



Registration of a Charge

Company name: **BOOTH BROTHERS ENERGY LIMITED**

Company number: **08653731**



X6J57T6I

Received for Electronic Filing: **13/11/2017**

Details of Charge

Date of creation: **09/11/2017**

Charge code: **0865 3731 0005**

Persons entitled: **OCTOPUS ADMINISTRATIVE SERVICES LIMITED**

Brief description: **NONE**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

SHAKESPEARE MARTINEAU LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8653731

Charge code: 0865 3731 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 9th November 2017 and created by BOOTH BROTHERS ENERGY LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 13th November 2017 .

Given at Companies House, Cardiff on 15th November 2017

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED 9 November **2017**

- (1) WINNIPEG HEAT LIMITED
- (2) CASPIAN HEAT LIMITED
- (3) BOOTH BROTHERS ENERGY LIMITED
- (4) OCTOPUS ADMINISTRATIVE SERVICES LIMITED

DEBENTURE AND GUARANTEE

We hereby certify this to be a true
and accurate copy of the original

Shakespeare Martineau LLP
No 1 Colmore Square
Birmingham B4 6AA *Shakespeare Martineau LLP.*

Dated: 13 November 2017.

 **SHAKESPEAREMARTINEAU**

Ref: KXP/PGM/377404.239

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THIS DEED is dated

9 November

2017

PARTIES

- (1) **WINNIPEG HEAT LIMITED** incorporated and registered in England and Wales with company number 07971262 whose registered office is at 6th Floor 33 Holborn, London EC1N 2HT ("**ADCo**");
- (2) **CASPIAN HEAT LIMITED** incorporated and registered in England and Wales with company number 07971255 whose registered office is at 6th Floor 33 Holborn, London EC1N 2HT ("**MidCo**");
- (3) **BOOTH BROTHERS ENERGY LIMITED** incorporated and registered in England and Wales with company number 8653731 whose registered office is at 6th Floor 33 Holborn, London EC1N 2HT ("**ProjectCo**"); and
- (4) **OCTOPUS ADMINISTRATIVE SERVICES LIMITED** incorporated and registered in England and Wales with company number 03974202 whose registered office is at 6th Floor 33 Holborn, London EC1N 2HT as agent and security trustee for itself and each of the other Secured Parties (as defined below) (the "**Security Trustee**").

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 each Chargor pursuant to clause 14.9.

"Book Debts" all present and future book and other debts, and monetary claims due or owing to each Chargor, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by each Chargor in relation to any of them.

"Business Day" a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London.

"Chargors" means each of ADco, MidCo and ProjectCo.

"Delegate" any person appointed by the Security Trustee or any Receiver pursuant to clause 19 and any person appointed as attorney of the Security Trustee, Receiver or Delegate.

"Designated Account" any account of the Chargors nominated by the Security Trustee 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 each Chargor, including any part of it and all spare parts, replacements, modifications and additions.

"Enforcement Event" means in relation to any Chargor any of the following:

- (a) any Chargor is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;
- (b) the value of the assets of any Chargor is less than its liabilities (taking into account contingent and prospective liabilities);
- (c) a moratorium is declared in respect of any Chargor;
- (d) any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Chargor other than a solvent liquidation or reorganisation of any Chargor;
 - (ii) a composition, compromise, assignment or arrangement with any Chargor;
 - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any Chargor or any of its assets;
 - (iv) enforcement of any Security over any assets of any Chargor;
 - (v) any analogous procedure or step is taken in any jurisdiction; or
- (e) a Chargor defaults in the payment on the due date of any money which may have become due from it to the Security Trustee (whether for its own account or as agent or security trustee for the Secured Parties) or to any of the Secured Parties unless its failure to pay is caused solely by an administrative error or technical problem and payment is made within three Business Days of its due date.

"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 (*SI 2003/3226*).

"Incapacity" means, in relation to a person, the insolvency, liquidation, dissolution, winding-up, administration, receivership, or other incapacity or any analogous proceeding of or in relation to that person whatsoever.

"Insurance Policy" each contract and policy of insurance effected or maintained by each Chargor from time to time in respect of its assets or business (including, without limitation, any insurances relating to the Properties or the Equipment).

"Intellectual Property" each Chargors' present and future patents, trade marks, service marks, trade names, designs, copyrights, inventions, topographical or similar rights, 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.

"Intercreditor Agreement" means each intercreditor or priority agreement or deed entered into or to be entered into between the Security Trustee and any other person for the purposes of detailing the appointment of the Security Trustee as security trustee

for the purposes of this Deed and ranking the priority of the Secured Liabilities between the Secured Parties.

"Investment Agreement" means each investment agreement entered into or to be entered into between a Chargor and a Secured Party and as amended from time to time.

"Investments" 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 each Chargor, including any:

- (a) dividend, interest or other distribution paid or payable in relation to any of the Investments; and
- (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.

"Limitation Act" means the Limitation Act 1980.

"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 each Chargor, or in which a Chargor holds an interest (including, but not limited to, the properties specified in Schedule 1), and **Property** means any of them.

"Receiver" a receiver, receiver and manager or administrative receiver of any or all of the Secured Assets appointed by the Security Trustee under clause 17.

"Relevant Agreement" each agreement specified in Schedule 2.

"Secured Assets" all the assets, property and undertaking for the time being subject to the Security created by, or pursuant to, this Deed.

"Secured Liabilities" all present and future monies, obligations and liabilities owed by each Chargor to the Security Trustee (whether for its own account or as agent or security trustee for the Secured Parties) or to any of the Secured Parties (whether or not the Security Trustee or Secured Parties shall have been an original party to the relevant transaction or agreement under which any such liability arises or purports to arise), whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, together with all interest (including, without limitation, default interest) accruing in respect of those monies or liabilities.

"Secured Parties" means the Security Trustee and each other party to the Intercreditor Agreement as a Senior Lender (as defined in the Intercreditor Agreement) and **"Secured Party"** shall mean any of them.

"Security Financial Collateral Arrangement" shall have the meaning given to that expression in the Financial Collateral Regulations.

"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 Period" the period starting on the date of this Deed and ending on the date on which the Security Trustee 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:

- (a) reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force for the time being, taking account of any amendment or re-enactment or extension and includes any former statute, statutory provision or subordinate legislation which it amends or re-enacts;
- (b) unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- (c) unless the context otherwise requires, words in the singular include the plural and in the plural include the singular;
- (d) a reference to a clause or Schedule is to a clause of, or Schedule to, this Deed, unless the context otherwise requires;
- (e) a reference to **this Deed** (or any provision of it) or any other document shall be construed as a reference to this Deed, that provision or that document as it is in force for the time being and as amended in accordance with its terms or with the agreement of the relevant parties;
- (f) a reference to a **person** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, or any state or any agency of any person;
- (g) a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and **amended** shall be construed accordingly);
- (h) a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- (i) a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- (j) 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;
- (k) a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the discretion of the person making it;
- (l) a reference to a **Chargor**, the **Security Trustee** or the **Secured Parties** shall include its successors, permitted transferees and permitted assigns; and
- (m) clause and schedule headings shall not affect the interpretation of this Deed.

1.3 Inconsistency

If there is any conflict or an inconsistency between any provisions of this Deed, any provision of an Investment Agreement and any provision of the Intercreditor Agreement, the provisions of the Investment Agreements will prevail and thereafter the Investment Agreements will prevail.

1.4 Clawback

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

1.5 Joint and several Chargors

Where two or more persons purport to create Security over a Secured Asset under this Deed then:

- (a) they (or such of them as have the joint interest in the relevant Secured Asset) shall be deemed to have jointly mortgaged, charged and/or assigned, as appropriate, their joint interest in the relevant Secured Asset;
- (b) each person shall be deemed to have mortgaged, charged and/or assigned, as appropriate, its individual interest (if any) in the relevant Secured Asset; and
- (c) each person shall be deemed to have confirmed the Security granted by the others.

1.6 Nature of security over real property

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

- (a) 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;
- (b) 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;
- (c) the benefit of any covenants for title given, or entered into, by any predecessor in title of the relevant Chargor in respect of that Property, and any monies paid or payable in respect of those covenants; and
- (d) all rights under any licence, agreement for sale or agreement for lease in respect of that Property.

1.7 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 an agreement evidencing the Secured Liabilities (including but not limited to the Investment Agreement) and of any side letters between any parties in relation to such agreements are incorporated into this Deed.

1.8 Third party rights

Save as expressly provided in clause 21.2, a person who is not a party to this Deed (other than a permitted successor or assign, any Receiver or any Delegate) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.

1.9 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).

1.10 Schedules

The Schedules form part of this Deed and shall have effect as if set out in full in the body of this Deed. Any reference to this Deed includes the Schedules.

2 COVENANT TO PAY

Each Chargor shall, on demand, pay to the Security Trustee (for the benefit of and as agent and security trustee for itself and each of the other Secured Parties) and discharge the Secured Liabilities when they become due.

3 CHARGOR AS PRINCIPAL DEBTOR AND INDEMNITY

As a separate and independent stipulation, the Chargors agrees that if any purported obligation or liability of any Chargor which would have been the subject of this Deed had it been valid and enforceable is not or ceases to be valid or enforceable against that Chargor on any ground whatsoever whether or not known to the Security Trustee or any other Secured Party (including, without limitation, any irregular exercise or absence of any corporate power or lack of authority of, or breach of duty by, any person purporting to act on behalf any Chargor or any legal or other limitation, whether under the Limitation Act or otherwise or any disability or Incapacity or any change in the constitution of any Chargor), the Chargors shall nevertheless be liable to the Security Trustee and each of the other Secured Parties in respect of that purported obligation or liability as if the same were fully valid and enforceable and the Chargors were the principal debtors in respect thereof. As an original and independent obligation, the Chargors hereby agree to keep the Security Trustee and each other Secured Party fully indemnified on demand against all damages, losses, costs and expenses arising from any failure of any Chargor to perform or discharge any such purported obligation or liability or resulting from any of the obligations of any Chargor in respect of any Secured Liabilities being or becoming void or voidable or unenforceable or ineffective against any Chargor (including all expenses incurred by the Security Trustee or any other Secured Party in preserving or enforcing or attempting to preserve and enforce its rights under this Deed).

4 GRANT OF SECURITY

4.1 Legal mortgage

As a continuing security for the payment and discharge of the Secured Liabilities, each Chargor with full title guarantee charges to the Security Trustee (for the benefit of and as agent and security trustee for itself and each of the other Secured Parties), by way of first legal mortgage, each Property specified in Schedule 1 (if any).

4.2 Fixed charges

As a continuing security for the payment and discharge of the Secured Liabilities, each Chargor with full title guarantee charges to the Security Trustee by way of first fixed charge:

- (a) all Properties acquired by each Chargor in the future;
- (b) all present and future interests of each Chargor not effectively mortgaged or charged under the preceding provisions of this clause 4 in, or over, freehold or leasehold property;
- (c) all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to each Property;
- (d) all licences, consents and authorisations (statutory or otherwise) held or required in connection with each Chargor's business or the use of any Secured Asset, and all rights in connection with them;
- (e) all its present and future goodwill;
- (f) all its uncalled capital;
- (g) all the Equipment;
- (h) all the Intellectual Property;
- (i) all the Book Debts;
- (j) all the Investments; and

- (k) 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).

4.3 Assignment

As a continuing security for the payment and discharge of the Secured Liabilities, each Chargor with full title guarantee assigns to the Security Trustee (for the benefit of and as agent and security trustee for itself and each of the other Secured Parties) absolutely, subject to a proviso for reassignment on Irrevocable discharge in full of the Secured Liabilities:

- (a) 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
- (b) the benefit of all agreement (including but not limited to the Relevant Agreement) and the benefit of any guarantee or security for the performance of any agreements.

4.4 Floating charge

As a continuing security for the payment and discharge of the Secured Liabilities, each Chargor with full title guarantee charges to the Security Trustee (for the benefit of and as agent and security trustee for itself and each of the other Secured Parties), by way of first floating charge, all the undertaking, property, assets and rights of each Chargor at any time not effectively mortgaged, charged or assigned pursuant to clause 4.1 to clause 4.3 inclusive.

4.5 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 4.4.

4.6 Automatic crystallisation of floating charge

The floating charge created by clause 4.4 shall automatically and immediately (without notice) be converted into a fixed charge over the assets subject to that floating charge if:

- (a) a Chargor:
 - (i) creates, or attempts to create, without the prior written consent of the Security Trustee, 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
 - (ii) disposes, or attempts to dispose of, all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains uncrystallised);
- (b) any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets; or
- (c) a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of a Chargor.

4.7 Crystallisation of floating charge by notice

The Security Trustee may, in its sole discretion, at any time and by written notice to the Chargors, convert the floating charges created under this Deed into a fixed charge as regards any part of the Secured Assets specified by the Security Trustee in that notice.

4.8 Assets acquired after any floating charge has crystallised

Any asset acquired by the Chargors 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 Security Trustee confirms otherwise to the Chargors in writing) be charged to the Security Trustee by way of first fixed charge.

5 LIABILITY OF EACH CHARGOR

5.1 Liability not discharged

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

- (a) any security, guarantee, indemnity, remedy or other right held by, or available to, the Security Trustee that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- (b) the Security Trustee 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
- (c) any other act or omission that, but for this clause 5.1, might have discharged, or otherwise prejudiced or affected, the liability of the Chargors.

5.2 Immediate recourse

Each Chargor waives any right it may have to require the Security Trustee to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this Deed against a Chargor.

6 REPRESENTATIONS AND WARRANTIES

6.1 Representations and warranties

Each Chargor makes the representations and warranties set out in this clause 6 to the Security Trustee in respect of itself.

6.2 Ownership of Secured Assets

It is the legal and beneficial owner of the Secured Assets.

6.3 No Security

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

6.4 No adverse claims

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

6.5 No adverse covenants

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

6.6 No breach of laws

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

6.7 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.

6.8 No overriding interests

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

6.9 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 each Chargor or otherwise.

6.10 No prohibitions or breaches

There is no prohibition on assignment in any Insurance Policy or Relevant Agreement and the entry into this Deed by each Chargor does not, and will not, constitute a breach of any Insurance Policy, Relevant Agreement or any other agreement or Instrument binding on each Chargor or its assets.

6.11 Environmental compliance

It has, at all times, complied in all material respects with all applicable Environmental Law.

6.12 Enforceable security

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

6.13 Investments

- (a) The Investments are fully paid and are not subject to any option to purchase or similar rights.
- (b) No constitutional document of an issuer of an Investment, nor any other agreement:
 - (i) restricts or inhibits any transfer of the Investments on creation or enforcement of the security constituted by this Deed; or
 - (ii) contains any rights of pre-emption in relation to the Investments.

6.14 Times for making representations and warranties

The representations and warranties set out in clause 6.2 to clause 6.13 are made by each Chargor on the date of this Deed and on each day of the Security Period with reference to the facts and circumstances existing at the time of repetition.

7 GENERAL COVENANTS

7.1 Negative pledge and disposal restrictions

Each Chargor shall not at any time, except with the prior written consent of the Security Trustee:

- (a) 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;

- (b) 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
- (c) create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party.

7.2 Preservation of Secured Assets

Each Chargor shall not 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 Trustee, or materially diminish the value of any of the Secured Assets or the effectiveness of the security created by this Deed.

7.3 Compliance with laws and regulations

- (a) Each Chargor shall not, without the Security Trustee's prior written consent, use or permit the Secured Assets to be used in any way contrary to law.
- (b) Each Chargor shall:
 - (i) 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;
 - (ii) 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
 - (iii) 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.

7.4 Enforcement of rights

Each Chargor shall use its best endeavours to:

- (a) procure the prompt observance and performance of the covenants and other obligations imposed on each Chargor's counterparties (including each counterparty in respect of a Relevant Agreement and each insurer in respect of an Insurance Policy); and
- (b) enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets which the Security Trustee may require from time to time.

7.5 Notice of misrepresentation and breaches

Each Chargor shall, promptly on becoming aware of any of the same, give the Security Trustee notice in writing of:

- (a) any representation or warranty set out in this Deed that is incorrect or misleading in any material respect when made or deemed to be repeated; and
- (b) any breach of any covenant set out in this Deed.

7.6 Title documents

Each Chargor shall, as so required by the Security Trustee, deposit with the Security Trustee and the Security Trustee shall, for the duration of this Deed be entitled to hold:

- (a) all deeds and documents of title relating to the Secured Assets that are in the possession or control of the Chargors (and if these are not within the possession or control of the Chargors, each Chargor undertakes to obtain possession of all these deeds and documents of title);
- (b) all Insurance Policies and any other insurance policies relating to any of the Secured Assets that the Chargors is entitled to possess;
- (c) all deeds and documents of title (if any) relating to the Book Debts as the Security Trustee may specify from time to time; and
- (d) copies of all the Relevant Agreements, certified to be true copies by either a director of each Chargor or by the Chargors' solicitors.

7.7 Insurance

- (a) Each Chargor shall insure and keep insured (or where, in the case of any leasehold property, insurance is the responsibility of the landlord under the terms of the lease, either procure that the landlord insures and keeps insured or, if and to the extent that the landlord does not do so, itself insure and keep insured) the Secured Assets against:
 - (i) loss or damage by fire or terrorist acts;
 - (ii) other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Chargors; and
 - (iii) any other risk, perils and contingencies as the Security Trustee may reasonably require.

Any such insurance must be with an insurance company or underwriters, and on such terms, as are reasonably acceptable to the Security Trustee, and must be for not less than the replacement value of the Secured Assets.

- (b) Each Chargor shall, if requested by the Security Trustee, produce to the Security Trustee the policy, certificate or cover note relating to the insurance required by clause 7.7(a) (or where, in the case of any leasehold property, that insurance is effected by the landlord, such evidence of insurance as each Chargor is entitled to obtain from the landlord under the terms of the relevant lease).
- (c) Each Chargor shall, if requested by the Security Trustee, procure the Security Trustee is named as co-insured with the Chargors on each insurance policy maintained by it or any person on its behalf in accordance with clause 7.7(a) and that the terms of each insurance policy require the insurer not to invalidate the policy as against the Security Trustee 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 Security Trustee.

7.8 Insurance premiums

Each Chargor shall:

- (a) promptly pay all premiums in respect of each insurance policy maintained by it in accordance with clause 7.7(a) and do all other things necessary to keep that policy in full force and effect; and
- (b) (if the Security Trustee so requires) produce to, or deposit with, the Security Trustee the receipts for all premiums and other payments necessary for effecting and keeping up each insurance policy maintained by it in accordance with clause 7.7(a).

7.9 No Invalidation of Insurance

Each Chargor 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 7.7(a).

7.10 Proceeds of Insurance policies

All monies received or receivable by each Chargor under any insurance policy maintained by it in accordance with clause 7.7(a) (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:

- (a) immediately be paid to the Security Trustee;
- (b) If they are not paid directly to the Security Trustee by the insurers, be held by each Chargor as trustee of the same for the benefit of the Security Trustee (and each Chargor shall account for them to the Security Trustee); and
- (c) at the option of the Security Trustee, 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.

7.11 Notices to be given by each Chargor

Each Chargor shall immediately on the execution of this Deed (or, if later, the date of acquisition of the relevant Secured Asset) or promptly upon written request by the Security Trustee:

- (a) give notice to each insurer that it has assigned its rights and interest in and under each Insurance Policy under clause 4.3(a) and procure that each addressee of any such notice promptly provides within five Business Days to the Security Trustee an acknowledgement of the notice of the Security Trustee's interest;
- (b) give notice to each counterparty to a Relevant Agreement that it has assigned its rights and interest in and under that Relevant Agreement under clause 4.3(b) and procure that each addressee of any such notice promptly provides within five Business Days to the Security Trustee an acknowledgement of the notice of the Security Trustee's interest;
- (c) give notice to any bank, financial institution or other person (excluding the Security Trustee) with whom it has an account that it has charged to the Security Trustee its rights and interests under that account under clause 4.2(k) and procure that each addressee of any such notice promptly provides within five Business Days to the Security Trustee an acknowledgement of the notice of the Security Trustee's interest.

Each Chargor shall obtain the Security Trustee's prior approval of the form of any notice or acknowledgement to be used under this clause 7.11.

7.12 Information

Each Chargor shall:

- (a) give the Security Trustee such information concerning the location, condition, use and operation of the Secured Assets as the Security Trustee may require;
- (b) permit any persons designated by the Security Trustee 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

- (c) promptly notify the Security Trustee in writing of any action, claim or demand made by or against it in connection with any Secured Asset or of any fact, matter or circumstance which may, with the passage of time, give rise to such an action, claim or demand, together with, in each case, each Chargor's proposals for settling, liquidating, compounding or contesting any such action, claim or demand and shall, subject to the Security Trustee's prior approval, implement those proposals at its own expense.

7.13 Payment of outgoings

Each Chargor 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 Security Trustee.

7.14 Chargors' waiver of set-off

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

8 PROPERTY COVENANTS

8.1 Maintenance

Each Chargor shall keep all buildings and all fixtures on each Property in good and substantial repair and condition.

8.2 Preservation of Property, fixtures and Equipment

Each Chargor shall not, without the prior written consent of the Security Trustee:

- (a) pull down or remove the whole, or any part of, any building forming part of any Property or permit the same to occur;
- (b) 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
- (c) remove or make any material alterations to any of the Equipment belonging to, or in use by, the Chargors on any Property (except to effect necessary repairs or replace them with new or improved models or substitutes).

8.3 Conduct of business on Properties

Each Chargor 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.

8.4 Planning information

Each Chargor shall:

- (a) give full particulars to the Security Trustee 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
- (b) (if the Security Trustee so requires) immediately, and at the cost of the Chargors, take all reasonable and necessary steps to comply with any Planning Notice, and make, or join with the Security Trustee in making, any objections or representations in respect of that Planning Notice that the Security Trustee may desire.

8.5 Compliance with covenants and payment of rent

Each Chargor shall:

- (a) 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 Security Trustee so requires) produce evidence sufficient to satisfy the Security Trustee that those covenants, stipulations and conditions have been observed and performed;
- (b) 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
- (c) (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.

8.6 Payment of rent and outgoings

Each Chargor shall:

- (a) where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time; and
- (b) 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.

8.7 Maintenance of interests in Properties

Each Chargor shall not, without the prior written consent of the Security Trustee:

- (a) 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
- (b) 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.

8.8 Registration restrictions

If the title to any Property is not registered at the Land Registry, each Chargor 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 Security Trustee. Each Chargor shall be liable for the costs and expenses of the Security Trustee in lodging cautions against the registration of the title to the whole or any part of any Property from time to time.

8.9 Development restrictions

Each Chargor shall not, without the prior written consent of the Security Trustee:

- (a) 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
- (b) 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.

8.10 Environment

Each Chargor shall:

- (a) 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
- (b) obtain and comply with all authorisations, permits and other types of licences necessary under Environmental Law.

8.11 No restrictive obligations

Each Chargor shall not, without the prior written consent of the Security Trustee, 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.

8.12 Proprietary rights

Each Chargor 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 Security Trustee.

8.13 Inspection

Each Chargor shall permit the Security Trustee, any Receiver and any person appointed by either of them to enter on and inspect any Property on reasonable prior notice.

8.14 Property information

Each Chargor shall inform the Security Trustee promptly of any acquisition by that Chargor of, or contract made by that Chargor to acquire, any freehold, leasehold or other interest in any property.

8.15 VAT option to tax

Each Chargor shall not, without the prior written consent of the Security Trustee:

- (a) exercise any VAT option to tax in relation to any Property; or
- (b) revoke any VAT option to tax exercised, and disclosed to the Security Trustee, before the date of this Deed.

8.16 Registration at the Land Registry

Each Chargor consents to an application being made by the Security Trustee to the Land Registrar for the following restriction in Form P to be registered against its title to each Property:

"No disposition of the registered estate by the proprietor of the registered estate [or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction] is to be registered without a written consent signed by the proprietor for the time being of the charge dated [DATE] in favour of [NAME OF PARTY] referred to in the charges register [or [their conveyancer or specify appropriate details]]."

9 INVESTMENTS COVENANTS

9.1 Deposit of title documents

- (a) Each Chargor shall:

- (i) on the execution of this Deed or promptly on the written request of the Security Trustee, deposit with the Security Trustee all stock or share certificates and other documents of title or evidence of ownership relating to any Investments owned by that Chargor at that time; and
 - (ii) on the purchase or acquisition by it of Investments after the date of this Deed, deposit with the Security Trustee all stock or share certificates and other documents of title or evidence of ownership relating to those Investments upon written request by the Security Trustee.
- (b) At the same time as depositing documents with the Security Trustee in accordance with clause 9.1(a)(i) or clause 9.1(a)(ii), each Chargor shall also deposit with the Security Trustee:
 - (i) all stock transfers forms relating to the relevant Investments duly completed and executed by or on behalf of that Chargor, but with the name of the transferee, the consideration and the date left blank; and
 - (ii) any other documents (in each case duly completed and executed by or on behalf of that Chargor) that the Security Trustee may request in order to enable it or any of its 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 Security Trustee may, at any time and without notice to the Chargors, complete and present those stock transfer forms and other documents to the Issuer of the Investments for registration.

9.2 Nominations

- (a) Each Chargor shall terminate with immediate effect all nominations it may have made (including, without limitation, any nomination made under section 145 or section 146 of the Companies Act 2006) in respect of any Investments and, pending that termination, procure that any person so nominated:
 - (i) does not exercise any rights in respect of any Investments without the prior written approval of the Security Trustee; and
 - (ii) immediately on receipt by it, forward to the Security Trustee all communications or other information received by it in respect of any Investments for which it has been so nominated.
- (b) Each Chargor shall not, during the Security Period, exercise any rights (including, without limitation, any rights under sections 145 and 146 of the Companies Act 2006) to nominate any person in respect of any of the Investments.

9.3 Additional registration obligations

Each Chargor shall:

- (a) obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of an issuer, for the transfer of the Investments to the Security Trustee or its nominee, or to a purchaser on enforcement of this Deed; and
- (b) 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 in any manner that the Security Trustee may require in order to permit the transfer of

the Investments to the Security Trustee or its nominee, or to a purchaser on enforcement of this Deed.

9.4 Dividends and voting rights before enforcement

- (a) Before the security constituted by this Deed becomes enforceable, each Chargor 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 Security Trustee or any of its nominees, the Security Trustee will hold all those dividends, interest and other monies received by it for each Chargor and will pay them to each Chargor promptly on request; and
- (b) before the security constituted by this Deed becomes enforceable, each Chargor may exercise all voting and other rights and powers in respect of the Investments or, if any of the same are exercisable by the Security Trustee of any of its nominees, to direct in writing the exercise of those voting and other rights and powers provided that:
 - (i) it shall not do so in any way that would breach any provision of this Deed or for any purpose inconsistent with this Deed; and
 - (ii) the exercise of, or the failure to exercise, those voting rights or other rights and powers would not, in the Security Trustee's opinion, have an adverse effect on the value of the Investments or otherwise prejudice the Security Trustee's security under this Deed.
- (c) Each Chargor shall indemnify the Security Trustee against any loss or liability incurred by the Security Trustee (or its nominee) as a consequence of the Security Trustee (or its nominee) acting in respect of the Investments at the direction of that Chargor.
- (d) The Security Trustee 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 Security Trustee considers prejudicial to, or impairing the value of, the security created by this Deed.

9.5 Dividends and voting rights after enforcement

After the security constituted by this Deed has become enforceable:

- (a) all dividends and other distributions paid in respect of the Investments and received by the Chargors shall be held by the Chargors on trust for the Security Trustee and immediately paid into a Designated Account or, if received by the Security Trustee, shall be retained by the Security Trustee; and
- (b) all voting and other rights and powers attaching to the Investments shall be exercised by, or at the direction of, the Security Trustee and each Chargor shall, and shall procure that its nominees shall, comply with any directions the Security Trustee may give, in its absolute discretion, concerning the exercise of those rights and powers.

9.6 Calls on Investments

Each Chargor 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. Each Chargor acknowledges that the Security Trustee shall not be under any liability in respect of any such calls, instalments or other payments.

9.7 No alteration of constitutional documents or rights attaching to Investments

Each Chargor shall not, without the prior written consent of the Security Trustee, amend, or agree to the amendment of:

- (a) the memorandum or articles of association, or any other constitutional documents, of any issuer that is not a public company; or
- (b) the rights or liabilities attaching to any of the Investments.

9.8 Preservation of Investments

Each Chargor 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 that is not a public company shall not:

- (a) consolidate or subdivide any of its Investments, or reduce or re-organise its share capital in any way;
- (b) issue any new shares or stock; or
- (c) refuse to register any transfer of any of its Investments that may be lodged for registration by, or on behalf of, the Security Trustee or the Chargors in accordance with this Deed.

9.9 Investments Information

Each Chargor shall, promptly following receipt, send to the Security Trustee copies of any notice, circular, report, accounts and any other document received by it that relates to the Investments.

10 EQUIPMENT COVENANTS

10.1 Maintenance of Equipment

Each Chargor shall:

- (a) maintain the Equipment in good and serviceable condition (except for expected fair wear and tear) in compliance with all relevant manuals, handbooks, manufacturer's instructions and recommendations and maintenance or servicing schedules;
- (b) at its own expense, renew and replace 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
- (c) not permit any Equipment to be:
 - (i) used or handled other than by properly qualified and trained persons; or
 - (ii) overloaded or used for any purpose for which it is not designed or reasonably suitable.

10.2 Payment of Equipment taxes

Each Chargor shall promptly pay 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 Security Trustee.

10.3 Notice of charge

Each Chargor:

- (a) shall, if so requested by the Security Trustee, affix to and maintain on each item of Equipment in a conspicuous place, a clearly legible identification plate containing the following wording:

"NOTICE OF CHARGE

This [DESCRIBE ITEM] and all additions to it [and ancillary equipment] are subject to a fixed charge dated [DATE] in favour of [SECURITY TRUSTEE]."

- (b) shall not, and shall not permit any person to, conceal, obscure, alter or remove any plate affixed in accordance with clause 10.3(a).

11 BOOK DEBTS COVENANTS

11.1 Realising Book Debts

Each Chargor shall:

- (a) as an agent for the Security Trustee, 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 Security Trustee;
- (b) not, without the prior written consent of the Security Trustee, withdraw any amounts standing to the credit of any Designated Account; and
- (c) If called on to do so by the Security Trustee, execute a legal assignment of the Book Debts to the Security Trustee on such terms as the Security Trustee may require and give notice of that assignment to the debtors from whom the Book Debts are due, owing or incurred.

11.2 Preservation of Book Debts

Each Chargor shall not (except as provided by clause 11.1 or with the prior written consent of the Security Trustee) 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.

12 RELEVANT AGREEMENTS COVENANTS

12.1 Relevant Agreements

Each Chargor shall, unless the Security Trustee agrees otherwise in writing:

- (a) comply with the terms of;
- (b) not amend or vary or agree to any change in, or waive any requirement of;
- (c) not settle, compromise, terminate, rescind or discharge (except by performance); and
- (d) not abandon, waive, dismiss, release or discharge any action, claim or proceedings against any counterparty to a Relevant Agreement or other person in connection with

any Relevant Agreement and any other document, agreement or arrangement comprising the Secured Assets (other than the Insurance Policies).

13 INTELLECTUAL PROPERTY COVENANTS

13.1 Preservation of rights

Each Chargor 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.

13.2 Registration of Intellectual Property

Each Chargor shall use all reasonable efforts to register applications for the registration of any Intellectual Property, and shall keep the Security Trustee informed of all matters relating to each such registration.

13.3 Maintenance of Intellectual Property

Each Chargor shall not permit any Intellectual Property to be abandoned, cancelled or to lapse.

14 POWERS OF THE SECURITY TRUSTEE

14.1 Power to remedy

- (a) The Security Trustee shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Chargors of any of its obligations contained in this Deed.
- (b) Each Chargor irrevocably authorises the Security Trustee and its agents to do all things that are necessary or desirable for that purpose.
- (c) Any monies expended by the Security Trustee in remedying a breach by the Chargors of its obligations contained in this Deed shall be reimbursed by the Chargors to the Security Trustee on a full indemnity basis and shall carry interest in accordance with clause 21.1.

14.2 Exercise of rights

The rights of the Security Trustee under clause 14.1 are without prejudice to any other rights of the Security Trustee under this Deed. The exercise of any rights of the Security Trustee under this Deed shall not make the Security Trustee liable to account as a mortgagee in possession.

14.3 Power to dispose of chattels

- (a) At any time after the security constituted by this Deed has become enforceable, the Security Trustee or any Receiver may, as agent for the Chargors, dispose of any chattels or produce found on any Property.
- (b) Without prejudice to any obligation to account for the proceeds of any disposal made under clause 14.3(a), each Chargor shall indemnify the Security Trustee and any Receiver against any liability arising from any disposal made under clause 14.3(a).

14.4 Security Trustee 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 Security Trustee 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.

14.5 Conversion of currency

- (a) For the purpose of, or pending the discharge of, any of the Secured Liabilities, the Security Trustee may convert any monies received, recovered or realised by it under this Deed (including the proceeds of any previous conversion under this clause 14.5) from their existing currencies of denomination into any other currencies of denomination that the Security Trustee may think fit.

- (b) Any such conversion shall be effected at HSBC Bank plc's then prevailing spot selling rate of exchange for such other currency against the existing currency.
- (c) Each reference in this clause 14.5 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.

14.6 New accounts

- (a) If the Security Trustee receives, or is deemed to have received, notice of any subsequent Security, or other interest, affecting all or part of the Secured Assets, the Security Trustee may open a new account for the Chargors in the Security Trustee's books. Without prejudice to the Security Trustee's right to combine accounts, no money paid to the credit of the Chargors in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.
- (b) If the Security Trustee does not open a new account immediately on receipt of the notice, or deemed notice, under clause 14.6(a), then, unless the Security Trustee gives express written notice to the contrary to the Chargors, all payments made by the Chargors to the Security Trustee shall be treated as having been credited to a new account of the Chargors and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt of the relevant notice by the Security Trustee.

14.7 Security Trustee's set-off rights

If the Security Trustee has more than one account for the Chargors in its books, the Security Trustee may at any time after:

- (a) the security constituted by this Deed has become enforceable; or
- (b) the Security Trustee has received, or is deemed to have received, notice of any subsequent Security or other interest affecting all or any part of the Secured Assets

transfer, without prior notice, all or any part of the balance standing to the credit of any account to any other account that may be in debit. After making any such transfer, the Security Trustee shall notify the Chargors of that transfer.

14.8 Indulgence

The Security Trustee 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 Chargors) 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 Chargors for the Secured Liabilities.

14.9 Appointment of an Administrator

- (a) The Security Trustee may, without notice to the Chargors, appoint any one or more persons to be an Administrator of the Chargors pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this Deed becomes enforceable.
- (b) Any appointment under this clause 14.9 shall:
 - (i) be in writing signed by a duly authorised signatory of the Security Trustee; and
 - (ii) take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.

- (c) The Security Trustee may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this clause 14.9 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

15 WHEN SECURITY BECOMES ENFORCEABLE

15.1 Security becomes enforceable on an Enforcement Event

The security constituted by this Deed shall be immediately enforceable if an Enforcement Event occurs.

15.2 Discretion

After the security constituted by this Deed has become enforceable, the Security Trustee 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.

16 ENFORCEMENT OF SECURITY

16.1 Enforcement powers

- (a) 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 Security Trustee and a purchaser from the Security Trustee, arise on and be exercisable at any time after the execution of this Deed, but the Security Trustee shall not exercise such power of sale or other powers until the security constituted by this Deed has become enforceable under clause 15.1.
- (b) Section 103 of the LPA 1925 does not apply to the security constituted by this Deed.

16.2 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 Security Trustee 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 a Chargor, to:

- (a) grant a lease or agreement to lease;
- (b) accept surrenders of leases; or
- (c) 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 Chargors, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Security Trustee or Receiver thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

16.3 Access on enforcement

- (a) At any time after the Security Trustee has demanded payment of the Secured Liabilities or if a Chargor defaults in the performance of its obligations under this Deed or the Facility Agreement, the Chargors will allow the Security Trustee 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 Security Trustee or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to the Chargors for, or by any reason of, that entry.

- (b) At all times, each Chargor must use its best endeavours to allow the Security Trustee or its Receiver access to any premises for the purpose of clause 16.3(a) (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

16.4 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 Security Trustee may:

- (a) redeem that or any other prior Security;
- (b) procure the transfer of that Security to it; and
- (c) 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 each Chargor. All monies paid by the Security Trustee to an encumbrancer in settlement of any of those accounts shall, as from its payment by the Security Trustee, be due from each Chargor to the Security Trustee on current account and shall bear interest and be secured as part of the Secured Liabilities.

16.5 Protection of third parties

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

- (a) whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
- (b) whether any power the Security Trustee, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable; or
- (c) how any money paid to the Security Trustee, any Receiver or any Delegate is to be applied.

16.6 Privileges

Each Receiver and the Security Trustee is entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers.

16.7 No liability as mortgagee in possession

Neither the Security Trustee, any Receiver, any Delegate nor any Administrator shall be liable 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 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.

16.8 Conclusive discharge to purchasers

The receipt of the Security Trustee 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 Security Trustee, every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit.

16.9 Right of appropriation

- (a) To the extent that:
 - (i) the Secured Assets constitute Financial Collateral; and
 - (ii) this Deed and the obligations of each Chargor under it constitute a Security Financial Collateral Arrangement

the Security Trustee 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 Security Trustee may, in its absolute discretion, determine.

- (b) The value of any Secured Assets appropriated in accordance with this clause shall be the price of those Secured Assets at the time the right of appropriation is exercised as listed on any recognised market index, or determined by any other method that the Security Trustee may select (including independent valuation).
- (c) Each Chargor agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

17 RECEIVER

17.1 Appointment

At any time after the security constituted by this Deed has become enforceable, or at the request of the Chargors, the Security Trustee 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.

17.2 Removal

The Security Trustee may, without further notice (subject to section 45 of the Insolvency Act 1986), from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

17.3 Remuneration

The Security Trustee 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 Security Trustee.

17.4 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 Security Trustee 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.

17.5 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 Security Trustee despite any prior appointment in respect of all or any part of the Secured Assets.

17.6 Agent of each Chargor

Any Receiver appointed by the Security Trustee under this Deed shall be the agent of each Chargor and each Chargor 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 a Chargor goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Security Trustee.

18 POWERS OF RECEIVER

18.1 General

- (a) Any Receiver appointed by the Security Trustee under this Deed shall, in addition to the powers conferred on him by statute, have the powers set out in clause 18.2 to clause 18.23.
- (b) 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.
- (c) Any exercise by a Receiver of any of the powers given by clause 18 may be on behalf of the Chargors, the directors of the Chargors (in the case of the power contained in clause 18.16) or himself.

18.2 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.

18.3 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.

18.4 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 Chargors.

18.5 Make VAT elections

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

18.6 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 Security Trustee may prescribe or agree with him.

18.7 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.

18.8 Manage or reconstruct each Chargor'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 each Chargor.

18.9 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.

18.10 Sever fixtures and fittings

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

18.11 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.

18.12 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.

18.13 Make settlements

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

18.14 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.

18.15 Improve the Equipment

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

18.16 Make calls on Chargors members

A Receiver may make calls conditionally or unconditionally on the members of the Chargors 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 Chargors on its directors in respect of calls authorised to be made by them.

18.17 Insure

A Receiver may, if he thinks fit, but without prejudice to the indemnity in clause 21, 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 Chargors under this Deed.

18.18 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.

18.19 Borrow

A Receiver may, for any of the purposes authorised by this clause 18, raise money by borrowing from the Security Trustee (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 Security Trustee consents, terms under which that security ranks in priority to this Deed).

18.20 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 Chargors, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

18.21 Delegation

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

18.22 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.

18.23 Incidental powers

A Receiver may do any other acts and things:

- (a) that he may consider desirable or necessary for realising any of the Secured Assets;
- (b) that he 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; and
- (c) that he lawfully may or can do as agent for each Chargor.

19 DELEGATION

19.1 Delegation

The Security Trustee 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 23.1).

19.2 Terms

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

19.3 Liability

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

20 APPLICATION OF PROCEEDS

20.1 Order of application of proceeds

All monies received by the Security Trustee, 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:

- (a) in or towards payment of or provision for all costs, charges and expenses incurred by or on behalf of the Security Trustee (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;
- (b) in or towards payment of or provision for the Secured Liabilities pro rata or in any order and manner that the Security Trustee determines; and
- (c) in payment of the surplus (if any) to the Chargors or other person entitled to it.

20.2 Appropriation

Neither the Security Trustee, 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.

20.3 Suspense account

All monies received by the Security Trustee, a Receiver or a Delegate under this Deed:

- (a) may, at the discretion of the Security Trustee, Receiver or Delegate, be credited to any suspense or securities realised account;
- (b) shall bear interest, if any, at the rate agreed in writing between the Security Trustee and the Chargors; and
- (c) may be held in that account for so long as the Security Trustee, Receiver or Delegate thinks fit.

21 COSTS AND INDEMNITY

21.1 Costs

Each Chargor shall pay to, or reimburse, the Security Trustee and any Receiver on demand, 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 Security Trustee, any Receiver or any Delegate in connection with:

- (a) this Deed or the Secured Assets;
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Security Trustee's, a Receiver's or a Delegate's rights under this Deed;
- (c) 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 a Chargor).

21.2 Indemnity

Each Chargor shall indemnify the Security Trustee, each Receiver and each Delegate, and their respective employees and agents, on a full indemnity basis against any cost, charge, expense, tax, loss, liability or damage incurred by any of them as a result of:

- (a) 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;
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this Deed; or
- (c) any default or delay by a Chargor in performing any of its obligations under this Deed.

Any past or present employee or agent may enforce the terms of this clause 21.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

22 FURTHER ASSURANCE

22.1 Further assurance

Each Chargor shall, at its own expense, take whatever action the Security Trustee or any Receiver may reasonably require for:

- (a) creating, perfecting or protecting the security intended to be created by this Deed;
- (b) facilitating the realisation of any Secured Asset; or
- (c) facilitating the exercise of any right, power, authority or discretion exercisable by the Security Trustee or any Receiver in respect of any Secured Asset

including, without limitation (if the Security Trustee 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 Security Trustee or to its nominee) and the giving of any notice, order or direction and the making of any registration.

23 POWER OF ATTORNEY

23.1 Appointment of attorneys

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

- (a) each Chargor is required to execute and do under this Deed; or
- (b) 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 Security Trustee, any Receiver or any Delegate.

23.2 Ratification of acts of attorneys

Each Chargor 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 23.1.

24 RELEASE

Subject to clause 26.5, on the expiry of the Security Period (but not otherwise), the Security Trustee shall, at the request and cost of the Chargors, take whatever action is necessary to:

- 24.1 release the Secured Assets from the security constituted by this Deed; and
- 24.2 reassign the Secured Assets to the Chargors.

25 ASSIGNMENT AND TRANSFER

25.1 Assignment by Security Trustee

- (a) At any time, without the consent of the Chargors, the Security Trustee may assign or transfer the whole or any part of the Security Trustee's rights and/or obligations under this Deed to any person.
- (b) The Security Trustee may disclose to any actual or proposed assignee or transferee any information about the Chargors, the Secured Assets and this Deed that the Security Trustee considers appropriate.

25.2 Assignment by each Chargor

Each Chargor may not assign any of its rights, or transfer any of its obligations, under this Deed, or enter into any transaction that would result in any of those rights or obligations passing to another person.

26 FURTHER PROVISIONS

26.1 Security Trustee

It is acknowledged that this Deed is held by the Security Trustee as security trustee for itself and the other Secured Parties pursuant to the terms of the Intercreditor Agreement.

26.2 Independent security

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

26.3 Continuing security

This Deed shall:

- (a) 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 Security Trustee discharges this Deed in writing;
- (b) be in addition to any present or future other guarantee, security or other right or remedy in respect of the Secured Liabilities held by or available to the Security Trustee; and
- (c) not be in any way prejudiced or affected by the existence of any other guarantee, security or other rights or remedies available to the Security Trustee in respect of the Secured Liabilities or by the same becoming wholly or in part void, voidable or unenforceable on any ground whatsoever or by the dealing with, exchanging, varying or failing to perfect or enforce any of the same or giving time for payment or indulgence or compounding with any other person liable.

26.4 Liability unconditional

The liability of the Chargors shall not be affected nor shall this Deed be discharged, reduced, prejudiced or affected by:

- (a) the insolvency, liquidation, dissolution, winding-up or administration or receivership or other incapacity or analogous proceeding of or in relation to a Chargor or any other person liable;
- (b) the Security Trustee granting any time or waiver, or any other indulgence or concession to, or compounding with, discharging, releasing or varying the liability of the Chargors or any other person liable or renewing, determining, varying or increasing any accommodation, facility or transaction or otherwise dealing with the same in any manner whatsoever or concurring in, accepting or varying any compromise, arrangement or settlement or omitting to claim or enforce payment from any Chargor or any other person liable; or
- (c) any variation or amendment of, or waiver or release granted under or in connection with any agreement evidencing the Secured Liabilities or any other security or any guarantee or indemnity or other document; or
- (d) the taking, holding, failure to take or hold, varying, realisation, non-enforcement, non-perfection or release by the Security Trustee or any other person of any other security or any guarantee or indemnity or other document; or
- (e) any change in the constitution of the Chargors; or
- (f) any amalgamation, merger or reconstruction that may be effected by the Security Trustee with any other person; or
- (g) the existence of any claim, set-off or other right which the Chargors may have at any time against the Security Trustee or any other person; or
- (h) the making or absence of any demand for payment or discharge of any Secured Obligations of the Chargors or any other person, whether by the Security Trustee or any other person; or any arrangement or compromise entered into by the Security Trustee with the Chargors or any other person; or
- (i) any other thing done or omitted or neglected to be done by the Security Trustee or any other person or any other dealing, fact, matter or thing which, but for this provision, might operate to discharge, prejudice or affect any of the liability of the Chargors had it been a principal debtor instead of a guarantor or by anything done or omitted which but for this provision might operate to exonerate the Chargors.

26.5 Discharge conditional

Any release, discharge or settlement between the Chargors and the Security Trustee shall be deemed conditional on no payment or security received by the Security Trustee 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:

- (a) the Security Trustee 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 Security Trustee deems necessary to provide the Security Trustee with security against any such avoidance, reduction or order for refund; and
- (b) the Security Trustee may recover the value or amount of such security or payment from the Chargors subsequently as if the release, discharge or settlement had not occurred.

26.6 Certificates

A certificate or determination by the Security Trustee as to any amount for the time being due to it from the Chargors under this Deed shall be, in the absence of any manifest error, conclusive evidence of the amount due.

26.7 Rights cumulative

The rights and remedies of the Security Trustee conferred by this Deed are cumulative, may be exercised as often as the Security Trustee considers appropriate, and are in addition to its rights and remedies under the general law.

26.8 Amendments

Any amendment of this Deed shall be in writing and signed by, or on behalf of, each party.

26.9 Waivers and consents

Any waiver of any right or remedy (whether arising under this Deed or under the general law), or any consent given under this Deed, is only effective if it is in writing and signed by the waiving, varying or consenting party, and applies only in the circumstances for which it was given, and shall not prevent the party giving it from subsequently relying on the relevant provision.

26.10 Further exercise of rights

No act or course of conduct or negotiation by, or on behalf of, the Security Trustee shall, in any way, preclude the Security Trustee from exercising any right or remedy under this Deed or constitute a suspension or variation of any such right or remedy.

26.11 Delay

No delay or failure to exercise any right or remedy under this Deed shall operate as a waiver of that right or remedy or constitute an election to affirm this Deed. No election to affirm this Deed on the part of the Security Trustee shall be effective unless it is in writing.

26.12 Single or partial exercise

No single or partial exercise of any right or remedy under this Deed shall prevent any further or other exercise of that right or remedy, or the exercise of any other right or remedy under this Deed.

26.13 Consolidation

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

26.14 Partial invalidity

The invalidity, unenforceability or illegality of any provision (or part of a provision) of this Deed under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions. If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with any modification necessary to give effect to the commercial intention of the parties.

26.15 Counterparts

This Deed may be executed and delivered in any number of counterparts, each of which is an original and which, together, have the same effect as if each party had signed the same document.

27 NOTICES

27.1 Service

Each notice or other communication required to be given under, or in connection with, this Deed shall be:

- (a) in writing, delivered personally or sent by pre-paid first-class letter or fax; and
- (b) sent:
 - (i) to the Chargors at its registered address as stated at the beginning of this Deed; and
 - (ii) to the Security Trustee at its registered address as stated at the beginning of 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.

27.2 Receipt by the Chargors

Any notice or other communication that the Security Trustee gives shall be deemed to have been received:

- (a) if sent by fax, when received in legible form;
- (b) if given by hand, at the time of actual delivery; and
- (c) if posted, on the second Business Day after the day it was sent by pre-paid first-class post.

A notice or other communication given as described in clause 27.2(a) or clause 27.2(b) 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.

27.3 Security Trustee

- (a) Any notice or other communication given to the Security Trustee shall be deemed to have been received only on actual receipt.
- (b) Upon being notified of the appointment of a successor to the Security Trustee, the Company shall enter the name of that successor as the Security Trustee in its register of charges as the holder of this Debenture.

28 GOVERNING LAW AND JURISDICTION

28.1 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.

28.2 Jurisdiction

The parties to this Deed irrevocably agree that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises 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 Security Trustee to take proceedings against the Chargors 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 that other jurisdiction.

28.3 Other service

Each Chargor irrevocably consents to any process in any proceedings under clause 28.2 being served on it in accordance with the provisions of this Deed relating to service of notices. Nothing contained in this Deed shall affect the right to serve process in any other manner permitted by law.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Schedule 1

Property

Part A

Registered Property

Part B

Unregistered Property

Schedule 2

Relevant Agreements

- 1 Each document entered into by the Chargors for the purpose of completing the construction, installation and operation of an organic waste treatment and energy generation plant (comprising at least an anaerobic digestion plant for the treatment of organic waste, combustion of a resultant gases in an engine and the generation and supply over private wire and/or (if applicable) export of electricity there from to the local distribution network) at Smeathalls Farm, Birkin, Knottingley, West Yorkshire WF11 9LZ; and
- 2 Each loan agreement entered into between the Chargors evidencing intra group debt.

EXECUTION

THE CHARGORS

EXECUTED as a DEED)
By BOOTH BROTHERS ENERGY LIMITED)
)
)
acting by:-)

Director

In the presence of a witness:

Name of witness:

Address:

Occupation:

EXECUTED as a DEED)
By WINNIPEG HEAT LIMITED)
)
)
acting by:-)

Director

In the presence of a witness:

Name of witness:

Address:

Occupation:

EXECUTED as a DEED
By CASPIAN HEAT LIMITED

acting by:-

)
)
)
)
)

Director

in the presence of a witness:

.....

Name of witness:

.....

Address:

.....

.....

.....

Occupation:

.....

SECURITY TRUSTEE

**EXECUTED as a DEED
By OCTOPUS ADMINISTRATIVE
SERVICES LIMITED**

acting by

)
)
)
)
)
)

Director

In the presence of a witness:

.....

Name of witness:

.....

Address:

.....

.....

Occupation:

.....