledgement in connection with it, and any non-contractual obligations arising out of or in connection with any of them, shall be governed by English law.

Yours faithfully

for and on behalf of
[VFS Legal Limited/Virtual Business Operation Services Limited/Vertical Financial Services Limited]

Name:

Title:

Countersigned by

for and on behalf of
ONESAVINGS BANK PLC (as Chargee)

EXECUTION VERSION

SCHEDULE

The Borrower Current Accounts		
Account Holder	Account Number	Account Bank branch address and sort code
[]	[]	[]

[On copy]

To: OneSavings Bank plc
[Insert address]

Copy to: [VFS Legal Limited/Virtual Business Operation Services Limited/Vertical Financial Services Limited]

We acknowledge receipt of the above notice. We confirm and agree:

- (a) that the matters referred to in it do not conflict with the terms which apply to any Charged Account; and
- (b) to the matters set out in clause 6 of the above notice.

for and on behalf of
[] (as Account Bank)

Dated: [• 2022]

SCHEDULE 4

Form of notice to and acknowledgement by party to Relevant Contract

To: *[insert name and address of relevant party]*

Dated: [*•*] 2022

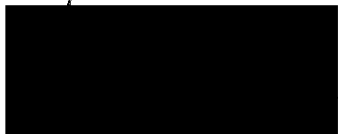
Dear Sirs

Re: *[describe Relevant Contract]* dated [*•*] 2022 between (1) you and (2) [*•*] (the "Chargor")

- 1 We give notice that, by a debenture dated [*•*] 2022 (the "Debenture"), we have assigned to OneSavings Bank plc (the "Chargee") as Chargee all our present and future right, title and interest in and to *[insert details of Relevant Contract]* (together with any other agreement supplementing or amending the same, the "Agreement") including all rights and remedies in connection with the Agreement and all proceeds and claims arising from the Agreement.
- 2 We irrevocably authorise and instruct you from time to time:
 - (a) to disclose to the Chargee at our expense (without any reference to or further authority from us and without any enquiry by you as to the justification for such disclosure), such information relating to the Agreement as the Chargee may from time to time request; and
 - (b) to send copies of all notices and other information given or received under the Agreement to the Chargee.
- 3 If at any time the Chargee gives you notice that the Enforcement Date (as such term is defined in the Debenture) has occurred, we irrevocably authorise and instruct you:
 - (a) [to hold all sums from time to time due and payable by you to us under the Agreement to the order of the Chargee;
 - (b) to pay or release all or any part of the sums from time to time due and payable by you to us under the Agreement only in accordance with the written instructions given to you by the Chargee from time to time ***[for agreements under which the notice giver is a payee rather than a payer]***; and
 - (c) to comply with any written notice or instructions in any way relating to, or purporting to relate to, the Debenture or the Agreement or the debts represented thereby which you receive at any time from the Chargee without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction.
- 4 We are not permitted to agree any amendment or supplement to, or waive any obligation under, the Agreement without the prior written consent of the Chargee.

- 5 We are not permitted to exercise any rights to terminate the Agreement without the prior written consent of the Chargee.
- 6 This notice may only be revoked or amended with the prior written consent of the Chargee.
- 7 Please confirm by completing the enclosed copy of this notice and returning it to the Chargee (with a copy to us) that you agree to the above and that:
- (a) you accept the instructions and authorisations contained in this notice and you undertake to comply with this notice;
 - (b) you have not, at the date this notice is returned to the Chargee, received notice of the assignment or charge, the grant of any security or the existence of any other interest of any third party in or to the Agreement or any proceeds of it and you will notify the Chargee promptly if you should do so in future;
 - (c) [at any time after the Chargee gives you notice that it is taking action under and in connection with the Debenture, you will not permit any sums to be paid to us or any other person (other than the Chargee) under or pursuant to the Agreement without the prior written consent of the Chargee] **[for agreements under which the notice giver is a payee rather than a payer]**.
 - (d) you will not exercise any right to terminate the Agreement or take any action to amend or supplement the Agreement without the prior written consent of the Chargee; and
 - (e) [you will immediately notify the Chargee of any circumstances which might trigger your right to terminate the Agreement and to the extent such right to terminate is capable of remedy within the relevant grace periods set out in the Agreement, the Chargee will have the right (but not the obligation) to remedy such breach.]
- 8 This notice, and any acknowledgement in connection with it, and any non-contractual obligations arising out of or in connection with any of them, shall be governed by English law.

Yours faithfully



for and on behalf of
[VFS Legal Limited/Virtual Business Operation Services Limited/Vertical Financial Services Limited]

[On copy]

To: OneSavings Bank plc
as Chargee
[insert address]

Copy to: [VFS Legal Limited/Virtual Business Operation Services Limited/Vertical
Financial Services Limited]

We acknowledge receipt of the above notice and consent and agree to its terms. We confirm
and agree to the matters set out in clause 7 of the above notice.

for and on behalf of
[•]

Dated [•] 2022

EXECUTION PAGES

The Chargors

Executed as a deed by)
VFS Legal Limited)
acting by a director in the presence of) Director

Signature of witness

Name *KATRINA ROCKLIFFE*

Address *11, VESPALE ROAD, BANGALORE*

Executed as a deed by)
Virtual Business Operation Services)
Limited) Director
acting by a director in the presence of

Signature of witness

Name *KATRINA ROCKLIFFE*

Address

Executed as a deed by **Vertical Financial**)
Services Limited)
acting by a director in the presence of) Director

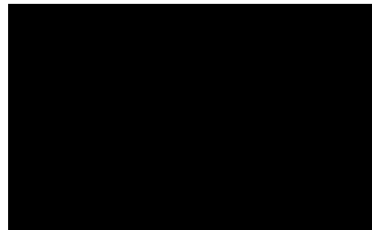
Signature of witness

Name *KATRINA ROCKLIFFE*

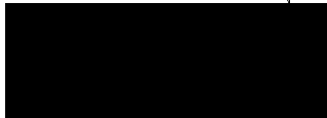
Address

The Chargee

Executed as a deed)
by)
as authorised signatory)
for and on behalf of **OneSavings Bank plc**)
in the presence of:)



Signature of witness



Name *SHUTER ADP*

Address

