

MR01

Particulars of a charge



Companies House



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A fee is payable with this form
Please see 'How to pay' on the last page

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☒ **What this form is NOT for**
You may not use this form to
register a charge where there is no
instrument Use form MR08

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

This form must be delivered to the Registrar for registration
21 days beginning with the day after the date of creation of the
delivered outside of the 21 days it will be rejected unless it is accompanied by a
court order extending the time for delivery

☒ You must enclose a certified copy of the instrument with this form
scanned and placed on the public record **Do not send the original**



A05 29/10/2016 #62
COMPANIES HOUSE

SATURDAY

1 Company details

Company number 0 8 5 6 1 8 1 7

Company name in full Denmark Square Limited ✓

for official use

→ Filing in this form
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 1 2 1 0 2 0 1 6 /

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name Redcrest Enterprises Limited ✓
(BVI registered number 1763830)

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

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4 Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument

Brief description

All the assets, property and undertaking of Denmark Square Limited and that may be acquired by Denmark Square Limited in the future

Please see the Debenture for full details of all property charged

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"

Please limit the description to the available space

5 Other charge or fixed security

Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☒ Yes

☐ No

6 Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☒ Yes Continue

☐ No Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☒ Yes

7 Negative Pledge

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ Yes

☐ No

8 Trustee statement ^①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

^① This statement may be filed after the registration of the charge (use form MR06)

9 Signature

Please sign the form here

Signature

Signature

X *S Tomlinson* X

This form must be signed by a person with an interest in the charge

MR01

Particulars of a charge



Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Sally Tomlinson**

Company name **Hewlett Swanson Commercial Law**

Limited

Address **Centuron House**

129 Deansgate

Post town **Manchester**

County/Region

Postcode **M 3 3 W R**

Country

DX

Telephone



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☐ The company name and number match the information held on the public Register
- ☐ You have included a certified copy of the instrument with this form
- ☐ You have entered the date on which the charge was created
- ☐ You have shown the names of persons entitled to the charge
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☐ You have given a description in Section 4, if appropriate
- ☐ You have signed the form
- ☐ You have enclosed the correct fee
- ☐ Please do not send the original instrument, it must be a certified copy



Important information

Please note that all information on this form will appear on the public record



How to pay

A fee of £23 is payable to Companies House in respect of each mortgage or charge filed on paper

Make cheques or postal orders payable to 'Companies House'



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below

For companies registered in England and Wales
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8561817

Charge code: 0856 1817 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 12th October 2016 and created by DENMARK SQUARE LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 29th October 2016.

8

Given at Companies House, Cardiff on 4th November 2016



Companies House



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

Dated

12 October

2016

DENMARK SQUARE LIMITED

and

REDCREST ENTERPRISES LIMITED

WE CERTIFY THIS TO BE A TRUE
COPY OF THE ORIGINAL

Signed *S Tomlinson*

Dated 28/10/2016

HEWLETT SWANSON

DEBENTURE



HEWLETT SWANSON
COMMERCIAL LAW

Centurion House 129 Deansgate, Manchester M3 3WR
24 Hanover Square, London W1S 1JD



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This deed is dated

12 October

2016

PARTIES

- (1) **DENMARK SQUARE LIMITED** incorporated and registered in in England and Wales with company number 08561817 whose registered office is at 42 Bruton Place, London W1J 6PA (the "**Borrower**"), and
- (2) **REDCREST ENTERPRISES LIMITED** incorporated and registered in the British Virgin Islands with company number 1763830 whose registered office is at c/o Offshore Incorporations Limited, PO Box 957, Offshore Incorporations Centre, Road Town, Tortola, BVI (the "**Lender**")

BACKGROUND

- (A) The Lender has agreed, pursuant to the Loan Note Instrument, to provide the Borrower with a convertible redeemable loan on a secured basis
- (B) Under this Deed, the Borrower provides security to the Lender for the loan facility made available under the Loan Note Instrument

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following definitions apply in this Deed

"Administrator"	an administrator appointed to manage the affairs, business and property of the Borrower pursuant to clause 11.8
"Book Debts"	all present and future book and other debts, and monetary claims due or owing to the Borrower, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Borrower in relation to any of them
"Business Day"	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business
"Contractual Rights"	the rights of the Borrower arising under or in respect of any contract to which the Borrower is a party and/or in which the Borrower has a legal and/or equitable interest, including any benefits accruing to the Borrower thereunder
"Delegate"	any person appointed by the Lender or any Receiver pursuant to clause 16 and any person appointed as attorney of the Lender, Receiver or Delegate

"Designated Account"	any account of the Borrower nominated by the Lender as a designated account for the purposes of this Deed
"Environment"	the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media
"Environmental Law"	all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment
"Equipment"	all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property for the time being owned by the Borrower, including any part of it and all spare parts, replacements, modifications and additions
"Existing Property"	means the leasehold property at 42 Bruton Place, London W1J 6PA registered with the Land Registry under title number NGL491536
"Event of Default"	has the meaning given to that expression in the Loan Note Instrument
"Financial Collateral"	shall have the meaning given to that expression in the Financial Collateral Regulations
"Financial Collateral Regulations"	the Financial Collateral Arrangements (No 2) Regulations 2003 (<i>SI 2003/3226</i>)
"Indebtedness"	any obligation to pay or repay money, present or future, whether actual or contingent, sole or joint and any guarantee or indemnity of any of those obligations
"Insurance Policy"	each contract and policy of insurance effected or maintained by the Borrower from time to time in respect of its assets or business (including, without limitation, any contract or policy of insurance relating to the Properties or the Equipment)

"Intellectual Property"	the Borrower's present and future patents, trade marks, service marks, trade names, designs, copyrights, inventions, topographical or similar rights, rights in software, confidential information and know-how and any interest in any of these rights, whether or not registered, including all applications and rights to apply for registration and all fees, royalties and other rights derived from, or incidental to, these rights
"Investments"	<p>all present and future certificated stocks, shares, loan capital, securities, bonds and investments (whether or not marketable) for the time being owned (at law or in equity) by the Borrower, including any</p> <p>(a) dividend, interest or other distribution paid or payable in relation to any of the Investments, and</p> <p>(b) right, money, shares or property accruing, offered or issued at any time in relation to any of the Investments by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise</p>
"Loan Note Instrument"	means the instrument constituting £600,000 secured redeemable convertible loan notes 2019 in favour of the Lender dated on the date of this Deed
"LPA 1925"	Law of Property Act 1925
"Properties"	all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or in the future (and from time to time) owned by the Borrower, or in which the Borrower holds an interest, excluding, for the avoidance of doubt, the Existing Property, and Property means any of them
"Receiver"	<p>means</p> <p>(a) a receiver,</p> <p>(b) an administrative receiver,</p> <p>(c) receiver and manager, or</p> <p>(d) any other licensed insolvency practitioner,</p> <p>of any or all of the Secured Assets appointed by</p>

the Lender under clause 14

"Secured Assets"

all the assets, property and undertaking for the time being, and that may be acquired by the Borrower in the future, excluding for the avoidance of doubt the Existing Property, subject to the Security created by, or pursuant to, this Deed (and references to the Secured Assets shall include references to any part of them)

"Secured Liabilities"

all present and future monies, obligations and liabilities of the Borrower to the Lender, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, under or in connection with the Loan Note Instrument or this Deed (including, without limitation, those arising under clause 28.3.2), together with all interest (including, without limitation, default interest) accruing in respect of those monies, obligations or liabilities

"Security"

any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect

"Security Financial Collateral Arrangement"

shall have the meaning given to that expression in the Financial Collateral Regulations

"Security Period"

the period starting on the date of this Deed and ending on the date on which the Lender is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding

1.2 Interpretation

In this Deed

1.2.1 clause headings shall not affect the interpretation of this Deed,

1.2.2 a reference to a **person** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality) and that person's personal representatives, successors, permitted assigns and permitted transferees,

1.2.3 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular,

- 1 2 4 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders,
- 1 2 5 a reference to a party shall include that party's successors, permitted assigns and permitted transferees,
- 1 2 6 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time,
- 1 2 7 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision,
- 1 2 8 a reference to **writing** or **written** includes fax but not e-mail,
- 1 2 9 an obligation on a party not to do something includes an obligation not to allow that thing to be done,
- 1 2 10 a reference to **this Deed** (or any provision of it) or to any other agreement or document referred to in this Deed is a reference to this Deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this Deed) from time to time,
- 1 2 11 unless the context otherwise requires, a reference to a clause is to a clause of this Deed,
- 1 2 12 any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms,
- 1 2 13 a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly),
- 1 2 14 a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description,
- 1 2 15 a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution,
- 1 2 16 a reference to **continuing** in relation to an Event of Default means an Event of Default that has not been remedied or waived,
- 1 2 17 a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it, and
- 1 2 18 a reference to 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 regulatory, self-regulatory or other authority or organisation

1.3 Clawback

If the Lender reasonably considers that an amount paid by the Borrower in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Borrower or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed

1.4 Nature of security over real property

A reference in this Deed to a charge or mortgage of or over any Property includes

- 1.4.1 all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) that are situated on or form part of that Property at any time,
- 1.4.2 the proceeds of the sale of any part of that Property and any other monies paid or payable in respect of or in connection with that Property,
- 1.4.3 the benefit of any covenants for title given, or entered into, by any predecessor in title of the Borrower in respect of that Property, and any monies paid or payable in respect of those covenants, and
- 1.4.4 all rights under any licence, agreement for sale or agreement for lease in respect of that Property

1.5 Law of Property (Miscellaneous Provisions) Act 1989

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Loan Note Instrument and of any side letters between any parties in relation to the Loan Note Instrument are incorporated into this Deed

1.6 Perpetuity period

If the rule against perpetuities applies to any trust created by this Deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009)

2. COVENANT TO PAY

The Borrower shall, on demand, pay to the Lender and discharge the Secured Liabilities when they become due

3. GRANT OF SECURITY

3.1 Legal mortgage

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee charges to the Lender, by way of first legal mortgage, (so far as it is possible to do so) each Property

3.2 Fixed charges

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee charges to the Lender by way of first fixed charge

- 3 2 1 all Properties acquired by the Borrower in the future,
- 3 2 2 all present and future interests of the Borrower not effectively mortgaged or charged under the preceding provisions of this clause 3 in, or over, freehold or leasehold property,
- 3 2 3 all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to each Property,
- 3 2 4 all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Borrower's business or the use of any Secured Asset, and all rights in connection with them,
- 3 2 5 all its present and future goodwill,
- 3 2 6 all its uncalled capital,
- 3 2 7 all the Equipment,
- 3 2 8 all the Intellectual Property,
- 3 2 9 all the Book Debts,
- 3 2 10 all the Investments,
- 3 2 11 all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person (including each Designated Account), together with all other rights and benefits accruing to or arising in connection with each account (including, but not limited to, entitlements to interest),
- 3 2 12 all its rights in respect of each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy, to the extent not effectively assigned under clause 3 3, and
- 3 2 13 all its rights in respect of the Contractual Rights and all other agreements, instruments and rights relating to the Secured Assets, to the extent not effectively assigned under clause 3 3

3.3 Assignment

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee assigns to the Lender absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities

- 3 3 1 all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy, and
- 3 3 2 the benefit of the Contractual Rights and the benefit of all other agreements, instruments and rights relating to the Secured Assets

3.4 Floating charge

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee charges to the Lender, by way of first floating charge, all the undertaking, property, assets and rights of the Borrower at any time not effectively mortgaged, charged or assigned pursuant to clause 3 1 to clause 3 3 inclusive

3.5 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 3 4

3.6 Automatic crystallisation of floating charge

The floating charge created by clause 3 4 shall automatically and immediately (without notice) convert into a fixed charge over the assets subject to that floating charge if

3 6 1 the Borrower

3 6 1 1 creates, or attempts to create, without the prior written consent of the Lender, a Security or a trust in favour of another person over all or any part of the Secured Assets (except as expressly permitted by the terms of this Deed or the Loan Note Instrument), or

3 6 1 2 disposes, or attempts to dispose of, all or any part of the Secured Assets (other than a disposal in the Borrower's normal course of business of Secured Assets that are only subject to the floating charge while it remains uncrystallised),

3 6 2 any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets, or

3 6 3 a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Borrower

3 7 Crystallisation of floating charge by notice

The Lender may, in its sole discretion, by written notice to the Borrower, convert the floating charge created under this Deed into a fixed charge as regards any part of the Secured Assets specified by the Lender in that notice if

3 7 1 an Event of Default occurs and is continuing, or

3 7 2 the Lender reasonably considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy

3.8 Assets acquired after any floating charge has crystallised

Any asset acquired by the Borrower after any crystallisation of the floating charge created under this Deed that, but for that crystallisation, would be subject to a

floating charge under this Deed, shall (unless the Lender confirms otherwise to the Borrower in writing) be charged to the Lender by way of first fixed charge

4. LIABILITY OF THE BORROWER

4.1 Liability not discharged

The Borrower's liability under this Deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by

4.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Lender that is, or becomes, wholly or partially illegal, void or unenforceable on any ground,

4.1.2 the Lender renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person, or

4.1.3 any other act or omission that, but for this clause 4.1, might have discharged, or otherwise prejudiced or affected, the liability of the Borrower

4.2 Immediate recourse

The Borrower waives any right it may have to require the Lender to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this Deed against the Borrower

5. REPRESENTATIONS AND WARRANTIES

The Borrower makes the representations and warranties set out in this clause 5 to the Lender

5.1 Ownership of Secured Assets

The Borrower is the sole legal and beneficial owner of the Secured Assets

5.2 No Security

The Secured Assets are free from any Security other than the Security created by this Deed

5.3 No adverse claims

The Borrower has not received, or acknowledged notice of, any adverse claim by any person in respect of the Secured Assets or any interest in them

5.4 No adverse covenants

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

5.5 No breach of laws

There is no breach of any law or regulation that materially and adversely affects the Secured Assets

5.6 No interference in enjoyment

No facility necessary for the enjoyment and use of the Secured Assets is subject to terms entitling any person to terminate or curtail its use

5.7 No overriding interests

Nothing has arisen, has been created or is subsisting, that would be an overriding interest in any Property

5.8 Avoidance of security

No Security expressed to be created under this Deed is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Borrower or otherwise

5.9 No prohibitions or breaches

There is no prohibition on assignment in any Insurance Policy or any Contractual Rights and the entry into this Deed by the Borrower does not, and will not, constitute a breach of any Insurance Policy, any of the Contractual Rights or any other agreement or instrument binding on the Borrower or its assets

5.10 Environmental compliance

The Borrower has, at all times, complied in all material respects with all applicable Environmental Law

5.11 Enforceable security

This Deed constitutes and will constitute the legal, valid, binding and enforceable obligations of the Borrower, and is, and will continue to be, effective security over all and every part of the Secured Assets in accordance with its terms

5.12 Investments

5.12.1 The Investments are fully paid and are not subject to any option to purchase or similar rights

5.12.2 No constitutional document of an issuer of an Investment, nor any other agreement

5.12.2.1 restricts or inhibits any transfer of the Investments on creation or enforcement of the security constituted by this Deed, or

5.12.2.2 contains any rights of pre-emption in relation to the Investments

5.13 Times for making representations and warranties

The representations and warranties set out in clause 5.1 to clause 5.12 inclusive are made by the Borrower on the date of this Deed

6. GENERAL COVENANTS

6.1 Negative pledge and disposal restrictions

The Borrower shall not at any time, except with the prior written consent of the Lender

6.1.1 create, purport to create or permit to subsist any Security on, or in relation to, any Secured Asset other than any Security created by this Deed or any lien or right of set off arising by operation of law in the ordinary course of trading,

6.1.2 sell, assign, transfer, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Secured Assets (except, in the ordinary course of business, Secured Assets that are only subject to an uncrystallised floating charge), or

6.1.3 create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party

6.2 Preservation of Secured Assets

The Borrower shall not do, or permit to be done, any act or thing that would or might have a material adverse effect on the security held by the Lender, or the value of any of the Secured Assets or the effectiveness of the security created by this Deed

6.3 Borrower's waiver of set-off

The Borrower waives any present or future right of set-off it may have in respect of the Secured Liabilities (including sums payable by the Borrower under this Deed)

6.4 Compliance with laws and regulations

6.4.1 The Borrower shall not use or permit the Secured Assets to be used in any way contrary to law

6.4.2 The Borrower shall

6.4.2.1 comply with the requirements of any law and regulation relating to or affecting the Secured Assets or the use of it or any part of them,

6.4.2.2 obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Secured Assets or their use or that are necessary to preserve, maintain or renew any Secured Asset, and

- 6 4 2 3 promptly effect any maintenance, modifications, alterations or repairs that are required by any law or regulation to be effected on or in connection with the Secured Assets

6.5 Enforcement of rights

The Borrower shall use its reasonable endeavours to

- 6 5 1 procure the prompt observance and performance of the covenants and other obligations imposed on the Borrower's counterparties in any agreement relating to any of the Secured Assets (including each insurer in respect of an Insurance Policy), and
- 6 5 2 enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets which the Lender may require from time to time

6 6 Notice of misrepresentation and breaches

The Borrower shall, promptly on becoming aware of any of the same, give the Lender notice in writing of

- 6 6 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 repeated, and
- 6 6 2 any breach of any covenant set out in this Deed

6.7 Title documents

If so directed by the Lender, the Borrower shall, on the execution of this Deed (or, if later, the date of acquisition of the relevant Secured Asset), deposit with the Lender (or an authorised representative of the Lender), and the Lender shall, for the duration of this Deed be entitled to hold (or direct a third party to hold on their behalf) all deeds and documents of title relating to the Secured Assets that are in the possession or control of the Borrower (and if these are not within the possession or control of the Borrower, the Borrower undertakes to obtain possession of all these deeds and documents of title)

6.8 Insurance

- 6 8 1 The Borrower shall continue to maintain insurance in relation to the Secured Assets as is in place at the date of this Deed
- 6 8 2 The Borrower shall, if requested by the Lender, produce to the Lender each policy, certificate or cover note relating to the insurance required by clause 6 8 1
- 6 8 3 The Borrower shall, if requested by the Lender, and to the extent that this is reasonably practicable procure that a note of the Lender's interest is endorsed upon each insurance policy maintained by it or any person on its behalf in accordance with clause 6 8 1 and that the terms of each such insurance policy require the insurer not to invalidate the policy as against the Lender by reason of the act or default of any other joint or named

insured and not to cancel it without giving at least 30 days' prior written notice to the Lender

6.9 Insurance premiums

The Borrower shall

- 6.9.1 promptly pay all premiums in respect of each insurance policy maintained by it in accordance with clause 6.8.1 and do all other things necessary to keep that policy in full force and effect, and
- 6.9.2 (if the Lender so requires) produce to, or deposit with, an authorised representative of the Lender the receipts for all premiums and other payments necessary for effecting and keeping up each insurance policy maintained by it in accordance with clause 6.8.1

6.10 No invalidation of insurance

The Borrower shall not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any insurance policy maintained by it in accordance with clause 6.8.1

6.11 Proceeds of insurance policies

All monies received or receivable by the Borrower under any insurance policy maintained by it in accordance with clause 6.8.1 (including all monies received or receivable by it under any Insurance Policy) at any time (whether or not the security constituted by this Deed has become enforceable) shall

- 6.11.1 immediately be paid to the Lender,
- 6.11.2 if they are not paid directly to the Lender by the insurers, be held by the Borrower as trustee of the same for the benefit of the Lender (and the Borrower shall account for them to the Lender), and
- 6.11.3 be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received or in or towards discharge or reduction of the Secured Liabilities

6.12 Information

The Borrower shall

- 6.12.1 give the Lender such information concerning the location, condition, use and operation of the Secured Assets as the Lender may reasonably require,
- 6.12.2 permit any persons designated by the Lender and any Receiver to enter on its premises and inspect and examine any Secured Asset, and the records relating to that Secured Asset, at all reasonable times and on reasonable prior notice, and
- 6.12.3 promptly notify the Lender in writing of any action, claim, notice or demand made by or against it in connection with all or any part of a Secured Asset

or of any fact, matter or circumstance which may, with the passage of time, give rise to such an action, claim, notice or demand, together with, in each case, the Borrower's proposals for settling, liquidating, compounding or contesting any such action, claim, notice or demand and shall, subject to the prior approval of the Lender (such approval not to be unreasonably withheld or delayed), implement those proposals at its own expense

6.13 Payment of outgoings

The Borrower shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Secured Assets and, on demand, produce evidence of payment to the Lender

7. PROPERTY COVENANTS

7.1 Maintenance

The Borrower shall keep all buildings and all fixtures on each Property in the same state of repair and condition as they are in on the date of this Deed

7.2 Preservation of Property, fixtures and Equipment

The Borrower shall not, without the prior written consent of the Lender (not to be unreasonably withheld or delayed)

- 7 2 1 pull down or remove the whole, or any part of, any building forming part of any Property or permit the same to occur,
- 7 2 2 make or permit any material alterations to any Property, or sever or remove, or permit to be severed or removed, any of its fixtures, or
- 7 2 3 remove or make any material alterations to any of the Equipment belonging to, or in use by, the Borrower on any Property (except to effect necessary repairs or replace them with new or improved models or substitutes)

7.3 Conduct of business on Properties

The Borrower shall carry on its trade and business on those parts (if any) of the Properties as are used for the purposes of trade or business in accordance with the standards of good management from time to time current in that trade or business

7.4 Planning information

The Borrower shall (if the Lender so requires)

- 7 4 1 give full particulars to the Lender of any notice, order, direction, designation, resolution or proposal given or made by any planning authority or other public body or authority ("**Planning Notice**") that specifically applies to any Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Planning Notice, and
- 7 4 2 at its own expense, and at the cost of the Borrower, take all reasonable and necessary steps to comply with any Planning Notice, and make, or join

with the Lender in making, any objections or representations in respect of that Planning Notice that the Lender may desire

7.5 Compliance with covenants and payment of rent

The Borrower shall

- 7 5 1 observe and perform all covenants, stipulations and conditions to which each Property, or the use of it, is or may be subjected, and (if the Lender so requires) produce evidence sufficient to satisfy the Lender that those covenants, stipulations and conditions have been observed and performed,
- 7 5 2 diligently enforce all covenants, stipulations and conditions benefiting each Property and shall not (and shall not agree to) waive, release or vary any of the same, and
- 7 5 3 (without prejudice to the generality of the foregoing) where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time, and perform and observe all the tenant's covenants and conditions

7.6 Payment of rent and outgoings

The Borrower shall

- 7 6 1 where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time, and
- 7 6 2 pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed on each Property or on its occupier

7 7 Maintenance of interests in Properties

The Borrower shall not, without the prior written consent of the Lender (not to be unreasonably withheld or delayed)

- 7 7 1 grant, or agree to grant, any licence or tenancy affecting the whole or any part of any Property, or exercise, or agree to exercise, the statutory powers of leasing or of accepting surrenders under sections 99 or 100 of the Law of Property Act 1925, or
- 7 7 2 in any other way dispose of, surrender or create, or agree to dispose of surrender or create, any legal or equitable estate or interest in the whole or any part of any Property

7 8 Registration restrictions

If the title to any Property is not registered at the Land Registry, the Borrower shall procure that no person (other than itself) shall be registered under the Land Registration Acts 1925 to 2002 as proprietor of all or any part of any Property without the prior written consent of the Lender. The Borrower shall be liable for the costs and expenses of the Lender in lodging cautions against the registration of the title to the whole or any part of any Property from time to time

7.9 Development restrictions

The Borrower shall not, without the prior written consent of the Lender

- 7.9.1 make or, insofar as it is able, permit others to make any application for planning permission or development consent in respect of the Property, or
- 7.9.2 carry out, or permit, or suffer to be carried out on any Property any development as defined in the Town and Country Planning Act 1990 and the Planning Act 2008, or change or permit or suffer to be changed the use of any Property

7.10 Environment

The Borrower shall

- 7.10.1 comply with all the requirements of Environmental Law both in the conduct of its general business and in the management, possession or occupation of each Property, and
- 7.10.2 obtain and comply with all authorisations, permits and other types of licences necessary under Environmental Law

7.11 No restrictive obligations

The Borrower shall not, without the prior written consent of the Lender (not to be unreasonably withheld or delayed), enter into any onerous or restrictive obligations affecting the whole or any part of any Property, or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of any Property

7.12 Proprietary rights

Save to the extent that a right or interest may arise by operation of law, the Borrower shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of any Property without the prior written consent of the Lender (not to be unreasonably withheld or delayed)

7.13 Inspection

The Borrower shall permit the Lender, any Receiver and any person appointed by any of them to enter on and inspect any Property on reasonable prior notice

7.14 Property information

The Borrower shall inform the Lender promptly of any acquisition by the Borrower of, or contract made by the Borrower to acquire, any freehold, leasehold or other interest in any property

7.15 VAT option to tax

The Borrower shall not, without the prior written consent of the Lender

- 7 15 1 exercise any VAT option to tax in relation to any Property, or
- 7 15 2 revoke any VAT option to tax exercised, and disclosed to the Lender, before the date of this Deed

8. INVESTMENTS COVENANTS

8.1 Deposit of title documents

8 1 1 The Borrower shall

8 1 1 1 on such date as the Lender may direct in writing, deposit with the Lender (or an authorised representative of the Lender) if so required by the Lender, all stock or share certificates and other documents of title or evidence of ownership relating to any Investments owned by the Borrower at that time, and

8 1 1 2 on the purchase or acquisition by it of Investments after the date of this Deed, or at such later date as the parties shall agree, deposit with the Lender (or an authorised representative of the Lender) all stock or share certificates and other documents of title or evidence of ownership relating to those Investments

8 1 2 At the same time as depositing documents in accordance with clause 8 1 1, the Borrower shall also deposit with the Lender (or an authorised representative of the Lender)

8 1 2 1 all stock transfer forms relating to the relevant Investments duly completed and executed by or on behalf of the Borrower, but with the name of the transferee, the consideration and the date left blank, and

8 1 2 2 any other documents (in each case duly completed and executed by or on behalf of the Borrower) that the Lender may request (acting reasonably) in order to enable them or any of their nominees, or any purchaser or transferee, to be registered as the owner of, or otherwise obtain a legal title to, or to perfect its security interest in any of the relevant Investments,

so that the Lender may, at any time and without notice to the Borrower, complete and present those stock transfer forms and other documents to the issuer of the Investments for registration

8.2 Pre-emption rights and restrictions on transfer

The Borrower shall

8 2 1 obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of an issuer of any Investments, for the transfer of the Investments to the Lender or its nominee, or to a purchaser on enforcement of the security constituted by this Deed, and

- 8 2 2 procure the amendment of the share transfer provisions (including, but not limited to, deletion of any pre-emption provisions) under the articles of association, other constitutional document or otherwise of each issuer of the Investments in any manner that the Lender may require in order to permit the transfer of the Investments to the Lender or its nominee, or to a purchaser on enforcement of the security constituted by this Deed

8.3 Dividends and voting rights before enforcement

- 8 3 1 Before the security constituted by this Deed becomes enforceable, the Borrower may retain and apply for its own use all dividends, interest and other monies paid or payable in respect of the Investments and, if any are paid or payable to the Lender or any of its nominees, the Lender will hold all those dividends, interest and other monies received by it for the Borrower and will pay them to the Borrower promptly on request
- 8 3 2 Before the security constituted by this Deed becomes enforceable, the Borrower may exercise all voting and other rights and powers in respect of the Investments or, if any of the same are exercisable by the Lender or any of its nominees, to direct in writing the exercise of those voting and other rights and powers provided that
- 8 3 2 1 it shall not do so in any way that would breach any provision of the Loan Note Instrument or this Deed or for any purpose inconsistent with the Loan Note Instrument or this Deed, and
- 8 3 2 2 the exercise of, or the failure to exercise, those voting rights or other rights and powers would not, in the Lender's opinion (acting reasonably), have a material adverse effect on the value of the Investments or on the Lender's security under this Deed
- 8 3 3 The Borrower shall indemnify the Lender against any loss or liability incurred by the Lender (or its nominee) as a consequence of the Lender (or its nominee) acting in respect of the Investments at the direction of the Borrower
- 8 3 4 The Lender shall not, by exercising or not exercising any voting rights or otherwise, be construed as permitting or agreeing to any variation or other change in the rights attaching to or conferred by any of the Investments that the Lender considers prejudicial to, or impairing the value of, the security created by this Deed

8.4 Dividends and voting rights after enforcement

After the security constituted by this Deed has become enforceable

- 8 4 1 all dividends and other distributions paid in respect of the Investments and received by the Borrower shall be held by the Borrower on trust for the Lender and immediately paid into a Designated Account or, if received by the Lender, shall be retained by the Lender, and
- 8 4 2 all voting and other rights and powers attaching to the Investments shall be exercised by, or at the direction of, the Lender and the Borrower shall, and

shall procure that its nominees shall, comply with any directions the Lender may give, in its absolute discretion, concerning the exercise of those rights and powers

8.5 Calls on Investments

Notwithstanding the security created by this Deed, the Borrower shall promptly pay all calls, instalments and other payments that may be or become due and payable in respect of all or any of the Investments. The Borrower acknowledges that the Lender shall not be under any liability in respect of any such calls, instalments or other payments

8.6 No alteration of constitutional documents or rights attaching to Investments

The Borrower shall not, without the prior written consent of the Lender, amend, or agree to the amendment of

8.6.1 the memorandum or articles of association, or any other constitutional documents, of any issuer of the Investments that is not a public company, or

8.6.2 the rights or liabilities attaching to, or conferred by, all or any of the Investments

8.7 Preservation of Investments

The Borrower shall ensure (as far as it is able to by the exercise of all voting rights, powers of control and other means available to it) that any issuer of the Investments that is not a public company shall not

8.7.1 consolidate or subdivide any of the Investments, or re-organise, exchange, repay or reduce its share capital in any way,

8.7.2 issue any new shares or stock, or

8.7.3 refuse to register any transfer of any of the Investments that may be lodged with it for registration by, or on behalf of, the Lender or the Borrower in accordance with this Deed

8.8 Investments information

The Borrower shall, promptly following receipt, send to the Lender copies of any notice, circular, report, accounts and any other document received by it that relates to the Investments

9 EQUIPMENT COVENANTS

9.1 Maintenance of Equipment

The Borrower shall

9.1.1 maintain or procure the maintenance of the Equipment the same state of repair and condition as they are in on the date of this Deed (except for expected fair wear and tear) in compliance with all relevant manuals,

handbooks, manufacturer's instructions and recommendations and maintenance or servicing schedules,

9 1 2 at its own expense, renew and replace or procure the renewal or replacement of any parts of the Equipment when they become obsolete, worn out or damaged with parts of a similar quality and of equal or greater value, and

9 1 3 not permit any Equipment to be

9 1 3 1 used or handled other than by properly qualified and trained persons, or

9 1 3 2 overloaded or used for any purpose for which it is not designed or reasonably suitable

9.2 Payment of Equipment taxes

The Borrower shall promptly pay or procure the payment of all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Equipment and, on demand, produce evidence of such payment to the Lender

9.3 Book Debts covenants

9.4 Realising Book Debts

9 4 1 The Borrower shall as an agent for the Lender, collect in and realise all Book Debts, pay the proceeds into a Designated Account immediately on receipt and, pending that payment, hold those proceeds in trust for the Lender,

9 4 2 The Borrower shall not, without the prior written consent of the Lender, withdraw any amounts standing to the credit of any Designated Account, and

9 4 3 The Borrower shall, if called on to do so by the Lender, execute a legal assignment of the Book Debts to the Lender on such terms as the Lender may require and give notice of that assignment to the debtors from whom the Book Debts are due, owing or incurred

9.5 Preservation of Book Debts

The Borrower shall not (except as provided by clause 9 4 or with the prior written consent of the Lender) release, exchange, compound, set-off, grant time or indulgence in respect of, or in any other manner deal with, all or any of the Book Debts

9.6 Contractual rights covenants

The Borrower shall use its reasonable endeavours to preserve its interests in the Contractual Rights and, without prejudice to the generality of this clause, shall not do or omit to do, or suffer any act or omission to take place, that might (or might reasonably be expected to) in any way impair the interest of the Borrower arising under or in respect of its Contractual Rights

10. INTELLECTUAL PROPERTY COVENANTS

10.1 Preservation of rights

The Borrower shall take all necessary action to safeguard and maintain present and future rights in, or relating to, the Intellectual Property including (without limitation) by observing all covenants and stipulations relating to those rights, and by paying all applicable renewal fees, licence fees and other outgoings

10.2 Maintenance of Intellectual Property

The Borrower shall not permit any Intellectual Property that is required for the operation of its business to be abandoned, cancelled or to lapse

10.3 Review of Intellectual Property

The Lender may review the Intellectual Property at any time for the purposes of this clause 10. However, the Lender is not obliged to monitor or verify the Borrower's compliance with this clause 10

11. POWERS OF THE LENDER

11.1 Power to remedy

11.1.1 The Lender shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Borrower of any of its obligations contained in this Deed

11.1.2 The Borrower irrevocably authorises the Lender and its agents to do all things that are necessary or desirable for that purpose

11.1.3 Any monies expended by the Lender in remedying a breach by the Borrower of its obligations contained in this Deed shall be reimbursed by the Borrower to the Lender on a full indemnity basis and shall carry interest in accordance with clause 18.1

11.2 Exercise of rights

11.2.1 The rights of the Lender under clause 11.1 are without prejudice to any other rights of the Lender under this Deed

11.2.2 The exercise of any rights of the Lender under this Deed shall not make the Lender liable to account as a mortgagee in possession

11.3 Power to dispose of chattels

11.3.1 At any time after the security constituted by this Deed has become enforceable, the Lender or any Receiver may, as agent for the Borrower, dispose of any chattels or produce found on any Property

11.3.2 Without prejudice to any obligation to account for the proceeds of any disposal made under clause 11.3.1, the Borrower shall indemnify the Lender and any Receiver against any liability arising from any disposal made under clause 11.3.1

11.4 Lender has Receiver's powers

To the extent permitted by law, any right, power or discretion conferred by this Deed on a Receiver may, after the security constituted by this Deed has become enforceable, be exercised by the Lender in relation to any of the Secured Assets whether or not it has taken possession of any Secured Assets and without first appointing a Receiver or notwithstanding the appointment of a Receiver

11.5 Conversion of currency

11 5 1 For the purpose of, or pending the discharge of, any of the Secured Liabilities, the Lender may convert any monies received, recovered or realised by it under this Deed (including the proceeds of any previous conversion under this clause 11 5) from their existing currencies of denomination into any other currencies of denomination that the Lender may think fit

11 5 2 Any such conversion shall be effected at the Lender's then prevailing spot selling rate of exchange for such other currency against the existing currency

11 5 3 Each reference in this clause 11 5 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency

11.6 New accounts

11 6 1 If the Lender receives, or is deemed to have received, notice of any subsequent Security, or other interest, affecting all or part of the Secured Assets, the Lender may open a new account for the Borrower in the Lender's books Without prejudice to the Lender's right to combine accounts, no money paid to the credit of the Borrower in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities

11 6 2 If the Lender does not open a new account immediately on receipt of the notice, or deemed notice, under clause 11 6 1, then, unless the Lender gives express written notice to the contrary to the Borrower, all payments made by the Borrower to the Lender shall be treated as having been credited to a new account of the Borrower and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt or deemed receipt of the relevant notice by the Lender

11.7 Indulgence

The Lender may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this Deed (whether or not any such person is jointly liable with the Borrower) in respect of any of the Secured Liabilities, or of any other security for them without prejudice either to this Deed or to the liability of the Borrower for the Secured Liabilities

11.8 Appointment of an Administrator

11 8 1 The Lender may, without notice to the Borrower, appoint any one or more persons to be an Administrator of the Borrower pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this Deed becomes enforceable

11 8 2 Any appointment under this clause 11 8 shall

11 8 2 1 be in writing signed by a duly authorised signatory of the Lender, and

11 8 2 2 take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986

11 8 3 The Lender may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this clause 11 8 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified

12. WHEN SECURITY BECOMES ENFORCEABLE

12.1 Security becomes enforceable on Event of Default

The security constituted by this Deed shall be immediately enforceable if an Event of Default occurs and continues beyond any applicable grace period provided under or pursuant to the Loan Note Instrument

12 2 Discretion

After the security constituted by this Deed has become enforceable, the Lender may, in its absolute discretion, enforce all or any part of that security at the times, in the manner and on the terms it thinks fit, and take possession of and hold or dispose of all or any part of the Secured Assets

13 ENFORCEMENT OF SECURITY

13.1 Enforcement powers

13 1 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

13 1 2 The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this Deed) shall, as between the Lender and a purchaser from the Lender, arise on and be immediately exercisable at any time after the execution of this Deed, but the Lender shall not exercise such power of sale or other powers until the security constituted by this Deed has become enforceable under clause 12 1

13 1 3 Section 103 of the LPA 1925 does not apply to the security constituted by this Deed

13.2 Extension of statutory powers of leasing

The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the Lender and any Receiver, at any time after the security constituted by this Deed has become enforceable, whether in its own name or in that of the Borrower, to

- 13 2 1 grant a lease or agreement to lease,
- 13 2 2 accept surrenders of leases, or
- 13 2 3 grant any option of the whole or any part of the Secured Assets with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of the Borrower, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Lender or Receiver thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925

13 3 Access on enforcement

- 13 3 1 At any time after the Lender has demanded payment of the Secured Liabilities or if the Borrower defaults in the performance of its obligations under this Deed or the Loan Note Instrument or an Event of Default is continuing, the Borrower will allow the Lender or its Receiver, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Secured Asset and for that purpose to enter on any premises where a Secured Asset is situated (or where the Lender or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to the Borrower for, or by any reason of, that entry
- 13 3 2 At all times, the Borrower must use its best endeavours to allow the Lender or its Receiver access to any premises for the purpose of clause 13 3 1 (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same

13.4 Prior Security

At any time after the security constituted by this Deed has become enforceable, or after any powers conferred by any Security having priority to this Deed shall have become exercisable, the Lender may

- 13 4 1 redeem that or any other prior Security,
- 13 4 2 procure the transfer of that Security to it, and
- 13 4 3 settle and pass any account of the holder of any prior Security

Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Borrower. All monies paid by the Lender to an encumbrancer in settlement of any of those accounts shall, as from its payment by the Lender, be due from the Borrower to the Lender and shall bear interest at the

rate of interest specified in the Loan Note Instrument and be secured as part of the Secured Liabilities

13.5 Protection of third parties

No purchaser, mortgagee or other person dealing with the Lender, any Receiver or Delegate shall be concerned to enquire

13 5 1 whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged,

13 5 2 whether any power the Lender, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable, or

13 5 3 how any money paid to the Lender, any Receiver or any Delegate is to be applied

13.6 Privileges

The Lender and each Receiver is entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers

13.7 No liability as mortgagee in possession

Neither the Lender, any Receiver, any Delegate nor any Administrator shall be liable, by reason of entering into possession of a Security Asset or for any other reason, to account as mortgagee in possession in respect of all or any of the Secured Assets, nor shall any of them be liable for any loss on realisation of, or for any act, neglect or default of any nature in connection with, all or any of the Secured Assets for which a mortgagee in possession might be liable as such

13.8 Conclusive discharge to purchasers

The receipt of the Lender, or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Secured Assets or in making any acquisition in the exercise of their respective powers, the Lender, and every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit

13 9 Right of appropriation

13 9 1 To the extent that

13 9 1 1 the Secured Assets constitute Financial Collateral, and

13 9 1 2 this Deed and the obligations of the Borrower under it constitute a Security Financial Collateral Arrangement,

the Lender shall have the right, at any time after the security constituted by this Deed has become enforceable, to appropriate all or any of those Secured Assets in or towards the payment or discharge of the Secured Liabilities in any order that the Lender may, in its absolute discretion, determine

13 9 2 The value of any Secured Assets appropriated in accordance with this clause shall be

13 9 2 1 in the case of cash, the amount standing to the credit of each of the Borrower's accounts with any bank, financial institution or other person, together with all interest accrued but unposted, at the time the right of appropriation is exercised, and

13 9 2 2 in the case of Investments, the price of those Investments at the time the right of appropriation is exercised as listed on any recognised market index or determined by any other method that the Lender may select (including independent valuation)

13 9 3 The Borrower agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations

14. RECEIVER

14.1 Appointment

At any time after the security constituted by this Deed has become enforceable, or at the request of the Borrower, the Lender may, without further notice, appoint by way of deed, or otherwise in writing, any one or more persons to be a Receiver of all or any part of the Secured Assets

14.2 Removal

The Lender may, without further notice (subject to section 45 of the Insolvency Act 1986 in the case of an administrative receiver), from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever the Lender determines, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated

14.3 Remuneration

The Lender may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925, and the remuneration of the Receiver shall be a debt secured by this Deed, which shall be due and payable immediately on its being paid by the Lender

14.4 Power of appointment additional to statutory powers

The power to appoint a Receiver conferred by this Deed shall be in addition to all statutory and other powers of the Lender under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise

14 5 Power of appointment exercisable despite prior appointments

The power to appoint a Receiver (whether conferred by this Deed or by statute) shall be, and remain, exercisable by the Lender despite any prior appointment in respect of all or any part of the Secured Assets

14.6 Agent of the Borrower

Any Receiver appointed by the Lender under this Deed shall be the agent of the Borrower and the Borrower shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each Receiver shall continue until the Borrower goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Lender.

15. POWERS OF RECEIVER

15.1 General

15.1.1 Any Receiver appointed by the Lender under this Deed shall, in addition to the powers conferred on him by statute, have the powers set out in clause 15.2 to clause 15.5.

15.1.2 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.

15.1.3 Any exercise by a Receiver of any of the powers given by clause 15 may be on behalf of the Borrower, the directors of the Borrower (in the case of the power contained in clause 15.6) or himself.

15.2 Repair and develop Properties

A Receiver may undertake or complete any works of repair, building or development on the Properties and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

15.3 Surrender leases

A Receiver may grant, or accept surrenders of, any leases or tenancies affecting any Property and may grant any other interest or right over any Property on any terms, and subject to any conditions, that he thinks fit.

15.4 Employ personnel and advisors

A Receiver may provide services and employ or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that he thinks fit. A Receiver may discharge any such person or any such person appointed by the Borrower.

15.5 Make VAT elections

A Receiver may make, exercise or revoke any value added tax option to tax as he thinks fit.

15.6 Remuneration

A Receiver may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) that the Lender may prescribe or agree with him

15.7 Realise Secured Assets

A Receiver may collect and get in the Secured Assets or any part of them in respect of which he is appointed, and make any demands and take any proceedings as may seem expedient for that purpose, and take possession of the Secured Assets with like rights, including in relation to the Contractual Rights

15.8 Manage or reconstruct the Borrower's business

A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Borrower

15.9 Dispose of Secured Assets

A Receiver may sell, exchange, convert into money and realise all or any of the Secured Assets in respect of which he is appointed in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as he thinks fit Any sale may be for any consideration that the Receiver thinks fit and a Receiver may promote, or concur in promoting, a company to purchase the Secured Assets to be sold

15.10 Sever fixtures and fittings

A Receiver may sever and sell separately any fixtures or fittings from any Property without the consent of the Borrower

15.11 Sell Book Debts

A Receiver may sell and assign all or any of the Book Debts in respect of which he is appointed in any manner, and generally on any terms and conditions, that he thinks fit

15.12 Valid receipts

A Receiver may give valid receipt for all monies and execute all assurances and things that may be proper or desirable for realising any of the Secured Assets

15.13 Make settlements

A Receiver may make any arrangement, settlement or compromise between the Borrower and any other person that he may think expedient

15.14 Bring proceedings

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Secured Assets as he thinks fit

15.15 Improve the Equipment

A Receiver may make substitutions of, or improvements to, the Equipment as he may think expedient

15.16 Make calls on Borrower members

A Receiver may make calls conditionally or unconditionally on the members of the Borrower in respect of uncalled capital with (for that purpose and for the purpose of enforcing payments of any calls so made) the same powers as are conferred by the articles of association of the Borrower on its directors in respect of calls authorised to be made by them

15.17 Insurance

A Receiver may, if he thinks fit, but without prejudice to the indemnity in clause 18, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Borrower under this Deed

15.18 Powers under the LPA 1925

A Receiver may exercise all powers provided for in the LPA 1925 in the same way as if he had been duly appointed under the LPA 1925, and exercise all powers provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986

15.19 Borrow

A Receiver may, for any of the purposes authorised by this clause 15, raise money by borrowing from the Lender (or from any other person) either unsecured or on the security of all or any of the Secured Assets in respect of which he is appointed on any terms that he thinks fit (including, if the Lender consents, terms under which that security ranks in priority to this Deed)

15.20 Redeem prior Security

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

15.21 Delegation

A Receiver may delegate his powers in accordance with this Deed

15.22 Absolute beneficial owner

A Receiver may, in relation to any of the Secured Assets, exercise all powers, authorisations and rights he would be capable of exercising, and do all those acts and things, as an absolute beneficial owner could exercise or do in the ownership and management of the Secured Assets or any part of the Secured Assets

15.23 Incidental powers

A Receiver may do any other acts and things that he

15 23 1 may consider desirable or necessary for realising any of the Secured Assets,

15 23 2 may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this Deed or law, or

15 23 3 lawfully may or can do as agent for the Borrower

16. DELEGATION

16.1 Delegation

The Lender or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this Deed (including the power of attorney granted under clause 20 1)

16.2 Terms

The Lender and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that it thinks fit

16.3 Liability

Neither the Lender nor any Receiver shall be in any way liable or responsible to the Borrower for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate

17. APPLICATION OF PROCEEDS

17.1 Order of application of proceeds

All monies received by the Lender, a Receiver or a Delegate pursuant to this Deed, after the security constituted by this Deed has become enforceable, shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority

17 1 1 in or towards payment of or provision for all costs, charges and expenses incurred by or on behalf of the Lender (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this Deed, and of all remuneration due to any Receiver under or in connection with this Deed,

17 1 2 in or towards payment of or provision for the Secured Liabilities in any order and manner that the Lender determines, and

17 1 3 in payment of the surplus (if any) to the Borrower or other person entitled to it

17.2 Appropriation

Neither the Lender, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, 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

17.3 Suspense account

All monies received by the Lender, a Receiver or a Delegate under this Deed

17.3.1 may, at the discretion of the Lender, Receiver or Delegate, be credited to any suspense or securities realised account,

17.3.2 shall bear interest, if any, at the rate agreed in writing between the Lender and the Borrower, and

17.3.3 may be held in that account for so long as the Lender, Receiver or Delegate thinks fit

18. COSTS AND INDEMNITY

18.1 Costs

The Borrower shall, promptly within five Business Days of demand, pay to, or reimburse, the Lender and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Lender, any Receiver or any Delegate in connection with

18.1.1 this Deed or the Secured Assets,

18.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's, a Receiver's or a Delegate's rights under this Deed, or

18.1.3 taking proceedings for, or recovering, any of the Secured Liabilities,

together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost or expense arose until full discharge of that cost or expense (whether before or after judgment, liquidation, winding up or administration of the Borrower) at the rate and in the manner specified in the Loan Note Instrument

18.2 Indemnity

The Borrower shall indemnify the Lender, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with

- 18 2 1 the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this Deed or by law in respect of the Secured Assets,
- 18 2 2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this Deed, or
- 18 2 3 any default or delay by the Borrower in performing any of its obligations under this Deed

Any past or present employee or agent may enforce the terms of this clause 18 2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999

19 FURTHER ASSURANCE

- 19 1 The Borrower shall, at its own expense, take whatever action the Lender or any Receiver may reasonably require for
 - 19 1 1 creating, perfecting or protecting the security intended to be created by this Deed,
 - 19 1 2 facilitating the realisation of any Secured Asset, or
 - 19 1 3 facilitating the exercise of any right, power, authority or discretion exercisable by the Lender or any Receiver in respect of any Secured Asset,
- 19 2 including, without limitation (if the Lender or Receiver thinks it expedient) the execution of any transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Secured Assets (whether to the Lender or to its nominee) and the giving of any notice, order or direction and the making of any registration

20. POWER OF ATTORNEY

20.1 Appointment of attorneys

By way of security, the Borrower irrevocably appoints the Lender, every Receiver and every Delegate separately to be the attorney of the Borrower and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things that

- 20 1 1 the Borrower is required to execute and do under this Deed, or
- 20 1 2 any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this Deed or by law on the Lender, any Receiver or any Delegate

20.2 Ratification of acts of attorneys

The Borrower ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise,

of all or any of the rights, powers, authorities and discretions referred to in clause 20 1

21. RELEASE

21 1 Subject to clause 28 3, on the expiry of the Security Period (but not otherwise), the Lender shall, at the request and cost of the Borrower, take whatever action is necessary to

21 1 1 release the Secured Assets from the security constituted by this Deed, and

21 1 2 reassign the Secured Assets to the Borrower

22. ASSIGNMENT AND TRANSFER

22.1 Assignment by Lender

22 1 1 At any time, without the consent of the Borrower, the Lender may assign or transfer any or all of its rights and obligations under this Deed

22 1 2 The Lender may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Borrower, the Secured Assets and this Deed that the Lender considers appropriate, provided the recipient of the information has entered into an obligation to keep such information confidential

22.2 Assignment by Borrower

The Borrower may not assign any of its rights, or transfer any of its rights or obligations, under this Deed

23. SET-OFF

23 1 Lender's right of set-off

The Lender may at any time set off any liability of the Borrower to the Lender against any liability of the Lender to the Borrower, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this Deed. If the liabilities to be set off are expressed in different currencies, the Lender may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Lender of its rights under this clause 23 shall not limit or affect any other rights or remedies available to it under this Deed or otherwise.

23.2 No obligation to set off

The Lender is not obliged to exercise its rights under clause 23 1. If, however, it does exercise those rights it must promptly notify the Borrower of the set-off that has been made.

23.3 Exclusion of Borrower's right of set-off

All payments made by the Borrower to the Lender under this Deed shall be made without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

24. AMENDMENTS, WAIVERS AND CONSENTS

24.1 Amendments

No amendment of this Deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative)

24.2 Waivers and consents

24 2 1 A waiver of any right or remedy under this Deed or by law, or any consent given under this Deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.

24 2 2 A failure to exercise, or a delay in exercising, any right or remedy provided under this Deed or by law shall not constitute 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 this Deed. No single or partial exercise of any right or remedy provided under this Deed or by law shall prevent or restrict the further exercise of that or any other right or remedy.

24.3 Rights and remedies

The rights and remedies provided under this Deed are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

25. SEVERANCE

If any provision (or part of a provision) of this Deed is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this Deed.

26. COUNTERPARTS

26 1 This Deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.

26 2 Transmission of an executed counterpart of this Deed (but for the avoidance of doubt not just a signature page) by fax or email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this Deed. If either method of delivery is adopted, without prejudice to the validity of the deed thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.

26 3 No counterpart shall be effective until each party has executed and delivered at least one counterpart.

27. THIRD PARTY RIGHTS

- 27 1 Except as expressly provided in this Deed, a person who is not a party to this Deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this Deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.
- 27 2 The rights of the parties to rescind or agree any amendment or waiver under this Deed are not subject to the consent of any other person.

28. FURTHER PROVISIONS

28.1 Independent security

The security constituted by this Deed shall be in addition to, and independent of, any other security or guarantee that the Lender may hold for any of the Secured Liabilities at any time. No prior security held by the Lender over the whole or any part of the Secured Assets shall merge in the security created by this Deed.

28 2 Continuing security

The security constituted by this Deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Lender discharges this Deed in writing.

28.3 Discharge conditional

Any release, discharge or settlement between the Borrower and the Lender shall be deemed conditional on no payment or security received by the Lender in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:

28 3 1 the Lender or its nominee may retain this Deed and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Lender deems necessary to provide the Lender with security against any such avoidance, reduction or order for refund, and

28 3 2 the Lender may recover the value or amount of such security or payment from the Borrower subsequently as if the release, discharge or settlement had not occurred.

28.4 Certificates

A certificate or determination by the Lender as to any amount for the time being due to it from the Borrower under this Deed and the Loan Note Instrument shall be, in the absence of any manifest error, conclusive evidence of the amount due.

28 5 Consolidation

The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this Deed.

28.6 Small company moratorium

Notwithstanding anything to the contrary in this Deed, neither the obtaining of a moratorium by the Borrower under schedule A1 to the Insolvency Act 1986 nor the doing of anything by the Borrower with a view to obtaining such a moratorium (including any preliminary decision or investigation) shall be, or be construed as

28 6 1 an event under this Deed which causes any floating charge created by this Deed to crystallise,

28 6 2 an event under this Deed which causes any restriction which would not otherwise apply to be imposed on the disposal of any property by the Borrower, or

28 6 3 a ground under this Deed for the appointment of a Receiver

29. NOTICES

29.1 Delivery

Each notice or other communication required to be given to a party under or in connection with this Deed shall be in writing delivered by hand, by pre-paid first-class post or other next working day delivery service or sent by fax, and sent to the parties at their respective addresses as stated in this Deed or to any other address or fax number as is notified in writing by one party to the other from time to time

29.2 Receipt of Notices

Any notice or other communication under this Deed shall be deemed to have been received

29 2 1 if delivered by hand, at the time it is left at the relevant address,

29 2 2 if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting, and

29 2 3 if sent by fax, when received in legible form

A notice or other communication given as described in clause 29 2 1 or clause 29 2 3 on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day

29 3 Service of proceedings

This clause 29 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution

29.4 No notice by email

A notice or other communication given under or in connection with this Deed is not valid if sent by email

30. GOVERNING LAW AND JURISDICTION

30.1 Governing law

This Deed and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales

30.2 Jurisdiction

Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this Deed or its subject matter or formation (including non-contractual disputes or claims) Nothing in this clause shall limit the right of the Lender to take proceedings against the Borrower in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction

IN WITNESS WHEREOF THIS DOCUMENT HAS BEEN EXECUTED AND DELIVERED AS A DEED ON THE DATE FIRST STATED ABOVE.

Executed as a deed by
DENMARK SQUARE LIMITED acting
by its duly authorised director
NICOLA HORLICK
in the presence of

)
)
) *Nicola Horlick*
)
Director

Witness

Signature

[Signature]

Name

RICKY ANAND

Address

302 LONDON RD

SLOUGH, BERKS

SL3 7HU

Occupation

Credit Analyst

Executed as a deed by
REDCREST ENTERPRISES LIMITED
acting by its duly authorised director
STEPHEN EDKINS
in the presence of

)
)
)
)
Director

Witness

Signature

Name

Address

Occupation

)
)
)
)
Director

Occupation

Shl SL
Director

Address

Occupation