



Registration of a Charge

Company Name: **ELYSIAN RESIDENCES LIMITED**

Company Number: **08513948**



Received for filing in Electronic Format on the: **10/06/2021**

XA6BPWZD

Details of Charge

Date of creation: **08/06/2021**

Charge code: **0851 3948 0002**

Persons entitled: **SILBURY SPECIALTY FINANCE LIMITED**

Brief description:

Contains fixed charge(s).

Contains floating charge(s) .

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **CHARLES RUSSELL SPEECHLYS LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8513948

Charge code: 0851 3948 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 8th June 2021 and created by ELYSIAN RESIDENCES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 10th June 2021 .

Given at Companies House, Cardiff on 11th June 2021

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



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

Signed: *Charles Russell Speechlys LLP*

Date: 10 June 2021

DATED

8 June

2021

(1) **ELYSIAN RESIDENCES LIMITED**
(as Chargor)

and

(2) **SILBURY SPECIALTY FINANCE LIMITED**
(as Security Agent)

SHAREHOLDER'S SECURITY AGREEMENT

5 Fleet Place London EC4M 7RD

Tel: +44 (0)20 7203 5000 • **Fax:** +44 (0)20 7203 0200 • **DX:** 19 London/Chancery Lane

www.charlesrussellspeechlys.com

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THIS DEED is made on

8 June

2021

BETWEEN:

- (1) **ELYSIAN RESIDENCES LIMITED** a company incorporated in England with company number 08513948 whose registered office is at 42 Bruton Place, London, United Kingdom, W1J 6PA (the "**Chargor**"); and
- (2) **SILBURY SPECIALTY FINANCE LIMITED** a company incorporated in England with company number 12736777 whose registered office is at Verde, 10 Bressenden Place, London, United Kingdom SW1E 5DH (the "**Security Agent**").

WHEREAS

- (A) The Security Agent has agreed to make available to the Borrower (as defined below) certain loan facilities.
- (B) It is a condition precedent to those loan facilities being made available that the Chargor enters into this Deed.

IT IS AGREED as follows:

1 DEFINITIONS

In this Deed:

Borrower means Berkhamsted Trustees I Limited, a company incorporated and registered in Jersey with registration number 131169 whose registered office is at 2nd Floor, Gaspé House, 66-72 Esplanade, St Helier, Jersey JE1 1GH and Berkhamsted Trustees II Limited, a company incorporated and registered in Jersey with registration number 131170 whose registered office is at 2nd Floor, Gaspé House, 66-72 Esplanade, St Helier, Jersey JE1 1GH, acting in their capacity as joint trustees of the Berkhamsted Unit Trust;

Chargor Letter of Authority means a letter in the form or substantially in the form of Schedule 3;

Company means the Manco or the Rentco, as the case may be (together, the "**Companies**");

Debts means any book and other debts, of any kind whatsoever now or at any time hereafter (and from time to time) due, owing or payable to the Chargor by a Company or the Borrower including but not limited to the benefit of any judgment or order to pay a sum of money and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to the same;

Default Rate means the rate specified in clause 8.3 of the Facility Agreement;

Delegate means any delegate, agent, attorney or co-trustee appointed by the Security Agent and/or any Receiver and/or any Delegate (as appropriate);

Director Letter of Authorisation means a letter in the form or substantially in the form of Part 2 of Schedule 4;

Director Letter of Resignation means a letter in the form or substantially in the form of Part 1 of Schedule 4;

Discharge Date means the date on which the Security Agent is satisfied that all the Secured Liabilities have been irrevocably discharged in full and no further Secured Liabilities are capable of arising;

Dividends means all dividends and distributions of any kind, interest and any other monies received or receivable in relation to any of the Shares;

Facility Agreement means the term loan facility agreement dated on or about the date of this Deed between, amongst others, the Borrower and the Security Agent (as Mandated Lead Arranger, Agent and Security Agent);

Floating Charge means the floating charge (if any) created pursuant to clause 4.3 (*Creation of Floating Charge*);

Insolvency Act means the Insolvency Act 1986;

Investments means the Shares and the Dividends;

Irrevocable Appointment of Attorney means the irrevocable appointment of attorney in the form of Schedule 5;

LLP 1 means RELF Partnership I LLP (a limited liability partnership incorporated and registered in England and Wales with registered number OC430805);

LPA means the Law of Property Act 1925;

Manco means Elysian Berkhamsted Operating Company Limited (company number 13146685) of 42 Bruton Place, London, England, W1J 6PA;

Party means a party to this Deed;

Permitted Security means the share charge dated 30 April 2021 granted by the Chargor in favour of LLP 1 over the entire issued share capital of the RentCo and the ManCo;

Receiver means a receiver or receiver and manager or administrative receiver of the whole or any part of the Security Assets;

Regulations means the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226);

Related Rights means, as regards any Share, all present and future:

- (a) shares or other property derived from that Share and all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to that Share (whether by way of conversion, substitution, exchange, redemption, bonus, preference, option or otherwise);
- (b) money and proceeds of any nature paid or payable in relation to that Share, including sale proceeds and money paid by way of damages, award or judgment made in connection with that Share (including, without limitation, all Dividends); and
- (c) all rights, interests and assets of the Chargor of any nature attaching to, deriving from that Share or exercisable as a result of the Chargor's interest in or ownership or operation of that Share;

Relevant Currency means in relation to each of the Secured Liabilities, the currency in which it is from time to time denominated;

Rentco means Elysian Berkhamsted Services Limited (company number 13146867) of 42 Bruton Place, London, England, W1J 6PA;

Restrictions Notice means a "restrictions notice" as defined in paragraph 1(2) of Schedule 1(B) of the Companies Act 2006;

Secured Liabilities means all present and future monies, obligations and liabilities (whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity whatsoever) of each Transaction Obligor to any Secured Party under any Finance Document or otherwise (including, without limitation, those arising under Clause 17.6 (*Reinstatement*) of the Facility Agreement), together with all interest (including, without limitation, default interest) accruing in respect of any of such monies, obligations and liabilities;

Secured Party means a Finance Party, a Receiver or a Delegate;

Security Assets means all of the assets which from time to time are, or are expressed to be, subject to the Security created by this Deed;

Shares means:

- (a) all shares, stocks, debentures, bonds, any form of loan capital, warrants, coupons, interests in collective investment schemes and all other securities and investments of any kind whatsoever (whether in certificated or uncertificated form) owned by the Chargor (or held by any nominee or trustee on its behalf) or in which it has an interest from time to time (including, but not limited to, the Shares (if any) listed in Schedule 1 (*Shares*) to this Deed);
- (b) shares, stocks, debentures, bonds, any form of loan capital, warrants, coupons, securities, investments, money or other assets arising by way of conversion, exchange, substitution, rights issue, redemption bonus, preference, option or otherwise in relation to any of the assets referred to in paragraph (a) above; and
- (c) rights to subscribe for, purchase or otherwise acquire any of the assets referred to in paragraph (a) above through options, warrants or otherwise,

in each case, only to the extent that they relate to the Companies;

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

Transfer Undertaking means an undertaking of a Company in the form of Schedule 6; and

Warning Notice means a "warning notice" as defined in paragraph 1(2) of Schedule 1(B) of the Companies Act 2006.

2 CONSTRUCTION

- 2.1 Unless otherwise defined in this Deed, a term defined in the Facility Agreement has the same meaning in this Deed and in any notice given under or in connection with this Deed.
- 2.2 Unless a contrary indication appears, a reference in this Deed to:

- 2.2.1 **"certificated"** has the meaning given to it in the Uncertificated Securities Regulations 2001;
- 2.2.2 this Deed, a **"Finance Document"** or any other agreement or instrument is a reference to this Deed or that Finance Document or other agreement or instrument as amended, novated, supplemented, extended, replaced or restated (in each case, other than in breach of this Deed or any other Finance Document) from time to time;
- 2.2.3 references to **"indebtedness"** include:
- (a) any obligation (whether incurred jointly or severally or as principal or surety) for the payment or repayment of money, whether present or future, actual or contingent;
 - (b) any obligation (such as post-insolvency interest) which would be included in (a) above but for the fact that it is invalid or unenforceable;
 - (c) any liability for damages or in respect of a restitutionary claim; and
 - (d) any liability flowing from any recovery of a payment or discharge in respect of any obligation referred to in (a) above on the grounds of a preference or otherwise;
- 2.2.4 a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
- 2.2.5 a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;
- 2.2.6 **"asset"** or **"assets"** includes present and future properties, revenues, interests and rights of every description;
- 2.2.7 **"disposal"** includes a sale, transfer, assignment, grant, lease, licence, declaration of trust or other disposal, whether voluntary or involuntary, and **"dispose"** will be construed accordingly;
- 2.2.8 a **"Security Asset"**, **"Dividends"** and a **"Share"** includes:
- (a) any part of that asset;
 - (b) any present and future assets of that type; and
 - (c) all Related Rights relating to assets of that type;
- 2.2.9 **"this Security"** means any Security created by or pursuant to this Deed;
- 2.2.10 **"Secured Liabilities"** is deemed to include a reference to any part of them;
- 2.2.11 the **"Security Agent"**, the **"Borrower"**, the **"Chargor"**, any **"Secured Party"**, or any **"Party"** 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 Security Agent,

any person for the time being appointed as Security Agent or Security Agents in accordance with the Finance Documents;

- 2.2.12 a provision of law is a reference to that provision as amended or re-enacted from time to time and shall include all subordinate legislation made from time to time under that provision of law;
- 2.2.13 the singular is deemed to include the plural and vice versa;
- 2.2.14 one gender is a reference to all other genders; and
- 2.2.15 a time of day is a reference to London time.
- 2.3 The term "**Security Agent**" includes any subsidiary or group company or assignee of the Security Agent granting or continuing to grant facilities or accommodation to the Borrower.
- 2.4 A reference to a "**receiver**" is a reference to a receiver of whatsoever nature including, without limitation, a receiver, a manager and an administrative receiver.
- 2.5 Clause and Schedule headings are for ease of reference only.
- 2.6 A "**Default**" (other than an Event of Default) is "**continuing**" if it has not been remedied or waived and an Event of Default is "**continuing**" if it has not been waived.
- 2.7 Any undertaking given by the Chargor under this Deed remains in force until the Discharge Date and is given for the benefit of each Secured Party.
- 2.8 The absence of or incomplete details of any Security Asset in any Schedule does not affect the validity or enforceability of any Security under this Deed.
- 2.9 It is intended that this Deed takes effect as a deed notwithstanding the fact that the Security Agent may only execute this Deed under hand.
- 2.10 If the Security Agent considers that an amount paid to it under any Finance Document or in relation to any Secured Liability is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- 2.11 In the event of a conflict between the terms of this Deed and the terms of the Facility Agreement, the terms of the Facility Agreement will prevail.
- 2.12 This Deed is a Finance Document for the purposes of the Facility Agreement.
- 2.13 The Parties agree and acknowledge that the security constituted by the Permitted Security is subordinated to, and ranks after, the security constituted by this Deed pursuant to the terms of the Subordination Agreement.

3 **UNDERTAKING TO PAY**

3.1 **Payment**

The Chargor covenants with the Security Agent, on demand, to pay, discharge and satisfy all the Secured Liabilities when due and to indemnify the Secured Parties against any losses, costs, charges, expenses and liabilities arising from any breach or failure to pay, discharge and satisfy the Secured Liabilities in accordance with their respective terms.

3.2 **Limited recourse**

3.2.1 Notwithstanding Clause 3.1 (*Payment*) and subject to Clause 3.2.2, the liability of the Chargor to the Security Agent under Clause 3.1 (*Payment*) shall be:

- (a) limited to an amount equal to that recovered by the Security Agent as a result of the enforcement of this Deed with respect to the Security Assets and other amounts payable by the Chargor under this Deed; and
- (b) satisfied only from the proceeds of sale or other disposal or realisation of the Security Assets pursuant to this Deed.

3.2.2 Clause 3.2.1 above does not apply to the liabilities of the Chargor under any other Finance Documents.

3.3 **Default Interest**

3.3.1 If the Chargor fails to pay any amount under this Deed when it is due then such amount shall bear interest (after as well as before judgment and payable on demand) at the Default Rate from the due date until the date such amount is irrevocably and unconditionally paid in full to the Security Agent.

3.3.2 Default interest will accrue from day to day and will be compounded at such intervals as the Security Agent states are appropriate.

4 **SECURITY**

4.1 **Nature of Security**

All the Security created under this Deed:

- 4.1.1 is created in favour of the Security Agent;
- 4.1.2 is a continuing security for the payment, discharge and performance of all the Secured Liabilities except for any Secured Liabilities which, if secured by this Deed, would cause such Security to be unlawful or prohibited by any applicable law; and
- 4.1.3 is granted with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

4.2 **Creation of Security**

4.2.1 **Shares and Dividends**

The Chargor charges:

- (a) by way of a first fixed charge all its rights, interest and title to the Shares; and
- (b) by way of a first fixed charge all Dividends.

4.2.2 **Debts**

The Chargor charges by way of a first fixed charge all Debts.

4.3 **Creation of Floating Charge**

The Chargor charges by way of floating charge all its present and future right, title and interest in and to the Security Assets to the extent that any of them is not effectively charged by way of fixed charge under Clause 4.2 (*Creation of Security*).

4.4 **Crystallisation**

4.4.1 The Security Agent may at any time by notice in writing to the Chargor convert any floating charge created by the Chargor pursuant to Clause 4.3 (*Creation of floating charge*) above into a fixed charge with immediate effect as regards any assets specified in the notice if:

- (a) this Security has become enforceable in accordance with Clause 12 (*Enforcement of Security*); or
- (b) the Security Agent considers any Security Asset to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or otherwise to be in jeopardy.

4.4.2 Notwithstanding Clause 4.4.1 above and without prejudice to any rule of law which may have a similar effect, the floating charge created by Clause 4.3 (*Creation of floating charge*) will automatically and immediately (without notice) convert into a fixed charge over all of the Security Assets if:

- (a) save in respect of the Permitted Security, the Chargor creates or attempts to create any Security over any of the Security Assets;
- (b) any person levies or attempts to levy any distress, attachment, execution or other process against any of the Security Assets;
- (c) a receiver or administrator is appointed in respect of the Chargor or a person entitled to appoint an administrator in respect of the Chargor gives notice of its intention to do so or files a notice of appointment with a court; or
- (d) any corporate action, legal proceedings or other procedure or step is taken in relation to the suspension of payments, winding up, dissolution or re-organisation of the Chargor other than a winding up petition which is stayed within 14 days of commencement.

4.4.3 Subject to Clause 4.4.4 below, notwithstanding any other provision of this Deed, the floating charge created by Clause 4.3 (*Creation of floating charge*) may not be converted into a fixed charge solely by reason of:

- (a) the obtaining of a moratorium; or
- (b) anything done with a view to obtaining a moratorium,

under Part A1 of the Insolvency Act.

4.4.4 Clause 4.4.3 above does not apply in respect of any floating charge referred to in subsection (4) of section A52 of Part A1 of the Insolvency Act

5 REPRESENTATIONS AND WARRANTIES

5.1 Representations

The representations and warranties set out in this Clause 5 (*Representations and warranties*) are made by the Chargor to the Security Agent on the dates set out in Clause 5.21 (*Times for making representations*).

5.2 Status

5.2.1 The Chargor is a limited liability company, duly incorporated and validly existing under the law of its Original Jurisdiction.

5.2.2 The Chargor has the power to own its assets and carry on its business as it is being conducted.

5.3 Title to the Security Assets

5.3.1 The Chargor is the sole, absolute, legal and beneficial owner of the Security Assets.

5.3.2 Save for LLP 1's rights and interests under the Permitted Security, no person save for the Chargor has any right or interest of any sort whatsoever in or to the Security Assets.

5.3.3 There are no agreements or arrangements (including any restrictions on transfer or rights of pre-emption) affecting the Security Assets in any way or which would or might in any way fetter or otherwise prejudice the rights of it or any mortgagee or chargee of the Security Assets.

5.4 Status of Shares

5.4.1 The Shares are duly authorised, validly issued, fully paid, freely transferrable and not subject to any option to purchase or any similar right and there are no monies or liabilities outstanding in respect of any Share.

5.4.2 The constitutional documents of the Companies do not restrict or inhibit any transfer of the Shares on the creation or enforcement of the Security constituted, or expressed to be constituted, by this Deed.

5.4.3 There are no agreements in force which provide for the issue or allotment of, or grant any person the right to call for the issue or allotment of, any Shares.

5.4.4 The Chargor is not aware of any adverse claim by any person in respect of the Security Assets or any interest in them.

5.4.5 There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever that materially and adversely affect the Security Assets.

5.4.6 There is no breach of any law or regulation which materially and adversely affects the Security Assets.

5.5 Binding obligations

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

5.6 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, this Deed do not and will not conflict with:

5.6.1 any law or regulation applicable to it;

5.6.2 its constitutional documents;

5.6.3 any agreement or instrument binding upon it or any of its assets (or constitute a default or termination event (howsoever described) under any such agreement or instrument).

5.7 Power and authority

5.7.1 It has the power to enter into and perform, and has taken all necessary action to authorise its entry into and performance of, this Deed and the transactions contemplated by this Deed.

5.7.2 No limit on its powers will be exceeded as a result of the borrowing, grant of security or giving of guarantees or indemnities contemplated by this Deed.

5.8 Validity and admissibility in evidence

All Authorisations required or desirable:

5.8.1 to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Deed; and

5.8.2 to make this Deed admissible in evidence in its Relevant Jurisdictions,

have been obtained or effected and are in full force and effect.

5.9 Governing law and enforcement

5.9.1 Subject to the Legal Reservations, the choice of the governing law of this Deed will be recognised and enforced in its Relevant Jurisdictions.

5.9.2 Subject to the Legal Reservations, any judgement obtained in relation to this Deed in the jurisdiction of the governing law of this Deed will be recognised and enforced in its Relevant Jurisdictions.

5.10 No tax deductions

The Chargor is not required under the law of its domicile to make any deduction for, or on account of, Tax from any payment it may make under this Deed.

5.11 No filing or stamp taxes

Under the laws of its Relevant Jurisdiction it is not necessary that this Deed be registered, filed, recorded, notarised or enrolled with any court or other authority in that jurisdiction or that any

stamp, registration, notarial or similar Taxes or fees be paid on or in relation to this Deed or the transactions contemplated by this Deed except registration of particulars of this Deed at Companies House under the Companies Act 2006 and payment of associated fees which registration, filing and fees will be made and paid promptly after the date of this Deed.

5.12 No default

No event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or a termination event (however described) under any other agreement or instrument which is binding on it or to which any of its assets are subject which has or is reasonably likely to have a Material Adverse Effect.

5.13 Pari passu ranking

The Chargor's payment obligations under this Deed rank at least pari passu with the claims of all the Chargor's other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law.

5.14 No misleading information

5.14.1 All information supplied by it or on its behalf to any Secured Party in connection with this Deed was true and accurate as at the date it was stated to be given.

5.14.2 It has not omitted to supply any information which, if disclosed, would make the information referred to in Clause 5.14.1 above untrue or misleading in any respect.

5.14.3 As at the first Utilisation Date, nothing has occurred since the date of the information referred to in Clause 5.14.1 above which, if disclosed, would make that information untrue or misleading in any material respect.

5.15 No proceeding pending or threatened

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, are reasonably likely to have a Material Adverse Effect have (to the best of its knowledge and belief (having made due and careful enquiries)) been started or threatened against the Chargor (including but not limited to any winding-up proceedings or any other insolvency procedure).

5.16 Ranking of Security

Subject to the Legal Reservations and Perfection Requirements, the Security created by this Deed constitutes a first priority security interest of the type described, over the assets referred to in this Deed and the Security Assets are not subject to any prior or pari passu Security.

5.17 Assets not immune to action

In any proceedings taken in any Relevant Jurisdiction in relation to this Deed, the Chargor will not be entitled to claim for itself or any of its assets any immunity on any grounds from any legal action or proceeding (including, without limitation, suit, attachment prior to judgment, execution or other enforcement).

5.18 **No Security Interest**

Save for the Permitted Security, it has not created or purported to create nor permitted to subsist any Security (other than in favour of the Security Agent) on or over any Security Asset.

5.19 **Centre of main interest and establishments**

For the purposes of Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (recast) (the "Regulation"), the Chargor's centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in its Original Jurisdiction and it has no "establishment" (as that term is used in Article 2(10) of the Regulation) in any other jurisdiction.

5.20 **Persons with significant control**

5.20.1 The Chargor has complied with all notices relating to all or any of the Shares received by it pursuant to sections 790D and 790E of the Companies Act 2006.

5.20.2 No Warning Notice or Restrictions Notice has been issued to the Chargor in respect of all or any part of the Shares.

5.21 **Times for making representations and warranties**

The representations and warranties set out in this Deed are made on the date of this Deed and each representation and warranty is deemed to be repeated by it on each day the Repeating Representations are to be repeated up to the Discharge Date by reference to the circumstances existing at the time of repetition.

6 **NEGATIVE UNDERTAKINGS**

6.1 **Negative Pledge**

Save for the Permitted Security, the Chargor shall not create, purport to create or permit to subsist any Security on or in relation to any Security Asset other than any Security created by this Deed.

6.2 **Disposals**

The Chargor shall not sell, transfer, lease or otherwise dispose or purport or agree to dispose of all or any part of the Security Assets unless otherwise expressly permitted by the Facility Agreement.

7 **DELIVERY OF CORPORATE DOCUMENTATION**

7.1 **General**

The Chargor shall, on the date on which they execute this Deed, deliver to the Security Agent:

7.1.1 the Irrevocable Appointment of Attorney duly executed by the Chargor;

7.1.2 in respect of each director of the Companies, a Director Letter of Resignation duly executed by that director;

7.1.3 in respect of each director of the Companies, a Director Letter of Authorisation duly executed by that director;

7.1.4 a Chargor Letter of Authority duly executed by the Chargor; and

7.1.5 a Transfer Undertaking duly executed by each Company.

7.2 **Articles of association confirmation**

Subject to Clause 7.3 (*Amendment resolutions*), the Chargor hereby confirms, on the date on which it executes this Deed that:

7.2.1 the articles of association of each Company (and any shareholder agreement, and any other applicable document or provision) allow for the free and unrestricted transfer of the Shares and Related Rights to the Security Agent or its nominee, or to a purchaser on enforcement of the Security constituted by this Deed, free from any rights of pre-emption, forfeiture or disenfranchisement; and

7.2.2 neither Company is, in any circumstances, entitled to any form of lien upon the Shares.

7.3 **Amendment resolutions**

If required to enable the Chargor to comply with Clause 7.2 (*Articles of association confirmation*), it shall, on the date on which it executes this Deed, deliver to the Security Agent:

7.3.1 a copy, certified by a director of the Chargor, of the documentation delivered to the Registrar of Companies pursuant to which the articles of association of each Company have been altered to allow for the free and unrestricted transfer of the Shares and Related Rights to the Security Agent or its nominee, or to a purchaser on enforcement of the Security constituted by this Deed, free from any rights of pre-emption, forfeiture or disenfranchisement and to remove any right of either Company to any form of lien over the Shares in any circumstances;

7.3.2 evidence of the amendment to any shareholder agreement to allow for the free and unrestricted transfer of the Shares and Related Rights to the Security Agent or its nominee, or to a purchaser on enforcement of the Security constituted by this Deed, free from any rights of pre-emption, forfeiture or disenfranchisement; and

7.3.3 any other amendments, consents, waivers, approvals and/or permissions as the Security Agent may require in order to permit the transfer of the Security Assets to the Security Agent or its nominee, or to a purchaser on enforcement of the Security constituted by this Deed.

8 **SHARES AND RELATED RIGHTS**

8.1 **Deposit of title documentation**

The Chargor undertakes to deposit with the Security Agent or the Security Agent's nominee:

8.1.1 on or before execution of this Deed, all share certificates or other documents of title relating to the Shares;

8.1.2 immediately upon its acquisition of any Shares or Related Rights, all share certificates and other documents of title or evidence of ownership relating to such Share and/or Related Rights; and

8.1.3 promptly upon the accrual, offer or issue of any stocks, shares, warrants or other securities in respect of or derived from the Shares or Related Rights, all share

certificates and other documents of title or evidence of ownership relating to each of such items,

together with stock transfer forms (or other appropriate transfer instruments) signed by the Chargor (or its nominee, where appropriate) as transferor but with details of the transferee, date and consideration left blank, on the basis that the Security Agent may hold all those certificates, forms and documents until the Discharge Date.

8.2 **Completion of transfers**

The Security Agent is entitled at any time after an Event of Default has occurred and is continuing to complete the stock transfer forms (or other transfer instruments) on behalf of the Chargor in favour of the Security Agent or its nominee, using the power of attorney contained in Clause 18 (*Power of attorney*) or otherwise.

8.3 **Acquisition of Shares**

Unless permitted by the terms of the Facility Agreement, the Chargor shall not:

8.3.1 acquire or enter into any agreement to acquire, any Shares; and

8.3.2 permit the declaration of or payment of any Dividend.

8.4 **Circulars**

The Chargor shall promptly deliver to the Security Agent a copy of every circular, notice, report set of documents received by it or its nominee in connection with the Shares.

8.5 **Calls**

The Chargor shall pay all calls, instalments and other payments due in relation to the Security Assets. If the Chargor fails to do so, the Security Agent may, at its discretion but without obligation, pay those calls, instalments or other payments on the Chargor's behalf and the Chargor shall immediately on demand reimburse the Security Agent for any such payment.

8.6 **Alteration to rights**

The Chargor shall not:

8.6.1 vary, or agree to any variation in, voting rights attaching to the Shares;

8.6.2 cause or permit any of the Shares to be consolidated, sub-divided or converted; and

8.6.3 take or allow the taking of any action on its behalf which may result in any rights attaching to any Share or Related Right being altered or further Shares being issued (unless such further Shares are allotted to the Chargor).

8.7 **Other obligations in respect of Shares and Related Rights**

8.7.1 The Chargor shall comply with all requests for information relating to any Share or Related Right which is within its actual or imputed knowledge and with which it is required to comply by their articles of association or by any law (including section 793, 820 to 825 of the Companies Act 2006).

8.7.2 The Chargor shall promptly supply a copy to the Security Agent of any information referred to in Clause 8.7.1.

- 8.7.3 The Chargor shall comply with all other conditions and obligations assumed by them in respect of any Share or Related Right.

9 VOTING RIGHTS, DIVIDENDS ETC

9.1 Voting and other rights prior to an Event of Default

Prior to the occurrence of an Event of Default which is continuing:

- 9.1.1 the Chargor is entitled to exercise or direct the exercise of the voting and other rights attached to any Share as it sees fit provided that:
- (a) it does not do so in a way which would breach any provision of any Finance Document or for a purpose inconsistent with any Finance Document; and
 - (b) the exercise or failure to exercise those rights would not, in the Security Agent's opinion, have an adverse effect on the value of the Investments and does not otherwise prejudice the Security Agent's interests under this Deed.

9.2 Voting and other rights following an Event of Default which is continuing

After an Event of Default has occurred which is continuing:

- 9.2.1 the Security Agent will be entitled (but not obliged) to exercise or direct the exercise (or refrain from exercising or refrain from directing the exercise) of the voting and other rights attached to any Share as it sees fit in its absolute discretion;
- 9.2.2 the Chargor shall comply, or procure compliance with, any directions of the Security Agent in relation to the exercise of those rights and shall promptly execute and deliver to the Security Agent all forms of proxy (or other forms of authorisation) as the Security Agent may require in connection with the exercise of those rights; and
- 9.2.3 all Dividends shall be paid or transferred to the Security Agent (or to its order) and any Dividends received by the Chargor shall be held by the Chargor on trust for the Security Agent and immediately paid by it to the Security Agent or to any nominee designated by the Security Agent. The Security Agent will be entitled to apply those Dividends in such manner as it sees fit.

9.3 Voting rights

At any time:

- 9.3.1 the Security Agent may, in its absolute discretion, and without any consent or authority from the Chargor (but providing the Chargor with notice of any such election) elect to give up the right to exercise (or refrain from exercising) all voting rights in respect of the Shares conferred or to be conferred on the Security Agent pursuant to Clause 9.2.1 above, provided that the Chargor shall compensate the Security Agent for, or otherwise make good to the Security Agent, any loss or shortfall it may suffer as a consequence of such election;
- 9.3.2 once a notice has been issued by the Security Agent under Clause 9.3.1 above, on and from the date of such notice, the Security Agent shall cease to have the rights to exercise or refrain from exercising voting rights in respect of the Shares (conferred or to be conferred on it pursuant to Clause 9.2.1 above or any other provision of this Deed) and all such rights shall be exercisable by the Chargor. The Chargor shall be

entitled on and from the date of such notice to exercise all voting rights in respect of the Shares subject only to the proviso contained in Clause 9.3.1 above.

9.4 **Limited obligations of the Security Agent**

The Security Agent shall not at any time (including if any Shares are registered in the name of the Security Agent or its nominee) have any duty:

- 9.4.1 to make any payment or to ensure that any dividends, distributions, interest or other monies payable in respect of any Shares are duly and promptly paid or received by it or the Chargor or any nominee;
- 9.4.2 to verify that the amounts referred to in Clause 9.4.1 are the correct amounts paid or received;
- 9.4.3 to take any action in connection with the taking up of any (or any offer of any) stocks, shares, rights, monies or other property paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus rights, preference, option, warrant or otherwise on, or in respect of, or in substitution for, any Shares;
- 9.4.4 to perform any obligation of the Chargor in relation to any Shares; or
- 9.4.5 to present or file any claim or take any other action to collect or enforce the payment of any amount to which it or the Chargor may be entitled under this Deed.

10 **GENERAL UNDERTAKINGS**

10.1 **Information: miscellaneous**

The Chargor shall supply to the Security Agent:

- 10.1.1 at the same time as they are dispatched, copies of all documents dispatched by it to its shareholders generally (or any class of them) or its creditors generally (or any class of them) at the same time as they are dispatched;
- 10.1.2 on request, such information relating to the Security Assets as the Security Agent may from time to time require;
- 10.1.3 promptly on receipt, a copy of any notice, certificate or other communication received by the Chargor in relation to the Security Assets;
- 10.1.4 promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings or investigations which are current, threatened or pending against it, and which, if adversely determined, are reasonably likely to have a Material Adverse Effect; and
- 10.1.5 promptly such further information regarding the financial condition, business and operations of it as the Security Agent may reasonably request.

10.2 **“Know your customer” checks**

If:

- 10.2.1 the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Deed;

10.2.2 any change in the status of the Chargor, or the composition of the shareholders of the Chargor, after the date of this Deed; or

10.2.3 a proposed assignment or transfer by the Security Agent of any of its rights and/or obligations under this Deed to a party that is not a Security Agent prior to such assignment or transfer,

obliges the Security Agent (or, in the case of Clause 10.2.3 above, any prospective new Security Agent) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the Chargor shall promptly upon the request of the Security Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Security Agent (for itself or, in the case of the event described in Clause 10.2.3 above, on behalf of any prospective new Security Agent) in order for the Security Agent or, in the case of the event described in Clause 10.2.3 above, any prospective new Security Agent to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

10.3 **Authorisations**

The Chargor shall promptly:

10.3.1 obtain, comply with and do all that is necessary to maintain in full force and effect; and

10.3.2 supply certified copies to the Security Agent of,

any Authorisation required under any law or regulation of a Relevant Jurisdiction to:

(a) enable it to perform its obligations under this Deed and to ensure the legality, validity, enforceability or admissibility in evidence of this Deed; or

(b) own its assets and carry on its business as it is being conducted.

10.4 **Compliance with laws**

10.4.1 The Chargor shall comply in all respects with all laws to which it may be subject, if failure so to comply has or is reasonably likely to have a Material Adverse Effect.

10.4.2 The Chargor shall comply with the requirements of any law or regulation relating to or affecting the Security Assets or the use of them or any part of them.

10.5 **Persons with significant control**

The Chargor shall comply with any notice served on it in respect of all or any part of the Shares pursuant to Part 21A of the Companies Act 2006 within the timeframe specified in that notice and shall deliver a copy of any such notice to the Security Agent promptly upon receipt.

10.6 **Taxes**

10.6.1 The Chargor must pay all Taxes due and payable by it prior to the accrual of any fine or penalty for late payment, unless (and only to the extent that):

(a) payment of those Taxes is being contested in good faith;

- (b) adequate reserves are being maintained for those Taxes and the costs required to contest them; and
- (c) failure to pay those Taxes is not reasonably likely to have a Material Adverse Effect.

10.6.2 The Chargor must ensure that its residence for Tax purposes is in its Original Jurisdiction.

10.7 **Merger**

The Chargor shall not enter into any amalgamation, demerger, merger or corporate reconstruction without the prior written consent of the Security Agent (such consent not to be unreasonably withheld by the Security Agent in the case of a solvent reconstruction of the Chargor).

10.8 **No action to block transfers**

The Chargor shall procure that neither it nor any Company nor any of its nor any Company's members, directors, officers or employees take any action or refrain from taking any action that may, in any way, result, on the occurrence of a continuing Event of Default, in any transfer of a Share or Related Right to the Security Agent, its nominee or any third party being delayed or prevented.

10.9 **Enforcement of rights**

The Chargor shall use its best endeavours to enforce any rights and institute, continue or defend any proceedings relating to any of the Security Assets which the Security Agent may require.

10.10 **Further restrictions**

The Chargor shall not:

- 10.10.1 permit any person to be registered as the holder of any Share (other than the Security Agent or any nominee on its behalf);
- 10.10.2 take or allow the taking of any action which may result in any Shares being issued after the date of this Deed (other than to the Chargor);
- 10.10.3 assign or permit to be assigned the Debts to any person (other than the Security Agent or any nominee on its behalf);
- 10.10.4 do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the Security held by the Security Agent, or materially diminish the value of any of the Security Assets or the effectiveness of this Security; or
- 10.10.5 exercise (or purport to exercise) any voting rights in respect of any Share in any manner which may have an adverse effect on the value of any Security Asset or the ability of the Security Agent to realise this Security.

10.11 **Notice of breach**

The Chargor shall, promptly on becoming aware of any of the same, notify the Security Agent in writing of:

10.11.1 any representation or warranty set out in this Deed which is incorrect or misleading in any material respect when made or deemed to be made or repeated; and

10.11.2 any provision of this Deed which is not complied with.

11 POWERS, PROTECTION AND DISCRETIONS OF THE SECURITY AGENT

11.1 Rights and powers etc

To the fullest extent allowed by law (and without prejudice to, all statutory and other powers of the Security Agent), all the rights, powers, authorities and discretions which are expressly or impliedly conferred by this Deed or by law on a Receiver may, after this Security has become enforceable, be exercised by the Security Agent (whether as attorney of the Chargor or otherwise) in respect of any Security Asset whether or not a Receiver has been or is later appointed.

11.2 Protections

All the protections and immunities which this Deed provides for a Receiver shall be available to the Security Agent when the Security Agent is exercising the rights, powers, authorities and discretions conferred on the Security Agent by this Deed.

11.3 Curing of breaches and covenants

Without prejudice to any other rights of the Security Agent under this Deed, if the Chargor fails to comply with any provision of this Deed, the Security Agent shall be entitled (but not obliged) to remedy such breach and accordingly the Chargor shall allow and hereby authorises the Security Agent or its nominee to do all such acts and things and take such action on behalf of the Chargor as may be necessary to secure compliance with that provision without becoming liable as a mortgagee in possession.

11.4 Indemnity

The Chargor shall indemnify the Security Agent against all losses, costs, charges, expenses and liabilities incurred by the Security Agent as a result of the breach or failure by the Chargor to comply with any provision of this Deed and in connection with the exercise by the Security Agent or its nominee of their respective rights contained in Clause 11.3 (*Curing of breaches and covenants*).

11.5 Expenses so incurred

All monies expended and all costs incurred by the Security Agent or its nominee in carrying out any of their respective powers and discretions referred to in Clause 11.3 (*Curing of breaches and covenants*) shall be considered to have been properly incurred by the Security Agent or its nominee, shall be secured by this Security and shall be payable on demand by the Chargor to the Security Agent.

12 ENFORCEMENT OF SECURITY

12.1 Timing

This Security will be immediately enforceable on the occurrence of:

12.1.1 an Event of Default which is continuing; or

- 12.1.2 a request being made by the Chargor to the Security Agent that it exercise any of its powers under this Deed.

12.2 **Enforcement**

At any time after this Security has become enforceable, the Security Agent may, without notice to the Chargor or prior authorisation from any court, in its absolute discretion:

- 12.2.1 enforce all or any part of that Security (at the times, and in any manner and on such terms, as it sees fit);
- 12.2.2 appoint a Receiver to all or any part of the Security Assets;
- 12.2.3 take possession of and hold or dispose of all or any part of the Security Assets including, without limitation, all of the powers conferred on a mortgagee under the LPA (as varied or extended by this Deed) or any of the powers conferred on a holder of a qualifying floating charge holder (as defined in the Insolvency Act);
- 12.2.4 secure and perfect its title to all or any part of a Security Asset and / or transfer any asset into its name or the name of its nominee or, as applicable, into an account in its own name or the name of its nominee;
- 12.2.5 exercise in relation to any Security Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute legal and beneficial owner of that Security Asset;
- 12.2.6 to the extent permitted by law, whether or not it has appointed a Receiver, exercise all or any of the rights, powers, authorisations and discretions (and be entitled to all the privileges and immunities) conferred by the LPA (as varied and extended by this Deed) on mortgagees, by this Deed on any Receiver, or conferred by the Insolvency Act or any other law on mortgagees and Receivers; and/or
- 12.2.7 exercise the statutory power of sale and any other powers conferred by section 101 of the LPA and the statutory powers of leasing as amended and varied in the forgoing clauses and all other statutory powers in respect of the whole or any part of the Security Assets.

12.3 **Statutory powers**

- 12.3.1 For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- 12.3.2 The statutory power of sale or other right of disposal conferred on the Security Agent and on any Receiver by this Deed shall operate as a variation and extension of the statutory power of sale under section 101 of the LPA and such power shall arise and be exercisable on execution of this Deed, but the Security Agent shall not exercise such powers until this Security has become enforceable.
- 12.3.3 For the purposes of sections 99 and 100 of the LPA, the expression "mortgagor" will include any incumbrancer deriving title under the Chargor and neither sub-section (18) of section 99 nor sub-section (12) of section 100 of the LPA will apply.
- 12.3.4 The restriction on the right of consolidation contained in section 93 of the LPA shall not apply to this Security.

12.3.5 Section 103 of the LPA shall not apply to this Security.

12.4 Access on enforcement

12.4.1 At any time after this Security has become enforceable, the Chargor will allow any of the Secured Parties, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Security Asset and for that purpose to enter on any premises where a Security Asset is situated (or where any Secured Party reasonably believes a Security Asset to be situated) without incurring any liability to the Chargor for, or by any reason of, that entry.

12.4.2 At all times, the Chargor must use its best endeavours to allow any Secured Party access to any premises for the purpose of Clause 12.4.1 (obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

13 RECEIVER

13.1 Appointment of Receiver

13.1.1 At any time after this Security has become enforceable, the Security Agent may without prior notice appoint:

- (a) any one or more persons to be a Receiver of all or any part of the Security Assets; or
- (b) two or more Receivers of separate parts of the Security Assets; or
- (c) another person(s) as an additional Receiver(s).

13.1.2 Any appointment under Clause 13.1.1 above may be by deed, under seal or in writing under its hand.

13.1.3 Except as provided in Clause 13.1.4, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the LPA) does not apply to this Deed.

13.1.4 The Security Agent is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under Part A1 of the Insolvency Act.

13.1.5 At any time, if so requested by the Chargor, without further notice, the Security Agent may appoint a Receiver to all or any part of the Security Assets.

13.2 Statutory powers of appointment

13.2.1 The powers of appointment of a Receiver pursuant to Clause 13.1 (*Appointment of Receiver*) above shall be in addition to all statutory and other powers of appointment of the Security Agent under the LPA (as extended by this Deed), the Insolvency Act or otherwise and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA or otherwise.

- 13.2.2 Such powers of appointment of a Receiver shall remain exercisable from time to time by the Security Agent in respect of any part of the Security Assets, despite any prior appointment in respect of all or any part of the Security Assets.

13.3 **Removal**

The Security Agent may from time to time by writing under its hand (subject to the requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver who has been removed for any reason.

13.4 **Remuneration**

The Security Agent may from time to time fix the remuneration of any Receiver appointed by it and any restrictions imposed by any law (including under section 109 of the LPA) will not apply. Any remuneration of any Receiver will form part of the Secured Liabilities.

13.5 **Agent of the Chargor**

- 13.5.1 A Receiver will be deemed to be the agent of the Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the LPA. The Chargor is solely responsible for the remuneration, expenses, contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver. The agency of each Receiver shall continue until the Chargor goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Security Agent.

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

- 13.5.3 No Receiver shall at any time act as agent for any other Secured Party.

14 **POWERS OF RECEIVER**

14.1 **Statutory powers**

- 14.1.1 A Receiver (subject to any restrictions in the instrument appointing him but notwithstanding any winding up or dissolution of the Chargor) has (to the extent permitted by law):

- (a) all of the rights, powers, remedies and discretions of an administrative receiver under Schedule 1 of the Insolvency Act, as if such Schedule and all relevant definitions set out in the Insolvency Act were set out in this Deed; and
- (b) otherwise, all the rights, powers, remedies and discretions conferred on a mortgagor, a mortgagee in possession and on a Receiver appointed under the LPA or the Insolvency Act.

- 14.1.2 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually (and to the exclusion of any other Receiver) or together with any other person appointed or substituted as a Receiver.

14.1.3 Any exercise by a Receiver of any of the powers given by this Clause 14 and Schedule 1 (*Additional Powers of Receiver*) may be on behalf of the Chargor, the directors of the Chargor or himself.

14.2 **Additional powers**

In addition to those powers, rights and discretions set out in Clauses 14.1.1(a) and 14.1.1(b) above, a Receiver shall have the rights, powers and discretions set out in Schedule 2 (*Additional Powers of Receiver*).

14.3 **Powers to be additional**

The powers conferred by this Deed in relation to the Security Assets on the Receiver shall be in addition to, and not in substitution for, the powers conferred on receivers under the LPA and the Insolvency Act.

14.4 **Powers to be exercisable by the Security Agent**

14.4.1 The Security Agent may exercise all powers granted to the Receiver by this Deed whether as attorney of the Chargor or otherwise.

14.4.2 The powers of the Receiver set out above are in addition to, and without prejudice to, all statutory and other powers of the Security Agent as provided in Clause 12.3 (*Statutory powers*) or otherwise and so that, inter alia, such powers are and remain exercisable by the Security Agent in respect of that part of the Security Assets in respect of which no appointment of a Receiver by the Security Agent is from time to time subsisting.

14.5 **Conflict**

If and to the extent that there is any ambiguity or conflict between:

14.5.1 the powers conferred on the Receiver by the LPA and those powers listed in Schedule 1 of the Insolvency Act; and

14.5.2 the powers conferred by this Clause 14,

the powers conferred by this Clause 14 shall prevail.

15 **APPLICATION OF PROCEEDS**

15.1 **Order of application**

All amounts from time to time received or recovered by a Secured Party pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or any part of this Security (for the purposes of this Clause 15, the "**Recoveries**") shall be held by the Security Agent on trust to apply them at any time as that Secured Party (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this Clause 15), in the following order:

15.1.1 **first**, in payment of all charges, costs and expenses incurred by or on behalf of any Secured Party under or in connection with any realisation or enforcement of the Security taken in accordance with the terms of this Deed and all remuneration due to any Receiver under or in connection with this Deed;

15.1.2 **secondly**, in payment to the Agent for application in accordance with the Facility Agreement; and

15.1.3 **thirdly**, the balance (if any) will be applied as required by law.

15.2 **Appropriation**

Neither the Security Agent, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

15.3 **Permitted Deductions**

The Security Agent shall be entitled, in its discretion to pay all Taxes which may be assessed against it in respect of any of the Security Assets, or as a consequence of performing its duties, or by virtue of its capacity as Security Agent under any of the Finance Documents or otherwise (other than in connection with its remuneration for performing its duties under this Deed).

16 **PROTECTION OF PURCHASERS**

16.1 No purchaser or other person dealing with any Secured Party shall be concerned to enquire:

16.1.1 whether any of the Secured Liabilities have become due and/or payable;

16.1.2 whether any of the powers conferred on a Secured Party by this Deed or by law has arisen or become exercisable or is being properly exercised;

16.1.3 whether any of the Secured Liabilities remains due; or

16.1.4 how any money paid to that Secured Party is to be applied.

16.2 No purchaser dealing with any Secured Party or this Security is to be concerned to enquire as to the propriety or regularity of any sale by, or other dealing with, the Secured Parties. Any such sale or dealing is deemed to be within the powers conferred by this Deed and to be valid and effective accordingly. All the protection to purchasers contained in section 104 and section 107 of the LPA and section 42(3) of the Insolvency Act apply to any purchaser.

16.3 The receipt of any Secured Party shall be a conclusive discharge to any purchaser and, in making any sale or other disposal of any of the Security Assets or making any acquisition, any Secured Party may do so for such consideration, in such manner and on such terms as it thinks fit.

17 **LIABILITY OF SECURITY AGENT AND RECEIVER**

17.1 **Liability**

None of the Security Agent, any Receiver or any Delegate, (whether as mortgagee in possession or otherwise) shall either by reason of:

17.1.1 taking possession of or realising all or any part of the Security Assets; or

17.1.2 taking any action permitted by this Deed,

be liable to the Chargor or any other person for any costs, losses or liabilities relating to any of the Security Assets or for any act, neglect, default, omission or misconduct of the Security Agent, any Receiver or any Delegate in relation to the Security Assets or otherwise.

17.2 **Exoneration**

17.2.1 None of the Security Agent, any Receiver or any Delegate shall have any duty:

- (a) to perform the Chargor's obligations or exercise any rights in relation to any Security Asset;
- (b) to ensure that any Related Rights are made available and to ensure that the correct amount has been received in relation to any Related Right;
- (c) to take up any offer in relation to any Security Asset;
- (d) to investigate, appraise or report on the status, propriety or validity of the acts of the Receiver or Security Agent;
- (e) to give any notification to anyone in relation to any Security Asset;
- (f) to take any action to enforce any other person's obligations as regards any Security Asset; or
- (g) to take any action to preserve any rights relating to any of the Security Assets.

17.2.2 None of the Security Agent, any Receiver or any Delegate shall:

- (a) be liable to comply with the obligations assumed by the Chargor in respect of any of the Security Assets;
- (b) be under any obligation or liability by reason of, or arising out of, this Deed; or
- (c) be required to make any enquiry as the nature or sufficiency of any payment received by a Secured Party or to present or file any claim or take any other action to collect or enforce the payment of any amount or to enforce any other right to which the Security Agent may be entitled.

17.3 **Protection of the Receiver and the Security Agent**

Each Receiver and the Security Agent shall be entitled to all the rights, powers, privileges and immunities which the LPA and/or the Insolvency Act confers on mortgagees and Receivers.

17.4 **Reimbursement and Indemnity**

The Security Agent and every Receiver and Delegate may, in priority to any payment to the other Secured Parties, indemnify itself out of the Security Assets in respect of and pay and retain all sums necessary to give effect to, the indemnity in Clause 13.4 (*Indemnity to the Security Agent*) of the Facility Agreement.

18 **POWER OF ATTORNEY**

18.1 By way of security for the performance of its obligations under this Deed, the Chargor irrevocably and severally appoints the Security Agent, each Receiver and each Delegate to be its attorney

(with full power of substitution and delegation) and in its name, on its behalf and as its act and deed to:

- 18.1.1 exercise voting rights in respect of the Shares in accordance with the terms of this Deed;
- 18.1.2 execute, deliver and perfect all deeds, instruments and other documents and do (or cause to be done) all such acts and things which the attorney may consider to be required for or desirable for:
 - (a) carrying out any obligation imposed on the Chargor by this Deed or any agreement binding on the Chargor to which the Security Agent is a party (including, but not limited to, the execution and delivery of any charges, assignments or other security and any transfers of the Security Assets and perfecting and/or releasing the Security created or intended to be created in respect of the Security Assets); and/or
 - (b) enabling the Security Agent and any Receiver (and any Delegate) to exercise any of the rights, powers, authorities and discretions conferred on them pursuant to this Deed or by law (including, after this Security has become enforceable as provided in this Deed, the exercise of any right of a legal or beneficial owner of the Security Assets or any part of the Security Assets).
- 18.2 The Chargor ratifies and confirms all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of its rights, powers, authorities and discretions referred to in Clause 18.1.
- 18.3 The Chargor covenants (for the purpose of the irrevocable nature of the power of attorney granted in this Clause 18) with each Receiver appointed pursuant to this Deed, to join in and concur with the exercise by such Receiver of any powers of such Receiver to act on behalf of the Chargor.
- 18.4 The power of attorney granted by this Clause 18 shall be exercisable:
 - 18.4.1 when the Chargor has failed to do something that it is obliged to do under any Finance Document to which it is a party; or
 - 18.4.2 on the occurrence of an Event of Default, which is continuing.

19 **PROTECTIVE PROVISIONS**

19.1 **Reinstatement**

In any discharge, release or arrangement (whether in respect of the obligations of any Transaction Obligor or any Security for those obligations or otherwise) is made by the Security Agent in whole or in part on the basis of any payment, Security, or other discretion which is avoided or must be restored in insolvency, liquidation, administration, receivership or otherwise, without limitation, then the liability of the Chargor under this Deed will continue or be reinstated as if the discharge, release or arrangement had not occurred.

19.2 **Waiver of defences**

The obligations of, and the Security created by, the Chargor under this Deed will not be affected by any act, omission, matter or thing which, but for this Clause 19.2, would reduce, release or prejudice any of its obligations under, or the Security created by, this Deed (without limitation and whether or not known to the Chargor or the Security Agent), including:

- 19.2.1 any time, waiver or consent granted or agreed to be granted to, or composition with, any Transaction Obligor or other person;
- 19.2.2 the release of any other Transaction Obligor or any other person under the terms of any composition or arrangement with any creditor or any member of the Group;
- 19.2.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce any rights against, or Security over assets of, any Transaction Obligor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- 19.2.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Transaction Obligor or any other person;
- 19.2.5 any amendment, determination, novation, supplement, extension (whether at maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of any Finance Document or any other document or Security or of the Secured Liabilities (including, without limitation, any change in the purpose of, any extension of, or any variation or increase in any facility or amount made available under any facility or the addition of any new facility under any Finance Document or other document or Security); and
- 19.2.6 any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security or of the Secured Liabilities; or
- 19.2.7 any insolvency or similar proceedings.

Without prejudice to the generality of this Clause 19.2, the Chargor expressly confirms that it intends that the Security created by it under this Deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: acquisitions of any nature; increasing working capital; enabling distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

19.3 **Immediate recourse**

The Chargor waives any right it may have of first requiring the Security Agent to proceed against or enforce any other rights or Security or claim payment from any person before claiming from,

or otherwise proceeding against, the Chargor under this Deed. This waiver applies irrespective of any law or provision of this Deed to the contrary.

19.4 **Appropriations**

Until all amounts which may be or become payable by the Transaction Obligors under or in connection with the Finance Documents have been irrevocably paid in full, the Security Agent may:

- 19.4.1 refrain from applying or enforcing any other moneys, Security or rights held or received by the Security Agent in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Transaction Obligor shall be entitled to the benefit of the same; and
- 19.4.2 hold in an interest-bearing suspense account any moneys received from the Chargor or on account of any liability arising under this Deed.

19.5 **Non-competition**

Until the occurrence of the Discharge Date or unless the prior written consent of the Security Agent is obtained, the Chargor shall not exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Deed:

- 19.5.1 to be indemnified by any person, including a Transaction Obligor;
- 19.5.2 to claim any contribution from any other provider of Security or any guarantor of the Secured Liabilities;
- 19.5.3 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Security Agent under the Finance Documents or of any other guarantee, indemnity or Security taken pursuant to, or in connection with, the Secured Liabilities by the Security Agent;
- 19.5.4 to bring legal or other proceedings for an order requiring any Transaction Obligor to make any payment, or perform any obligation, in respect of which any Transaction Obligor has given a guarantee, undertaking or indemnity under any Finance Document;
- 19.5.5 to exercise any right of set-off against any Transaction Obligor; and/or
- 19.5.6 to claim rank, prove or vote as a creditor of any Transaction Obligor in competition with the Security.

If the Chargor receives any benefit, payment or distribution in relation to such rights, it shall hold that benefit, payment or distribution (to the extent necessary to enable all amounts which may be or become payable to the Security Agent in connection with the Secured Liabilities to be repaid in full) on trust for the Security Agent and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with Clause 15 (*Application of proceeds*).

20 **DELEGATION AND DISCRETION**

20.1 **Delegation**

20.1.1 The Security Agent and/or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner all or any of the rights, powers, authorities and discretions which are conferred and are exercisable by it under this Deed (including the power of attorney granted under Clause 18 (*Power of attorney*)) to any person or persons on such terms and conditions (including the power to sub-delegate) as it sees fit.

20.1.2 No such delegation pursuant to this Clause 20 shall preclude either the subsequent exercise of any such right, power, authority or discretion by the Security Agent or a Receiver itself or any subsequent delegation or revocation of any such right, power, authority or discretion.

20.1.3 Neither the Security Agent nor any Receiver will be bound to supervise any such Delegate or have any liability to the Chargor or any other person for any loss or liability arising from any act, default, omission or misconduct by any Delegate.

20.2 **Discretion**

Any right or power which may be exercised or any determination which may be made under this Deed by the Security Agent or any Receiver may be exercised by it in its absolute and unfettered discretion, without any obligation to give reasons.

21 **EFFECTIVENESS OF SECURITY**

21.1 **Continuing Security**

This Security shall remain in full force and effect as continuing security for the Secured Liabilities until the Discharge Date and shall not be released before then by any settlement of account, intermediate payment, discharge or satisfaction of all or any of the Secured Liabilities or for any other reason.

21.2 **Cumulative rights**

This Security and the rights, powers and remedies of the Security Agent under this Deed shall be cumulative and shall be in addition to and independent of every other Security, guarantee, right, power or remedy which the Security Agent may at any time have in connection with the Secured Liabilities, including the rights, powers and remedies provided by law, and accordingly, the Security Agent shall not be obliged before exercising any such rights, powers or remedies:

21.2.1 to make any demand of, or take any action or obtain any judgment in any court against, the Chargor;

21.2.2 to make or file any claim or proof in winding-up or dissolution of the Chargor; or

21.2.3 to enforce or seek to enforce any other Security held by it in respect of the Secured Liabilities.

21.3 **No merger of Security**

This Security is in addition to, and independent of, and is not in any way prejudiced by, any other Security or guarantee that the Security Agent or any other Secured Party may hold in any

capacity for any of the Secured Liabilities at any time. No prior Security held in any capacity by the Security Agent or any other Secured Party over the whole or any part of the Security Assets shall merge with this Security.

21.4 **No prejudice**

This Security shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to the Chargor or any other person, or by any variation of any trust on which this Security is held, or by any other thing which might otherwise prejudice that Security.

21.5 **Remedies and waivers**

21.5.1 No waiver of any right or remedy, nor any consent given under this Deed, shall be effective unless it is made in writing by the waiving or consenting party. A waiver shall not be deemed a waiver of any other breach or default and a consent shall not be deemed to apply in any other circumstance other than the one for which it was given. No waiver or consent shall prevent the party giving it from subsequently relying on the relevant provision.

21.5.2 No failure to exercise, nor any delay in exercising, on the part of a Secured Party, any right or remedy under a Finance Document or by law shall operate as a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy, or constitute an election to affirm any of the Finance Documents. No election to affirm any Finance Document on the part of any Secured Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent or restrict any further or other exercise of that right or remedy or the exercise of any other right or remedy. The rights and remedies provided in each Finance Document are cumulative and not exclusive of any rights or remedies provided by law.

21.6 **Partial invalidity**

21.6.1 If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the 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 shall in any way be affected or impaired.

21.6.2 If any part of the Security created or intended to be created by or pursuant to this Deed is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the Security constituted under this Deed.

21.7 **Further assurance**

21.7.1 The Chargor shall promptly, at its own cost:

- (a) enter into and execute a transfer of any Share into the name of the Security Agent or a nominee of the Security Agent or a purchaser from the Security Agent or a nominee of such purchaser; and
- (b) execute and deliver to the Security Agent all other documents which may be requested by the Security Agent in order to enable (following dating of the stock transfer forms) the Security Agent or its nominees at any time and

without notice to be registered as the owner of, or otherwise obtain a legal title to, any Shares or Related Rights.

21.7.2 The Chargor shall promptly, at its own cost, do whatever the Security Agent requires:

- (a) to create, perfect and/or protect the Security created or intended be created by this Deed;
- (b) to create, perfect and/or protect the priority of the Security created or intended be created by this Deed;
- (c) to facilitate the exercise of any rights, powers, discretions and remedies vested in the Security Agent or any Receiver (or any Delegate) by this Deed and/or by the law; and/or
- (d) to facilitate the realisation of the Security Assets.

21.7.3 In order to satisfy its obligations under Clauses 21.7.1 and 21.7.2 above, the Chargor shall immediately, upon the request of the Security Agent, execute any transfer, conveyance, mortgage, charge, assignment or assurance over all or any of the assets intended to constitute the Security Assets (whether in favour of the Security Agent or its nominee or otherwise) and make any filing, registration or notarisation and give any notice, instructions, order or direction in respect of the Security Assets.

22 PRIOR SECURITY INTERESTS

- 22.1 At any time after this Security has become enforceable, or after any powers conferred by any prior ranking Security shall have become exercisable, the Security Agent may redeem that or any other prior Security and/or procure the transfer of any such Security to itself.
- 22.2 The Security Agent may settle and agree the accounts of the holder of any prior Security and any accounts so settled and agreed will, in the absence of manifest error, be conclusive and binding on the Chargor.
- 22.3 All principal monies, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by the Chargor to the Security Agent on demand together with accrued interest on such sums (after as well as before judgment) at the Default Rate from the time or respective times of the same having been paid or incurred until payment of such sums (both before and after judgment), and such sums will form part of the Secured Liabilities.

23 SUBSEQUENT SECURITY INTERESTS

If the Security Agent receives, or is deemed to be affected by, notice whether actual or constructive of any subsequent Security or other interest affecting all or part of the Security Assets, it may open a new account for the Chargor in its books. If the Security Agent does not open a new account, it shall nevertheless be treated as if it had done so at the time it received or was deemed to be affected by such notice. Unless the Security Agent gives express written notice to the contrary to the Chargor, all payments made by the Chargor to the Security Agent will, as from the time of receipt or deemed receipt of the relevant notice by the Security Agent, be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Liabilities.

24 **SUSPENSE ACCOUNT**

24.1 **Contingencies**

If this Security is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, a Secured Party may pay the proceeds of any recoveries effected by it into a suspense account, in which event Clause 24.2 (*Suspense account*) shall apply to such proceeds.

24.2 **Suspense account**

All monies received, recovered or realised by a Secured Party under this Deed (including the proceeds of any conversion of currency and any proceeds referred to in Clause 24.1 above) may in the absolute discretion of that Secured Party be credited to any interest bearing suspense or impersonal account(s) maintained with a bank, building society or financial institution for so long as it may think fit (the interest being credited to the relevant account) pending their application from time to time at the Secured Party's absolute discretion, in or towards the discharge of any of the Secured Liabilities.

25 **RELEASE OF SECURITY**

25.1 Upon the occurrence of the Discharge Date and subject always to Clause 17.6 (*Reinstatement*) of the Facility Agreement and Clause 25.2 below, the Security Agent shall, at the request and cost of the Chargor, release and cancel this Security and procure the reassignment to the Chargor of the assets assigned to the Security Agent pursuant to this Deed, in each case without recourse to, or any representation or warranty by, the Security Agent or any of its Delegates.

25.2 Following any discharge of the Chargor made by the Security Agent in reliance on any payment or Security the Security Agent may retain this Security (and all documents of title or other documents necessary to protect such Security) until the expiry of the maximum period within which such payment or security can be avoided, reduced or invalidated for any reason. If the person other than the Chargor making such payment or giving such security goes into liquidation or administration or equivalent proceedings in any foreign jurisdiction within that period the Security Agent may retain this Security for as long as it sees fit.

26 **SET-OFF**

The Security Agent may at any time set off any obligation due from the Chargor (to the extent beneficially owned by the Security Agent) against any obligation owed by the Security Agent to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Security Agent may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

27 **FINANCIAL COLLATERAL**

27.1 To the extent that any of the Security Assets constitute "financial collateral" and this Deed constitutes a "security financial collateral arrangement" (as those terms are defined in the Regulations), the Security Agent shall, upon this Security becoming enforceable and to the extent permitted by the Regulations, have the right to appropriate all or any part of that financial collateral in or towards the payment or discharge of the Secured Liabilities without obtaining any court authorisation and in such order as the Security Agent may in its absolute discretion determine.

27.2 The Parties agree that the value of any Security Asset appropriated in accordance with sub-clause 27.1 above shall be:

27.2.1 in the case of cash, the amount of such cash plus any accrued but unposted interest attributable to such cash on the date of appropriation; and

27.2.2 in the case of Shares, the price of those Shares at the time the right of appropriation is exercised as listed on any recognised market index, as determined by an independent valuation or as determined by such other method as the Security Agent may select.

27.3 The Parties agree that the method of valuation provided for in this Clause 27 is commercially reasonable for the purposes of the Regulations.

28 **CURRENCY**

28.1 **Relevant Currency**

The Chargor is obliged under this Deed to discharge the Secured Liabilities in the Relevant Currency.

28.2 **Receipt in wrong currency**

If at any time the Security Agent receives a payment (including by set-off) referable to any of the Secured Liabilities from any source in a currency other than the Relevant Currency, then that payment will take effect as a payment to the Security Agent of the amount in the Relevant Currency which the Security Agent is able to purchase (after deduction of any relevant costs) with the amount of the payment so received at the spot rate of exchange available to the Security Agent for such purchase in the Relevant Market at or about 11:00 a.m. on that date.

29 **PAYMENTS TO BE MADE WITHOUT DEDUCTION**

29.1 **No deductions**

All sums payable by the Chargor under this Deed shall be paid in the Relevant Currency in immediately available funds and shall be paid to the credit of such account as the Security Agent may designate. All such payments shall be made in full without set-off of any sum owing by the Security Agent to the Chargor or counterclaim and free and clear of any deductions of or withholding for or on account of any Tax or for any other reason, except to the extent that any such deduction or withholding is required by law.

29.2 **Grossing-up**

If at any time the Chargor is required by law to make any deduction or withholding from any payment due from the Chargor to the Security Agent, the Chargor shall simultaneously pay to the Security Agent whatever additional amount is necessary to ensure that the Security Agent receives a net sum equal to the payment it would have received had no deduction or withholding been made.

30 **CERTIFICATES AND DETERMINATIONS**

A certificate or determination by the Security Agent or a Receiver of a rate or an amount for the time being due under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

31 **ASSIGNMENT AND TRANSFER**

31.1 **Chargor consents to assignment/transfer by Security Agent**

The Chargor consents to the assignment and/or transfer by the Security Agent of any one or more of its rights and/or obligations under this Deed. The Security Agent may, without consulting with or obtaining consent from the Chargor at any time charge, assign or otherwise create Security in or over its rights, benefits and interests under this Deed to secure any obligations of any Secured Party in accordance with the terms of the Facility Agreement.

31.2 **No assignment/transfer by Chargor**

The Chargor may not assign or transfer any one or more of its rights and/or obligations under this Deed.

31.3 **Confidentiality**

The Security Agent shall be entitled to disclose any information concerning the Chargor, the Security Assets and this Deed in accordance with Clause 39 (*Confidential Information*) of the Facility Agreement.

32 **COSTS AND EXPENSES**

Enforcement and preservation costs

The Chargor shall, within three Business Days of demand, pay to each Secured Party on a full indemnity basis the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of or the preservation of any rights under this Deed and any proceedings instituted by or against any Secured Party as a consequence of taking or holding this Security or enforcing these rights.

33 **MISCELLANEOUS**

33.1 **Variations**

No variation of the terms of this Deed shall be valid unless such variation is in writing and signed by the Chargor and the Security Agent.

33.2 **Third party rights**

33.2.1 Other than the Secured Parties a person who is not a Party to this Deed has no rights 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.

33.2.2 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.

33.2.3 Any Receiver may enforce and enjoy the benefit of any Clause which expressly confers rights on it, subject to Clause 33.2.2 above and the provisions of the Third Parties Act.

33.3 **Perpetuity period**

The trusts created by this Deed have a perpetuity period of 125 years.

33.4 **Counterparts**

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

33.5 **Illegality and compliance with law**

No provision of this Deed shall oblige the Security Agent to take any steps which:

- 33.5.1 may be illegal or contrary to applicable law or regulation; or
- 33.5.2 it expects will result in any expense or liability accruing to it, the payment of which is not, in its sole opinion, assured to it or it is not indemnified and/or secured and/or prefunded to its satisfaction against such liability.

The Security Agent shall be entitled to take any action or to refuse to take any action which the Security Agent regards as necessary for the Security Agent to comply with any applicable law, regulation or fiscal requirement;

34 **NOTICES**

34.1 **Communications in writing**

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

34.2 **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 this Deed is:

- (a) in the case of the Security Agent, that identified with its name below;
- (b) in the case of the Chargor, that identified with its name below,

or any substitute address or department or officer as the Party may notify to the Security Agent (or the Security Agent may notify to the other Parties, if a change is made by the Security Agent) by not less than five Business Days' notice.

34.3 **Delivery**

- 34.3.1 Any communication or document made or delivered by one person to another under or in connection with this Deed shall only be effective if by way of letter, when it has been left at the relevant address or five 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 34.2 (*Addresses*), if addressed to that department or officer.
- 34.3.2 Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of the department or officer identified with Security Agent's signature in the Facility Agreement (or any substitute department or officer as the Security Agent shall specify for this purpose).

- 34.3.3 Any communication or document which becomes effective, in accordance with 34.3.1 and 34.3.2 above, after 5 p.m. in the place of receipt shall be deemed only to become effective on the following day.

34.4 Electronic communication

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

- (a) 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
- (b) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

- 34.4.2 Any electronic communication made between those two Parties will be effective only when actually received in readable form and in the case of any electronic communication made by a Party to the Security Agent only if it is addressed in such a manner as the Security Agent shall specify for this purpose.

- 34.4.3 Any electronic communication which becomes effective, in accordance with paragraph 34.4.2 above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

34.5 English language

- 34.5.1 Any notice given under or in connection with this Deed must be in English.

- 34.5.2 All other documents provided under or in connection with this Deed must be:

- (a) in English; or
- (b) if not in English, and if so required by the Security Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

35 GOVERNING LAW AND JURISDICTION

35.1 Governing law

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

35.2 Jurisdiction of English courts

- 35.2.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute 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**").

- 35.2.2 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.
- 35.2.3 Notwithstanding Clause 35.2.1 above, the Security Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

THIS DEED IS EXECUTED AS A DEED BY THE CHARGOR AND THE SECURITY AGENT AND IS DELIVERED AND TAKES EFFECT ON THE DATE AT THE BEGINNING OF THIS DEED.

SCHEDULE 1
- SHARES

Chargor	Name of Company	Description of Shares (Class and nominal value)	Amount of Shares
Elysian Residences Limited	Elysian Berkhamsted Operating Company Limited	Ordinary share of £1.00 each	One
Elysian Residences Limited	Elysian Berkhamsted Services Limited	Ordinary share of £1.00 each	One

SCHEDULE 2
- ADDITIONAL POWERS OF RECEIVER

A Receiver shall have the following additional rights, powers and discretions:

1 POSSESSION

A Receiver may take immediate possession of, get in and collect the Security Assets or any part thereof.

2 EMPLOYEES

A Receiver may:

- 2.1 appoint and discharge any managers, officers, agents, accountants, servants, contractors, workmen and other personnel and professional advisers for the purposes of this Deed upon such terms and conditions as to remuneration or otherwise as he thinks fit; and/or
- 2.2 discharge any person appointed by the Chargor.

3 SALE OF ASSETS

A Receiver may sell, assign, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which he thinks fit. The consideration for the sale of any Security Asset may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which the Receiver thinks fit.

4 REGISTRATION

A Receiver may use the Chargor's name to effect any registration or election for tax or other purposes.

5 BORROWING

A Receiver may, for any purpose, raise and borrow money or incur any other liability either unsecured or secured on the Security Assets, either in priority to this Security or otherwise, and generally on such terms as he in his discretion may think fit. No person lending such money is to be concerned to enquire as to the propriety or purpose of the exercise of such power or as to the application of money so raised or borrowed.

6 COMPROMISE, LEGAL ACTION AND MEDIATION

A Receiver may:

- 6.1 settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of the Chargor or relating in any way to any Security Asset;
- 6.2 bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which he thinks fit; and/or
- 6.3 refer to mediation any question in relation to any Security Asset that he thinks fit.

7 **COMPANIES**

A Receiver may form, or promote the formation of, any subsidiary of the Chargor or other company with a view to such company purchasing or otherwise acquiring an interest in the Security Assets

8 **RECEIPTS**

A Receiver may give valid receipts for any monies and execute any assurances and things which he in his discretion may think proper or desirable for realising any of the Security Assets.

9 **DELEGATION**

A Receiver may delegate his powers in accordance with this Deed.

10 **LENDING**

A Receiver may lend money or advance credit to any person.

11 **REDEEM PRIOR SECURITY**

A Receiver may redeem any prior Security and settle and pass the accounts to which that prior Security relates. Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Chargor, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

12 **OTHER POWERS**

A Receiver may:

- 12.1 do all other acts and things which he may consider desirable or necessary for realising any Security Asset or incidental or conducive to any of the rights, powers, remedies or discretions conferred on the Security Agent or any Receiver under or by virtue of this Deed or by law;
- 12.2 exercise every power which the Receiver in its absolute discretion considers desirable for maintaining or enhancing the value of the Security Assets or in connection with the enforcement of this Security or the realisation of any Security Asset;
- 12.3 exercise in relation to any Security Asset all the powers, authorities and rights which he would be capable of exercising, and do all those acts and things he would be able to do, if he were the absolute legal and beneficial owner of that Security Asset;
- 12.4 any other acts and things it lawfully may do as agent for the Chargor; and/or
- 12.5 use the name of the Chargor for any of the purposes set out in Clause 14 (*Powers of Receiver*) or this Schedule 2.

**SCHEDULE 3
- CHARGOR LETTER OF AUTHORITY**

To: Silbury Specialty Finance Limited
Verde
10 Bressenden Place
London
SW1E 5DH

Dated: 2021

Dear Sir

Shareholder's security agreement between (1) Elysian Residences Limited and (2) Silbury Specialty Finance Limited dated 2021 (the "Shareholder's Security Agreement") in relation to the shares and subordinated debt of [[Elysian Berkhamsted Operating Company Limited] / [Elysian Berkhamsted Services Limited]] (the "Company")

We hereby unconditionally and irrevocably authorise you to date and otherwise complete the share transfer forms in respect of the shares of the Company deposited by us with you pursuant to the Shareholder's Security Agreement following your first written demand to us pursuant to the Shareholder's Security Agreement.

Yours faithfully

Signed for and on behalf of)
ELYSIAN RESIDENCES
LIMITED)

Director

SCHEDULE 4

Part 1 - Director Letter of Resignation

To: Elysian Berkhamsted Operating Company Limited
42 Bruton Place
London
England
W1J 6PA
(the "**Company**")

OR

Elysian Berkhamsted Services Limited
42 Bruton Place
London
England
W1J 6PA
(the "**Company**")

Dated: 2021

Dear Sirs

Resignation of Director

I hereby tender my resignation as a director and employee of the Company and from all other offices and positions in the Company with effect from the date of this resignation letter. I confirm that I have no claim for compensation of any sort whatsoever either in respect of my resignation from such positions or otherwise and that the Company is in no way obligated or indebted to me.

Yours faithfully

Signed by)
)

Part 2- Director Letter of Authorisation

To: Silbury Specialty Finance Limited
Verde
10 Bressenden Place
London
SW1E 5DH

Dated: 2021

Dear Sirs

Shareholder’s security agreement between (1) Elysian Residences Limited and (2) Silbury Specialty Finance Limited dated 2021 (the “Shareholder’s Security Agreement”) in relation to the shares and subordinated debt of [[Elysian Berkhamsted Operating Company Limited] / [Elysian Berkhamsted Services Limited]] (the “Company”)

Words and expressions used in the Shareholder's Security Agreement shall have the same meaning when used in this letter.

I refer to my executed but undated Director Letter of Resignation as director of [[Elysian Berkhamsted Operating Company Limited] [Elysian Berkhamsted Services Limited]] provided in accordance with the Shareholder's Security Agreement and I hereby authorise you to date the letter following your first written demand on the Chargor pursuant to the Shareholder's Security Agreement.

Yours faithfully

Signed by)
)
.....

SCHEDULE 5
- IRREVOCABLE APPOINTMENT OF ATTORNEY

Shareholder's security agreement between (1) Elysian Residences Limited and (2) Silbury Specialty Finance Limited dated 2021 (the "Shareholder's Security Agreement") in relation to the shares and subordinated debt of [[Elysian Berkhamsted Operating Company Limited] / [Elysian Berkhamsted Services Limited]] (the "Company")

Date:

We, Elysian Residences Limited (the "**Chargor**"), hereby irrevocably appoint Silbury Specialty Finance Limited (the "**Security Agent**") as attorney in the event that there has been a written demand made on the Chargor by the Security Agent pursuant to the Shareholder's Security Agreement following the occurrence of an Event of Default (as defined in the Shareholder's Security Agreement) (which is continuing) to sign resolutions in writing of Company and to vote at meetings of the shareholders of the Company in respect of any existing or further shares in the Company which may have been or may from time to time be issued and/or registered in our name. This appointment as attorney is irrevocable by reason of being coupled with the interest of the aforesaid shares.

IN WITNESS whereof we, Elysian Residences Limited, have executed this Deed as a deed on the day and year first above written.

EXECUTED AS A DEED by ELYSIAN)
RESIDENCES LIMITED by)
_____ and)
_____)

Director

Director

**SCHEDULE 6
- TRANSFER UNDERTAKING**

To: Silbury Specialty Finance Limited
Verde
10 Bressenden Place
London
SW1E 5DH

Dated: 2021

Dear Sirs

Shareholder's security agreement between (1) Elysian Residences Limited and (2) Silbury Specialty Finance Limited dated 2021 (the "Shareholder's Security Agreement") in relation to the shares and subordinated debt of [[Elysian Berkhamsted Operating Company Limited] / [Elysian Berkhamsted Services Limited]] (the "Company")

We refer to the Shareholder's Security Agreement whereby, inter alia, the Chargor granted a charge over the Security Assets in favour of the Security Agent.

Capitalised words and expressions used in this letter which are not expressly defined herein have the same meanings ascribed to them in the Shareholder's Security Agreement.

This is the Transfer Undertaking referred to in clause 7.1 of the Shareholder's Security Agreement.

In consideration of the Security Agent entering into the Shareholder's Security Agreement and for other valuable consideration receipt of which is hereby acknowledged, the Company hereby irrevocably and unconditionally undertakes to register in the Company's register of members all share transfers to the Security Agent or its nominee in respect of the Shares submitted to the Company by the Security Agent.

Yours faithfully

.....
Director

for and on behalf of

[[ELYSIAN BERKHAMSTED OPERATING COMPANY LIMITED] / [ELYSIAN BERKHAMSTED SERVICES LIMITED]]

EXECUTION PAGES TO THE SHAREHOLDER’S SECURITY AGREEMENT

CHARGOR

EXECUTED as a DEED by ELYSIAN)
RESIDENCES LIMITED acting by)
_____, a director and)
_____, a director)

Director _____

Director _____

Addresses for notices

Address for Notices: 42 Bruton Place, London, England, W1J 6PA
Email: stein@elysianresidences.com
Attention of: Gavin Stein

SECURITY AGENT

EXECUTED as a DEED by SILBURY)
SPECIALTY FINANCE LIMITED acting by)
Gavin Eustace a director and)
Matthew Pritchard a director

DocuSigned by:
[Redacted Signature]
1FF22644B93F44C...

Director

DocuSigned by:
[Redacted Signature]
9825D34334B6435...

Director

Addresses for notices

Address for Notices: Verde, 10 Bressenden Place, London SW1E 5DH
Email gavin.eustace@silburyfinance.com
Attention of: Gavin Eustace

Execution version



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

Signed: *Charles Russell Speechlys LLP*

Date: 10 June 2021

DATED

8 June

2021

(1) **ELYSIAN RESIDENCES LIMITED**
(as Chargor)

and

(2) **SILBURY SPECIALTY FINANCE LIMITED**
(as Security Agent)

SHAREHOLDER'S SECURITY AGREEMENT

5 Fleet Place London EC4M 7RD

Tel: +44 (0)20 7203 5000 • **Fax:** +44 (0)20 7203 0200 • **DX:** 19 London/Chancery Lane

www.charlesrussellspeechlys.com

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THIS DEED is made on

8 June

2021

BETWEEN:

- (1) **ELYSIAN RESIDENCES LIMITED** a company incorporated in England with company number 08513948 whose registered office is at 42 Bruton Place, London, United Kingdom, W1J 6PA (the "**Chargor**"); and
- (2) **SILBURY SPECIALTY FINANCE LIMITED** a company incorporated in England with company number 12736777 whose registered office is at Verde, 10 Bressenden Place, London, United Kingdom SW1E 5DH (the "**Security Agent**").

WHEREAS

- (A) The Security Agent has agreed to make available to the Borrower (as defined below) certain loan facilities.
- (B) It is a condition precedent to those loan facilities being made available that the Chargor enters into this Deed.

IT IS AGREED as follows:

1 DEFINITIONS

In this Deed:

Borrower means Berkhamsted Trustees I Limited, a company incorporated and registered in Jersey with registration number 131169 whose registered office is at 2nd Floor, Gaspé House, 66-72 Esplanade, St Helier, Jersey JE1 1GH and Berkhamsted Trustees II Limited, a company incorporated and registered in Jersey with registration number 131170 whose registered office is at 2nd Floor, Gaspé House, 66-72 Esplanade, St Helier, Jersey JE1 1GH, acting in their capacity as joint trustees of the Berkhamsted Unit Trust;

Chargor Letter of Authority means a letter in the form or substantially in the form of Schedule 3;

Company means the Manco or the Rentco, as the case may be (together, the "**Companies**");

Debts means any book and other debts, of any kind whatsoever now or at any time hereafter (and from time to time) due, owing or payable to the Chargor by a Company or the Borrower including but not limited to the benefit of any judgment or order to pay a sum of money and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to the same;

Default Rate means the rate specified in clause 8.3 of the Facility Agreement;

Delegate means any delegate, agent, attorney or co-trustee appointed by the Security Agent and/or any Receiver and/or any Delegate (as appropriate);

Director Letter of Authorisation means a letter in the form or substantially in the form of Part 2 of Schedule 4;

Director Letter of Resignation means a letter in the form or substantially in the form of Part 1 of Schedule 4;

Discharge Date means the date on which the Security Agent is satisfied that all the Secured Liabilities have been irrevocably discharged in full and no further Secured Liabilities are capable of arising;

Dividends means all dividends and distributions of any kind, interest and any other monies received or receivable in relation to any of the Shares;

Facility Agreement means the term loan facility agreement dated on or about the date of this Deed between, amongst others, the Borrower and the Security Agent (as Mandated Lead Arranger, Agent and Security Agent);

Floating Charge means the floating charge (if any) created pursuant to clause 4.3 (*Creation of Floating Charge*);

Insolvency Act means the Insolvency Act 1986;

Investments means the Shares and the Dividends;

Irrevocable Appointment of Attorney means the irrevocable appointment of attorney in the form of Schedule 5;

LLP 1 means RELF Partnership I LLP (a limited liability partnership incorporated and registered in England and Wales with registered number OC430805);

LPA means the Law of Property Act 1925;

Manco means Elysian Berkhamsted Operating Company Limited (company number 13146685) of 42 Bruton Place, London, England, W1J 6PA;

Party means a party to this Deed;

Permitted Security means the share charge dated 30 April 2021 granted by the Chargor in favour of LLP 1 over the entire issued share capital of the RentCo and the ManCo;

Receiver means a receiver or receiver and manager or administrative receiver of the whole or any part of the Security Assets;

Regulations means the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226);

Related Rights means, as regards any Share, all present and future:

- (a) shares or other property derived from that Share and all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to that Share (whether by way of conversion, substitution, exchange, redemption, bonus, preference, option or otherwise);
- (b) money and proceeds of any nature paid or payable in relation to that Share, including sale proceeds and money paid by way of damages, award or judgment made in connection with that Share (including, without limitation, all Dividends); and
- (c) all rights, interests and assets of the Chargor of any nature attaching to, deriving from that Share or exercisable as a result of the Chargor's interest in or ownership or operation of that Share;

Relevant Currency means in relation to each of the Secured Liabilities, the currency in which it is from time to time denominated;

Rentco means Elysian Berkhamsted Services Limited (company number 13146867) of 42 Bruton Place, London, England, W1J 6PA;

Restrictions Notice means a "restrictions notice" as defined in paragraph 1(2) of Schedule 1(B) of the Companies Act 2006;

Secured Liabilities means all present and future monies, obligations and liabilities (whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity whatsoever) of each Transaction Obligor to any Secured Party under any Finance Document or otherwise (including, without limitation, those arising under Clause 17.6 (*Reinstatement*) of the Facility Agreement), together with all interest (including, without limitation, default interest) accruing in respect of any of such monies, obligations and liabilities;

Secured Party means a Finance Party, a Receiver or a Delegate;

Security Assets means all of the assets which from time to time are, or are expressed to be, subject to the Security created by this Deed;

Shares means:

- (a) all shares, stocks, debentures, bonds, any form of loan capital, warrants, coupons, interests in collective investment schemes and all other securities and investments of any kind whatsoever (whether in certificated or uncertificated form) owned by the Chargor (or held by any nominee or trustee on its behalf) or in which it has an interest from time to time (including, but not limited to, the Shares (if any) listed in Schedule 1 (*Shares*) to this Deed);
- (b) shares, stocks, debentures, bonds, any form of loan capital, warrants, coupons, securities, investments, money or other assets arising by way of conversion, exchange, substitution, rights issue, redemption bonus, preference, option or otherwise in relation to any of the assets referred to in paragraph (a) above; and
- (c) rights to subscribe for, purchase or otherwise acquire any of the assets referred to in paragraph (a) above through options, warrants or otherwise,

in each case, only to the extent that they relate to the Companies;

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

Transfer Undertaking means an undertaking of a Company in the form of Schedule 6; and

Warning Notice means a "warning notice" as defined in paragraph 1(2) of Schedule 1(B) of the Companies Act 2006.

2 CONSTRUCTION

- 2.1 Unless otherwise defined in this Deed, a term defined in the Facility Agreement has the same meaning in this Deed and in any notice given under or in connection with this Deed.
- 2.2 Unless a contrary indication appears, a reference in this Deed to:

- 2.2.1 **"certificated"** has the meaning given to it in the Uncertificated Securities Regulations 2001;
- 2.2.2 this Deed, a **"Finance Document"** or any other agreement or instrument is a reference to this Deed or that Finance Document or other agreement or instrument as amended, novated, supplemented, extended, replaced or restated (in each case, other than in breach of this Deed or any other Finance Document) from time to time;
- 2.2.3 references to **"indebtedness"** include:
- (a) any obligation (whether incurred jointly or severally or as principal or surety) for the payment or repayment of money, whether present or future, actual or contingent;
 - (b) any obligation (such as post-insolvency interest) which would be included in (a) above but for the fact that it is invalid or unenforceable;
 - (c) any liability for damages or in respect of a restitutionary claim; and
 - (d) any liability flowing from any recovery of a payment or discharge in respect of any obligation referred to in (a) above on the grounds of a preference or otherwise;
- 2.2.4 a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
- 2.2.5 a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;
- 2.2.6 **"asset"** or **"assets"** includes present and future properties, revenues, interests and rights of every description;
- 2.2.7 **"disposal"** includes a sale, transfer, assignment, grant, lease, licence, declaration of trust or other disposal, whether voluntary or involuntary, and **"dispose"** will be construed accordingly;
- 2.2.8 a **"Security Asset"**, **"Dividends"** and a **"Share"** includes:
- (a) any part of that asset;
 - (b) any present and future assets of that type; and
 - (c) all Related Rights relating to assets of that type;
- 2.2.9 **"this Security"** means any Security created by or pursuant to this Deed;
- 2.2.10 **"Secured Liabilities"** is deemed to include a reference to any part of them;
- 2.2.11 the **"Security Agent"**, the **"Borrower"**, the **"Chargor"**, any **"Secured Party"**, or any **"Party"** 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 Security Agent,

any person for the time being appointed as Security Agent or Security Agents in accordance with the Finance Documents;

- 2.2.12 a provision of law is a reference to that provision as amended or re-enacted from time to time and shall include all subordinate legislation made from time to time under that provision of law;
- 2.2.13 the singular is deemed to include the plural and vice versa;
- 2.2.14 one gender is a reference to all other genders; and
- 2.2.15 a time of day is a reference to London time.
- 2.3 The term "**Security Agent**" includes any subsidiary or group company or assignee of the Security Agent granting or continuing to grant facilities or accommodation to the Borrower.
- 2.4 A reference to a "**receiver**" is a reference to a receiver of whatsoever nature including, without limitation, a receiver, a manager and an administrative receiver.
- 2.5 Clause and Schedule headings are for ease of reference only.
- 2.6 A "**Default**" (other than an Event of Default) is "**continuing**" if it has not been remedied or waived and an Event of Default is "**continuing**" if it has not been waived.
- 2.7 Any undertaking given by the Chargor under this Deed remains in force until the Discharge Date and is given for the benefit of each Secured Party.
- 2.8 The absence of or incomplete details of any Security Asset in any Schedule does not affect the validity or enforceability of any Security under this Deed.
- 2.9 It is intended that this Deed takes effect as a deed notwithstanding the fact that the Security Agent may only execute this Deed under hand.
- 2.10 If the Security Agent considers that an amount paid to it under any Finance Document or in relation to any Secured Liability is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- 2.11 In the event of a conflict between the terms of this Deed and the terms of the Facility Agreement, the terms of the Facility Agreement will prevail.
- 2.12 This Deed is a Finance Document for the purposes of the Facility Agreement.
- 2.13 The Parties agree and acknowledge that the security constituted by the Permitted Security is subordinated to, and ranks after, the security constituted by this Deed pursuant to the terms of the Subordination Agreement.

3 **UNDERTAKING TO PAY**

3.1 **Payment**

The Chargor covenants with the Security Agent, on demand, to pay, discharge and satisfy all the Secured Liabilities when due and to indemnify the Secured Parties against any losses, costs, charges, expenses and liabilities arising from any breach or failure to pay, discharge and satisfy the Secured Liabilities in accordance with their respective terms.

3.2 **Limited recourse**

3.2.1 Notwithstanding Clause 3.1 (*Payment*) and subject to Clause 3.2.2, the liability of the Chargor to the Security Agent under Clause 3.1 (*Payment*) shall be:

- (a) limited to an amount equal to that recovered by the Security Agent as a result of the enforcement of this Deed with respect to the Security Assets and other amounts payable by the Chargor under this Deed; and
- (b) satisfied only from the proceeds of sale or other disposal or realisation of the Security Assets pursuant to this Deed.

3.2.2 Clause 3.2.1 above does not apply to the liabilities of the Chargor under any other Finance Documents.

3.3 **Default Interest**

3.3.1 If the Chargor fails to pay any amount under this Deed when it is due then such amount shall bear interest (after as well as before judgment and payable on demand) at the Default Rate from the due date until the date such amount is irrevocably and unconditionally paid in full to the Security Agent.

3.3.2 Default interest will accrue from day to day and will be compounded at such intervals as the Security Agent states are appropriate.

4 **SECURITY**

4.1 **Nature of Security**

All the Security created under this Deed:

- 4.1.1 is created in favour of the Security Agent;
- 4.1.2 is a continuing security for the payment, discharge and performance of all the Secured Liabilities except for any Secured Liabilities which, if secured by this Deed, would cause such Security to be unlawful or prohibited by any applicable law; and
- 4.1.3 is granted with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

4.2 **Creation of Security**

4.2.1 **Shares and Dividends**

The Chargor charges:

- (a) by way of a first fixed charge all its rights, interest and title to the Shares; and
- (b) by way of a first fixed charge all Dividends.

4.2.2 **Debts**

The Chargor charges by way of a first fixed charge all Debts.

4.3 **Creation of Floating Charge**

The Chargor charges by way of floating charge all its present and future right, title and interest in and to the Security Assets to the extent that any of them is not effectively charged by way of fixed charge under Clause 4.2 (*Creation of Security*).

4.4 **Crystallisation**

4.4.1 The Security Agent may at any time by notice in writing to the Chargor convert any floating charge created by the Chargor pursuant to Clause 4.3 (*Creation of floating charge*) above into a fixed charge with immediate effect as regards any assets specified in the notice if:

- (a) this Security has become enforceable in accordance with Clause 12 (*Enforcement of Security*); or
- (b) the Security Agent considers any Security Asset to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or otherwise to be in jeopardy.

4.4.2 Notwithstanding Clause 4.4.1 above and without prejudice to any rule of law which may have a similar effect, the floating charge created by Clause 4.3 (*Creation of floating charge*) will automatically and immediately (without notice) convert into a fixed charge over all of the Security Assets if:

- (a) save in respect of the Permitted Security, the Chargor creates or attempts to create any Security over any of the Security Assets;
- (b) any person levies or attempts to levy any distress, attachment, execution or other process against any of the Security Assets;
- (c) a receiver or administrator is appointed in respect of the Chargor or a person entitled to appoint an administrator in respect of the Chargor gives notice of its intention to do so or files a notice of appointment with a court; or
- (d) any corporate action, legal proceedings or other procedure or step is taken in relation to the suspension of payments, winding up, dissolution or re-organisation of the Chargor other than a winding up petition which is stayed within 14 days of commencement.

4.4.3 Subject to Clause 4.4.4 below, notwithstanding any other provision of this Deed, the floating charge created by Clause 4.3 (*Creation of floating charge*) may not be converted into a fixed charge solely by reason of:

- (a) the obtaining of a moratorium; or
- (b) anything done with a view to obtaining a moratorium,

under Part A1 of the Insolvency Act.

4.4.4 Clause 4.4.3 above does not apply in respect of any floating charge referred to in subsection (4) of section A52 of Part A1 of the Insolvency Act

5 REPRESENTATIONS AND WARRANTIES

5.1 Representations

The representations and warranties set out in this Clause 5 (*Representations and warranties*) are made by the Chargor to the Security Agent on the dates set out in Clause 5.21 (*Times for making representations*).

5.2 Status

5.2.1 The Chargor is a limited liability company, duly incorporated and validly existing under the law of its Original Jurisdiction.

5.2.2 The Chargor has the power to own its assets and carry on its business as it is being conducted.

5.3 Title to the Security Assets

5.3.1 The Chargor is the sole, absolute, legal and beneficial owner of the Security Assets.

5.3.2 Save for LLP 1's rights and interests under the Permitted Security, no person save for the Chargor has any right or interest of any sort whatsoever in or to the Security Assets.

5.3.3 There are no agreements or arrangements (including any restrictions on transfer or rights of pre-emption) affecting the Security Assets in any way or which would or might in any way fetter or otherwise prejudice the rights of it or any mortgagee or chargee of the Security Assets.

5.4 Status of Shares

5.4.1 The Shares are duly authorised, validly issued, fully paid, freely transferrable and not subject to any option to purchase or any similar right and there are no monies or liabilities outstanding in respect of any Share.

5.4.2 The constitutional documents of the Companies do not restrict or inhibit any transfer of the Shares on the creation or enforcement of the Security constituted, or expressed to be constituted, by this Deed.

5.4.3 There are no agreements in force which provide for the issue or allotment of, or grant any person the right to call for the issue or allotment of, any Shares.

5.4.4 The Chargor is not aware of any adverse claim by any person in respect of the Security Assets or any interest in them.

5.4.5 There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever that materially and adversely affect the Security Assets.

5.4.6 There is no breach of any law or regulation which materially and adversely affects the Security Assets.

5.5 Binding obligations

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

5.6 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, this Deed do not and will not conflict with:

- 5.6.1 any law or regulation applicable to it;
- 5.6.2 its constitutional documents;
- 5.6.3 any agreement or instrument binding upon it or any of its assets (or constitute a default or termination event (howsoever described) under any such agreement or instrument).

5.7 Power and authority

- 5.7.1 It has the power to enter into and perform, and has taken all necessary action to authorise its entry into and performance of, this Deed and the transactions contemplated by this Deed.
- 5.7.2 No limit on its powers will be exceeded as a result of the borrowing, grant of security or giving of guarantees or indemnities contemplated by this Deed.

5.8 Validity and admissibility in evidence

All Authorisations required or desirable:

- 5.8.1 to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Deed; and
 - 5.8.2 to make this Deed admissible in evidence in its Relevant Jurisdictions,
- have been obtained or effected and are in full force and effect.

5.9 Governing law and enforcement

- 5.9.1 Subject to the Legal Reservations, the choice of the governing law of this Deed will be recognised and enforced in its Relevant Jurisdictions.
- 5.9.2 Subject to the Legal Reservations, any judgement obtained in relation to this Deed in the jurisdiction of the governing law of this Deed will be recognised and enforced in its Relevant Jurisdictions.

5.10 No tax deductions

The Chargor is not required under the law of its domicile to make any deduction for, or on account of, Tax from any payment it may make under this Deed.

5.11 No filing or stamp taxes

Under the laws of its Relevant Jurisdiction it is not necessary that this Deed be registered, filed, recorded, notarised or enrolled with any court or other authority in that jurisdiction or that any

stamp, registration, notarial or similar Taxes or fees be paid on or in relation to this Deed or the transactions contemplated by this Deed except registration of particulars of this Deed at Companies House under the Companies Act 2006 and payment of associated fees which registration, filing and fees will be made and paid promptly after the date of this Deed.

5.12 No default

No event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or a termination event (however described) under any other agreement or instrument which is binding on it or to which any of its assets are subject which has or is reasonably likely to have a Material Adverse Effect.

5.13 Pari passu ranking

The Chargor's payment obligations under this Deed rank at least pari passu with the claims of all the Chargor's other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law.

5.14 No misleading information

5.14.1 All information supplied by it or on its behalf to any Secured Party in connection with this Deed was true and accurate as at the date it was stated to be given.

5.14.2 It has not omitted to supply any information which, if disclosed, would make the information referred to in Clause 5.14.1 above untrue or misleading in any respect.

5.14.3 As at the first Utilisation Date, nothing has occurred since the date of the information referred to in Clause 5.14.1 above which, if disclosed, would make that information untrue or misleading in any material respect.

5.15 No proceeding pending or threatened

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, are reasonably likely to have a Material Adverse Effect have (to the best of its knowledge and belief (having made due and careful enquiries)) been started or threatened against the Chargor (including but not limited to any winding-up proceedings or any other insolvency procedure).

5.16 Ranking of Security

Subject to the Legal Reservations and Perfection Requirements, the Security created by this Deed constitutes a first priority security interest of the type described, over the assets referred to in this Deed and the Security Assets are not subject to any prior or pari passu Security.

5.17 Assets not immune to action

In any proceedings taken in any Relevant Jurisdiction in relation to this Deed, the Chargor will not be entitled to claim for itself or any of its assets any immunity on any grounds from any legal action or proceeding (including, without limitation, suit, attachment prior to judgment, execution or other enforcement).

5.18 **No Security Interest**

Save for the Permitted Security, it has not created or purported to create nor permitted to subsist any Security (other than in favour of the Security Agent) on or over any Security Asset.

5.19 **Centre of main interest and establishments**

For the purposes of Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (recast) (the "Regulation"), the Chargor's centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in its Original Jurisdiction and it has no "establishment" (as that term is used in Article 2(10) of the Regulation) in any other jurisdiction.

5.20 **Persons with significant control**

5.20.1 The Chargor has complied with all notices relating to all or any of the Shares received by it pursuant to sections 790D and 790E of the Companies Act 2006.

5.20.2 No Warning Notice or Restrictions Notice has been issued to the Chargor in respect of all or any part of the Shares.

5.21 **Times for making representations and warranties**

The representations and warranties set out in this Deed are made on the date of this Deed and each representation and warranty is deemed to be repeated by it on each day the Repeating Representations are to be repeated up to the Discharge Date by reference to the circumstances existing at the time of repetition.

6 **NEGATIVE UNDERTAKINGS**

6.1 **Negative Pledge**

Save for the Permitted Security, the Chargor shall not create, purport to create or permit to subsist any Security on or in relation to any Security Asset other than any Security created by this Deed.

6.2 **Disposals**

The Chargor shall not sell, transfer, lease or otherwise dispose or purport or agree to dispose of all or any part of the Security Assets unless otherwise expressly permitted by the Facility Agreement.

7 **DELIVERY OF CORPORATE DOCUMENTATION**

7.1 **General**

The Chargor shall, on the date on which they execute this Deed, deliver to the Security Agent:

- 7.1.1 the Irrevocable Appointment of Attorney duly executed by the Chargor;
- 7.1.2 in respect of each director of the Companies, a Director Letter of Resignation duly executed by that director;
- 7.1.3 in respect of each director of the Companies, a Director Letter of Authorisation duly executed by that director;
- 7.1.4 a Chargor Letter of Authority duly executed by the Chargor; and

7.1.5 a Transfer Undertaking duly executed by each Company.

7.2 **Articles of association confirmation**

Subject to Clause 7.3 (*Amendment resolutions*), the Chargor hereby confirms, on the date on which it executes this Deed that:

7.2.1 the articles of association of each Company (and any shareholder agreement, and any other applicable document or provision) allow for the free and unrestricted transfer of the Shares and Related Rights to the Security Agent or its nominee, or to a purchaser on enforcement of the Security constituted by this Deed, free from any rights of pre-emption, forfeiture or disenfranchisement; and

7.2.2 neither Company is, in any circumstances, entitled to any form of lien upon the Shares.

7.3 **Amendment resolutions**

If required to enable the Chargor to comply with Clause 7.2 (*Articles of association confirmation*), it shall, on the date on which it executes this Deed, deliver to the Security Agent:

7.3.1 a copy, certified by a director of the Chargor, of the documentation delivered to the Registrar of Companies pursuant to which the articles of association of each Company have been altered to allow for the free and unrestricted transfer of the Shares and Related Rights to the Security Agent or its nominee, or to a purchaser on enforcement of the Security constituted by this Deed, free from any rights of pre-emption, forfeiture or disenfranchisement and to remove any right of either Company to any form of lien over the Shares in any circumstances;

7.3.2 evidence of the amendment to any shareholder agreement to allow for the free and unrestricted transfer of the Shares and Related Rights to the Security Agent or its nominee, or to a purchaser on enforcement of the Security constituted by this Deed, free from any rights of pre-emption, forfeiture or disenfranchisement; and

7.3.3 any other amendments, consents, waivers, approvals and/or permissions as the Security Agent may require in order to permit the transfer of the Security Assets to the Security Agent or its nominee, or to a purchaser on enforcement of the Security constituted by this Deed.

8 **SHARES AND RELATED RIGHTS**

8.1 **Deposit of title documentation**

The Chargor undertakes to deposit with the Security Agent or the Security Agent's nominee:

8.1.1 on or before execution of this Deed, all share certificates or other documents of title relating to the Shares;

8.1.2 immediately upon its acquisition of any Shares or Related Rights, all share certificates and other documents of title or evidence of ownership relating to such Share and/or Related Rights; and

8.1.3 promptly upon the accrual, offer or issue of any stocks, shares, warrants or other securities in respect of or derived from the Shares or Related Rights, all share

certificates and other documents of title or evidence of ownership relating to each of such items,

together with stock transfer forms (or other appropriate transfer instruments) signed by the Chargor (or its nominee, where appropriate) as transferor but with details of the transferee, date and consideration left blank, on the basis that the Security Agent may hold all those certificates, forms and documents until the Discharge Date.

8.2 **Completion of transfers**

The Security Agent is entitled at any time after an Event of Default has occurred and is continuing to complete the stock transfer forms (or other transfer instruments) on behalf of the Chargor in favour of the Security Agent or its nominee, using the power of attorney contained in Clause 18 (*Power of attorney*) or otherwise.

8.3 **Acquisition of Shares**

Unless permitted by the terms of the Facility Agreement, the Chargor shall not:

8.3.1 acquire or enter into any agreement to acquire, any Shares; and

8.3.2 permit the declaration of or payment of any Dividend.

8.4 **Circulars**

The Chargor shall promptly deliver to the Security Agent a copy of every circular, notice, report set of documents received by it or its nominee in connection with the Shares.

8.5 **Calls**

The Chargor shall pay all calls, instalments and other payments due in relation to the Security Assets. If the Chargor fails to do so, the Security Agent may, at its discretion but without obligation, pay those calls, instalments or other payments on the Chargor's behalf and the Chargor shall immediately on demand reimburse the Security Agent for any such payment.

8.6 **Alteration to rights**

The Chargor shall not:

8.6.1 vary, or agree to any variation in, voting rights attaching to the Shares;

8.6.2 cause or permit any of the Shares to be consolidated, sub-divided or converted; and

8.6.3 take or allow the taking of any action on its behalf which may result in any rights attaching to any Share or Related Right being altered or further Shares being issued (unless such further Shares are allotted to the Chargor).

8.7 **Other obligations in respect of Shares and Related Rights**

8.7.1 The Chargor shall comply with all requests for information relating to any Share or Related Right which is within its actual or imputed knowledge and with which it is required to comply by their articles of association or by any law (including section 793, 820 to 825 of the Companies Act 2006).

8.7.2 The Chargor shall promptly supply a copy to the Security Agent of any information referred to in Clause 8.7.1.

- 8.7.3 The Chargor shall comply with all other conditions and obligations assumed by them in respect of any Share or Related Right.

9 VOTING RIGHTS, DIVIDENDS ETC

9.1 Voting and other rights prior to an Event of Default

Prior to the occurrence of an Event of Default which is continuing:

- 9.1.1 the Chargor is entitled to exercise or direct the exercise of the voting and other rights attached to any Share as it sees fit provided that:
- (a) it does not do so in a way which would breach any provision of any Finance Document or for a purpose inconsistent with any Finance Document; and
 - (b) the exercise or failure to exercise those rights would not, in the Security Agent's opinion, have an adverse effect on the value of the Investments and does not otherwise prejudice the Security Agent's interests under this Deed.

9.2 Voting and other rights following an Event of Default which is continuing

After an Event of Default has occurred which is continuing:

- 9.2.1 the Security Agent will be entitled (but not obliged) to exercise or direct the exercise (or refrain from exercising or refrain from directing the exercise) of the voting and other rights attached to any Share as it sees fit in its absolute discretion;
- 9.2.2 the Chargor shall comply, or procure compliance with, any directions of the Security Agent in relation to the exercise of those rights and shall promptly execute and deliver to the Security Agent all forms of proxy (or other forms of authorisation) as the Security Agent may require in connection with the exercise of those rights; and
- 9.2.3 all Dividends shall be paid or transferred to the Security Agent (or to its order) and any Dividends received by the Chargor shall be held by the Chargor on trust for the Security Agent and immediately paid by it to the Security Agent or to any nominee designated by the Security Agent. The Security Agent will be entitled to apply those Dividends in such manner as it sees fit.

9.3 Voting rights

At any time:

- 9.3.1 the Security Agent may, in its absolute discretion, and without any consent or authority from the Chargor (but providing the Chargor with notice of any such election) elect to give up the right to exercise (or refrain from exercising) all voting rights in respect of the Shares conferred or to be conferred on the Security Agent pursuant to Clause 9.2.1 above, provided that the Chargor shall compensate the Security Agent for, or otherwise make good to the Security Agent, any loss or shortfall it may suffer as a consequence of such election;
- 9.3.2 once a notice has been issued by the Security Agent under Clause 9.3.1 above, on and from the date of such notice, the Security Agent shall cease to have the rights to exercise or refrain from exercising voting rights in respect of the Shares (conferred or to be conferred on it pursuant to Clause 9.2.1 above or any other provision of this Deed) and all such rights shall be exercisable by the Chargor. The Chargor shall be

entitled on and from the date of such notice to exercise all voting rights in respect of the Shares subject only to the proviso contained in Clause 9.3.1 above.

9.4 **Limited obligations of the Security Agent**

The Security Agent shall not at any time (including if any Shares are registered in the name of the Security Agent or its nominee) have any duty:

- 9.4.1 to make any payment or to ensure that any dividends, distributions, interest or other monies payable in respect of any Shares are duly and promptly paid or received by it or the Chargor or any nominee;
- 9.4.2 to verify that the amounts referred to in Clause 9.4.1 are the correct amounts paid or received;
- 9.4.3 to take any action in connection with the taking up of any (or any offer of any) stocks, shares, rights, monies or other property paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus rights, preference, option, warrant or otherwise on, or in respect of, or in substitution for, any Shares;
- 9.4.4 to perform any obligation of the Chargor in relation to any Shares; or
- 9.4.5 to present or file any claim or take any other action to collect or enforce the payment of any amount to which it or the Chargor may be entitled under this Deed.

10 **GENERAL UNDERTAKINGS**

10.1 **Information: miscellaneous**

The Chargor shall supply to the Security Agent:

- 10.1.1 at the same time as they are dispatched, copies of all documents dispatched by it to its shareholders generally (or any class of them) or its creditors generally (or any class of them) at the same time as they are dispatched;
- 10.1.2 on request, such information relating to the Security Assets as the Security Agent may from time to time require;
- 10.1.3 promptly on receipt, a copy of any notice, certificate or other communication received by the Chargor in relation to the Security Assets;
- 10.1.4 promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings or investigations which are current, threatened or pending against it, and which, if adversely determined, are reasonably likely to have a Material Adverse Effect; and
- 10.1.5 promptly such further information regarding the financial condition, business and operations of it as the Security Agent may reasonably request.

10.2 **“Know your customer” checks**

If:

- 10.2.1 the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Deed;

10.2.2 any change in the status of the Chargor, or the composition of the shareholders of the Chargor, after the date of this Deed; or

10.2.3 a proposed assignment or transfer by the Security Agent of any of its rights and/or obligations under this Deed to a party that is not a Security Agent prior to such assignment or transfer,

obliges the Security Agent (or, in the case of Clause 10.2.3 above, any prospective new Security Agent) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the Chargor shall promptly upon the request of the Security Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Security Agent (for itself or, in the case of the event described in Clause 10.2.3 above, on behalf of any prospective new Security Agent) in order for the Security Agent or, in the case of the event described in Clause 10.2.3 above, any prospective new Security Agent to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

10.3 **Authorisations**

The Chargor shall promptly:

10.3.1 obtain, comply with and do all that is necessary to maintain in full force and effect; and

10.3.2 supply certified copies to the Security Agent of,

any Authorisation required under any law or regulation of a Relevant Jurisdiction to:

(a) enable it to perform its obligations under this Deed and to ensure the legality, validity, enforceability or admissibility in evidence of this Deed; or

(b) own its assets and carry on its business as it is being conducted.

10.4 **Compliance with laws**

10.4.1 The Chargor shall comply in all respects with all laws to which it may be subject, if failure so to comply has or is reasonably likely to have a Material Adverse Effect.

10.4.2 The Chargor shall comply with the requirements of any law or regulation relating to or affecting the Security Assets or the use of them or any part of them.

10.5 **Persons with significant control**

The Chargor shall comply with any notice served on it in respect of all or any part of the Shares pursuant to Part 21A of the Companies Act 2006 within the timeframe specified in that notice and shall deliver a copy of any such notice to the Security Agent promptly upon receipt.

10.6 **Taxes**

10.6.1 The Chargor must pay all Taxes due and payable by it prior to the accrual of any fine or penalty for late payment, unless (and only to the extent that):

(a) payment of those Taxes is being contested in good faith;

- (b) adequate reserves are being maintained for those Taxes and the costs required to contest them; and
- (c) failure to pay those Taxes is not reasonably likely to have a Material Adverse Effect.

10.6.2 The Chargor must ensure that its residence for Tax purposes is in its Original Jurisdiction.

10.7 **Merger**

The Chargor shall not enter into any amalgamation, demerger, merger or corporate reconstruction without the prior written consent of the Security Agent (such consent not to be unreasonably withheld by the Security Agent in the case of a solvent reconstruction of the Chargor).

10.8 **No action to block transfers**

The Chargor shall procure that neither it nor any Company nor any of its nor any Company's members, directors, officers or employees take any action or refrain from taking any action that may, in any way, result, on the occurrence of a continuing Event of Default, in any transfer of a Share or Related Right to the Security Agent, its nominee or any third party being delayed or prevented.

10.9 **Enforcement of rights**

The Chargor shall use its best endeavours to enforce any rights and institute, continue or defend any proceedings relating to any of the Security Assets which the Security Agent may require.

10.10 **Further restrictions**

The Chargor shall not:

- 10.10.1 permit any person to be registered as the holder of any Share (other than the Security Agent or any nominee on its behalf);
- 10.10.2 take or allow the taking of any action which may result in any Shares being issued after the date of this Deed (other than to the Chargor);
- 10.10.3 assign or permit to be assigned the Debts to any person (other than the Security Agent or any nominee on its behalf);
- 10.10.4 do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the Security held by the Security Agent, or materially diminish the value of any of the Security Assets or the effectiveness of this Security; or
- 10.10.5 exercise (or purport to exercise) any voting rights in respect of any Share in any manner which may have an adverse effect on the value of any Security Asset or the ability of the Security Agent to realise this Security.

10.11 **Notice of breach**

The Chargor shall, promptly on becoming aware of any of the same, notify the Security Agent in writing of:

10.11.1 any representation or warranty set out in this Deed which is incorrect or misleading in any material respect when made or deemed to be made or repeated; and

10.11.2 any provision of this Deed which is not complied with.

11 POWERS, PROTECTION AND DISCRETIONS OF THE SECURITY AGENT

11.1 Rights and powers etc

To the fullest extent allowed by law (and without prejudice to, all statutory and other powers of the Security Agent), all the rights, powers, authorities and discretions which are expressly or impliedly conferred by this Deed or by law on a Receiver may, after this Security has become enforceable, be exercised by the Security Agent (whether as attorney of the Chargor or otherwise) in respect of any Security Asset whether or not a Receiver has been or is later appointed.

11.2 Protections

All the protections and immunities which this Deed provides for a Receiver shall be available to the Security Agent when the Security Agent is exercising the rights, powers, authorities and discretions conferred on the Security Agent by this Deed.

11.3 Curing of breaches and covenants

Without prejudice to any other rights of the Security Agent under this Deed, if the Chargor fails to comply with any provision of this Deed, the Security Agent shall be entitled (but not obliged) to remedy such breach and accordingly the Chargor shall allow and hereby authorises the Security Agent or its nominee to do all such acts and things and take such action on behalf of the Chargor as may be necessary to secure compliance with that provision without becoming liable as a mortgagee in possession.

11.4 Indemnity

The Chargor shall indemnify the Security Agent against all losses, costs, charges, expenses and liabilities incurred by the Security Agent as a result of the breach or failure by the Chargor to comply with any provision of this Deed and in connection with the exercise by the Security Agent or its nominee of their respective rights contained in Clause 11.3 (*Curing of breaches and covenants*).

11.5 Expenses so incurred

All monies expended and all costs incurred by the Security Agent or its nominee in carrying out any of their respective powers and discretions referred to in Clause 11.3 (*Curing of breaches and covenants*) shall be considered to have been properly incurred by the Security Agent or its nominee, shall be secured by this Security and shall be payable on demand by the Chargor to the Security Agent.

12 ENFORCEMENT OF SECURITY

12.1 Timing

This Security will be immediately enforceable on the occurrence of:

12.1.1 an Event of Default which is continuing; or

- 12.1.2 a request being made by the Chargor to the Security Agent that it exercise any of its powers under this Deed.

12.2 **Enforcement**

At any time after this Security has become enforceable, the Security Agent may, without notice to the Chargor or prior authorisation from any court, in its absolute discretion:

- 12.2.1 enforce all or any part of that Security (at the times, and in any manner and on such terms, as it sees fit);
- 12.2.2 appoint a Receiver to all or any part of the Security Assets;
- 12.2.3 take possession of and hold or dispose of all or any part of the Security Assets including, without limitation, all of the powers conferred on a mortgagee under the LPA (as varied or extended by this Deed) or any of the powers conferred on a holder of a qualifying floating charge holder (as defined in the Insolvency Act);
- 12.2.4 secure and perfect its title to all or any part of a Security Asset and / or transfer any asset into its name or the name of its nominee or, as applicable, into an account in its own name or the name of its nominee;
- 12.2.5 exercise in relation to any Security Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute legal and beneficial owner of that Security Asset;
- 12.2.6 to the extent permitted by law, whether or not it has appointed a Receiver, exercise all or any of the rights, powers, authorisations and discretions (and be entitled to all the privileges and immunities) conferred by the LPA (as varied and extended by this Deed) on mortgagees, by this Deed on any Receiver, or conferred by the Insolvency Act or any other law on mortgagees and Receivers; and/or
- 12.2.7 exercise the statutory power of sale and any other powers conferred by section 101 of the LPA and the statutory powers of leasing as amended and varied in the forgoing clauses and all other statutory powers in respect of the whole or any part of the Security Assets.

12.3 **Statutory powers**

- 12.3.1 For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- 12.3.2 The statutory power of sale or other right of disposal conferred on the Security Agent and on any Receiver by this Deed shall operate as a variation and extension of the statutory power of sale under section 101 of the LPA and such power shall arise and be exercisable on execution of this Deed, but the Security Agent shall not exercise such powers until this Security has become enforceable.
- 12.3.3 For the purposes of sections 99 and 100 of the LPA, the expression "mortgagor" will include any incumbrancer deriving title under the Chargor and neither sub-section (18) of section 99 nor sub-section (12) of section 100 of the LPA will apply.
- 12.3.4 The restriction on the right of consolidation contained in section 93 of the LPA shall not apply to this Security.

12.3.5 Section 103 of the LPA shall not apply to this Security.

12.4 Access on enforcement

12.4.1 At any time after this Security has become enforceable, the Chargor will allow any of the Secured Parties, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Security Asset and for that purpose to enter on any premises where a Security Asset is situated (or where any Secured Party reasonably believes a Security Asset to be situated) without incurring any liability to the Chargor for, or by any reason of, that entry.

12.4.2 At all times, the Chargor must use its best endeavours to allow any Secured Party access to any premises for the purpose of Clause 12.4.1 (obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

13 RECEIVER

13.1 Appointment of Receiver

13.1.1 At any time after this Security has become enforceable, the Security Agent may without prior notice appoint:

- (a) any one or more persons to be a Receiver of all or any part of the Security Assets; or
- (b) two or more Receivers of separate parts of the Security Assets; or
- (c) another person(s) as an additional Receiver(s).

13.1.2 Any appointment under Clause 13.1.1 above may be by deed, under seal or in writing under its hand.

13.1.3 Except as provided in Clause 13.1.4, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the LPA) does not apply to this Deed.

13.1.4 The Security Agent is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under Part A1 of the Insolvency Act.

13.1.5 At any time, if so requested by the Chargor, without further notice, the Security Agent may appoint a Receiver to all or any part of the Security Assets.

13.2 Statutory powers of appointment

13.2.1 The powers of appointment of a Receiver pursuant to Clause 13.1 (*Appointment of Receiver*) above shall be in addition to all statutory and other powers of appointment of the Security Agent under the LPA (as extended by this Deed), the Insolvency Act or otherwise and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA or otherwise.

- 13.2.2 Such powers of appointment of a Receiver shall remain exercisable from time to time by the Security Agent in respect of any part of the Security Assets, despite any prior appointment in respect of all or any part of the Security Assets.

13.3 **Removal**

The Security Agent may from time to time by writing under its hand (subject to the requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver who has been removed for any reason.

13.4 **Remuneration**

The Security Agent may from time to time fix the remuneration of any Receiver appointed by it and any restrictions imposed by any law (including under section 109 of the LPA) will not apply. Any remuneration of any Receiver will form part of the Secured Liabilities.

13.5 **Agent of the Chargor**

- 13.5.1 A Receiver will be deemed to be the agent of the Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the LPA. The Chargor is solely responsible for the remuneration, expenses, contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver. The agency of each Receiver shall continue until the Chargor goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Security Agent.

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

- 13.5.3 No Receiver shall at any time act as agent for any other Secured Party.

14 **POWERS OF RECEIVER**

14.1 **Statutory powers**

- 14.1.1 A Receiver (subject to any restrictions in the instrument appointing him but notwithstanding any winding up or dissolution of the Chargor) has (to the extent permitted by law):

- (a) all of the rights, powers, remedies and discretions of an administrative receiver under Schedule 1 of the Insolvency Act, as if such Schedule and all relevant definitions set out in the Insolvency Act were set out in this Deed; and
- (b) otherwise, all the rights, powers, remedies and discretions conferred on a mortgagor, a mortgagee in possession and on a Receiver appointed under the LPA or the Insolvency Act.

- 14.1.2 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually (and to the exclusion of any other Receiver) or together with any other person appointed or substituted as a Receiver.

14.1.3 Any exercise by a Receiver of any of the powers given by this Clause 14 and Schedule 1 (*Additional Powers of Receiver*) may be on behalf of the Chargor, the directors of the Chargor or himself.

14.2 **Additional powers**

In addition to those powers, rights and discretions set out in Clauses 14.1.1(a) and 14.1.1(b) above, a Receiver shall have the rights, powers and discretions set out in Schedule 2 (*Additional Powers of Receiver*).

14.3 **Powers to be additional**

The powers conferred by this Deed in relation to the Security Assets on the Receiver shall be in addition to, and not in substitution for, the powers conferred on receivers under the LPA and the Insolvency Act.

14.4 **Powers to be exercisable by the Security Agent**

14.4.1 The Security Agent may exercise all powers granted to the Receiver by this Deed whether as attorney of the Chargor or otherwise.

14.4.2 The powers of the Receiver set out above are in addition to, and without prejudice to, all statutory and other powers of the Security Agent as provided in Clause 12.3 (*Statutory powers*) or otherwise and so that, inter alia, such powers are and remain exercisable by the Security Agent in respect of that part of the Security Assets in respect of which no appointment of a Receiver by the Security Agent is from time to time subsisting.

14.5 **Conflict**

If and to the extent that there is any ambiguity or conflict between:

14.5.1 the powers conferred on the Receiver by the LPA and those powers listed in Schedule 1 of the Insolvency Act; and

14.5.2 the powers conferred by this Clause 14,

the powers conferred by this Clause 14 shall prevail.

15 **APPLICATION OF PROCEEDS**

15.1 **Order of application**

All amounts from time to time received or recovered by a Secured Party pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or any part of this Security (for the purposes of this Clause 15, the "**Recoveries**") shall be held by the Security Agent on trust to apply them at any time as that Secured Party (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this Clause 15), in the following order:

15.1.1 **first**, in payment of all charges, costs and expenses incurred by or on behalf of any Secured Party under or in connection with any realisation or enforcement of the Security taken in accordance with the terms of this Deed and all remuneration due to any Receiver under or in connection with this Deed;

15.1.2 **secondly**, in payment to the Agent for application in accordance with the Facility Agreement; and

15.1.3 **thirdly**, the balance (if any) will be applied as required by law.

15.2 **Appropriation**

Neither the Security Agent, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

15.3 **Permitted Deductions**

The Security Agent shall be entitled, in its discretion to pay all Taxes which may be assessed against it in respect of any of the Security Assets, or as a consequence of performing its duties, or by virtue of its capacity as Security Agent under any of the Finance Documents or otherwise (other than in connection with its remuneration for performing its duties under this Deed).

16 **PROTECTION OF PURCHASERS**

16.1 No purchaser or other person dealing with any Secured Party shall be concerned to enquire:

16.1.1 whether any of the Secured Liabilities have become due and/or payable;

16.1.2 whether any of the powers conferred on a Secured Party by this Deed or by law has arisen or become exercisable or is being properly exercised;

16.1.3 whether any of the Secured Liabilities remains due; or

16.1.4 how any money paid to that Secured Party is to be applied.

16.2 No purchaser dealing with any Secured Party or this Security is to be concerned to enquire as to the propriety or regularity of any sale by, or other dealing with, the Secured Parties. Any such sale or dealing is deemed to be within the powers conferred by this Deed and to be valid and effective accordingly. All the protection to purchasers contained in section 104 and section 107 of the LPA and section 42(3) of the Insolvency Act apply to any purchaser.

16.3 The receipt of any Secured Party shall be a conclusive discharge to any purchaser and, in making any sale or other disposal of any of the Security Assets or making any acquisition, any Secured Party may do so for such consideration, in such manner and on such terms as it thinks fit.

17 **LIABILITY OF SECURITY AGENT AND RECEIVER**

17.1 **Liability**

None of the Security Agent, any Receiver or any Delegate, (whether as mortgagee in possession or otherwise) shall either by reason of:

17.1.1 taking possession of or realising all or any part of the Security Assets; or

17.1.2 taking any action permitted by this Deed,

be liable to the Chargor or any other person for any costs, losses or liabilities relating to any of the Security Assets or for any act, neglect, default, omission or misconduct of the Security Agent, any Receiver or any Delegate in relation to the Security Assets or otherwise.

17.2 **Exoneration**

17.2.1 None of the Security Agent, any Receiver or any Delegate shall have any duty:

- (a) to perform the Chargor's obligations or exercise any rights in relation to any Security Asset;
- (b) to ensure that any Related Rights are made available and to ensure that the correct amount has been received in relation to any Related Right;
- (c) to take up any offer in relation to any Security Asset;
- (d) to investigate, appraise or report on the status, propriety or validity of the acts of the Receiver or Security Agent;
- (e) to give any notification to anyone in relation to any Security Asset;
- (f) to take any action to enforce any other person's obligations as regards any Security Asset; or
- (g) to take any action to preserve any rights relating to any of the Security Assets.

17.2.2 None of the Security Agent, any Receiver or any Delegate shall:

- (a) be liable to comply with the obligations assumed by the Chargor in respect of any of the Security Assets;
- (b) be under any obligation or liability by reason of, or arising out of, this Deed; or
- (c) be required to make any enquiry as the nature or sufficiency of any payment received by a Secured Party or to present or file any claim or take any other action to collect or enforce the payment of any amount or to enforce any other right to which the Security Agent may be entitled.

17.3 **Protection of the Receiver and the Security Agent**

Each Receiver and the Security Agent shall be entitled to all the rights, powers, privileges and immunities which the LPA and/or the Insolvency Act confers on mortgagees and Receivers.

17.4 **Reimbursement and Indemnity**

The Security Agent and every Receiver and Delegate may, in priority to any payment to the other Secured Parties, indemnify itself out of the Security Assets in respect of and pay and retain all sums necessary to give effect to, the indemnity in Clause 13.4 (*Indemnity to the Security Agent*) of the Facility Agreement.

18 **POWER OF ATTORNEY**

18.1 By way of security for the performance of its obligations under this Deed, the Chargor irrevocably and severally appoints the Security Agent, each Receiver and each Delegate to be its attorney

(with full power of substitution and delegation) and in its name, on its behalf and as its act and deed to:

- 18.1.1 exercise voting rights in respect of the Shares in accordance with the terms of this Deed;
- 18.1.2 execute, deliver and perfect all deeds, instruments and other documents and do (or cause to be done) all such acts and things which the attorney may consider to be required for or desirable for:
 - (a) carrying out any obligation imposed on the Chargor by this Deed or any agreement binding on the Chargor to which the Security Agent is a party (including, but not limited to, the execution and delivery of any charges, assignments or other security and any transfers of the Security Assets and perfecting and/or releasing the Security created or intended to be created in respect of the Security Assets); and/or
 - (b) enabling the Security Agent and any Receiver (and any Delegate) to exercise any of the rights, powers, authorities and discretions conferred on them pursuant to this Deed or by law (including, after this Security has become enforceable as provided in this Deed, the exercise of any right of a legal or beneficial owner of the Security Assets or any part of the Security Assets).
- 18.2 The Chargor ratifies and confirms all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of its rights, powers, authorities and discretions referred to in Clause 18.1.
- 18.3 The Chargor covenants (for the purpose of the irrevocable nature of the power of attorney granted in this Clause 18) with each Receiver appointed pursuant to this Deed, to join in and concur with the exercise by such Receiver of any powers of such Receiver to act on behalf of the Chargor.
- 18.4 The power of attorney granted by this Clause 18 shall be exercisable:
 - 18.4.1 when the Chargor has failed to do something that it is obliged to do under any Finance Document to which it is a party; or
 - 18.4.2 on the occurrence of an Event of Default, which is continuing.

19 **PROTECTIVE PROVISIONS**

19.1 **Reinstatement**

In any discharge, release or arrangement (whether in respect of the obligations of any Transaction Obligor or any Security for those obligations or otherwise) is made by the Security Agent in whole or in part on the basis of any payment, Security, or other discretion which is avoided or must be restored in insolvency, liquidation, administration, receivership or otherwise, without limitation, then the liability of the Chargor under this Deed will continue or be reinstated as if the discharge, release or arrangement had not occurred.

19.2 **Waiver of defences**

The obligations of, and the Security created by, the Chargor under this Deed will not be affected by any act, omission, matter or thing which, but for this Clause 19.2, would reduce, release or prejudice any of its obligations under, or the Security created by, this Deed (without limitation and whether or not known to the Chargor or the Security Agent), including:

- 19.2.1 any time, waiver or consent granted or agreed to be granted to, or composition with, any Transaction Obligor or other person;
- 19.2.2 the release of any other Transaction Obligor or any other person under the terms of any composition or arrangement with any creditor or any member of the Group;
- 19.2.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce any rights against, or Security over assets of, any Transaction Obligor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- 19.2.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Transaction Obligor or any other person;
- 19.2.5 any amendment, determination, novation, supplement, extension (whether at maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of any Finance Document or any other document or Security or of the Secured Liabilities (including, without limitation, any change in the purpose of, any extension of, or any variation or increase in any facility or amount made available under any facility or the addition of any new facility under any Finance Document or other document or Security); and
- 19.2.6 any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security or of the Secured Liabilities; or
- 19.2.7 any insolvency or similar proceedings.

Without prejudice to the generality of this Clause 19.2, the Chargor expressly confirms that it intends that the Security created by it under this Deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: acquisitions of any nature; increasing working capital; enabling distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

19.3 **Immediate recourse**

The Chargor waives any right it may have of first requiring the Security Agent to proceed against or enforce any other rights or Security or claim payment from any person before claiming from,

or otherwise proceeding against, the Chargor under this Deed. This waiver applies irrespective of any law or provision of this Deed to the contrary.

19.4 **Appropriations**

Until all amounts which may be or become payable by the Transaction Obligors under or in connection with the Finance Documents have been irrevocably paid in full, the Security Agent may:

- 19.4.1 refrain from applying or enforcing any other moneys, Security or rights held or received by the Security Agent in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Transaction Obligor shall be entitled to the benefit of the same; and
- 19.4.2 hold in an interest-bearing suspense account any moneys received from the Chargor or on account of any liability arising under this Deed.

19.5 **Non-competition**

Until the occurrence of the Discharge Date or unless the prior written consent of the Security Agent is obtained, the Chargor shall not exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Deed:

- 19.5.1 to be indemnified by any person, including a Transaction Obligor;
- 19.5.2 to claim any contribution from any other provider of Security or any guarantor of the Secured Liabilities;
- 19.5.3 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Security Agent under the Finance Documents or of any other guarantee, indemnity or Security taken pursuant to, or in connection with, the Secured Liabilities by the Security Agent;
- 19.5.4 to bring legal or other proceedings for an order requiring any Transaction Obligor to make any payment, or perform any obligation, in respect of which any Transaction Obligor has given a guarantee, undertaking or indemnity under any Finance Document;
- 19.5.5 to exercise any right of set-off against any Transaction Obligor; and/or
- 19.5.6 to claim rank, prove or vote as a creditor of any Transaction Obligor in competition with the Security.

If the Chargor receives any benefit, payment or distribution in relation to such rights, it shall hold that benefit, payment or distribution (to the extent necessary to enable all amounts which may be or become payable to the Security Agent in connection with the Secured Liabilities to be repaid in full) on trust for the Security Agent and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with Clause 15 (*Application of proceeds*).

20 **DELEGATION AND DISCRETION**

20.1 **Delegation**

20.1.1 The Security Agent and/or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner all or any of the rights, powers, authorities and discretions which are conferred and are exercisable by it under this Deed (including the power of attorney granted under Clause 18 (*Power of attorney*)) to any person or persons on such terms and conditions (including the power to sub-delegate) as it sees fit.

20.1.2 No such delegation pursuant to this Clause 20 shall preclude either the subsequent exercise of any such right, power, authority or discretion by the Security Agent or a Receiver itself or any subsequent delegation or revocation of any such right, power, authority or discretion.

20.1.3 Neither the Security Agent nor any Receiver will be bound to supervise any such Delegate or have any liability to the Chargor or any other person for any loss or liability arising from any act, default, omission or misconduct by any Delegate.

20.2 **Discretion**

Any right or power which may be exercised or any determination which may be made under this Deed by the Security Agent or any Receiver may be exercised by it in its absolute and unfettered discretion, without any obligation to give reasons.

21 **EFFECTIVENESS OF SECURITY**

21.1 **Continuing Security**

This Security shall remain in full force and effect as continuing security for the Secured Liabilities until the Discharge Date and shall not be released before then by any settlement of account, intermediate payment, discharge or satisfaction of all or any of the Secured Liabilities or for any other reason.

21.2 **Cumulative rights**

This Security and the rights, powers and remedies of the Security Agent under this Deed shall be cumulative and shall be in addition to and independent of every other Security, guarantee, right, power or remedy which the Security Agent may at any time have in connection with the Secured Liabilities, including the rights, powers and remedies provided by law, and accordingly, the Security Agent shall not be obliged before exercising any such rights, powers or remedies:

21.2.1 to make any demand of, or take any action or obtain any judgment in any court against, the Chargor;

21.2.2 to make or file any claim or proof in winding-up or dissolution of the Chargor; or

21.2.3 to enforce or seek to enforce any other Security held by it in respect of the Secured Liabilities.

21.3 **No merger of Security**

This Security is in addition to, and independent of, and is not in any way prejudiced by, any other Security or guarantee that the Security Agent or any other Secured Party may hold in any

capacity for any of the Secured Liabilities at any time. No prior Security held in any capacity by the Security Agent or any other Secured Party over the whole or any part of the Security Assets shall merge with this Security.

21.4 **No prejudice**

This Security shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to the Chargor or any other person, or by any variation of any trust on which this Security is held, or by any other thing which might otherwise prejudice that Security.

21.5 **Remedies and waivers**

21.5.1 No waiver of any right or remedy, nor any consent given under this Deed, shall be effective unless it is made in writing by the waiving or consenting party. A waiver shall not be deemed a waiver of any other breach or default and a consent shall not be deemed to apply in any other circumstance other than the one for which it was given. No waiver or consent shall prevent the party giving it from subsequently relying on the relevant provision.

21.5.2 No failure to exercise, nor any delay in exercising, on the part of a Secured Party, any right or remedy under a Finance Document or by law shall operate as a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy, or constitute an election to affirm any of the Finance Documents. No election to affirm any Finance Document on the part of any Secured Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent or restrict any further or other exercise of that right or remedy or the exercise of any other right or remedy. The rights and remedies provided in each Finance Document are cumulative and not exclusive of any rights or remedies provided by law.

21.6 **Partial invalidity**

21.6.1 If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the 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 shall in any way be affected or impaired.

21.6.2 If any part of the Security created or intended to be created by or pursuant to this Deed is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the Security constituted under this Deed.

21.7 **Further assurance**

21.7.1 The Chargor shall promptly, at its own cost:

- (a) enter into and execute a transfer of any Share into the name of the Security Agent or a nominee of the Security Agent or a purchaser from the Security Agent or a nominee of such purchaser; and
- (b) execute and deliver to the Security Agent all other documents which may be requested by the Security Agent in order to enable (following dating of the stock transfer forms) the Security Agent or its nominees at any time and

without notice to be registered as the owner of, or otherwise obtain a legal title to, any Shares or Related Rights.

21.7.2 The Chargor shall promptly, at its own cost, do whatever the Security Agent requires:

- (a) to create, perfect and/or protect the Security created or intended be created by this Deed;
- (b) to create, perfect and/or protect the priority of the Security created or intended be created by this Deed;
- (c) to facilitate the exercise of any rights, powers, discretions and remedies vested in the Security Agent or any Receiver (or any Delegate) by this Deed and/or by the law; and/or
- (d) to facilitate the realisation of the Security Assets.

21.7.3 In order to satisfy its obligations under Clauses 21.7.1 and 21.7.2 above, the Chargor shall immediately, upon the request of the Security Agent, execute any transfer, conveyance, mortgage, charge, assignment or assurance over all or any of the assets intended to constitute the Security Assets (whether in favour of the Security Agent or its nominee or otherwise) and make any filing, registration or notarisation and give any notice, instructions, order or direction in respect of the Security Assets.

22 PRIOR SECURITY INTERESTS

- 22.1 At any time after this Security has become enforceable, or after any powers conferred by any prior ranking Security shall have become exercisable, the Security Agent may redeem that or any other prior Security and/or procure the transfer of any such Security to itself.
- 22.2 The Security Agent may settle and agree the accounts of the holder of any prior Security and any accounts so settled and agreed will, in the absence of manifest error, be conclusive and binding on the Chargor.
- 22.3 All principal monies, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by the Chargor to the Security Agent on demand together with accrued interest on such sums (after as well as before judgment) at the Default Rate from the time or respective times of the same having been paid or incurred until payment of such sums (both before and after judgment), and such sums will form part of the Secured Liabilities.

23 SUBSEQUENT SECURITY INTERESTS

If the Security Agent receives, or is deemed to be affected by, notice whether actual or constructive of any subsequent Security or other interest affecting all or part of the Security Assets, it may open a new account for the Chargor in its books. If the Security Agent does not open a new account, it shall nevertheless be treated as if it had done so at the time it received or was deemed to be affected by such notice. Unless the Security Agent gives express written notice to the contrary to the Chargor, all payments made by the Chargor to the Security Agent will, as from the time of receipt or deemed receipt of the relevant notice by the Security Agent, be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Liabilities.

24 **SUSPENSE ACCOUNT**

24.1 **Contingencies**

If this Security is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, a Secured Party may pay the proceeds of any recoveries effected by it into a suspense account, in which event Clause 24.2 (*Suspense account*) shall apply to such proceeds.

24.2 **Suspense account**

All monies received, recovered or realised by a Secured Party under this Deed (including the proceeds of any conversion of currency and any proceeds referred to in Clause 24.1 above) may in the absolute discretion of that Secured Party be credited to any interest bearing suspense or impersonal account(s) maintained with a bank, building society or financial institution for so long as it may think fit (the interest being credited to the relevant account) pending their application from time to time at the Secured Party's absolute discretion, in or towards the discharge of any of the Secured Liabilities.

25 **RELEASE OF SECURITY**

25.1 Upon the occurrence of the Discharge Date and subject always to Clause 17.6 (*Reinstatement*) of the Facility Agreement and Clause 25.2 below, the Security Agent shall, at the request and cost of the Chargor, release and cancel this Security and procure the reassignment to the Chargor of the assets assigned to the Security Agent pursuant to this Deed, in each case without recourse to, or any representation or warranty by, the Security Agent or any of its Delegates.

25.2 Following any discharge of the Chargor made by the Security Agent in reliance on any payment or Security the Security Agent may retain this Security (and all documents of title or other documents necessary to protect such Security) until the expiry of the maximum period within which such payment or security can be avoided, reduced or invalidated for any reason. If the person other than the Chargor making such payment or giving such security goes into liquidation or administration or equivalent proceedings in any foreign jurisdiction within that period the Security Agent may retain this Security for as long as it sees fit.

26 **SET-OFF**

The Security Agent may at any time set off any obligation due from the Chargor (to the extent beneficially owned by the Security Agent) against any obligation owed by the Security Agent to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Security Agent may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

27 **FINANCIAL COLLATERAL**

27.1 To the extent that any of the Security Assets constitute "financial collateral" and this Deed constitutes a "security financial collateral arrangement" (as those terms are defined in the Regulations), the Security Agent shall, upon this Security becoming enforceable and to the extent permitted by the Regulations, have the right to appropriate all or any part of that financial collateral in or towards the payment or discharge of the Secured Liabilities without obtaining any court authorisation and in such order as the Security Agent may in its absolute discretion determine.

27.2 The Parties agree that the value of any Security Asset appropriated in accordance with sub-clause 27.1 above shall be:

27.2.1 in the case of cash, the amount of such cash plus any accrued but unposted interest attributable to such cash on the date of appropriation; and

27.2.2 in the case of Shares, the price of those Shares at the time the right of appropriation is exercised as listed on any recognised market index, as determined by an independent valuation or as determined by such other method as the Security Agent may select.

27.3 The Parties agree that the method of valuation provided for in this Clause 27 is commercially reasonable for the purposes of the Regulations.

28 **CURRENCY**

28.1 **Relevant Currency**

The Chargor is obliged under this Deed to discharge the Secured Liabilities in the Relevant Currency.

28.2 **Receipt in wrong currency**

If at any time the Security Agent receives a payment (including by set-off) referable to any of the Secured Liabilities from any source in a currency other than the Relevant Currency, then that payment will take effect as a payment to the Security Agent of the amount in the Relevant Currency which the Security Agent is able to purchase (after deduction of any relevant costs) with the amount of the payment so received at the spot rate of exchange available to the Security Agent for such purchase in the Relevant Market at or about 11:00 a.m. on that date.

29 **PAYMENTS TO BE MADE WITHOUT DEDUCTION**

29.1 **No deductions**

All sums payable by the Chargor under this Deed shall be paid in the Relevant Currency in immediately available funds and shall be paid to the credit of such account as the Security Agent may designate. All such payments shall be made in full without set-off of any sum owing by the Security Agent to the Chargor or counterclaim and free and clear of any deductions of or withholding for or on account of any Tax or for any other reason, except to the extent that any such deduction or withholding is required by law.

29.2 **Grossing-up**

If at any time the Chargor is required by law to make any deduction or withholding from any payment due from the Chargor to the Security Agent, the Chargor shall simultaneously pay to the Security Agent whatever additional amount is necessary to ensure that the Security Agent receives a net sum equal to the payment it would have received had no deduction or withholding been made.

30 **CERTIFICATES AND DETERMINATIONS**

A certificate or determination by the Security Agent or a Receiver of a rate or an amount for the time being due under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

31 **ASSIGNMENT AND TRANSFER**

31.1 **Chargor consents to assignment/transfer by Security Agent**

The Chargor consents to the assignment and/or transfer by the Security Agent of any one or more of its rights and/or obligations under this Deed. The Security Agent may, without consulting with or obtaining consent from the Chargor at any time charge, assign or otherwise create Security in or over its rights, benefits and interests under this Deed to secure any obligations of any Secured Party in accordance with the terms of the Facility Agreement.

31.2 **No assignment/transfer by Chargor**

The Chargor may not assign or transfer any one or more of its rights and/or obligations under this Deed.

31.3 **Confidentiality**

The Security Agent shall be entitled to disclose any information concerning the Chargor, the Security Assets and this Deed in accordance with Clause 39 (*Confidential Information*) of the Facility Agreement.

32 **COSTS AND EXPENSES**

Enforcement and preservation costs

The Chargor shall, within three Business Days of demand, pay to each Secured Party on a full indemnity basis the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of or the preservation of any rights under this Deed and any proceedings instituted by or against any Secured Party as a consequence of taking or holding this Security or enforcing these rights.

33 **MISCELLANEOUS**

33.1 **Variations**

No variation of the terms of this Deed shall be valid unless such variation is in writing and signed by the Chargor and the Security Agent.

33.2 **Third party rights**

33.2.1 Other than the Secured Parties a person who is not a Party to this Deed has no rights 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.

33.2.2 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.

33.2.3 Any Receiver may enforce and enjoy the benefit of any Clause which expressly confers rights on it, subject to Clause 33.2.2 above and the provisions of the Third Parties Act.

33.3 **Perpetuity period**

The trusts created by this Deed have a perpetuity period of 125 years.

33.4 **Counterparts**

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

33.5 **Illegality and compliance with law**

No provision of this Deed shall oblige the Security Agent to take any steps which:

- 33.5.1 may be illegal or contrary to applicable law or regulation; or
- 33.5.2 it expects will result in any expense or liability accruing to it, the payment of which is not, in its sole opinion, assured to it or it is not indemnified and/or secured and/or prefunded to its satisfaction against such liability.

The Security Agent shall be entitled to take any action or to refuse to take any action which the Security Agent regards as necessary for the Security Agent to comply with any applicable law, regulation or fiscal requirement;

34 **NOTICES**

34.1 **Communications in writing**

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

34.2 **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 this Deed is:

- (a) in the case of the Security Agent, that identified with its name below;
- (b) in the case of the Chargor, that identified with its name below,

or any substitute address or department or officer as the Party may notify to the Security Agent (or the Security Agent may notify to the other Parties, if a change is made by the Security Agent) by not less than five Business Days' notice.

34.3 **Delivery**

- 34.3.1 Any communication or document made or delivered by one person to another under or in connection with this Deed shall only be effective if by way of letter, when it has been left at the relevant address or five 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 34.2 (*Addresses*), if addressed to that department or officer.
- 34.3.2 Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of the department or officer identified with Security Agent's signature in the Facility Agreement (or any substitute department or officer as the Security Agent shall specify for this purpose).

- 34.3.3 Any communication or document which becomes effective, in accordance with 34.3.1 and 34.3.2 above, after 5 p.m. in the place of receipt shall be deemed only to become effective on the following day.

34.4 Electronic communication

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

- (a) 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
- (b) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

- 34.4.2 Any electronic communication made between those two Parties will be effective only when actually received in readable form and in the case of any electronic communication made by a Party to the Security Agent only if it is addressed in such a manner as the Security Agent shall specify for this purpose.

- 34.4.3 Any electronic communication which becomes effective, in accordance with paragraph 34.4.2 above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

34.5 English language

- 34.5.1 Any notice given under or in connection with this Deed must be in English.

- 34.5.2 All other documents provided under or in connection with this Deed must be:

- (a) in English; or
- (b) if not in English, and if so required by the Security Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

35 GOVERNING LAW AND JURISDICTION

35.1 Governing law

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

35.2 Jurisdiction of English courts

- 35.2.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute 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**").

- 35.2.2 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.
- 35.2.3 Notwithstanding Clause 35.2.1 above, the Security Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

THIS DEED IS EXECUTED AS A DEED BY THE CHARGOR AND THE SECURITY AGENT AND IS DELIVERED AND TAKES EFFECT ON THE DATE AT THE BEGINNING OF THIS DEED.

SCHEDULE 1
- SHARES

Chargor	Name of Company	Description of Shares (Class and nominal value)	Amount of Shares
Elysian Residences Limited	Elysian Berkhamsted Operating Company Limited	Ordinary share of £1.00 each	One
Elysian Residences Limited	Elysian Berkhamsted Services Limited	Ordinary share of £1.00 each	One

SCHEDULE 2

- ADDITIONAL POWERS OF RECEIVER

A Receiver shall have the following additional rights, powers and discretions:

1 POSSESSION

A Receiver may take immediate possession of, get in and collect the Security Assets or any part thereof.

2 EMPLOYEES

A Receiver may:

- 2.1 appoint and discharge any managers, officers, agents, accountants, servants, contractors, workmen and other personnel and professional advisers for the purposes of this Deed upon such terms and conditions as to remuneration or otherwise as he thinks fit; and/or
- 2.2 discharge any person appointed by the Chargor.

3 SALE OF ASSETS

A Receiver may sell, assign, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which he thinks fit. The consideration for the sale of any Security Asset may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which the Receiver thinks fit.

4 REGISTRATION

A Receiver may use the Chargor's name to effect any registration or election for tax or other purposes.

5 BORROWING

A Receiver may, for any purpose, raise and borrow money or incur any other liability either unsecured or secured on the Security Assets, either in priority to this Security or otherwise, and generally on such terms as he in his discretion may think fit. No person lending such money is to be concerned to enquire as to the propriety or purpose of the exercise of such power or as to the application of money so raised or borrowed.

6 COMPROMISE, LEGAL ACTION AND MEDIATION

A Receiver may:

- 6.1 settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of the Chargor or relating in any way to any Security Asset;
- 6.2 bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which he thinks fit; and/or
- 6.3 refer to mediation any question in relation to any Security Asset that he thinks fit.

7 **COMPANIES**

A Receiver may form, or promote the formation of, any subsidiary of the Chargor or other company with a view to such company purchasing or otherwise acquiring an interest in the Security Assets

8 **RECEIPTS**

A Receiver may give valid receipts for any monies and execute any assurances and things which he in his discretion may think proper or desirable for realising any of the Security Assets.

9 **DELEGATION**

A Receiver may delegate his powers in accordance with this Deed.

10 **LENDING**

A Receiver may lend money or advance credit to any person.

11 **REDEEM PRIOR SECURITY**

A Receiver may redeem any prior Security and settle and pass the accounts to which that prior Security relates. Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Chargor, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

12 **OTHER POWERS**

A Receiver may:

- 12.1 do all other acts and things which he may consider desirable or necessary for realising any Security Asset or incidental or conducive to any of the rights, powers, remedies or discretions conferred on the Security Agent or any Receiver under or by virtue of this Deed or by law;
- 12.2 exercise every power which the Receiver in its absolute discretion considers desirable for maintaining or enhancing the value of the Security Assets or in connection with the enforcement of this Security or the realisation of any Security Asset;
- 12.3 exercise in relation to any Security Asset all the powers, authorities and rights which he would be capable of exercising, and do all those acts and things he would be able to do, if he were the absolute legal and beneficial owner of that Security Asset;
- 12.4 any other acts and things it lawfully may do as agent for the Chargor; and/or
- 12.5 use the name of the Chargor for any of the purposes set out in Clause 14 (*Powers of Receiver*) or this Schedule 2.

**SCHEDULE 3
- CHARGOR LETTER OF AUTHORITY**

To: Silbury Specialty Finance Limited
Verde
10 Bressenden Place
London
SW1E 5DH

Dated: 2021

Dear Sir

Shareholder's security agreement between (1) Elysian Residences Limited and (2) Silbury Specialty Finance Limited dated 2021 (the "Shareholder's Security Agreement") in relation to the shares and subordinated debt of [[Elysian Berkhamsted Operating Company Limited] / [Elysian Berkhamsted Services Limited]] (the "Company")

We hereby unconditionally and irrevocably authorise you to date and otherwise complete the share transfer forms in respect of the shares of the Company deposited by us with you pursuant to the Shareholder's Security Agreement following your first written demand to us pursuant to the Shareholder's Security Agreement.

Yours faithfully

Signed for and on behalf of)
ELYSIAN RESIDENCES
LIMITED)

Director

SCHEDULE 4

Part 1 - Director Letter of Resignation

To: Elysian Berkhamsted Operating Company Limited
42 Bruton Place
London
England
W1J 6PA
(the "**Company**")

OR

Elysian Berkhamsted Services Limited
42 Bruton Place
London
England
W1J 6PA
(the "**Company**")

Dated: 2021

Dear Sirs

Resignation of Director

I hereby tender my resignation as a director and employee of the Company and from all other offices and positions in the Company with effect from the date of this resignation letter. I confirm that I have no claim for compensation of any sort whatsoever either in respect of my resignation from such positions or otherwise and that the Company is in no way obligated or indebted to me.

Yours faithfully

Signed by)
)

Part 2- Director Letter of Authorisation

To: Silbury Specialty Finance Limited
Verde
10 Bressenden Place
London
SW1E 5DH

Dated: 2021

Dear Sirs

Shareholder’s security agreement between (1) Elysian Residences Limited and (2) Silbury Specialty Finance Limited dated 2021 (the “Shareholder’s Security Agreement”) in relation to the shares and subordinated debt of [[Elysian Berkhamsted Operating Company Limited] / [Elysian Berkhamsted Services Limited]] (the “Company”)

Words and expressions used in the Shareholder’s Security Agreement shall have the same meaning when used in this letter.

I refer to my executed but undated Director Letter of Resignation as director of [[Elysian Berkhamsted Operating Company Limited] [Elysian Berkhamsted Services Limited]] provided in accordance with the Shareholder’s Security Agreement and I hereby authorise you to date the letter following your first written demand on the Chargor pursuant to the Shareholder’s Security Agreement.

Yours faithfully

Signed by)
)
.....

SCHEDULE 5
- IRREVOCABLE APPOINTMENT OF ATTORNEY

Shareholder's security agreement between (1) Elysian Residences Limited and (2) Silbury Specialty Finance Limited dated 2021 (the "Shareholder's Security Agreement") in relation to the shares and subordinated debt of [[Elysian Berkhamsted Operating Company Limited] / [Elysian Berkhamsted Services Limited]] (the "Company")

Date:

We, Elysian Residences Limited (the "**Chargor**"), hereby irrevocably appoint Silbury Specialty Finance Limited (the "**Security Agent**") as attorney in the event that there has been a written demand made on the Chargor by the Security Agent pursuant to the Shareholder's Security Agreement following the occurrence of an Event of Default (as defined in the Shareholder's Security Agreement) (which is continuing) to sign resolutions in writing of Company and to vote at meetings of the shareholders of the Company in respect of any existing or further shares in the Company which may have been or may from time to time be issued and/or registered in our name. This appointment as attorney is irrevocable by reason of being coupled with the interest of the aforesaid shares.

IN WITNESS whereof we, Elysian Residences Limited, have executed this Deed as a deed on the day and year first above written.

EXECUTED AS A DEED by **ELYSIAN**)
RESIDENCES LIMITED by)
_____ and)
_____)

Director

Director _____

**SCHEDULE 6
- TRANSFER UNDERTAKING**

To: Silbury Specialty Finance Limited
Verde
10 Bressenden Place
London
SW1E 5DH

Dated: 2021

Dear Sirs

Shareholder's security agreement between (1) Elysian Residences Limited and (2) Silbury Specialty Finance Limited dated 2021 (the "Shareholder's Security Agreement") in relation to the shares and subordinated debt of [[Elysian Berkhamsted Operating Company Limited] / [Elysian Berkhamsted Services Limited]] (the "Company")

We refer to the Shareholder's Security Agreement whereby, inter alia, the Chargor granted a charge over the Security Assets in favour of the Security Agent.

Capitalised words and expressions used in this letter which are not expressly defined herein have the same meanings ascribed to them in the Shareholder's Security Agreement.

This is the Transfer Undertaking referred to in clause 7.1 of the Shareholder's Security Agreement.

In consideration of the Security Agent entering into the Shareholder's Security Agreement and for other valuable consideration receipt of which is hereby acknowledged, the Company hereby irrevocably and unconditionally undertakes to register in the Company's register of members all share transfers to the Security Agent or its nominee in respect of the Shares submitted to the Company by the Security Agent.

Yours faithfully

.....
Director

for and on behalf of

[[ELYSIAN BERKHAMSTED OPERATING COMPANY LIMITED] / [ELYSIAN BERKHAMSTED SERVICES LIMITED]]

EXECUTION PAGES TO THE SHAREHOLDER’S SECURITY AGREEMENT

CHARGOR

EXECUTED as a DEED by ELYSIAN)
RESIDENCES LIMITED acting by)
Camille Beaufile, a director and)
Neil Richard Jones, a director)

DocuSigned by:
[Redacted Signature]
E09E4712128E4E7...
Director

DocuSigned by:
[Redacted Signature]
ED028F4B6621496...
Director

Addresses for notices

Address for Notices: 42 Bruton Place, London, England, W1J 6PA
Email: stein@elysianresidences.com
Attention of: Gavin Stein

SECURITY AGENT

EXECUTED as a DEED by SILBURY)
SPECIALTY FINANCE LIMITED acting by)
)

_____, a director and
_____, a director

Director

.....
Director

Addresses for notices

Address for Notices: Verde, 10 Bressenden Place, London SW1E 5DH

Email gavin.eustace@silburyfinance.com

Attention of: Gavin Eustace