

MR01

Particulars of a charge



Companies House



Go online to file this information
www.gov.uk/companieshouse

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

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

☐ **What this form is NOT for**
You may not use this form to
register a charge where
instrument. Use form M

For further information, please
visit www.gov.uk/companieshouse

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



RM *R8FBA8HK* 03/10/2019 #24
COMPANIES HOUSE



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

1 Company details

Company number 0 8 7 7 6 6 7 4

Company name in full THE VAMPIRE'S WIFE LIMITED

For official use

Filling in this form
Please complete in typescript or in
bold black capitals.

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date d 0 3 m 1 0 y 2 0 y 1 9

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

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

Name HILLDUN CORPORATION

Name

Name

Name

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

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

MR01

Particulars of a charge

4 Brief description

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

Brief description

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

Please limit the description to the available space.

5 Other charge or fixed security

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

☒ **Yes**

☐ **No**

6 Floating charge

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

☒ **Yes** Continue

☐ **No** Go to **Section 7**

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

☐ **Yes**

7 Negative Pledge

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

☒ **Yes**

☐ **No**

8 Trustee statement ^①

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

☐

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

9 Signature

Please sign the form here.

Signature

Signature

X

X

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

MR01

Particulars of a charge



Presenter information

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

Contact name **JOSHUA W. KAPELMAN**

Company name **HILLDUN CORPORATION**

Address **225 W 35TH STREET, FLOOR 10**

Post town **NEW YORK**

County/Region **NEW YORK**

Postcode

1	0	0	0	1			
---	---	---	---	---	--	--	--

Country **USA**

DX

Telephone **+1 (212) 244-2600**



Certificate

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



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



How to pay

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

Make cheques or postal orders payable to 'Companies House.'



Where to send

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

For companies registered in England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

For companies registered in Scotland:

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

For companies registered in Northern Ireland:

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



Further information

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

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



AIR
MAIL

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8776674

Charge code: 0877 6674 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 3rd October 2019 and created by THE VAMPIRE'S WIFE LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 3rd October 2019.

Given at Companies House, Cardiff on 11th October 2019



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

I HEREBY CERTIFY, THAT THIS IS A TRUE AND
CORRECT COPY OF THE ORIGINAL AS SEEN BY ME



CLAIRE LUCZAK
NOTARY PUBLIC, STATE OF NEW YORK
01LU6195711
Qualified in Kings County
Commission Expires October 27, 2020

DATED 3 OCTOBER 2019

(1) THE VAMPIRE'S WIFE LIMITED
as Company

(2) HILLDUN CORPORATION
as Hildun

SECURITY AGREEMENT

TABLE OF CONTENTS

	Page
1. DEFINITIONS AND INTERPRETATION	1
2. PAYMENT OF SECURED OBLIGATIONS	5
3. FIXED CHARGES AND FLOATING CHARGE	5
4. CRYSTALLISATION OF FLOATING CHARGE	6
6. FURTHER ASSURANCE.....	7
7. REPRESENTATIONS AND WARRANTIES.....	8
8. NEGATIVE PLEDGE AND DISPOSALS	9
9. COLLECTION ACCOUNTS.....	10
10. ACCOUNTS RECEIVABLE	10
12. ENFORCEMENT OF SECURITY	11
13. EXTENSION AND VARIATION OF THE LAW OF PROPERTY ACT 1925	12
14. APPOINTMENT OF RECEIVER OR ADMINISTRATOR	13
15. POWERS OF RECEIVER.....	13
16. APPLICATION OF MONIES.....	14
17. PROTECTION OF PURCHASERS.....	14
18. POWER OF ATTORNEY	15
19. EFFECTIVENESS OF SECURITY	15
20. RELEASE OF SECURITY	17
21. SET-OFF.....	18
22. SUBSEQUENT SECURITY INTERESTS.....	18
23. CURRENCY INDEMNITY; CURRENCY CONVERSION.....	19
24. ASSIGNMENT.....	19
25. NOTICES.....	19
27. EXPENSES, STAMP TAXES AND INDEMNITY	20
28. PAYMENTS FREE OF DEDUCTION.....	20
29. DISCRETION AND DELEGATION.....	20
30. PERPETUITY PERIOD	21
31. GOVERNING LAW.....	21
32. JURISDICTION	21

THIS DEED is dated 3 OCTOBER, 2019

BETWEEN

- (1) **THE VAMPIRE'S WIFE LIMITED** registered in England and Wales with company number 08776674 (the "**Company**"); and
- (2) **HILLDUN CORPORATION** a New York corporation ("**Hilldun**"),

OPERATIVE PROVISIONS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

"Associated Rights" means in relation to the Company and any Accounts Receivable, any of the following:

- (a) all the rights of the Company as an unpaid vendor or which arise under the Contract of Sale;
- (b) all evidence of the Contract of Sale or its performance or any disputes arising;
- (c) all documents of title to goods, warehouse keepers' receipts, bills of lading, shipping documents, airway bills or similar;
- (d) the benefit of all insurances and all rights and powers under the insurance policies;
- (e) all remittances;
- (f) all security and all guarantees;
- (g) all accounting records and all books and records relating thereto; and
- (h) all returned goods and their proceeds of sale.

"Accounts Receivable" means all present, future or contingent book debts, accounts, contract rights, general intangibles, chattel papers, instruments, documents and all forms of indebtedness and obligations owing to the Company including, without limitation, those arising from or out of the sale of merchandise and/or the rendition of services or under a Contract of Sale, all proceeds thereof, all of the Company's rights to merchandise represented thereby, all of the Company's rights under insurance policies covering merchandise or services or sales, all of the Company's rights against carriers of said merchandise, and all of the Company's right, title, security interests and guarantees with respect to each Account Receivable, including all rights of reclamation and stoppage in transit and all other rights of an unpaid seller of merchandise or services, including all Associated Rights.

"Collection Account" means any account that may from time to time be identified in writing as a Collection Account by Hilldun.

"Contract of Sale" means any and all contracts, instruments, agreements, invoices, notes or other writings (including an agreement evidenced by a purchase order or similar document) pursuant to under which a Debtor becomes or is obligated to make payments on or in respect of the sale or hire of goods or the provision of services or work done.

"Charged Property" means all the assets and undertaking of the Company which from time to time are the subject of the security created or expressed to be created in favour of Hilldun by or pursuant to this Deed.

"Collateral Rights" means all rights, powers and remedies of Hilldun provided by or pursuant to this Deed or by law.

"Debtor" means a person who incurs or may incur any indebtedness under a Contract of Sale to the Company.

"Discount Factoring Agreement" means the discount factoring agreement dated 3 OCTOBER, 2019 between the Company and Hilldun.

"Event of Default" means any of the following events:

- (a) any of the Secured Obligations are not paid or discharged when the same ought to be paid or discharged by the Company (whether on demand, at scheduled maturity, or by acceleration or otherwise, as the case may be);
- (b) breach by the Company of any obligations under or provision of this Deed or any other Transaction Document;
- (c) the Company becomes unable to pay its debts as they fall due or it commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness, or it makes a general assignment for the benefit of, or a composition with, its creditors;
- (d) the Company passes any resolution, takes any corporate action, a petition is presented or proceedings are commenced, or any action is taken by any person for its winding-up, dissolution, administration or re-organisation, or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of it or of any or all of its revenues or assets;
- (e) the presentation of a petition or application for the making of an administration order in relation to the Company;
- (f) any person who is entitled to do so giving written notice of its intention to appoint an administrator of the Company or filing such a notice with the court;
- (g) any request by the Company for the appointment of a receiver or an administrative receiver under any security over any of its assets;
- (h) the presentation of a petition for the compulsory winding up of the Company or the convening of a meeting for the passing of a resolution for the voluntary winding up of the Company;
- (i) the taking of any steps by any person to enforce its rights under or pursuant to any security over any of the Company's assets other than any security created by or pursuant to this Deed;
- (j) a distress, execution, attachment or other legal process is levied, enforced on or sued against all or any part of the assets of the Company;
- (k) the occurrence of any event or the receipt by Hilldun of any information or the coming to the attention of Hilldun of any other matter or thing whatsoever which causes Hilldun

to believe that all or any part of the Charged Property is in danger of seizure, distress or other legal process or that all or any part of the security created by or pursuant to this Deed is otherwise for any reason whatsoever in jeopardy;

- (l) an event of default listed in paragraph 13 or 14 of the Discount Factoring Agreement; or
- (m) an event of default under any other discount factoring agreement entered into between Hildun, any of its affiliates, or any of the Company's affiliates from time to time.

"Fixed Charged Property" means the all the assets and undertaking of the Company which from time to time are the subject of the fixed charge security or assignments created or expressed to be created in favour of Hildun by or pursuant to this Deed.

"Insolvency Regulation" means the Council Regulation (EC) No 1346/2000 of 29 May, 2000 on insolvency proceedings (OJEC L 160 30/06/2000, p.1 ss.).

"Intellectual Property" means any patents, trade marks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests, whether registered or unregistered, the benefit of all applications and rights to use such assets and all Related Rights.

"Party" means a party to this Deed.

"Receiver" means a receiver or receiver and manager or, where permitted by law, an administrative receiver of the whole or any part of the Charged Property and that term will include any appointee made under a joint and/or several appointment.

"Related Rights" means, in relation to any asset:

- (a) the proceeds of sale of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of that asset; and
- (d) any monies and proceeds paid or payable in respect of that asset.

"Secured Obligations" means Obligations as defined in the Discount Factoring Agreement.

"Transaction Document" means the Discount Factoring Agreement and any ancillary documents entered into in connection therewith.

1.2 Construction

In this Deed:

- (A) terms defined in the Discount Factoring Agreement shall, unless defined in this Deed, have the same meaning in this Deed;
- (B) any reference to "Hildun" or the "Company" shall be construed so as to include its or their (and any subsequent) successors and any permitted transferees in accordance with their respective interests;

- (C) references in this Deed to any Clause or Schedule shall be to a clause or schedule contained in this Deed;
- (D) clause, Schedule and paragraph headings shall not affect the interpretation of this Deed;
- (E) a reference to a person shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality) and that person's personal representatives, successors, permitted assigns and permitted transferees;
- (F) a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- (G) a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- (H) a reference to a time of day is to London time;
- (I) a reference to **writing** or **written** includes fax but not e-mail;
- (J) an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- (K) a reference to any Transaction Document (or any provision of it) or to any other agreement or document referred to in any Transaction Document is a reference to such Transaction Document, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this agreement) from time to time;
- (L) unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this agreement and a reference to a paragraph is to a paragraph of the relevant Schedule;
- (M) any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- (N) a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- (O) a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- (P) a reference to a **disposal** of any asset, undertaking or business includes a sale, lease, licence, transfer, loan or other disposal by a person of that asset, undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions); and
- (Q) a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

1.3 Third Party Rights

A person who is not a party to this Deed 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.

1.4 Disposition of Property

The terms of the other Transaction Documents and of any side letters between the Parties in relation to the Transaction Documents are incorporated into each Transaction Document to the extent required for any purported disposition of the real property contained in any Transaction Document to be a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

2. PAYMENT OF SECURED OBLIGATIONS

2.1 Covenant to Pay

The Company covenants with Hilddun that it shall on demand of Hilddun discharge the Secured Obligations when they fall due for payment.

2.2 Interest on Demands

If the Company fails to pay any sum on the due date for payment of that sum the Company shall pay interest on any such sum (before and after any judgment and to the extent interest at a default rate is not otherwise being paid on such sum) from the date of demand until the date of payment calculated on a daily basis at the rate determined in accordance with the provisions of the Discount Factoring Agreement.

3. FIXED CHARGES AND FLOATING CHARGE

3.1 Fixed Charges

The Company charges with full title guarantee in favour of Hilddun for the payment and discharge of the Secured Obligations, all the Company's right, title and interest from time to time (both present and future) in and to each of the following assets (subject to obtaining any necessary consent to such mortgage or fixed charge from any third party):

(A) by way of first fixed charge:

- (1) the Accounts Receivable and all Related Rights (including, for the avoidance of doubt, those which fail to vest in Hilddun under the Discount Factoring Agreement);
- (2) the Intellectual Property;
- (3) any goodwill and rights in relation to the uncalled capital of the Company; and
- (4) all Collection Accounts opened or maintained by the Company.

3.2 Floating Charge

- (A) The Company with full title guarantee charges in favour of Hilddun for the payment and discharge of the Secured Obligations by way of first floating charge all present and future assets and undertaking of the Company.

- (B) The floating charge created by paragraph (A) above shall be deferred in point of priority to all fixed security validly and effectively created by the Company under the Transaction Documents in favour of Hilldun as security for the Secured Obligations.
- (C) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created pursuant to this Clause 3.2 (*Floating Charge*).

4. CRYSTALLISATION OF FLOATING CHARGE

4.1 Crystallisation: By Notice

Hilldun may at any time by notice in writing to the Company convert the floating charge created by Clause 3.2 (*Floating Charge*) with immediate effect into a fixed charge as regards any property or assets specified in the notice if:

- (A) an Event of Default has occurred; or
- (B) Hilldun considers that any of the Charged Property may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process; or
- (C) Hilldun considers that it is necessary or desirable in order to protect the priority of the security.

4.2 Crystallisation: Automatic

Notwithstanding Clause 4.1 (*Crystallisation: By Notice*) and without prejudice to any law which may have a similar effect, the floating charge will automatically be converted (without notice) with immediate effect into a fixed charge as regards all the assets subject to the floating charge if:

- (A) the Company creates or attempts to create any security over any of the Charged Property without the prior written consent of Hilldun; or
- (B) the Company disposes, or attempts to dispose of, all or any part of the Fixed Charge Property without the prior written consent of Hilldun; or
- (C) any person levies or attempts to levy any distress, execution or other process against any of the Charged Property; or
- (D) a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Company or an administrator is appointed to the Company; or
- (E) any person (who is entitled to do so) gives notice of its intention to appoint an administrator to the Company or files such a notice with the court; or
- (F) the presentation of a petition for the compulsory winding-up of the Company; or
- (G) the convening of a meeting for the passing of a resolution for the voluntary winding-up of the Company; or
- (H) the presentation of a petition or application for the making of an administration order in relation to the Company; or
- (I) any person who is entitled to do so giving written notice of its intention to appoint an administrator of the Company or filing such a notice with the court; or

- (J) the presentation or making of an application for a warrant of execution, writ of *fiery facias*, garnishee order or charging order in respect of any of the assets of the Company subject to the floating charge.

5. PERFECTION OF SECURITY

5.1 Notices of Charge

The Company shall if requested by Hilldun from time to time promptly deliver to Hilldun (or procure delivery of) notices of charge (in form and substance satisfactory to Hilldun) duly executed by, or on behalf of, the Company and acknowledged by each of the banks or financial institutions with which any of the Collection Accounts are opened or maintained by the Company.

5.2 Registration of Intellectual Property

The Company shall, if requested by Hilldun, execute all such documents and do all acts that Hilldun may reasonably require to record the interest of Hilldun in any registers relating to any registered Intellectual Property.

6. FURTHER ASSURANCE

6.1 Further Assurance: General

- (A) The covenant set out in Section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in Clause 6.1(B) below.
- (B) The Company shall promptly at its own cost do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as Hilldun may reasonably specify (and in such form as Hilldun may reasonably require in favour of Hilldun or its nominee(s)):
- (1) to perfect the security created or intended to be created in respect of the Charged Property (which may include the execution by the Company of a mortgage, charge or assignment over all or any of the assets constituting, or intended to constitute, Charged Property) or for the exercise of the Collateral Rights;
 - (2) to confer on Hilldun security over any property and assets of the Company located in any jurisdiction outside England and Wales equivalent or similar to the security intended to be conferred by or pursuant to this Deed; and/or
 - (3) to facilitate the realisation of the Charged Property.

6.2 Necessary Action

The Company shall take all such action as is available to it (including making all filings and registrations) as may be necessary or desirable for the purpose of the creation, perfection, protection or maintenance of any security conferred or intended to be conferred on Hilldun by or pursuant to this Deed.

6.3 Consents

If the rights of the Company under a document cannot be secured without the consent of a party to that document:

- (A) the Company must notify Hilldun promptly;
- (B) this Deed will secure all amount which the Company may receive, or has received, under that document but exclude the document itself; and
- (C) the Company shall use all reasonable endeavours to obtain (in form and content satisfactory to Hilldun) as soon as possible any consents necessary to enable that document to be the subject of effective security pursuant to Clause 3 (*Fixed Charges and Floating Charge*) and, immediately upon obtaining any such consent, the asset(s) concerned shall become subject to such security and the Company shall promptly deliver a copy of each consent to Hilldun.

6.4 Implied Covenants for Title

- (A) The obligations of the Company under this Deed shall be in addition to the covenants for title deemed to be included in this Deed by virtue of Part 1 of the Law of Property (Miscellaneous Provisions) Act 1994.
- (B) The covenants set out in Sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to Clause 3 (*Fixed Charges and Floating Charge*).
- (C) It shall be implied in respect of Clause 3 (*Fixed Charges and Floating Charge*) that the Company is disposing of the Charged Property free from all charges and encumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment).

7. REPRESENTATIONS AND WARRANTIES

7.1 Representations

The Company makes the following representations and warranties to Hilldun and acknowledges that Hilldun has relied upon those representations and covenants:

- (A) it is a limited liability company, duly incorporated and validly existing under the laws of England and Wales;
- (B) for the purposes of the Insolvency Regulation, the centre of main interest (as that term is used in Article 3(1) of the Insolvency Regulation) of the Company is situated in England and it has no "establishment" (as that term is used in Article 2(h) of the Insolvency Regulation) in any other jurisdiction;
- (C) it is the absolute legal and beneficial owner of all the Charged Property free from any security (other than any security created pursuant to this Deed or permitted pursuant to clause 8 (*Negative Pledge and Disposals*));
- (D) it has not sold or granted (or agreed to sell or grant) any right of pre-emption over, or any lease or tenancy of or otherwise disposed of, the benefit of its right, title and interest in and to any of the Fixed Charged Property (other than to Hilldun pursuant to the Discount Factoring Agreement);

- (E) it has, and will at all times during the subsistence of this Deed have, the necessary power and existence to enable it to enter into and perform the obligations expressed to be assumed by it under this Deed;
- (F) it has obtained all consents necessary to ensure that no other party to any agreement or arrangement entered into by the Company becomes entitled to terminate such agreement or arrangement as a consequence of the Company entering into this Deed;
- (G) all actions, conditions and things required to be taken, fulfilled and done in order (1) to enable it to create the security constituted (or intended to be constituted), by or pursuant to this Deed and to ensure that (subject to all necessary registrations of this Deed being made) such security is legal, valid, binding and enforceable and has (and will have) the ranking in priority which it is expressed to have and (2) to make this Deed admissible in evidence in the courts of England and (if different) its jurisdiction of incorporation and each other jurisdiction in which any part of the Charged Property is located, have been done, taken, fulfilled and performed;
- (H) this Deed constitutes its legal, valid, binding and enforceable obligations in accordance with its terms;
- (I) the entry into and performance by it of, and the transactions contemplated by, this Deed and the Transaction Documents do not conflict with (1) any law or regulation applicable to it, its constitutional documents; or any Contract of Sale or other material contract which is binding upon it or any of its assets;
- (J) this Deed creates:
 - (1) valid, legally binding and enforceable security for the obligations expressed to be secured by it; and
 - (2) subject to registration under section 859A of the Companies Act 2006 perfected security over the assets expressed to be subject to security in it,

in favour of Hildun, having the priority and ranking expressed to be created in this Deed and ranking ahead of all (if any) security and rights of third parties except those preferred by law; and
- (K) it is the sole legal and beneficial owner of, with full title guarantee to, the Intellectual Property, free from any security except in each case as permitted under the Transaction Documents.

7.2 Repeating Representations

The representations made by the Company in Clause 7.1 are made by the Company on the date of this Deed and deemed to be made by the Company by reference to the facts and circumstances then existing on each day after the date of this Deed.

8. NEGATIVE PLEDGE AND DISPOSALS

8.1 Negative Pledge

The Company undertakes that it shall not, at any time during the subsistence of this Deed, create or permit to subsist any security over all or any part of the Charged Property other than security to which Hildun has given its prior written consent.

8.2 No Disposal of Interests

The Company undertakes that it shall not (and shall not agree to) at any time during the subsistence of this Deed, except with the prior written consent of Hilldun:

- (A) dispose of (or execute any conveyance, transfer, lease or assignment of, or other right to use or occupy) all or any part of the Fixed Charged Property;
- (B) create any legal or equitable estate or other interest in, or over, or otherwise relating to, all or any part of the Fixed Charged Property;
- (C) (1) grant or vary, or accept any surrender, or cancellation or disposal of, any lease, tenancy, licence, consent or other right to occupy in relation to any of the Fixed Charged Property or (2) allow any person any right to use or occupy or to become entitled to assert any proprietary interest in, or right over, the Fixed Charged Property, which may, in each case, adversely affect the value of any of the Fixed Charged Property or the ability of Hilldun to exercise any of the Collateral Rights; or
- (D) assign or otherwise dispose of any interest in any Collection Account.

9. COLLECTION ACCOUNTS

9.1 Generally

- (A) The Company shall not be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Collection Account except with the prior consent of Hilldun.
- (B) Hilldun shall, upon or at any time after the occurrence of an Event of Default, be entitled without notice to exercise from time to time all rights, powers and remedies held by it as assignee of the Collection Accounts and to:
 - (1) demand and receive all and any monies due under or arising out of each Collection Account; and
 - (2) exercise all such rights as the Company was then entitled to exercise in relation to such Collection Account or might, but for the terms of this Deed, exercise.

9.2 Application of Monies

Hilldun shall, upon or at any time after the occurrence of an Event of Default, be entitled without notice to apply, transfer or set-off any or all of the credit balances from time to time on any Collection Account in or towards the payment or other satisfaction of all or part of the Secured Obligations in accordance with Clause 16 (*Application of Monies*).

10. ACCOUNTS RECEIVABLE

10.1 Dealing with Accounts Receivable

The Company shall not at any time during the subsistence of the Deed, without the prior written consent of Hilldun:

- (A) deal with the Accounts Receivable except by getting in and realising them in a prudent manner (on behalf of Hilldun) and paying the proceeds of those Accounts Receivable into the Collection Accounts or as Hilldun may require (and such proceeds shall be held upon trust by the Company for Hilldun prior to such payment in);

- (B) factor or discount any of the Accounts Receivable or enter into any agreement for such factoring or discounting; or
- (C) be entitled to withdraw or otherwise transfer the proceeds of the realisation of any Accounts Receivable standing to the credit of any Collection Account.

11. GENERAL UNDERTAKINGS

11.1 Intellectual Property

The Company shall during the subsistence of this Deed in respect of any Intellectual Property which is material to or required in connection with its business:

- (A) take all such steps and do all such acts as may be necessary to preserve and maintain the subsistence and the validity of any such Intellectual Property; and
- (B) not use or permit any such Intellectual Property to be used in any way which may materially and adversely affect its value.

11.2 Information and Access

The Company shall from time to time on request of Hilldun, furnish Hilldun with such information as Hilldun may reasonably require about the Company's business and affairs, the Charged Property and its compliance with the terms of this Deed and the Company shall permit Hilldun, its representatives, professional advisers and contractors, free access at all reasonable times and on reasonable notice to:

- (A) inspect and take copies and extracts from the books, accounts and records of the Company; and
- (B) to view the Charged Property (without becoming liable as mortgagee in possession).

12. ENFORCEMENT OF SECURITY

12.1 Enforcement

Upon or at any time after the occurrence of an Event of Default or if the Company requests Hilldun to exercise any of its powers under this Deed or if a petition or application is presented for the making of an administration order in relation to the Company or if any person who is entitled to do so gives written notice of its intention to appoint an administrator of the Company or files such a notice with the court, the security created by or pursuant to this Deed is immediately enforceable and Hilldun may, without notice to the Company or prior authorisation from any court, in its absolute discretion:

- (A) enforce all or any part of that security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Charged Property; and
- (B) whether or not it has appointed a Receiver, exercise all or any of the powers, authorities and discretions conferred by the Law of Property Act 1925 (as varied or extended by this Deed) on mortgagees and by this Deed on any Receiver or otherwise conferred by law on mortgagees or Receivers.

12.2 No Liability as Mortgagee in Possession

Neither Hildun nor any Receiver shall be liable to account as a mortgagee in possession in respect of all or any part of the Charged Property or be liable for any loss upon realisation or for any neglect, default or omission in connection with the Charged Property to which a mortgagee or mortgagee in possession might otherwise be liable.

12.3 Right of Appropriation

To the extent that any of the Charged Property constitutes "financial collateral" and this Deed and the obligations of the Company hereunder constitute a "security financial collateral arrangement" (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) (the "Regulations")) Hildun shall have the right to appropriate all or any part of such financial collateral in or towards discharge of the Secured Obligations. For this purpose, the parties agree that the value of such financial collateral so appropriated shall be (1) in the case of cash, the amount standing to the credit of each of the Accounts, together with any accrued but unposted interest, at the time the right of appropriation is exercised; and (2) in the case of Investments and/or Shares, the market price of such Investments and/or Shares determined by Hildun by reference to a public index or by such other process as Hildun may select, including independent valuation. In each case, the parties agree that the method of valuation provided for in this Deed shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

12.4 Effect of Moratorium

Hildun shall not be entitled to exercise its rights under Clause 12.1 (*Enforcement*) or Clause 4 (*Crystallisation of Floating Charge*) where the right arises as a result of an Event of Default occurring solely due to any person obtaining or taking steps to obtain a moratorium pursuant to Schedule A1 of the Insolvency Act 1986.

13. EXTENSION AND VARIATION OF THE LAW OF PROPERTY ACT 1925

13.1 Extension of Powers

The power of sale or other disposal conferred on Hildun and on any Receiver by this Deed shall operate as a variation and extension of the statutory power of sale under Section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Deed.

13.2 Restrictions

The restrictions contained in Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Deed or to the exercise by Hildun of its right to consolidate all or any of the security created by or pursuant to this Deed with any other security in existence at any time or to its power of sale, which powers may be exercised by Hildun without notice to the Company on or at any time after the occurrence of an Event of Default (which is continuing).

13.3 Power of Leasing

The statutory powers of leasing may be exercised by Hildun at any time on or after the occurrence of an Event of Default and Hildun and any Receiver may make any lease or agreement for lease, accept surrenders of leases and grant options on such terms as it shall think fit, without the need to comply with any restrictions imposed by Sections 99 and 100 of the Law of Property Act 1925.

14. APPOINTMENT OF RECEIVER OR ADMINISTRATOR

14.1 Appointment and Removal

After the occurrence of an Event of Default or if a petition or application is presented for the making of an administration order in relation to the Company or if any person who is entitled to do so gives written notice of its intention to appoint an administrator of the Company or files such a notice with the court or if requested to do so by the Company, Hilldun may by deed or otherwise (acting through an authorised officer of Hilldun), without prior notice to the Company:

- (A) appoint one or more persons to be a Receiver of the whole or any part of the Charged Property;
- (B) appoint two or more Receivers of separate parts of the Charged Property;
- (C) remove (so far as it is lawfully able) any Receiver so appointed;
- (D) appoint another person(s) as an additional or replacement Receiver(s); or
- (E) appoint one or more persons to be an administrator of the Company.

14.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to Clause 14.1 (*Appointment and Removal*) shall be:

- (A) entitled to act individually or together with any other person appointed or substituted as Receiver;
- (B) for all purposes deemed to be the agent of the Company which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for Hilldun; and
- (C) entitled to remuneration for his services at a rate to be fixed by Hilldun from time to time (without being limited to the maximum rate specified by the Law of Property Act 1925).

14.3 Statutory Powers of Appointment

The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of Hilldun under the Law of Property Act 1925 (as extended by this Deed) or otherwise and such powers shall remain exercisable from time to time by Hilldun in respect of any part of the Charged Property.

15. POWERS OF RECEIVER

Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of the Company) have and be entitled to exercise, in relation to the Charged Property (and any assets of the Company which, when got in, would be Charged Property) in respect of which he was appointed, and as varied and extended by the provisions of this Deed (in the name of or on behalf of the Company or in his own name and, in each case, at the cost of the Company):

- (A) all the powers conferred by the Law of Property Act 1925 on mortgagors and on mortgagees in possession and on receivers appointed under that Act;

- (B) all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- (C) all the powers and rights of an absolute owner and power to do or omit to do anything which the Company itself could do or omit to do; and
- (D) the power to do all things (including bringing or defending proceedings in the name or on behalf of the Company) which seem to the Receiver to be incidental or conducive to (1) any of the functions, powers, authorities or discretions conferred on or vested in him or (2) the exercise of the Collateral Rights (including realisation of all or any part of the Charged Property) or (3) bringing to his hands any assets of the Company forming part of, or which when got in would be, Charged Property.

16. APPLICATION OF MONIES

All monies received or recovered by Hilddun or any Receiver pursuant to this Deed or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied first in the payment of the costs, charges and expenses incurred and payments made by the Receiver, the payment of his remuneration and the discharge of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of his powers, and thereafter shall be applied by Hilddun (notwithstanding any purported appropriation by the Company) in such order and manner as Hilddun shall think fit:

- (A) in or towards the discharge of all or any of the Secured Obligations which are then due and payable; or
- (B) if any of the Secured Obligations are then contingent, in payment to the credit of any accounts selected by Hilddun to be held until such time as Hilddun shall think fit pending their application in or towards the discharge of all or any of the Secured Obligations which are at that time due and payable; or
- (C) in payment to the credit of any suspense or impersonal account for so long as Hilddun shall think fit pending any further application of such monies (as Hilddun shall be entitled, but not obliged, to do in its discretion) in accordance with the previous provisions of this clause; and

if the Company is under no further actual or contingent liability under any Transaction Document, in payment of the surplus to the Company or any other person entitled to it.

17. PROTECTION OF PURCHASERS

17.1 Consideration

The receipt of Hilddun or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Charged Property or making any acquisition, Hilddun or any Receiver may do so for such consideration, in such manner and on such terms as it thinks fit.

17.2 Protection of Purchasers

No purchaser or other person dealing with Hilddun or any Receiver shall be bound to inquire whether the right of Hilddun or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of Hilddun or such Receiver in such dealings.

18. POWER OF ATTORNEY

18.1 Appointment and Powers

The Company by way of security irrevocably appoints Hildun and any Receiver severally to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents and do all things which the attorney may consider to be required or desirable for:

- (A) carrying out any obligation imposed on the Company by this Deed or any other agreement binding on the Company to which Hildun is party (including the execution and delivery of any deeds, charges, assignments or other security and any transfers of the Charged Property); and
- (B) enabling Hildun and any Receiver to exercise, or delegate the exercise of, any of the rights, powers and authorities conferred on them by or pursuant to this Deed or by law (including, after the occurrence of an Event of Default, the exercise of any right of a legal or beneficial owner of the Charged Property).

18.2 Ratification

The Company shall ratify and confirm all things done and all documents executed by any attorney appointed under Clause 18.1 (*Appointment and Powers*) in the exercise or purported exercise of all or any of his powers.

19. EFFECTIVENESS OF SECURITY

19.1 Continuing security

- (A) The security created by or pursuant to this Deed shall remain in full force and effect as a continuing security for the Secured Obligations unless and until discharged by Hildun.
- (B) No part of the security from time to time intended to be constituted by this Deed will be considered satisfied or discharged by any intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations.

19.2 Cumulative Rights

The security created by or pursuant to this Deed and the Collateral Rights shall be cumulative, in addition to and independent of every other security which Hildun or any Secured Party may at any time hold for the Secured Obligations or any other obligations or any rights, powers and remedies provided by law. No prior security held by Hildun (whether in its capacity as security trustee or otherwise) or any of the other Secured Parties over the whole or any part of the Charged Property shall merge into the security constituted by this Deed.

19.3 No Prejudice

The security created by or pursuant to this Deed and the Collateral Rights shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to the Company or any other person, or Hildun (whether in its capacity as security trustee or otherwise) or any of the other Secured Parties or by any variation of the terms of the trust upon which Hildun holds the security or by any other thing which might otherwise prejudice that security or any Collateral Right.

19.4 Remedies and Waivers

No failure on the part of Hilldun to exercise, or any delay on its part in exercising, any Collateral Right shall operate as a waiver of that Collateral Right, nor shall any single or partial exercise of any Collateral Right preclude any further or other exercise of that or any other Collateral Right.

19.5 No Liability

None of Hilldun, its nominee(s) or any Receiver shall be liable to any person by reason of (1) taking any action permitted by this Deed or (2) any neglect or default in connection with the Charged Property or (3) taking possession of or realising all or any part of the Charged Property, except in the case of gross negligence or wilful default upon its part.

19.6 Partial Invalidity

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Deed nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the security intended to be created by or pursuant to this Deed is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security.

19.7 Waiver of defences

The obligations of the Company under this Deed and the Collateral Rights shall not be discharged, impaired or otherwise affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Deed (without limitation and whether or not known to it) including:

- (A) any time, indulgence, waiver or consent granted to, or composition with, any guarantor, obligor or other person;
- (B) the release of any guarantor, obligor or any other person under the terms of any composition or arrangement with any creditor of the Company or any of its affiliates;
- (C) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any guarantor, obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (D) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Obligor or any other person;
- (E) any amendment (however fundamental) or replacement of a Transaction Document or any other document or security or of the Secured Obligations;
- (F) any unenforceability, illegality or invalidity of any obligation of any person under any Transaction Document or any other document or security or of the Secured Obligations;
- (G) any insolvency or similar proceedings;
- (H) any winding-up, dissolution, administration or re-organisation of or other change in any guarantor, obligor or any other person;

- (I) any failure to take or failure to realise the value of any other collateral in respect of the Secured Obligations or any release, discharge, exchange or substitution of any such collateral; or
- (J) any other act, event or omission which but for this provision would or might operate to impair, discharge or otherwise affect the obligations of the Company under this Deed.

19.8 Immediate recourse

The Company waives any right it may have of first requiring Hilddun (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Company under this Deed. This waiver applies irrespective of any law or any provision of this Deed to the contrary.

19.9 Deferral of Rights

Until such time as the Secured Obligations have been discharged in full, the Company will not exercise any rights which it may have by reason of performance by it of its obligations under this Deed:

- (A) to be indemnified by any guarantor or obligor;
- (B) to claim any contribution from any guarantor of any obligor's obligations under this Deed; and/or

to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of Hilddun under the Transaction Documents or of any other guarantee or security taken pursuant to, or in connection with, this Deed by Hilddun.

20. RELEASE OF SECURITY

20.1 Redemption of security

Subject to Clause 20.3 (*Discharge Conditional*), below, upon the Secured Obligations being discharged in full and none of the Secured Parties being under any further actual or contingent obligation to make advances or provide other financial accommodation to the Company or any other person under any of the Transaction Documents, Hilddun shall, at the request and cost of the Company, release and cancel the security constituted by this Deed and procure the reassignment to the Company of the property and assets assigned to Hilddun pursuant to this Deed, in each case subject to Clause 20.2 (*Avoidance of Payments*) and without recourse to, or any representation or warranty by, Hilddun or any of its nominees.

20.2 Avoidance of Payments

If Hilddun considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws the liability of the Company under this Deed and the security constituted by this Deed shall continue and such amount shall not be considered to have been irrevocably paid.

20.3 Discharge Conditional

Any settlement or discharge between the Company and any Secured Party shall be conditional upon no security or payment to that Secured Party by the Company or any other person being avoided, set aside, ordered to be refunded or reduced by virtue of any provision or enactment relating to insolvency and accordingly (but without limiting the other rights of that Secured

Party under this Deed) that Secured Party shall be entitled to recover from the Company the value which that Secured Party has placed on that security or the amount of any such payment as if that settlement or discharge had not occurred.

20.4 Retention of security

Hilldun may retain this Deed, the security constituted by or pursuant to this Deed and all documents of title, certificates and other documents relating to or evidencing ownership of all or any part of the Charged Property for a period of seven months after any discharge in full of the Secured Obligations; provided that if at any time during that seven month period a petition or application is presented for an order for the winding up of, or the making of an administration order in respect of, the Company or any person who is entitled to do so gives written notice of its intention to appoint an administrator of the Company or files such a notice with the court or the Company commences to be wound up voluntarily or any analogous proceedings are commenced in respect of the Company, Hilldun may continue to retain such security and such documents for such further period as Hilldun may determine and the security and such documents shall be deemed to have continued to have been held as security for the Secured Obligations.

21. SET-OFF

The Company authorises Hilldun (but Hilldun shall not be obliged to exercise such right), after the occurrence of an Event of Default which is continuing, to set off against the Secured Obligations any amount or other obligation (contingent or otherwise) owing by Hilldun to the Company and apply any credit balance to which the Company is entitled on any account with Hilldun in accordance with Clause 16 (*Application of Monies*) (notwithstanding any specified maturity of any deposit standing to the credit of any such account).

22. SUBSEQUENT SECURITY INTERESTS

If Hilldun (acting in its capacity as security trustee or otherwise) or any of the other Secured Parties at any time receives or is deemed to have received notice of any subsequent security affecting all or any part of the Charged Property or any assignment or transfer of the Charged Property which is prohibited by the terms of this Deed or the Discount Factoring Agreement, all payments thereafter by or on behalf of the Company to Hilldun (whether in its capacity as security trustee or otherwise) or any of the other Secured Parties shall be treated as having been credited to a new account of the Company and not as having been applied in reduction of the Secured Obligations as at the time when Hilldun received such notice.

23. CURRENCY INDEMNITY; CURRENCY CONVERSION

23.1 Currency Indemnity

If any sum (a "Sum") owing by the Company under this Deed or any order or judgment given or made in relation to this Deed has to be converted from the currency (the "First Currency") in which such Sum is payable into another currency (the "Second Currency") for the purpose of:

- (A) making or filing a claim or proof against the Company;
- (B) obtaining an order or judgment in any court or other tribunal;
- (C) enforcing any order or judgment given or made in relation to this Deed; or
- (D) applying the Sum in satisfaction of any of the Secured Obligations,

the Company shall indemnify Hilldun from and against any loss suffered or incurred as a result of any discrepancy between (1) the rate of exchange used for such purpose to convert such Sum from the First Currency into the Second Currency and (2) the rate or rates of exchange available to Hilldun at the time of such receipt of such Sum.

23.2 Currency Conversion

For the purpose of or pending the discharge of any of the Secured Obligations, Hilldun may convert any monies received or recovered by Hilldun or any Receiver pursuant to this Deed from one currency to another at the spot rate at which Hilldun is able to purchase the currency in which the Secured Obligations are due with the amount received. The Secured Obligations shall only be satisfied to the extent of amount of the due currency purchased after deducting the costs of conversion.

24. ASSIGNMENT

- (A) Hilldun may assign and transfer all or any of its rights and obligations under this Deed. Hilldun shall be entitled to disclose such information concerning the Company and this Deed as Hilldun considers appropriate to any actual or proposed direct or indirect successor or to any person to whom information may be required to be disclosed by any applicable law.
- (B) The Company may not assign or otherwise transfer any of its rights or obligations under this Deed without the prior written consent of Hilldun.

25. NOTICES

Each notice or communication to be made under or in connection with this Deed must be given to the addresses and otherwise shall be made in accordance with the terms of the Discount Factoring Agreement.

26. SEVERABILITY; COUNTERPARTS

- (A) If a term of this Deed is or becomes illegal, invalid or unenforceable in any respect under any jurisdiction, that will not affect (1) the legality, validity or enforceability in that jurisdiction of any other term of this Deed; or (2) the legality, validity or enforceability in any other jurisdiction of that or other term of this Deed.
- (B) This Deed may be executed in any number of counterparts and all of those counterparts taken together will be deemed to constitute one and the same instrument.

27. EXPENSES, STAMP TAXES AND INDEMNITY

27.1 Expenses

The Company shall, from time to time on demand of Hilldun, reimburse Hilldun for all the costs and expenses (including legal fees) on a full indemnity basis together with any VAT thereon incurred by it in connection with:

- (A) the negotiation, preparation and execution of this Deed and the completion of the transactions and perfection of the security contemplated in this Deed; and
- (B) the exercise, preservation and/or enforcement of any of the Collateral Rights or the security contemplated by this Deed or any proceedings instituted by or against Hilldun as a consequence of taking or holding the security or of enforcing the Collateral Rights,

and shall carry interest from the date of such demand until so reimbursed at the rate and on the basis as mentioned in Clause 2.2 (*Interest on Demands*).

27.2 Stamp Taxes

The Company shall pay all stamp, registration and other taxes to which this Deed, the security contemplated in this Deed or any judgment given in connection with it is or at any time may be subject and shall, from time to time, indemnify Hilddun on demand against any liabilities, costs, claims and expenses resulting from any failure to pay or delay in paying any such tax.

27.3 Indemnity

The Company shall, notwithstanding any release or discharge of all or any part of the security, indemnify Hilddun, its agents, attorneys and any Receiver against any action, proceeding, claims, losses, liabilities and costs which it may sustain as a consequence of any breach by the Company of the provisions of this Deed, the exercise or purported exercise of any of the rights and powers conferred on them by this Deed or otherwise relating to the Charged Property.

28. PAYMENTS FREE OF DEDUCTION

All payments to be made to Hilddun under this Deed and any other Transaction Document shall be made free and clear of and without deduction for or on account of tax unless the Company is required to make such payment subject to the deduction or withholding of tax, in which case the sum payable by the Company in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the person on account of whose liability to tax such deduction or withholding has been made receives and retains (free from any liability in respect of any such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

29. DISCRETION AND DELEGATION

29.1 Discretion

Any liberty or power which may be exercised or any determination which may be made under this Deed by Hilddun or any Receiver may, subject to the terms and conditions of the Discount Factoring Agreement, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

29.2 Delegation

Each of Hilddun and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Deed (including the power of attorney) on such terms and conditions as it shall see fit which delegation shall not preclude either the subsequent exercise any subsequent delegation or any revocation of such power, authority or discretion by Hilddun or the Receiver itself.

30. PERPETUITY PERIOD

The perpetuity period under the rule against perpetuities, if applicable to this Deed, shall be the period of one hundred and twenty (120) years from the date of the Discount Factoring Agreement.

31. GOVERNING LAW

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

32. JURISDICTION

32.1 English Courts

The courts of England have exclusive jurisdiction to settle any dispute (a "Dispute") arising out of, or connected with this Deed (including a dispute regarding the existence, validity or termination of this Deed or the consequences of its nullity and any non-contractual obligations arising out of or in connection with this Deed).

32.2 Convenient Forum

The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes between them and, accordingly, that they will not argue to the contrary.

32.3 Exclusive Jurisdiction

This Clause 32 (*Jurisdiction*) is for the benefit of Hilddun only. As a result and notwithstanding Clause 32.1 (*English Courts*), it does not prevent Hilddun from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law Hilddun may take concurrent proceedings in any number of jurisdictions. For the avoidance of doubt, nothing contained in this Clause 32 will limit the right of Hilddun to take proceedings in respect of a Dispute against the Company in any other court of competent jurisdiction (including but not limited to the Supreme Court of the State of New York, County of New York, or the United States District Court for the Southern District of New York, and any appellate court from any thereof).

32.4 Service of Process

The Company agrees that, in any political subdivision of the United States of America, any writ, claim form, judgment or other notice of process or similar document in connection with any Dispute will be sufficient and effectively served on it if delivered in accordance with the terms of the Discount Factoring Agreement. This Clause does not affect any other method of service allowed by law.

32.5 Waiver of Trial by Jury

EACH PARTY WAIVES ANY RIGHT IT MAY HAVE TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION IN CONNECTION WITH THIS DEED OR ANY TRANSACTION CONTEMPLATED BY THIS DEED. THIS DEED MAY BE FILED AS A WRITTEN CONSENT TO TRIAL BY COURT.

THIS DEED has been signed on behalf of Hilddun and executed as a deed by the Company and is delivered by it on the date specified above.

SIGNATORIES

Company

Signed as a deed on behalf of
THE VAMPIRE'S WIFE LIMITED
acting by a director in the presence of:

)
)
)

.....

Alexandra Adamson
Director

Witness Signature:

.....

Witness Name:

Jackie Kodwa.....

Witness Address:

28, 37, ADAM'S CT,

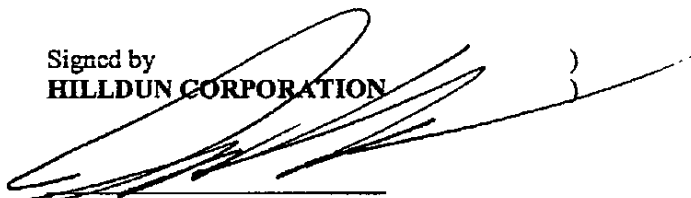
SEK 2EE.....

Witness Occupation:

EXECUTIVE ASSISTANT.....

Factor

Signed by
HILLDUN CORPORATION



By: Joshua W. Kapelman
Executive Vice President