



Registration of a Charge

Company name: **MANOR RENEWABLE ENERGY LIMITED**

Company number: **08753840**



X8EPKJNV

Received for Electronic Filing: **24/09/2019**

Details of Charge

Date of creation: **13/09/2019**

Charge code: **0875 3840 0012**

Persons entitled: **ERIC WILLIAM BRIAR (AS SECURITY AGENT)**

Brief description: **A FIXED CHARGE OVER PROPERTIES, VESSELS AND INTELLECTUAL PROPERTY INCLUDING BUT NOT LIMITED TO I) PARU COMPLEX AND CASTLETOWN SLIPWAYS AND OTHER LAND AT PORTLAND PORT, DORSET (TITLE NUMBER DT289761 AND DT388287); II) OLD LIME KILN, INMOSTHAY, PORTLAND, DORSET, DT5 1BW; III) THE LICENCE TO OCCUPY THE PREMISES KNOWN AS OFFICES AT PORTER'S LODGE, COLLEGE ROAD, HM NAVAL BASE, PORTSMOUTH; IV) THE MANOR VENTURE VESSEL. FOR MORE DETAILS OF LAND, SHIPS AND INTELLECTUAL PROPERTY CHARGED PLEASE REFER TO THE INSTRUMENT.**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT 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: **COLLYER BRISTOW LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8753840

Charge code: 0875 3840 0012

The Registrar of Companies for England and Wales hereby certifies that a charge dated 13th September 2019 and created by MANOR RENEWABLE ENERGY LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 24th September 2019 .

Given at Companies House, Cardiff on 25th September 2019

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

Date 13th September 2019

**THE COMPANIES identified in Schedule 1
as Original Chargors**

**ERIC WILLIAM BRIAR
as Security Agent**

SECURITY AGREEMENT

This deed is subject to the terms of the Intercreditor Agreement

COLLYER BRISTOW

Collyer Bristow LLP
4 Bedford Row
London WC1R 4TF

DATE

13th September

2019

PARTIES

- 1 **THE COMPANIES** whose names, registered numbers and registered offices are set out in schedule 1 (the "**Original Chargers**"); and
- 2 **ERIC WILLIAM BRIAR** [REDACTED]
agent and trustee for the Noteholders (as defined below) (the "**Security Agent**").

BACKGROUND

- A The Chargers are entering into this deed in connection with the Vendor Loan Note Documents.
- B The Security Agent and the Chargers intend this document to take effect as a deed.

IT IS AGREED as follows:

1 Definitions and interpretation

1.1 Definitions

Unless otherwise provided in this deed, terms defined in the Vendor Loan Note Instrument shall have the same meaning where used in this deed.

In addition, in this deed, unless the context otherwise requires, the following words shall have the following meanings:

Accounts: all accounts save for the account held by Manor Renewable Energy Limited with NatWest Bank Plc secured by a charge of deposit created on 8 January 2019 and all moneys from time to time standing to the credit (including any interest thereon) of such accounts and all rights in relation thereto, with any bank, financial institution or other person in any jurisdiction now or at any time hereafter (and from time to time) owned, operated or held by any Chargor or in which any Chargor has an interest;

Additional Chargor: any person which becomes a Chargor by executing a Deed of Accession;

Administrator: a person appointed in accordance with Schedule B1 Insolvency Act 1986 to manage a Chargor's affairs, business and property;

Charged Assets: all the assets for the time being subject to the Security created by this deed (and references to the Charged Assets include references to any part of them);

Chargor: an Original Chargor or an Additional Chargor;

Debts: all book and other debts, of any kind whatsoever now or at any time hereafter (and from time to time) due, owing or payable to any Chargor or in which any Chargor has an interest and the proceeds of the same, including the benefit of any judgement or order to pay a sum of money, and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to the same;

Deed of Accession: a deed substantially in the form of schedule 2;

Equipment: all equipment, plant, machinery, tools, vehicles, furniture and other tangible moveable property now or at any time hereafter (and from time to time) owned by any Chargor, and any part thereof, together with the benefit of all contracts and warranties relating to the same;

Event of Default: any event or circumstance specified as an Event of Default in the Vendor Loan Note Instrument;

Facilities Agreement: the facilities agreement dated on or around the date of this deed and made between (among others) (1) Shawbrook Bank Limited as lender and (2) Manor Energy Group Limited as borrower;

Floating Charge Assets: all the assets for the time being subject to the floating charge created by this deed (and references to the Floating Charge Assets include references to any part of it);

Goodwill: all goodwill now or at any time hereafter (and from time to time) of or in a Chargor;

Insolvency Event: in relation to an Original Chargor means that an Original Chargor:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;
- (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
 - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
 - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
- (f) has instituted against it a bank insolvency proceeding pursuant to Part 2 of the Banking Act 2009 or a bank administration proceeding pursuant to Part 3 of the Banking Act 2009;
- (g) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (h) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (i) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;

- (j) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a)-(i) above; or
- (k) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;

Insurance Policies: all contracts and policies of insurance or assurance and all moneys payable under or pursuant to such policies, now or at any time hereafter (and from time to time) taken out by or on behalf of any Chargor or (to the extent of its Interest) in which any Chargor has an interest excluding, in each case, contracts and policies of insurance or assurance which relate to liabilities to third parties;

Intellectual Property: all interests in respect of any patent (including supplementary protection certificates), trade mark, service mark, trade name, registered design, design right, copyright, know-how, utility model, topographical or similar right, moral right, invention, confidential information, trade secret, database right, right in passing off and any other right in intellectual property subsisting anywhere in the world in any of the foregoing whether registered or unregistered and in each case, any registrations, extensions, renewals or applications of or for the same, now or at any time hereafter (and from time to time) owned or held by any Chargor or (to the extent of its interest) in which any Chargor has an interest;

Intercreditor Agreement: the intercreditor agreement dated on or around the date of this deed and made between (1) Shawbrook Bank Limited as senior creditor; (2) the Security Agent and others as Vendor noteholders; (3) the Security Agent as Vendor trustee; (4) Manor Energy Group Limited as borrower; (5) Manor Energy Group Limited and the Original Chargors as companies, (6) Eric William Briar and (7) Tobias John Mead.

Vendor Loan Notes: the £ [REDACTED] 6% fixed secured loan notes of Manor Energy Group Limited

Vendor Loan Note Instrument: the instrument pursuant to which the Vendor Loan Notes are, or are to be, constituted;

Vendor Loan Note Documents: the Vendor Loan Notes and the Vendor Loan Note Instrument in the agreed form and any other documents entered into pursuant to any of them;

LPA: the Law of Property Act 1925;

Noteholders: [REDACTED]

Pension Fund Interests: all interests and rights now or at any time hereafter (and from time to time) owned or held by any Chargor in relation to any pension fund;

Properties: all estates or interests in any freehold and leasehold properties (whether registered or unregistered) and all commonhold or other immoveable properties now or at any time hereafter (and from time to time) owned by any Chargor including but not limited to the leasehold interest of Manor Renewable Energy Limited in i) Paru Complex and Castletown Slipways and other land at Portland Port, Dorset (title number DT289761 and DT388287); ii) Old Lime Kiln, Inmosthay, Portland, Dorset, DT5 1BW; and iii) the licence to occupy the premises known as offices at Porter's Lodge, College Road, HM Naval Base, Portsmouth;

Property Interests: all interests in or over the Properties and all rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to the Properties, in each case, now or at any time hereafter (and from time to time) owned or held by any Chargor;

Receiver: a person appointed by the Security Agent to be a receiver or receiver and manager or (if permitted by law) an administrative receiver of all or any part of the Charged Assets of any Chargor;

Secured Liabilities: all present and future moneys, obligations and liabilities owed by any Original Chargors to the Noteholders pursuant to the Vendor Loan Note Documents or pursuant to clauses 2.1 and 19 of this deed, whether actual or contingent and whether owed jointly or severally, as principal or surety and/or in any other capacity whatsoever;

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

Securities: all stocks, shares, loan capital, securities, bonds and investments of any kind whatsoever (whether or not marketable) now or at any time hereafter (and from time to time) owned by any Chargor, or in which any Chargor has an interest, together with all allotments offered or arising in respect thereof or incidental thereto and all stocks, shares, loan capital, securities, bonds, investments, rights, income, money or property accruing, deriving, offered or paid from time to time by way of dividend, distribution, interest, exchange, capital reorganisation, conversion, redemption, bonus, rights; preference, option or otherwise in respect thereof;

Securities Issuer: the issuer of any Securities;

Security Period: the period starting on the date of this deed and ending on the date on which the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full in circumstances where no further Secured Liabilities are capable of being outstanding;

Transaction Security: the Security created or expressed to be created in favour of the Security Agent pursuant to the Transaction Security Documents;

Transaction Security Documents: this agreement together with any other document entered into by any Chargor creating or expressed to create any Security over all or any part of its assets in respect of the obligations of any of the Chargors under any of the Vendor Loan Note Documents;

Uncalled Capital: all the uncalled capital now or at any time hereafter (and from time to time) of a Chargor; and

Vessels: means the Manor Venture, a 24.98m aluminium windfarm service vessel registered in the name of Manor Renewable Energy Limited at the port of Portland on the Register of Ships (Official Number 922324) and all other vessels, including but not limited to the Manor Endurance, Manor Initiative and Manor Enterprise vessels (whether now owned or acquired after the date of this deed), including any share or interest therein and the hull, machinery, equipment, fuel and stores of the Vessels (whether now owned or acquired after the date of this deed) and all replacements, renewals and component parts thereof and all additions and accessories thereto which form an integral part thereof.

1.2 Construction

1.2.1 Unless a contrary indication appears, a reference in this agreement to:

1.2.1.1 each Noteholder, each Original Chargor, any Securities Issuer, any Administrator or Receiver or any other person shall be construed so as to include their successors in title, permitted assigns, permitted transferees and (in the case of any Administrator or Receiver) lawful substitutes and/or replacements;

- 1.2.1.2 a Vendor Loan Note Document or any other agreement or instrument is a reference to that Vendor Loan Note Document or other agreement or instrument as amended (however fundamentally, including any amendment providing for any increase in the amount of any facility or other liability) from time to time with the agreement of the relevant parties and (where such consent is, by the terms of this deed or the relevant document, required to be obtained as a condition to such amendment being permitted) the prior consent of the Security Agent;
- 1.2.1.3 a document in "agreed form" is a document which is previously agreed in writing by or on behalf of the Original Chargors and the Security Agent or, if not so agreed, is in the form specified by the Security Agent;
- 1.2.1.4 "assets" includes present and future properties, goods, stock, revenues and rights of every description;
- 1.2.1.5 "guarantee" means any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
- 1.2.1.6 "indebtedness" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- 1.2.1.7 a "person" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
- 1.2.1.8 a "regulation" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;
- 1.2.1.9 a person being a "wholly-owned" Subsidiary of another person means that the share capital of that person is 100 per cent owned directly by that other person and/or that other person's wholly-owned Subsidiaries and/or nominees of that other person or its wholly-owned Subsidiaries;
- 1.2.1.10 the Security constituted by this deed becoming "enforceable" shall mean that the Security created under this deed has become enforceable under clause 14.1 (*Enforcement events*);
- 1.2.1.11 "owned" includes having legal or equitable title to or a right to have legal or equitable title transferred;
- 1.2.1.12 "law" includes the common law, any statute, bye-law, regulation or instrument and any kind of subordinate legislation, and any order, requirement, code of practice, circular, guidance note, licence, consent or permission made or given pursuant to any of the foregoing;

- 1.2.1.13 a provision of law is a reference to that provision as amended or re-enacted from time to time;
- 1.2.1.14 a time of day is a reference to London time;
- 1.2.1.15 any gender includes a reference to the other genders;
- 1.2.1.16 the singular includes a reference to the plural and vice versa; and
- 1.2.1.17 a clause or schedule is to a clause or schedule (as the case may be) of or to this deed.
- 1.2.1.18 a provision of law is a reference to that provision as amended or re-enacted; and

1.2.2 In this agreement (unless the context otherwise requires) references to (i) the "liquidation", "winding up", "dissolution", or "administration" of a person or (ii) a "liquidator", "receiver", "administrative receiver" or "administrator" in the context of insolvency proceedings or security enforcement actions in respect of a person shall be construed so as to include any equivalent or analogous proceedings or any equivalent and analogous office-holder or appointee (respectively) under the law of the jurisdiction in which such person is established or incorporated or any jurisdiction in which such person carries on business.

1.2.3 Clause and schedule headings are for ease of reference only.

1.3 **Nature of security over real property**

A reference in this deed to any freehold, leasehold or commonhold property includes:

- 1.3.1 all buildings and fixtures (including trade and tenant's fixtures) which are at any time situated on that property;
- 1.3.2 the proceeds of sale of any part of that property;
- 1.3.3 the benefit of any covenants for title given or entered into by any predecessor in title of any Chargor in respect of that property or any monies paid or payable in respect of those covenants; and
- 1.3.4 all rights under any licence, agreement for sale or agreement for lease in respect of that property.

1.4 **Intercreditor Agreement**

Notwithstanding any other provision in this deed, the provisions of this deed are all subject to the provisions of the Intercreditor Agreement which will override this deed to the extent that there is any inconsistency and in particular but without limitation, the enforcement of this deed and/or the discharge of any Secured Liabilities shall not be made except to the extent permitted by the Intercreditor Agreement.

1.5 **Secured Liabilities**

References in this deed to the Secured Liabilities shall be construed in relation to the Vendor Loan Note Documents so as to include (i) any increase or reduction in any amount made available thereunder and/or any alteration and/or addition to the purposes for which any such amount, or increased or reduced amount, may be used, (ii) any rescheduling of the indebtedness incurred thereunder whether in isolation or in connection with any of the foregoing and (iii) any combination of any of the foregoing.

1.6 Perpetuity Period

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

2 Covenant to pay

2.1 Covenant to pay

Subject to clause 1.4 above, each Chargor hereby covenants with the Security Agent (as trustee for the Noteholders) that it will on demand pay and discharge all Secured Liabilities owing or incurred from or by it to the Noteholders when the same become due whether by acceleration or otherwise, together with interest to the date of payment at such rates and upon such terms as may from time to time be agreed, commission, fees, enforcement expenses and other charges and all legal and other costs, charges and expenses, on a full and unqualified indemnity basis, which may be incurred by the Noteholders in relation to any such Secured Liabilities or generally in respect of the Chargors.

2.2 Potential invalidity

Neither the covenant to pay in clause 2.1 (*Covenant to pay*) nor the Security constituted by this deed shall extend to or include any liability or sum which would, but for this clause, cause such covenant or Security to be unlawful under any applicable law.

3 Grant of security

3.1 Fixed security

Subject to clause 1.4 above, as a continuing security for the payment or discharge of the Secured Liabilities, each Chargor with full title guarantee hereby:

3.1.1 grants to the Security Agent (as trustee for the Noteholders), a charge by way of legal mortgage over all its Properties (*Properties currently owned*);

3.1.2 charges to the Security Agent (as trustee for the Noteholders), by way of fixed charge, all its:

3.1.2.1 Properties acquired by it after the date of this deed;

3.1.2.2 Present and future interest of any Chargor not effectively mortgaged or charged under the preceding provisions of this clause 3 in, or over, freehold or leasehold property;

3.1.2.3 Property Interests;

3.1.2.4 Equipment;

3.1.2.5 Securities;

3.1.2.6 Intellectual Property;

3.1.2.7 Insurance Policies;

3.1.2.8 Debts;

3.1.2.9 Accounts;

3.1.2.10 Pension Fund Interests;

3.1.2.11 Goodwill and Uncalled Capital;

- 3.1.2.12 The Vessels (subject to obtaining the prior written consent of Shawbrook Bank Limited for so long as the Facilities Agreement remains in place); and
- 3.1.2.13 rights, title and interest to any agreement, licence, consent or authorisation relating to its business at any time not otherwise mortgaged, charged or assigned pursuant to clauses 3.1.1-3.1.3 inclusive; and
- 3.1.3 on the repayment of all Senior Liabilities (as such term is defined in the Intercreditor Agreement) agrees to assign to the Security Agent (as trustee for the Noteholders) absolutely, subject to a proviso for reassignment on redemption, all of its right, title and interest in and to the Insurance Policies.

3.2 Floating security

3.2.1 Floating charge

Subject to clause 1.4 above, as a continuing security for the payment or discharge of the Secured Liabilities, each Chargor with full title guarantee hereby charges to the Security Agent (as trustee for the Noteholders), by way of floating charge all of its undertaking and assets at any time not effectively mortgaged, charged or assigned pursuant to clauses 3.1.1-3.1.3 inclusive above.

3.2.2 Qualifying floating charge

Schedule B1 para 14 Insolvency Act 1986 (as inserted by s.248 of and Schedule 16 Enterprise Act 2002) applies to the floating charge created by this deed.

3.2.3 Automatic conversion of floating charge

Subject to clause 1.4 above, notwithstanding anything express or implied in this deed, and without prejudice to any law which may have similar effect, if:

- 3.2.3.1 any Chargor creates or attempts to create any Security or any trust in favour of another person over all or any of its assets; or
- 3.2.3.2 any Chargor disposes or attempts to dispose of all or any of its assets; or
- 3.2.3.3 an Insolvency Event has occurred,

the floating charge created by this deed will automatically and immediately (without notice) be converted into a fixed charge over the Floating Charge Assets.

3.2.4 Conversion of floating charge by notice

Subject to clause 1.4 above, notwithstanding anything express or implied in this deed, if:

- 3.2.4.1 an Event of Default has occurred; or
- 3.2.4.2 the Security Agent considers (in its sole discretion) that any Charged Assets are in jeopardy,

the Security Agent may at any time thereafter, by notice to a Chargor, convert the floating charge created by this deed with immediate effect into a fixed charge over all or any of the Floating Charge Assets of the relevant Chargor

specified in such notice (but without prejudice to the Security Agent's rights to serve a notice in respect of any other Floating Charge Assets and any other rights of the Security Agent whatsoever).

3.2.5 Assets acquired after any floating charge conversion

Subject to clause 1.4 above, any asset acquired by any Chargor after any conversion of the floating charge created under this deed, in accordance with clauses 3.2.3 or 3.2.4 above which but for such conversion would be subject to a floating charge shall, (unless the Security Agent confirms in writing to the contrary) be charged to the Security Agent (as trustee for the Noteholders) by way of fixed charge.

3.2.6 Reconversion of fixed charge assets into floating charge assets

Subject to clause 1.4 above, the Security Agent may at any time after any conversion of the floating charge created under this deed over any Charged Assets into a fixed charge in accordance with clauses 3.2.3 (*Automatic Conversion of floating charge*) or 3.2.4 (*Conversion of floating charge by notice*) reconvert such fixed charge into a floating charge by notice to the relevant Chargor.

3.3 Title documents

Subject to clause 1.4 above, each Chargor shall on the execution of this deed or in the case of an Additional Chargor, on the date of the relevant Accession Deed (or, if later, the date of acquisition of the relevant Charged Assets) deposit with the Security Agent (and the Security Agent shall during the continuance of this security be entitled to hold):

3.3.1 all deeds and documents of title relating to the Charged Assets as the Security Agent may from time to time require; and

3.3.2 all certificates relating to the Securities and such instruments of transfer in blank and other documents as the Security Agent may from time to time require.

3.4 Security notices

Following repayment of the Senior Liabilities (as that term is defined in the Intercreditor Agreement), each Chargor shall immediately upon the execution of this deed or in the case of an Additional Chargor, on the date of the relevant Accession Deed, use its reasonable endeavours to:

3.4.1 give notice in the form set out in part 1 of schedule 3 (*Form of notice to insurers*) to the relevant insurers of the assignment pursuant to clause 3.1.3 (*Fixed security*) of its rights and interest in and under the Insurance Policies and use all reasonable endeavours to procure that each addressee of such notice will promptly provide an acknowledgement to the Security Agent in the form set out in part 2 of schedule 3 (*Form of acknowledgement from insurers*);

3.4.2 give notice in the form set out in part 1 of schedule 4 (*Form of notice of charge to third party bank*) to any bank, financial institution or other person of charging to the Security Agent pursuant to clause 3.1.2.9 its rights and interests under the Accounts and use all reasonable endeavours to procure that each addressee of such notice will promptly provide an acknowledgement to the Security Agent in the form set out in part 2 of schedule 4 (*Form of acknowledgement from third party bank*).

3.5 Leasehold security restrictions

- 3.5.1 There shall be excluded from the Security created by this deed, and from the operation of clause 4.1 (*Restrictions on dealing*), any leasehold property held by a Chargor under a lease which precludes either absolutely or conditionally (including requiring the consent of any third party) that Chargor from creating any charge over its leasehold interest in that property (each an "**Excluded Property**") until the relevant condition or waiver has been satisfied or obtained.
- 3.5.2 For each Excluded Property, each relevant Chargor undertakes to:
- 3.5.2.1 apply for the relevant consent or waiver of prohibition or conditions within five Business Days of the date of this deed (in relation to Excluded Property owned at the date of this deed) or within five Business Days of the relevant Chargor acquiring the Excluded Property (if otherwise) and, to use its best endeavours to obtain that consent or waiver of prohibition as soon as possible;
 - 3.5.2.2 upon request, keep the Security Agent informed of its progress in obtaining such consent or waiver; and
 - 3.5.2.3 forthwith upon receipt of such consent or waiver, provide the Security Agent with a copy.
- 3.5.3 Immediately upon receipt of the relevant waiver or consent, the relevant formerly Excluded Property shall stand charged to the Security Agent (as trustee for the Noteholders) under clause 3.1.1, clause 3.1.2.1, clause 3.1.2.2, or clause 3.1.2.3 (*Fixed security*) as the case may be. If required by the Security Agent at any time following receipt of that waiver or consent, the relevant Chargor will execute a further valid fixed charge in such form as the Security Agent shall require.

4 Restrictions on dealing

4.1 Negative pledge and restriction on disposal

Subject to clause 1.4 above, each Chargor hereby covenants with the Security Agent that it will not at any time:

- 4.1.1 create or purport to create or permit to subsist any Security on or in relation to the Charged Assets; or
- 4.1.2 enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer, surrender or otherwise dispose of or cease to exercise control of all, or part of any interest in any Charged Assets.

4.2 Land Registry restriction

- 4.2.1 Subject to clause 1.4 above, in respect of any Property registered at the Land Registry each Chargor hereby consents to the entry of the following restriction on the register of its title to such Property:

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

- 4.2.2 Subject to clause 1.4 above, each Chargor authorises the Security Agent to make any application which it deems appropriate for the designation of this deed or any other Vendor Loan Note Document as exempt information document under rule 136 Land Registration Rules 2003 and will use its best endeavours to assist with any such application made by or on behalf of the Security Agent. Each Chargor will notify the Security Agent in writing as soon as it receives notice of any person's application under rule 137 Land Registration Rules 2003 for the disclosure of this deed or any other Vendor Loan Note Document, following its designation as an exempt information document and will not make any application under rule 138 Land Registration Rules 2003 for the removal of the designation of any such document as an exempt information document.

5 Debts and Accounts

5.1 Preservation of debts

Subject to clause 1.4 above, each Chargor shall not sell, factor, discount, release, exchange, compound, set-off, grant time or indulgence in respect of, or in any other manner deal with, all or any of the Debts save as hereinafter expressly provided.

5.2 Realising debts

Subject to clause 1.4 above, each Chargor shall:

- 5.2.1 as agent for the Security Agent, collect in and realise all Debts in the ordinary course of its business, pay the proceeds into the relevant Accounts forthwith upon receipt and, pending that payment, hold those proceeds in trust for the Security Agent (in each case unless otherwise agreed with the Security Agent); and
- 5.2.2 at any time after the security constituted by this deed becomes enforceable, if called upon so to do by the Security Agent, execute a legal assignment of the Debts to the Security Agent (as trustee for the Noteholders) in such terms as the Security Agent may require and give notice thereof to the debtors from whom the Debts are due, owing or incurred.

5.3 Restrictions on dealing with Accounts

5.3.1 Subject to clause 1.4 above:

- 5.3.1.1 no Chargor shall create or have outstanding any Security over all or any part of its Accounts;
- 5.3.1.2 no Chargor shall enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to transfer, assign or otherwise dispose of all or any part of its Accounts;

6 Insurance

Subject to clause 1.4 above each Chargor hereby covenants with the Security Agent that it will put in place all insurance that a reasonably prudent operator of a business similar to that undertaken by the Chargors would obtain over its assets, vessels and business.

7 Properties

Subject to clause 1.4 above each Chargor hereby covenants with the Security Agent that it will:

7.1 Maintenance

keep all buildings on each Property and all fixtures belonging to it thereon and therein in good and substantial repair and condition;

7.2 Preservation of property and fixtures

not without the prior consent of the Security Agent:

7.2.1 pull down or remove the whole or any part of any buildings forming part of any Property;

7.2.2 make any alterations to any Property; or

7.2.3 sever or unfix or remove any of the fixtures thereto nor (except for the purpose of effecting necessary repairs thereto;

7.3 Information

7.3.1 within five Business Days after becoming aware thereof give full particulars to the Security Agent of any notice, order, direction, designation, resolution or proposal having specific application to any Property or to the locality in which it is situated given or made by any planning authority or other public body or authority whatsoever; and

7.3.2 if required by the Security Agent, forthwith and at the cost of such Chargor take all steps to comply with any such notice, order, direction, designation or resolution and make or join with the Security Agent in making such objections or representations in respect of any such proposal as the Security Agent may desire;

7.4 Compliance with obligations

7.4.1 observe and perform all covenants, stipulations and conditions to which each Property or the user thereof is now or may hereafter be subjected;

7.4.2 perform and observe all covenants and conditions on its part contained in any lease, agreement for lease, licence or other agreement under which any Property or part of any Property is held; and

7.4.3 promptly pay all taxes, fees, duties, rates, charges and other outgoings in respect of the Properties;

7.5 Maintenance of interests in Properties

not without the prior consent of the Security Agent:

7.5.1 grant or agree to grant any licence or tenancy affecting any Property or part of a Property;

7.5.2 exercise the powers of leasing or agreeing to lease or of accepting or agreeing to accept surrenders conferred by ss.99 or 100 LPA; or

7.5.3 in any other way dispose or agree to dispose of or surrender or create any legal or equitable estate or interest in any Property or any part thereof;

7.6 Registration restrictions

procure that no person shall be registered under the Land Registration Act 2002 as proprietor of any Property or any part thereof without the prior consent of the Security Agent;

7.7 Development restrictions

not without the prior consent of the Security Agent 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 or change or permit or suffer to be changed the user of any Property;

7.8 No restrictive obligations

not without the prior consent of the Security Agent enter into any onerous or restrictive obligations affecting any Property or any part thereof or create or permit to arise any overriding interest or easement or right whatever in or over any Property or any part thereof;

7.9 Proprietary rights

procure that no person shall become entitled to assert any proprietary or other like right or interest over any Property or any part thereof without the prior consent of the Security Agent;

7.10 Inspection

permit the Security Agent, any Administrator and any Receiver (as each of those terms is defined in clause 15.1 (*Appointment of Administrator or Receiver*)) and any person appointed by either of them to enter upon and inspect any Property upon reasonable prior notice; and

7.11 Property acquisitions

if it acquires any freehold or leasehold property, whether registered or unregistered:

7.11.1 inform the Security Agent promptly of such acquisition;

7.11.2 immediately on request by the Security Agent and at the cost of that Chargor, execute and deliver to the Security Agent a legal mortgage in favour of the Security Agent of that property in such form as the Security Agent may require (or such other Security in the jurisdiction where such property is located as the Security Agent may require); and

7.11.3 comply with all registration requirements resulting from the acquisition of such property and the creation of Security over such property pursuant to this deed and the legal mortgage (or other Security) referred to above.

8 Equipment and Vessels

Subject to clause 1.4 above, each Chargor hereby covenants with the Security Agent as follows:

8.1 Maintenance of Equipment and Vessels

to maintain the Equipment and Vessels in good and serviceable condition (fair wear and tear excepted);

8.2 Payment of Equipment and Vessels taxes

promptly to pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Equipment, Vessels and additionally all insurances, charges and fees charged in respect of the Vessels and on demand produce evidence thereof to the Security Agent;

8.3 Equipment and Vessels Information

to give the Security Agent such information concerning the location, condition, use and operation of the Equipment and Vessels as the Security Agent may require and to permit any persons designated by the Security Agent at all reasonable times to inspect and examine the Equipment and the Vessels and the records maintained in connection therewith;

8.4 Notice of Charge

Following repayment of the Senior Liabilities (as that term is defined in the Intercreditor Agreement), if so requested by the Security Agent, place and maintain on each item of Equipment and Vessels, in a conspicuous place, a clearly legible identification plate containing the following wording:

"NOTICE OF CHARGE

This [*description of item*] and ancillary equipment is subject to a fixed charge dated [] in favour of Eric William Briar"

9 Intellectual Property

Subject to clause 1.4 above, each Chargor hereby covenants with the Security Agent as follows:

9.1 Preservation of rights

to take all action to safeguard and maintain its present and future rights in or relating to the Intellectual Property necessary for the business of the relevant Chargor and if requested to do so by the Security Agent, sign or procure the signature of, and comply with all instructions of the Security Agent in respect of, any document required to make entries in any public register of Intellectual Property which either record the existence of this deed or the restrictions on disposal imposed by this deed; and

9.2 Consents

promptly obtain any consent required for the creation of a fixed charge over any of the Intellectual Property.

10 Securities

10.1 Registration of Securities

Subject to clause 1.4 above, if the security constituted by this deed becomes enforceable the Security Agent may at any time thereafter cause any or all of the Securities to be registered in the name of the Security Agent or its nominee. Each Chargor agrees promptly to execute and deliver to the Security Agent all such transfers and other documents and to do all such things as may be necessary or desirable to achieve such registration.

10.2 Additional registration obligations

Subject to clause 1.4 above, each Chargor hereby:

10.2.1 grants and agrees to procure as necessary, all consents, waivers, approvals and permissions which are necessary, under the articles of association of any Securities Issuer or otherwise, for the transfer of the Securities to the Security Agent or its nominee or to a purchaser upon enforcement of this deed; and

10.2.2 agrees to procure the amendment of the share transfer provisions of each Securities Issuer's articles of association in such manner as the Security Agent may require in order to permit such a transfer.

10.3 Dividends and voting rights prior to enforcement

Subject to clause 1.4 above, until the security constituted by this deed becomes enforceable:

- 10.3.1 all cash dividends or other cash distributions paid or payable in respect of the Securities may be paid directly to the relevant Chargor which shall be permitted to apply such dividends or distributions as it deems fit to the extent permitted by the Intercreditor Agreement;
- 10.3.2 any cash dividends or other cash distributions paid in respect of any of the Securities and received by the Security Agent or its nominee shall, on request by the relevant Chargor, be released and paid to such Chargor;
- 10.3.3 the relevant Chargor may exercise all voting and other rights and powers attaching to the Securities and exercisable by the relevant Chargor provided that the exercise of such voting and other rights and powers would not prejudice the Security Agent's security under this deed or the value of the Securities or contravene any Vendor Loan Note Document; and
- 10.3.4 the Security Agent will (to the extent that it has or will acquire any such rights or powers) exercise all voting and other rights and powers attaching to the Securities and exercisable by the Security Agent or its nominee as the relevant Chargor may from time to time direct provided that acting in accordance with such directions would not prejudice the Security Agent's security under this deed or the value of the Securities or contravene any Vendor Loan Note Document.

10.4 Dividends and voting rights post enforcement

Subject to clause 1.4 above, after the security constituted by this deed has become enforceable:

- 10.4.1 all dividends and other distributions paid in respect of the Securities and received by any Chargor shall be held on trust for the Security Agent (as trustee for the Noteholders); and
- 10.4.2 the Security Agent may exercise, or direct the exercise of, all voting and other rights and powers attaching to the Securities as the Security Agent may in its absolute discretion think fit and each Chargor shall, and shall procure that its nominees shall, comply with any directions from the Security Agent concerning the exercise of such rights and powers.

10.5 Additional undertakings

Subject to clause 1.4 above, each Chargor further undertakes to the Security Agent that:

- 10.5.1 it shall duly and promptly pay all calls, instalments and other moneys which may be payable from time to time in respect of the Securities, it being acknowledged by the Chargors that the Security Agent shall be under no liability whatsoever in respect of any such calls, instalments or other moneys;
- 10.5.2 it shall not without the Security Agent's prior consent amend, or agree to the amendment of, the memorandum or articles of association of any Securities Issuer or the rights or liabilities attaching to any of the Securities;
- 10.5.3 it shall ensure (insofar as it is able by the exercise of all voting rights, powers of control and other means available to it to do so) that no Securities Issuer will:
 - 10.5.3.1 consolidate or sub-divide any of its Securities or reduce or re-organise its share capital in any way;

- 10.5.3.2 issue any new shares or stock; or
- 10.5.3.3 refuse to register any transfer of any of its Securities which may be lodged for registration by or on behalf of the Security Agent or a Chargor in accordance with this deed;
- 10.5.4 it shall promptly send to the Security Agent copies of all documents which are sent to holders of any Securities in such capacity; and
- 10.5.5 it shall promptly give notice of this deed to any custodian of any Securities in any form which the Security Agent may reasonably require and use its best endeavours to ensure that the custodian acknowledges that notice in any form which the Security Agent may reasonably require.

11 **Uncalled Capital**

Subject to clause 1.4 above, each Chargor further covenants with the Security Agent that it will not call up, or receive in advance of calls, any Uncalled Capital and it will apply all proceeds of any Uncalled Capital, immediately on receipt, towards the discharge of the Secured Liabilities.

12 **Representations and warranties**

12.1 **Representations and warranties**

Each Chargor represents and warrants to the Security Agent as follows:

- 12.1.1 it is and will remain (except as permitted under the terms of the Vendor Loan Note Documents) the legal and beneficial owner of the Charged Assets;
- 12.1.2 it has not received or acknowledged notice of any adverse claim by any person in respect of the Charged Assets or any interest in them;
- 12.1.3 save as permitted by the Intercreditor Agreement there are no covenants, agreements, reservations, conditions, interests, rights or other matters whatever which materially and adversely affect the Charged Assets;
- 12.1.4 no facility necessary for the enjoyment and use of the Charged Assets is subject to terms entitling any person to terminate or curtail its use;
- 12.1.5 nothing has arisen or has been created or is subsisting which would be an overriding interest in any Property;
- 12.1.6 there is no prohibition on assignment in any insurances, agreements or authorisations referred to in clause 3.1.3 (*Fixed security*), or the relevant clauses of them as the case may be, and the Chargors entering into this deed will not constitute a breach of any such insurances, agreements or authorisations; and
- 12.1.7 this deed creates the Security it purports to create and is not liable to be amended or otherwise set aside on its liquidation or otherwise.

12.2 **Repetition**

The representations and warranties set out in clause 12.1 (*Representations and warranties*) will be deemed to be repeated by each Chargor on each day the Secured Liabilities are outstanding by reference to the facts and circumstances then existing.

12.3 Notice of breach

Each Chargor will promptly upon becoming aware of the same give the Security Agent notice in writing of any breach of any representation or warranty set out in clause 12.1 (*Representations and warranties*).

13 Power to remedy

13.1 Subject to clause 1.4 above, if a Chargor is at any time in breach of any of its obligations contained in this deed, the Security Agent shall be entitled (but shall not be bound) to remedy such breach and each Chargor hereby irrevocably authorises the Security Agent and its agents to do all things necessary or desirable in connection therewith.

13.2 Subject to clause 1.4 above, the rights of the Security Agent contained in this clause 13 are without prejudice to any other rights of the Security Agent hereunder and the exercise by the Security Agent of its rights under this clause shall not make the Security Agent liable to account as a mortgagee in possession.

14 Enforcement

14.1 Enforcement events

14.1.1 Subject to clause 1.4 above, the security constituted by this deed shall become immediately enforceable if an Event of Default occurs.

14.1.2 Subject to clause 1.4 above, after the security constituted by this deed has become enforceable, the powers of sale under the LPA and all other powers of the Security Agent shall immediately be exercisable and the Security Agent may in its absolute discretion enforce all or any part of the security created by this deed as it sees fit.

14.2 Statutory power of sale

Subject to clause 1.4 above, the statutory power of sale shall arise on and be exercisable at any time after the execution of this deed (and the Secured Liabilities shall be deemed to have become due and payable for that purpose), provided that the Security Agent shall not exercise such power of sale until the security constituted by this deed has become enforceable.

14.3 Extension of statutory powers

14.3.1 Subject to clause 1.4 above, any restriction imposed by law on the power of sale (including under s.103 LPA) or on the right of a mortgagee to consolidate mortgages (including under s.93 LPA) does not apply to the security constituted by this deed and the Security Agent or any Receiver shall have the right to consolidate all or any of the security constituted by this deed with any other Security in existence at any time and to make any applications to the Land Registry in support of the same.

14.3.2 Subject to clause 1.4 above, any powers of leasing conferred on the Security Agent or any Receiver by law are extended so as to authorise the Security Agent or any Receiver to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent or Receiver may think fit and without the need to comply with any restrictions conferred by law (including under ss.99 or 100 LPA).

14.4 No obligation to enquire

Subject to clause 1.4 above, no person dealing with the Security Agent, any Administrator or any Receiver appointed hereunder, or its agents or brokers, shall be concerned to enquire:

- 14.4.1 whether the security constituted by this deed has become enforceable;
- 14.4.2 whether any power exercised or purported to be exercised has become exercisable;
- 14.4.3 whether any money remains due under the Vendor Loan Note Documents;
- 14.4.4 as to the necessity or expediency of the stipulations and conditions subject to which any sale of any Charged Assets shall be made, or otherwise as to the propriety or regularity of any sale of any of the Charged Assets; or
- 14.4.5 how any money paid to the Security Agent, Administrator or Receiver, or its agents or brokers is to be applied.

14.5 No liability as mortgagee in possession

Subject to clause 1.4 above, and to the extent permitted by law, none of the Security Agent, any Administrator or any Receiver shall be liable:

- 14.5.1 to account as mortgagee in possession in respect of all or any of the Charged Assets; or
- 14.5.2 for any loss upon realisation of, or for any neglect or default of any nature whatsoever in connection with, all or any of the Charged Assets for which a mortgagee in possession might as such be liable.

14.6 Power to dispose of chattels

Subject to clause 1.4 above, after the security constituted by this deed has become enforceable, the Security Agent, any Administrator or any Receiver may dispose of any chattels or produce found on any Property as agent for the relevant Chargor and, without prejudice to any obligation to account for the proceeds of any sale of such chattels or produce the Security Agent, the Administrator or the Receiver shall be indemnified by such Chargor against any liability arising from such disposal.

14.7 Redemption of prior Security Interests

Subject to clause 1.4 above, at any time after the security constituted by this deed shall have become enforceable the Security Agent may:

- 14.7.1 redeem any prior Security;
- 14.7.2 procure the transfer thereof to itself; and/or
- 14.7.3 may settle and pass the accounts of the prior encumbrancer and any account so settled and passed shall be conclusive and binding on the relevant Chargor and all monies paid by the Security Agent to the prior encumbrancer in accordance with such accounts shall as from such payment be due from such Chargor to the Security Agent on current account and shall bear interest and be secured as part of the Secured Liabilities.

15 Administrator and Receiver

15.1 Appointment of Administrator or Receiver

Subject to clause 1.4 above, at any time after:

- (a) the security constituted by this deed becomes enforceable;

- (b) any corporate action or any other steps are taken or legal proceedings started by or in respect of any Original Chargor with a view to the appointment of an Administrator; or
- (c) at the request of the relevant Chargor,

the Security Agent may without further notice, under seal or by writing under hand of a duly authorised officer of the Security Agent:

- 15.1.1 appoint any person or persons to be an Administrator of any Chargor; or
- 15.1.2 appoint any person or persons to be a Receiver of all or any part of the Charged Assets of any Chargor; and
- 15.1.3 (subject to s.45 Insolvency Act 1986) from time to time remove any person appointed to be Receiver and appoint another in his place.

15.2 More than one appointment

Subject to clause 1.4 above, where more than one person is appointed Administrator or Receiver, they will have power to act separately (unless the appointment by the Security Agent specifies to the contrary).

15.3 Additional powers

- 15.3.1 Subject to clause 1.4 above, the powers of appointing an Administrator or a Receiver conferred by this deed shall be in addition to all statutory and other powers of the Security Agent under the Insolvency Act 1986 and the LPA or otherwise and shall be exercisable without the restrictions contained in s.109 LPA or otherwise.
- 15.3.2 Subject to clause 1.4 above, the power to appoint an Administrator or a Receiver (whether conferred by this deed or by statute) shall be and remain exercisable by the Security Agent notwithstanding any prior appointment in respect of all or any part of the Charged Assets.

15.4 Agent of the relevant Chargor

- 15.4.1 Subject to clause 1.4 above, any Administrator or Receiver shall be the agent of the relevant Chargor and the relevant Chargor shall be solely responsible for his acts and remuneration as well as for any defaults committed by him.
- 15.4.2 Subject to clause 1.4 above, no Noteholder will incur any liability (either to a Chargor or to any other person) by reason of the appointment of an Administrator or Receiver.

15.5 Powers of Administrator and Receiver

Subject to clause 1.4 above, a Receiver shall have (and shall be entitled to exercise), in relation to the Charged Assets over which he is appointed, and an Administrator shall have in addition to the powers he enjoys under Schedule B1 Insolvency Act 1986, the following powers (as the same may be varied or extended by the provisions of this deed):

- 15.5.1 (in respect of a Receiver) all of the powers of an administrative receiver set out in Schedule 1 Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- 15.5.2 all of the powers conferred from time to time on receivers, mortgagors and mortgagees in possession by the LPA;

- 15.5.3 all of the powers and rights of a legal and beneficial owner and the power to do or omit to do anything which any relevant Chargor itself could do or omit to do; and
- 15.5.4 the power to do all things which, in the opinion of the Administrator or Receiver (as appropriate) are incidental to any of the powers, functions, authorities or discretions conferred or vested in the Administrator or Receiver pursuant to this deed or upon receivers by statute or law generally (including the bringing or defending of proceedings in the name of, or on behalf of, any relevant Chargor; the collection and/or realisation of Charged Assets in such manner and on such terms as the Administrator or Receiver sees fit; and the execution of documents in the name of the relevant Chargor (whether under hand, or by way of deed or by utilisation of the company seal of such Chargor)).

16 Amounts received

16.1 Application of proceeds

Subject to clause 1.4 above, the Receiver shall apply all monies received by him (other than insurance monies):

- 16.1.1 first in paying all rents, taxes, duties, rates and outgoings affecting any Charged Assets;
- 16.1.2 secondly in paying all costs, charges and expenses of and incidental to his appointment and the exercise of his powers and all outgoings paid by him;
- 16.1.3 thirdly in paying his remuneration (as agreed between him and the Security Agent);
- 16.1.4 fourthly in or towards discharge of the Secured Liabilities in such order and manner as provided for in the Intercreditor Agreement; and
- 16.1.5 finally in paying any surplus to the Chargors or any other person entitled to it.

16.2 Section 109(8) Law of Property Act 1925

Subject to clause 1.4 above, neither the Security Agent nor any Receiver or Administrator shall be bound (whether by virtue of s.109(8) LPA, which is hereby varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order as between any of the Secured Liabilities.

17 Power of attorney and delegation

17.1 Power of attorney

Subject to clause 1.4 above, each Chargor hereby by way of security irrevocably appoints the Security Agent and (jointly and severally) each and every Administrator or Receiver of this deed to be the attorney of such Chargor and in its name and on its behalf and as its act and deed or otherwise and after the occurrence of an Event of Default to sign, execute, seal, deliver, complete any blanks in and otherwise perfect any deed, transfer, assurance, agreement, instrument or act which such Administrator or Receiver or the Security Agent may consider expedient in the exercise of any of his or its powers or in respect of such Chargor's obligations under this deed. The power of attorney hereby granted is to secure the performance of obligations owed to the donees within the meaning of the Powers of Attorney Act 1971.

17.2 Ratification

Subject to clause 1.4 above, each Chargor ratifies and confirms and agrees to ratify and confirm:

- 17.2.1 all transactions entered into by the Security Agent and/or any Administrator or Receiver in the proper exercise of its or their powers in accordance with this deed; and
- 17.2.2 all transactions entered into by the Security Agent and/or any Administrator or Receiver in signing, sealing, delivering and otherwise perfecting any assignment, mortgage, charge, security, document or other act.
- 17.3 Subject to clause 1.4 above, the Security Agent and any Administrator or Receiver shall have full power to delegate the powers, authorities and discretions conferred on it or him by this deed (including the power of attorney), on such terms and conditions as it or he shall see fit which shall not preclude exercise of these powers, authorities or discretions by it or him or any revocation of the delegation or subsequent delegation.
- 18 Protection of security and further assurance**
- 18.1 Independent security**
- Subject to clause 1.4 above, this deed shall be in addition to and independent of every other security or guarantee that the Security Agent or any other Noteholder may at any time hold for any of the Secured Liabilities. No prior security held by the Security Agent or any other Noteholder over the whole or any part of the Charged Assets shall merge in the security created by this deed.
- 18.2 Continuing security**
- Subject to clause 1.4 above, this deed shall remain in full force and effect as a continuing security for the Secured Liabilities, notwithstanding any settlement of account or intermediate payment or discharge in whole or in part.
- 18.3 No waivers; rights cumulative**
- Subject to clause 1.4 above, no failure to exercise, nor delay in exercising, on the part of the Security Agent or any Noteholder, any right or remedy under this deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy preclude any further or other exercise, or the exercise of any other right or remedy. The rights and remedies of the Security Agent and each Noteholder provided in this deed are cumulative and not exclusive of any rights or remedies provided by law.
- 18.4 No Chargor set-off**
- Subject to clause 1.4 above, each Chargor waives any right of set-off it may have now or at any time in the future in respect of the Secured Liabilities (including sums payable by such Chargor under this deed).
- 18.5 Further assurance**
- 18.5.1 Subject to clause 1.4 above, each Chargor must, promptly upon request by the Security Agent or any Receiver or Administrator, at its own expense, take whatever action the Security Agent or a Receiver or Administrator may require for:
- 18.5.1.1 creating, perfecting or protecting any security intended to be created by or pursuant to this deed;
- 18.5.1.2 facilitating the realisation of any Charged Asset;
- 18.5.1.3 exercising any right, power or discretion conferred on the Security Agent, or any Receiver or any Administrator or any of their respective delegates or sub-delegates in respect of any Charged Asset; or

18.5.1.4 creating and perfecting security in favour of the Security Agent (equivalent to the security intended to be created by this deed) over any assets of any Chargor located in any jurisdiction outside England and Wales.

18.5.2 Subject to clause 1.4 above, this includes:

18.5.2.1 the re-execution of this deed;

18.5.2.2 the execution of any legal mortgage, charge, transfer, conveyance, assignment or assurance of any property, whether to the Security Agent or to its nominee; and

18.5.2.3 the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Security Agent (or the Receiver or Administrator, as appropriate) may think expedient.

19 Costs and Indemnity

19.1 Subject to clause 1.4 above, the Original Chargors shall, within three Business Days of demand, pay the Security Agent the amount of all costs and expenses (including legal fees) reasonably incurred by any of them (and, in the case of the Security Agent, by any Receiver or delegate) in connection with the negotiation, preparation, printing, execution and perfection of this agreement and any other documents referred to in this agreement and the Vendor Loan Note Documents.

19.2 Amendment costs

Subject to clause 1.4 above, if an Original Charger requests an amendment, waiver or consent such Original Charger shall, within three Business Days of demand, reimburse each of the Noteholders and the Security Agent for the amount of all costs and expenses (including legal fees) reasonably incurred by the Agent and the Noteholders (and, in the case of the Security Agent, by any Receiver or delegate) in responding to, evaluating, negotiating or complying with that request or requirement.

19.3 Security Agent's ongoing costs

19.3.1 Subject to clause 1.4 above, in the event of (i) an Event of Default or (ii) the Security Agent considering it necessary or expedient or (iii) the Security Agent being requested by an Original Chargor or the Noteholder to undertake duties which the Security Agent and the Original Chargors agree to be of an exceptional nature and/or outside the scope of the normal duties of the Security Agent under the Vendor Loan Note Documents, the Original Chargors shall pay to the Security Agent any additional remuneration that may be agreed between them.

19.3.2 Subject to clause 1.4 above, if the Security Agent and the Original Chargors fail to agree upon the nature of the duties or upon any additional remuneration, that dispute shall be determined by an independent firm of accountants (acting as an expert and not as an arbitrator) selected by the Security Agent and approved by the Original Chargors or, failing approval, nominated (on the application of the Security Agent) by the President for the time being of the Law Society of England and Wales (the costs of the nomination and of the independent firm of accountants being payable by the Original Chargors) and the determination of any investment bank shall be final and binding upon the parties to this agreement.

19.4 Enforcement and preservation costs

Subject to clause 1.4 above, the Original Chargors shall, within three Business Days of demand, pay to the Noteholders the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of or the preservation of any rights under any Vendor Loan Note Documents and the Transaction Security and any proceedings instituted by or against the Security Agent as a consequence of taking or holding the Transaction Security or enforcing these rights..

- 19.5 Subject to clause 1.4 above, each Chargor hereby agrees to indemnify and hold harmless the Security Agent, any Administrator and any Receiver from and against all actions, claims, expenses, demands and liabilities, whether arising out of contract or in tort or in any other way, which may at any time be incurred by him or by any manager, agent, officer, servant or workman for whose debt, default or miscarriage he may be answerable for anything done or omitted to be done in the exercise or purported exercise of his powers pursuant to this deed.

20 Miscellaneous

20.1 Benefit of Deed

The benefit of this deed will be held by the Security Agent on and subject to the terms of the Intercreditor Agreement on trust for the benefit of itself and the Noteholders without preference or priority amongst themselves as security for the Secured Liabilities, except as provided under the Intercreditor Agreement.

20.2 Certificates conclusive

Subject to clause 1.4 above, a certificate or determination by the Security Agent as to any amount or rate under this deed shall be conclusive evidence of that amount or rate in the absence of any manifest error.

20.3 Limitations

The obligations of any Additional Chargor are subject to the limitations (if any) set out in the Deed of Accession executed by that Additional Chargor.

20.4 Notice of assignment

This deed constitutes notice in writing to each Chargor of any charge or assignment of a debt owed by that Chargor to any other member of the Group and contained in any other Vendor Loan Note Document.

20.5 Financial collateral

- 20.5.1 Subject to clause 1.4 above, to the extent that the Charged Assets constitute "financial collateral" and this deed and the obligations of the Chargors under this deed constitute a "security financial collateral arrangement" (in each case for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 no. 3226)), the Security Agent shall have the right after this Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Liabilities.

- 20.5.2 For the purpose of clause 20.5.1, the value of the financial collateral appropriated shall be such amount as the Security Agent reasonably determines having taken into account advice obtained by it from an independent firm of accountants selected by it.

20.6 Severability

If any of the provisions of this deed is or becomes invalid or unenforceable, the validity and enforceability of the remaining provisions shall not be affected or impaired thereby.

20.7 Section 2(1) Law of Property (Miscellaneous Provisions) Act 1989

The terms of the Vendor Loan Note Documents and of any side letters between any parties (if any) in relation to the Vendor Loan Note Documents are incorporated in this deed to the extent required to ensure that any purported disposition of Charged Assets contained in this deed is a valid disposition in accordance with s.2(1) Law of Property (Miscellaneous Provisions) Act 1989.

20.8 Third party rights

Save as expressly provided a third party (being any person other than the Chargors and the Noteholders and their successors and permitted assigns) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this deed. Notwithstanding any term of any Vendor Loan Note Document, the consent of such third party is not required to rescind or vary this deed at any time.

20.9 Joint and several liability

The covenants, agreements, obligations and liabilities of the Chargors contained in this deed or implied on their part are joint and several and shall be construed accordingly.

20.10 Trustee Act 2000

The Chargors and the Security Agent agree that the Security Agent shall not be subject to the duty of care imposed on the trustees by the Trustee Act 2000.

21 Demands and notices

21.1 Any demand, notice, consent or communication to be made or given by or to a Chargor or the Security Agent under or in connection with this deed shall be made and delivered as provided below. Any demand on a Chargor shall be validly made whether or not it contains an accurate statement of the amount of the Secured Liabilities. A notice given under this agreement:

21.1.1 shall be in writing in the English language;

21.1.2 shall be sent for the attention of the person, and to the address given in this clause 21 (or such other address, or person as the relevant party may notify to the other party); and

shall be:

(i) delivered personally; or

(ii) sent by pre-paid first-class post or recorded delivery; or

(iii) (if the notice is to be served by post outside the country from which it is sent) sent by airmail.

21.1.3 The addresses for service of notice are:

Chargors: As set out in Schedule 1 marked for the attention of: Rob Asplin.

Noteholder/Security Agent: **ERIC WILLIAM BRIAR**

21.1.4 A notice is deemed to have been received:

if delivered personally, at the time of delivery; or

if delivered by pre-paid first-class post or recorded delivery, 48 hours from the date of posting;
or

if delivered by airmail, five days from the date of posting; or

if deemed receipt under the previous paragraphs of this clause 21.1.4 is not within business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is a Business Day), when business next starts in the place of deemed receipt.

- 21.1.5 To prove service, it is sufficient to prove that in the case of post, that the envelope containing the notice was properly addressed and posted.

22 Assignment and transfer

22.1 Assignment by Security Agent

The Security Agent may at any time without the consent of any Chargor, assign or transfer the whole or any part of its rights under this deed to any person to which it can transfer its rights in accordance with the terms of the Intercreditor Agreement.

22.2 Assignment by Chargor

No Chargor may assign any of its rights or transfer any of its obligations under this deed or enter into any transaction which would result in any of these rights or obligations passing to another person.

23 Release of Security

23.1 Release

Subject to clause 1.4 above, and subject to clause 23.3 (*Discharge conditional*), upon the expiry of the Security Period (but not otherwise) the Security Agent shall at the request and cost of the Chargors, take whatever action is necessary to release the Charged Assets from the security constituted by this deed.

23.2 Avoidance of payments and reinstatement

Subject to clause 1.4 above, if any payment by an Original Chargor or any discharge given by a Noteholder (whether in respect of the obligations of any Original Chargor or any security for those obligations or otherwise) is (a) capable of being avoided or reduced (in the opinion of the Security Agent) or (b) avoided or reduced in each case as a result of insolvency or any similar event, then:

- 23.2.1 the liability of each Original Chargor will continue as if the payment, discharge, avoidance or reduction had not occurred;
- 23.2.2 each Noteholder will be entitled to recover the value or amount of that security or payment from each Original Chargor, as if the payment, discharge, avoidance or reduction had not occurred; and
- 23.2.3 the Security Agent shall be entitled to enforce this deed subsequently as if such payment, discharge, avoidance or reduction had not occurred.

23.3 Discharge conditional

Subject to clause 1.4 above any release, discharge or settlement between any Chargor and the Security Agent or any other Noteholder shall be deemed conditional upon no payment or security received by the Security Agent or such other Noteholder in respect of the Secured Liabilities being avoided or reduced or ordered to be refunded pursuant to any provision of any enactment relating to insolvency, bankruptcy, winding-up, administration or receivership and, notwithstanding any such release, discharge or settlement:

- 23.3.1 the Security Agent or its nominee shall be at liberty to retain this deed and the security created by or pursuant to this deed, including all certificates and

documents relating to the Charged Assets or any part thereof, for such period as the Security Agent shall deem necessary to provide the Security Agent with security against any such avoidance or reduction or order for refund; and

- 23.3.2 the Security Agent shall be entitled to recover the value or amount of such security or payment from the Chargor concerned subsequently as if such settlement, discharge or release had not occurred and each Chargor agrees with the Security Agent accordingly and charges the Charged Assets and the proceeds of sale thereof with any liability under this clause, whether actual or contingent.

24 Governing law

This deed and any non-contractual obligations arising out of it or in connection with it are governed by, and shall be construed in accordance with, English law.

25 Enforcement

25.1 Jurisdiction of English courts

- 25.1.1 The courts of England and Wales have exclusive jurisdiction to settle any dispute arising out of or in connection with this deed (including a dispute regarding the existence, validity or termination of this deed) (a "**Dispute**").
- 25.1.2 The parties agree that the courts of England and Wales are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.
- 25.1.3 This clause 25.1 is for the benefit of the Security Agent only. As a result, the Security Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

26 Counterparts

This deed may be executed in counterparts, all of which when taken together shall be deemed to constitute one and the same instrument.

In Witness whereof this deed has been executed and is hereby delivered as a deed the day and year first above written.

Original Chargors

Name	Registered Number	Registered Office
Manor Energy Group Limited	12184008	4 Bedford Row, London WC1R 4TF
Manor Renewable Energy Limited	08753840	Unity Chambers, 34 High East Street, Dorchester DT1 1HA
Manor Marine UK Limited	02590501	Unity Chambers, 34 High East Street, Dorchester, DT1 1HA
Manor Marine Ltd.	03102561	Unity Chambers, 34 High East Street, Dorchester, DT1 1HA

Form of Deed of Accession

DATE

20[]

PARTIES

- 1 [] (registered number []) with its registered office at [] (the "Additional Chargor"); and
- 2 ERIC WILLIAM BRIAR of [] as agent and trustee for the Noteholders (as defined below) (the "Security Agent").

BACKGROUND

- A Eric William Briar and others have entered into a security agreement dated [] (the "Security Agreement").
- B The Additional Chargor has agreed to enter into this deed and to become an Additional Chargor under the Security Agreement.
- C The Security Agent and the Additional Chargor intend this document to take effect as a deed.
- D The Security Agent holds the benefit of this deed on trust for the Noteholders on the terms of the Vendor Loan Note Documents.

IT IS AGREED as follows:

1 Definitions and interpretation

Terms defined in the Security Agreement have the same meaning in this deed unless given a different meaning in this deed. This deed is a Vendor Loan Note Document.

Notwithstanding any other provision in this deed, the provisions of this deed are all subject to the provisions of the Intercreditor Agreement which will override this deed to the extent that there is any inconsistency and in particular but without limitation, the discharge of any Secured Liabilities shall not be made except to the extent permitted by the Intercreditor Agreement.

2 Accession and covenant to pay

2.1 With effect from the date of this deed the Additional Chargor:

2.1.1 will become a party to the Security Agreement as a Chargor; and

2.1.2 will be bound by all the terms of the Security Agreement which are expressed to be binding on a Chargor.

2.2 The Additional Chargor hereby covenants with the Security Agent (as trustee for the Noteholders) that it will on demand pay and discharge all Secured Liabilities owing or incurred from or by it to the Noteholders when the same become due whether by acceleration or otherwise, together with interest to the date of payment at such rates and upon such terms as may from time to time be agreed, commission, fees, enforcement expenses and other charges and all legal and other costs, charges and expenses, on a full and unqualified indemnity basis, which may be incurred by the Noteholders in relation to any such Secured Liabilities or generally in respect of the Chargors.

2.3 Neither the covenant to pay in clause 2.2 above nor the Security constituted by this deed shall extend to or include any liability or sum which would, but for this clause, cause such covenant or Security to be unlawful under any applicable law.

3 Grant of security

3.1 Fixed security

As a continuing security for the payment or discharge of the Secured Liabilities, the Additional Chargor with full title guarantee hereby:

3.1.1 grants to the Security Agent (as trustee for the Noteholder), a charge by way of legal mortgage over all its Properties which are listed in schedule 1 (*Properties currently owned*) to this deed;

3.1.2 charges to the Security Agent (as trustee for the Noteholders), by way of fixed charge, all its:

3.1.2.1 Properties acquired by it after the date of this deed;

3.1.2.2 Present and future interest of any Chargor not effectively mortgaged or charged under the preceding provisions of this clause 3 in, or over, freehold or leasehold property;

3.1.2.3 Property Interests;

3.1.2.4 Equipment;

3.1.2.5 Securities;

3.1.2.6 Intellectual Property;

3.1.2.7 Insurance Policies;

3.1.2.8 Debts;

3.1.2.9 Accounts;

3.1.2.10 Pension Fund Interests;

3.1.2.11 Goodwill and Uncalled Capital; and

3.1.2.12 rights, title and interest to any agreement, licence, consent or authorisation relating to its business at any time not otherwise mortgaged, charged or assigned pursuant to clauses 3.1.1-3.1.3 inclusive; and

3.1.3 on the repayment of all Senior Debt (as such term is defined in the Intercreditor Agreement), agrees to assign to the Security Agent (as trustee for the Noteholders) absolutely, subject to a proviso for reassignment on redemption, all of its right, title and interest in and to the Insurance Policies.

3.2 Floating Security

As a continuing security for the payment or discharge of the Secured Liabilities, the Additional Chargor with full title guarantee hereby charges to the Security Agent (as trustee for the Noteholders), by way of floating charge all of its undertaking and assets at any time not effectively mortgaged, charged or assigned pursuant to clauses 3.1.1-3.1.3 inclusive above.

3.3 Leasehold Security restrictions

3.3.1 There shall be excluded from the Security created by this deed and by the Security Agreement and from the operation of clause 4.1 (*Restrictions on*

dealing) of the Security Agreement, any Excluded Property until the relevant condition or waiver has been excluded or obtained.

3.3.2 For each Excluded Property, the Additional Chargor undertakes to:

3.3.2.1 apply for the relevant consent or waiver of prohibition or conditions within five Business Days of the date of this deed and, to use its best endeavours to obtain that consent or waiver of prohibition as soon as possible;

3.3.2.2 upon request, keep the Security Agent informed of its progress in obtaining such consent or waiver; and

3.3.2.3 forthwith upon receipt of such consent or waiver, provide the Security Agent with a copy.

3.3.3 Immediately upon receipt of the relevant waiver or consent, the relevant formerly Excluded Property shall stand charged to the Security Agent (as trustee for the Noteholders) under clause 3.1.1, clause 3.1.2.1 or clause 3.1.2.1 (*Fixed security*) of the Security Agreement as the case may be. If required by the Security Agent at any time following receipt of that waiver or consent, the Additional Chargor will execute a valid fixed charge in such form as the Security Agent shall require.

4 Land Registry restriction

In respect of any Property registered at the Land Registry, the Additional Chargor hereby consents to the entry of the following restriction on the register of its title to such Property:

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

5 Miscellaneous

With effect from the date of this deed:

5.1 the Security Agreement will be read and construed for all purposes as if the Additional Chargor had been an original party in the capacity of Chargor (but so that the security created on this accession will be created on the date of this deed);

5.2 any reference in the Security Agreement to this deed and similar phrases will include this deed.

6 Governing law

This deed is governed by, and shall be construed in accordance with, English law.

7 Enforcement

7.1 Jurisdiction of English courts

7.1.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this deed (including a dispute regarding the existence, validity or termination of this deed) (a "**Dispute**").

7.1.2 The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.

7.1.3 This clause 7.1.3 is for the benefit of the Security Agent only. As a result, the Security Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

8 Counterparts

This deed may be executed in counterparts, all of which when taken together shall be deemed to constitute one and the same instrument.

In Witness whereof this deed has been duly executed on the date first above written.

SIGNATORIES (TO DEED OF ACCESSION)

The Additional Chargor

EXECUTED as a DEED and)
DELIVERED by [])
[LIMITED] acting by:)

Director

Director/Secretary

The Security Agent

SIGNED by)
ERIC WILLIAM BRIAR)
)

PART 1

Form of notice to insurers

From: [relevant Chargor] (the "Company")

To: [insurer]

Dear Sirs

We refer to the [describe policy and its number] (the "Policy").

We hereby give notice that, pursuant to a security agreement dated [] (the "Security Agreement"), we have assigned to Eric William Briar as trustee for the Noteholders (as defined therein) (the "Security Agent") all our right, title, interest and benefit in and to the Policy.

We irrevocably authorise and instruct you from time to time:

- (a) to disclose to the Security Agent without any reference to or further authority from us (and without any enquiry by you as to the justification for each disclosure), such information relating to the Policy as the Security Agent may at any time and from time to time request;
- (b) to hold all sums from time to time due and payable by you to us under the Policy to the order of the Security Agent;
- (c) to pay or release all or any part of the sums from time to time due and payable by you to us under the Policy only in accordance with the written instructions given to you by the Security Agent from time to time;
- (d) to comply with any written notice or instructions in any way relating to, or purporting to relate to, the Security Agreement, the sums payable to us from time to time under the Policies or the debts represented thereby which you receive at any time from the Security Agent without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction; and
- (e) to send copies of all notices and other information given or received under the Policy to the Security Agent.

We are not permitted to receive from you, otherwise than through the Security Agent, any amount in respect of or on account of the sums payable to us from time to time under the Policy or to agree any amendment or supplement to, or waive any obligation under, the Policy without the prior written consent of the Security Agent.

This notice may only be revoked or amended with the prior written consent of the Security Agent.

Please confirm by completing the enclosed acknowledgement and returning it to the Security Agent (with a copy to us) that:

- (a) you accept the instructions and authorisations contained in this notice;
- (b) you have not, at the date this notice is returned to the Security Agent, received any notice that any third party has or will have any right or interest in, or has made, or will be making any claim or demand or taking any action in respect of, the rights of the Company under or in respect of the Policy and you will notify the Security Agent promptly if you should do so in future;

- (c) you will pay or release all or part of the amounts from time to time due and payable by you under the Policy in accordance with the written instructions given to you by the Security Agent from time to time;
- (d) you will not exercise any right to terminate, cancel, vary or waive the Policies or take any action to amend or supplement the Policies without first giving 14 days' written notice to the Security Agent; and
- (e) that the Security Agent's interest as mortgagee is noted on the Policy.

This notice is governed by English law.

Yours faithfully

.....
for and on behalf of
[relevant *Chargor*]

Form of acknowledgement from insurers

From: [insurer]

To: Eric William Briar (the "Security Agent")

Dear Sirs

We acknowledge receipt of a notice dated [] (the "Notice") and addressed to us by [] (the "Company") regarding the Policy (as defined in the Notice).

- (a) we accept the instructions and authorisations contained in this notice;
- (b) we have not, at the date of this acknowledgement, received any notice that any third party has or will have any right or interest in, or has made, or will be making any claim or demand or taking any action in respect of, the rights of the Company under or in respect of the Policy and we will notify the Security Agent promptly if you should do so in future;
- (c) we will pay or release all or part of the amounts from time to time due and payable by us under the Policy in accordance with the written instructions given to us by the Security Agent from time to time;
- (d) we will not exercise any right to terminate, cancel, vary or waive the Policies or take any action to amend or supplement the Policies without first giving 14 days' written notice to the Security Agent; and
- (e) the Security Agent's interest as mortgagee is noted on the Policy.

This letter is governed by English law.

Yours faithfully

[insurer]

PART 1

Form of notice of charge to third party bank

To: [Name of Bank]
[Address]

For the attention of [•]

Copy: Eric William Briar (the "Security Agent")

Dear Sirs

We hereby give you notice that by a security agreement dated [] (the "Security Agreement") we have charged to Eric William Briar as agent and trustee for the Noteholders (as defined therein) (the "Security Agent") all our right, title and interest in and to all sums of money which are now or may from time to time in the future be held in the following accounts in our name with you together with all interest credited thereto and the debts represented by those sums:

[Details of accounts] (together the "Accounts")

We hereby irrevocably instruct and authorise you:

- 1 to credit to each Account all interest from time to time earned on the sums of money held in that Account;
- 2 to disclose to the Security Agent, without any reference to or further authority from us and without any liability or inquiry by you as to the justification for such disclosure, such information relating to the Accounts and the sums in each Account as the Security Agent may, at any time and from time to time, request you to disclose to it;
- 3 to hold all sums from time to time standing to the credit of each Account in our name with you to the order of the Security Agent;
- 4 to pay or release all or any part of the sums from time to time standing to the credit of each Account in our name with you in accordance with the written instructions of the Security Agent at any time and from time to time; and
- 5 to comply with the terms of any written notice or instructions in any way relating to the Accounts or the sums standing to the credit of any Account from time to time which you may receive at any time from the Security Agent without any reference to or further authority from us and without any liability or inquiry by you as to the justification for or validity of such notice or instructions.

By counter-signing this notice, the Security Agent confirms that we may make withdrawals from the Accounts until such time as the Security Agent shall notify you in writing that their permission is withdrawn, whereupon we will not be permitted to withdraw any amounts from any Account without the prior written consent of the Security Agent.

These instructions cannot be revoked or varied without the prior written consent of the Security Agent.

This notice is governed by English law.

Please confirm your acceptance of the above instructions by returning the attached acknowledgement to the Security Agent with a copy to ourselves.

Yours faithfully

By:
for and on behalf of
[relevant Chargor]

Countersigned on behalf of the Security Agent.

By:
Eric William Brlar

PART 2

Form of acknowledgement from third party bank

To: Eric William Briar (the "Security Agent")

Dear Sirs

We confirm receipt of a notice dated [] (the "Notice") from [relevant Chargor] (the "Company") of a charge, upon the terms of a Security Agreement dated [], over all the Company's right, title and interest in and to all sums of money which are now or may from time to time in the future be held in the following accounts with us in the name of the Company together with interest relating thereto:

[Details of accounts] (together the "Accounts")

We confirm that:

- 1 we accept the instructions and authorisations contained in the Notice and undertake to comply with its terms;
- 2 we have not received notice of the interest of any third party in any Account or in the sums of money held in any Account or the debts represented by those sums and we will notify you promptly should we receive notice of any third party interest;
- 3 we have not claimed or exercised, nor will we claim or exercise, any Security or right of set-off or combination or counterclaim or other right in respect of any Account, the sums of money held in any Account or the debts represented by those sums;
- 4 until you notify us in writing that withdrawals are prohibited the Company may make withdrawals from the Accounts; upon receipt of such notice we will not permit any amount to be withdrawn from any Account except against the signature of one of your authorised signatories; and
- 5 we will not seek to modify, vary or amend the terms upon which sums are deposited in the Accounts without your prior written consent.

This letter shall be governed by English law.

Yours faithfully

.....
for and on behalf of
[Bank]

SIGNATORIES (TO SECURITY AGREEMENT)

The Chargors

**EXECUTED as a DEED
and DELIVERED**

By: MANOR ENERGY GROUP LIMITED




Signature of Director

ROBERT ASPIN

Name of Director

in the presence of



Signature of witness

Valentina Faticheva

Name of witness

4 Bedford Row

Address of witness

London WC1R 4TF

Solicitor

Occupation of witness

**EXECUTED as a DEED
and DELIVERED**

By: MANOR RENEWABLE ENERGY LIMITED

Signature of Director

Name of Director

in the presence of

Signature of witness

Name of witness

Address of witness

Occupation of witness

SIGNATORIES (TO SECURITY AGREEMENT)

The Chargors

**EXECUTED as a DEED
and DELIVERED**

By: MANOR ENERGY GROUP LIMITED

Signature of Director

Name of Director

in the presence of

Signature of witness


Name of witness

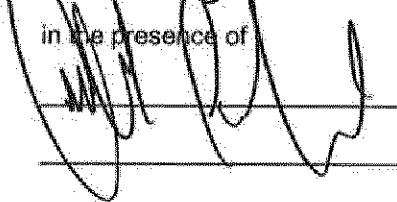
Address of witness

Occupation of witness

**EXECUTED as a DEED
and DELIVERED**

By: MANOR RENEWABLE ENERGY LIMITED



in the presence of


Signature of Director

Name of Director

Signature of witness


Name of witness

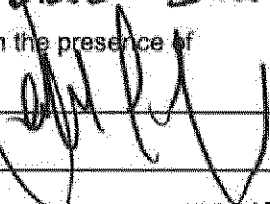
Address of witness

Michael Dyer
Solicitor
Verisone Law
1000 Lakeside, North Harbour
Western Road, Portsmouth,
Hampshire, PO6 3EN

Occupation of witness

EXECUTED as a DEED
and DELIVERED
By: MANOR MARINE UK LIMITED



Eric Brian
In the presence of


Michael Dyer
Solicitor
Verisone Law
1000 Lakeside, North Harbour
Western Road, Portsmouth,
Hampshire, PO6 3EN

Occupation of witness

Signature of Director

Name of Director


Signature of witness

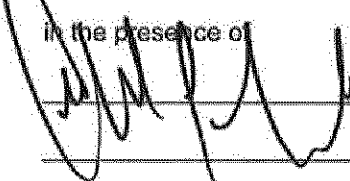
Name of witness

Address of witness

Occupation of witness

EXECUTED as a DEED
and DELIVERED
By: MANOR MARINE LTD.



Eric Brian
In the presence of


Michael Dyer
Solicitor
Verisone Law
1000 Lakeside, North Harbour
Western Road, Portsmouth,
Hampshire, PO6 3EN

Occupation of witness

Signature of Director

Name of Director

Signature of witness

Name of witness

Address of witness

Occupation of witness

The Security Agent

SIGNED by
ERIC WILLIAM BRIAR

} 