



**Registration of a Charge**

Company Name: **PAY LATER FINANCIAL SERVICES LIMITED**

Company Number: **09020100**



Received for filing in Electronic Format on the: **25/05/2023**

XC4A3WH5

**Details of Charge**

Date of creation: **24/05/2023**

Charge code: **0902 0100 0003**

Persons entitled: **BCI FINANCE LTD (AS SECURITY TRUSTEE FOR THE SECURED PARTIES)**

Brief description:

**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: **WILL WHITT TEMPLE BRIGHT LLP**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 9020100

Charge code: 0902 0100 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 24th May 2023 and created by PAY LATER FINANCIAL SERVICES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 25th May 2023 .

Given at Companies House, Cardiff on 1st June 2023

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: 24 May  
2023

**PAY LATER FINANCIAL SERVICES LIMITED**  
as Chargor

**BCI FINANCE LIMITED**  
as Security Agent

## Security Agreement (Mezzanine)

**THIS DEED IS SUBJECT TO THE INTERCREDITOR AGREEMENT**

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THIS SECURITY AGREEMENT is made the 24 day of May 2023

**BETWEEN:**

- (1) **PAY LATER FINANCIAL SERVICES LIMITED** a limited liability company incorporated under the laws of England and Wales with registered office address at 4th Floor, 33 Cannon Street, London, England, EC4M 5SB and registered number company 09020100 (the "**Chargor**"); and
- (2) **BCI FINANCE LIMITED** as security trustee for the Secured Parties (the "**Security Agent**").

**IT IS AGREED** as follows:

**1. Definitions and interpretation**

**1.1 Definitions**

In this Deed:

"**Account**" means each bank account opened or maintained by the Chargor, and any credit balance from time to time on any such account;

"**Account Bank**" means any bank, building society, financial institution or other person with whom an Account is maintained by the Chargor;

"**Act**" means the Law of Property Act 1925;

"**Administrator**" means an administrator appointed under paragraph 14 of schedule B1 to the Insolvency Act 1986;

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;

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

"**Charged Contracts**" means all agreements which from time to time are charged in favour of the Security Agent pursuant to Clause 4.11 (*Customer Loans and other Contracts*) of this Deed;

"**Dividends**" means all dividends, interest, coupons and other distributions paid or payable in respect of any Investment;

"**Equipment**" means all fixed and moveable plant, machinery, tools, vehicles, computers and office and other equipment and the benefit of all related Authorisations, agreements and warranties (including all spare parts, replacements, modifications and additions);

"**Event of Default**" means any Event of Default as defined in the Facility Agreement;

"**Facility Agreement**" means the £2,500,000 mezzanine revolving facility agreement with term-out originally dated 19 December 2019, as amended and restated on 16 March 2021 and amended on 16 December 2021, 14 January 2022, 11 February 2022 and 31 March 2022, as further amended and restated on 29 April 2022 between, amongst others, Pay Later Financial Services III Limited as borrower, the entities listed in part 1 of Schedule 1 therein as original guarantors, the entities listed in part 2 of Schedule 1 therein as original obligors, BCI Finance

Limited as arranger, the financial institution listed in part 3 of Schedule 1 therein as original lender and the Security Agent;

**"Finance Parties"** is defined in the Facility Agreement;

**"Group"** means Topco and its Subsidiaries for the time being;

**"Group Shares"** means, in relation to the Chargor, the shares in any member of the Group owned legally or beneficially by the Chargor or held by the Security Agent or any nominee on its behalf (including the shares identified in respect of the Chargor in Part 2 of Schedule 1 (*Security Assets*)) (if any);

**"Insurance Policy"** means, in relation to the Chargor, any contract or policy of insurance of any kind in which the Chargor has an interest from time to time and all rights related to any such policy;

**"Intellectual Property"** means (i) any patents, trade marks, service marks, logos, trade names, domain names, copyrights (including rights in computer software), database rights, semi-conductor topography rights, utility models, rights in designs, rights in get-up, rights in inventions, rights in know-how and confidential information, moral rights and other intellectual property rights and interests (which may now or in the future subsist), in each case whether registered or unregistered, and all rights or forms of protection having equivalent or similar effect anywhere in the world, and (ii) the benefit of all applications for, and all rights to use, any of those things (which may now or in the future subsist), and "registered" includes registrations and applications for registration;

**"Intercreditor Agreement"** has the meaning given to it in the Facility Agreement;

**"Investments"** means, in relation to the Chargor:

- (a) any stock, share, debenture, loan stock, security, bond, warrant, coupon, interest in any investment fund and any other investment (whether or not marketable) whether held directly by or to the order of the Chargor or by any trustee, nominee, fiduciary, investment manager or depository or clearance system on its behalf (including, but not limited to, the Group Shares);
- (b) all allotments, accretions, offers, options, rights, bonuses, benefits and advantages, whether by way of conversion, redemption, preference, option or otherwise which at any time accrue to or are offered or arise in respect of any such investments mentioned in paragraph (a) above; and
- (c) all rights the Chargor has against any trustee, nominee, fiduciary, investment manager, depository or clearance system in respect of any such investments mentioned in paragraphs (a) or (b) above;

**"Lease"** includes any lease, agreement for lease or tenancy and (where the context admits) any licence or other right of occupation;

**"Material Contract"** means:

- (a) the agreements (if any) specified in Part 1 of Schedule 1 (*Security Assets*);

- (b) any agreement to which the Chargor is a party (other than the Finance Documents) the breach, non-performance, cancellation, failure to renew or changes to the terms of which could reasonably be expected to have a Material Adverse Effect; and
- (c) any agreement or instrument entered into by the Chargor evidencing Subordinated Loans;

**"Real Property"** means freehold, leasehold or other immoveable property and any buildings, erections, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of such property and easements or other rights servicing that property (including, but not limited to, the property described in Part 4 of Schedule 1 (*Security Assets*));

**"Receivables"** means, in relation to the Chargor, book and other debts and rights to money and income liquidated and unliquidated due or owing to the Chargor including the benefit of all negotiable instruments, securities, guarantees and indemnities for such debts and rights but excluding cash at bank;

**"Receiver"** means any one or more persons appointed by the Security Agent as a receiver, receiver and manager or (if allowed by law) administrative receiver under this Deed;

**"Regulations"** means the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) (as amended) or (where the context admits) equivalent legislation in any applicable jurisdiction bringing into effect Directive 2002/47/EC on financial collateral arrangements;

**"Rental Income"** means, in relation to the Chargor, amounts payable to or for the benefit of the Chargor under or in connection with any Lease or any other letting of Real Property forming part of the Security Assets;

**"Secured Obligations"** means all present and future obligations and liabilities of each Transaction Obligor to any Secured Party under or in connection with each Finance Document whether actual or contingent and whether owed or incurred alone or jointly and/or severally and as principal or as surety or in any other capacity or of any nature (and including, for the avoidance of doubt and without limitation, any obligation or liability with respect to any Additional Commitment under and as defined in the Facility Agreement);

**"Security"** means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

**"Security Assets"** means all assets and undertaking of the Chargor from time to time the subject of any Security created or, where the context admits, to be created by this Deed;

**"Security Period"** means the period beginning on the date of this Deed and ending on the date on which all the Secured Obligations have been unconditionally and irrevocably paid, released and discharged in full and no further Secured Obligations are capable of becoming outstanding;

**"Senior Discharge Date"** has the meaning given to it in the Intercreditor Agreement;

**"Senior Security Agreement"** means the security agreement entered into between the Chargor and Shawbrook Bank Limited (as security agent) (the **"Senior Security Agent"**) dated on or around the date of this Deed;

**"Subsidiary"** means a subsidiary undertaking of the Chargor within the meaning of section 1162 of the Companies Act 2006;



"**Topco**" means Pay Later Group Limited, a limited liability company incorporated under the laws of England and Wales with registered office address 4<sup>th</sup> Floor, 33 Cannon Street, London EC4M 5SB and registered number 08042492; and

"**VAT**" means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature.

## 1.2 Construction

- (a) In this Deed, unless a contrary indication appears, any reference to:
- (i) "**assets**" includes present and future properties, revenues and rights of every description and includes the proceeds of sale of any such asset;
  - (ii) a Finance Document or any other agreement or document is a reference to that Finance Document or other agreement or document as it may have been, or may from time to time be, amended, varied, supplemented or novated;
  - (iii) a party to this Deed shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
  - (iv) a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
  - (v) a provision of law includes that provision as amended, re-enacted or replaced from time to time and includes any subordinate legislation;
  - (vi) "**Real Property**", the "**Security Assets**", and any other asset or assets or the "**Secured Obligations**" includes a reference to any part of them or it;
  - (vii) 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 regulatory, self-regulatory or other authority or organisation;
  - (viii) "**this Security**" means any Security created or constituted by this Deed; and
  - (ix) words in the singular include the plural and vice versa and words in one gender include any other gender.
- (b) Headings in this Deed are for ease of reference only.
- (c) Any covenant or undertaking by the Chargor under this Deed is given to or made in favour of the Security Agent and remains in force during the Security Period.
- (d) An Event of Default is "**continuing**" if it has not been waived in writing.
- (e) It is intended that this document take effect as a deed notwithstanding the fact that (if executed by the Security Agent) the Security Agent may only execute this document under hand.
- (f) The terms of the other Finance Documents and of any side letter between the parties to this Deed are incorporated in this Deed to the extent required to ensure that any purported disposition of or purported agreement to dispose of any Real Property

contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

- (g) This Deed is a Finance Document.
- (h) Unless expressly defined in this Deed or a contrary indication appears, words and expressions defined in the Facility Agreement have the same meanings when used in this Deed.
- (i) The fact that the details of any assets in the Schedules are incorrect or incomplete shall not affect the validity or enforceability of this Deed in respect of the assets of the Chargor.

### **1.3 Trustee Act 1925 and Trustee Act 2000**

- (a) Section 1 of the Trustee Act 2000 shall not apply to any function of the Security Agent. Where there is any inconsistency between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this Deed, the provisions of this Deed shall, to the extent allowed by law, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Deed shall constitute a restriction or exclusion for the purposes of the Trustee Act 2000.
- (b) For the avoidance of doubt:
  - (i) the Security Agent may retain or invest in securities payable to bearer without appointing a person to act as a custodian; and
  - (ii) sections 22 and 23 of the Trustee Act 2000 shall not apply to this Deed.

### **1.4 Third party rights**

- (a) Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or enjoy the benefit of any term of this Deed.
- (b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.
- (c) Any Receiver, Delegate, Finance Party or any officer, employee or agent of such Receiver, Delegate or Finance Party may, subject to this sub-clause and the Third Parties Act, rely on any clause of this Deed which expressly confers rights on it.

### **1.5 Intercreditor Agreement / Senior Security Agreement**

- (a) This Deed is subject to the Intercreditor Agreement and in the event of, prior to the Senior Discharge Date, any conflict between the terms of this Deed and the Intercreditor Agreement the terms of the Intercreditor Agreement shall prevail.
- (b) The fact that a provision of this Deed is expressed to be subject to the terms of the Intercreditor Agreement does not mean, and will not be taken to mean, that any other provision of this Deed is not so subject.
- (c) Where this Deed imposes an obligation on the Chargor to do something where the Chargor is under an equivalent obligation under the Senior Security Agreement (the "**Senior Obligation**") and it is not possible for the Chargor to comply with both the

Senior Obligation and the equivalent obligation in this Deed then, prior to the Senior Discharge Date, it will not be an Event of Default for the purposes of the Facility Agreement as a result of the Chargor's failure to comply with that obligation so long as the Chargor complies with the equivalent Senior Obligation.

- (d) Without limitation to the generality of paragraph (c) above, where this Deed requires any amount in respect of a Security Asset to be paid to the Security Agent after the occurrence of an Event of Default which is continuing or to be otherwise used to discharge the Secured Obligations that obligation shall be construed as an obligation to pay that amount to (as applicable), prior to the Senior Discharge Date, the Senior Security Agent for application in accordance with the Intercreditor Agreement and/or to discharge the Secured Obligations (under and as defined in the Senior Security Agreement).
- (e) Any reference in this Deed (or any other Finance Document) to an obligation to create any Security in favour of the Security Agent shall be an obligation, prior to the Senior Discharge Date, to create Security in the same form (and covering the same assets) as entered into in connection with the Senior Facilities Agreement subject to such Security being subordinated under the terms of the Intercreditor Agreement (and with such amendments as are necessary to give effect to that subordination). For the avoidance of doubt where this Deed requires any such Security to be in form and substance satisfactory to the Security Agent, it will be deemed to be in form and substance satisfactory to the Security Agent where that Security is in the same form (and covers the same assets) as that entered into in connection with the Senior Facilities Agreement (subject to such amendments as are necessary to give effect to the terms of the Intercreditor Agreement).

## **2. Undertaking to pay**

### **2.1 Covenant to pay**

Without limiting Clause 20 (*Guarantee and indemnity*) of the Facility Agreement, the Chargor, as primary obligor and not merely as surety, undertakes with the Security Agent to pay the Secured Obligations when due and otherwise in accordance with the provisions of the Finance Documents.

### **2.2 Amount secured**

The Chargor acknowledges to the Security Agent that the amount secured by this Deed and in respect of which this Security is enforceable is the full amount of the Secured Obligations.

### **2.3 Interest**

If the Chargor fails to pay any of the Secured Obligations on the due date for payment of that sum, the Chargor shall on demand pay to the Security Agent interest on all such sums from the due date until the date of payment (both before and after judgment) calculated and payable in accordance with the rate and in the manner specified in the Facility Agreement.

## **3. Provisions relating to Security**

### **3.1 Nature of Security created**

- (a) All the Security created under this Deed is created:

- (i) with full title guarantee as a continuing security for the payment, discharge and performance of the Secured Obligations;
  - (ii) in favour of the Security Agent; and
  - (iii) (except in the case of assets which are the subject of a legal mortgage under this Deed) over all present and future assets of the kind described which are owned by the Chargor and, to the extent it does not own those assets, shall extend to any right, title or interest which it may have in them.
- (b) The Security Agent holds the benefit of this Deed on trust for the Finance Parties.

### **3.2 Consents**

- (a) If the Chargor purports to mortgage, assign or charge (absolutely or by way of fixed mortgage or charge) an asset under this Deed and such mortgage, assignment or charge breaches a term of an agreement or licence binding on the Chargor in respect of that asset because the consent of a person (other than a member of the Group or an Investor) has not been obtained:
- (i) the Chargor shall notify the Security Agent immediately;
  - (ii) subject to paragraph (iv) below, the relevant mortgage, assignment or fixed charge under this Deed will extend (to the extent no breach of the relevant agreement would occur) to all amounts which the Chargor may receive and other rights in respect of that asset but will exclude the asset itself;
  - (iii) unless the Security Agent otherwise requires, the Chargor shall use all reasonable endeavours to obtain the consent of the relevant person and, once obtained, shall promptly provide a copy of that consent to the Security Agent; and
  - (iv) immediately upon the relevant consent being obtained, the relevant asset shall become subject to this Security in favour of the Security Agent under Clause 4 (*Fixed Security*).

## **4. Fixed Security**

### **4.1 Real Property**

- (a) The Chargor charges:
- (i) by way of legal mortgage the Real Property vested in it on the date of this Deed;
  - (ii) by way of fixed charge any right, title or interest in Real Property (to the extent not the subject of a mortgage under paragraph (i) above).
- (b) The Chargor assigns absolutely, subject to the provisions of Clause 27 (*Release and recourse*):
- (i) all Rental Income;

- (ii) all rights under any licence, agreement for sale or agreement for lease or other use of its Real Property or under any agreement to purchase Real Property (in each case present or future);
- (iii) all rights, powers, benefits, claims, contracts, warranties, remedies, covenants for title, security, guarantees or indemnities in respect of any of its Real Property or any Rental Income;
- (iv) the proceeds of sale of any of its Real Property; and
- (v) any other moneys paid or payable in respect of its Real Property.

#### **4.2 Equipment**

The Chargor charges by way of fixed charge all its rights, title or interest in Equipment in so far as it is not charged under Clause 4.1 (*Real Property*) and in any Equipment for the time being in its possession.

#### **4.3 Investments**

The Chargor charges by way of fixed charge all its rights, title or interest in the Investments and the Dividends.

#### **4.4 Intellectual Property**

The Chargor charges by way of fixed charge all its rights, title or interest in Intellectual Property (including the Intellectual Property, if any, described in Part 3 of Schedule 1 (*Security Assets*));

#### **4.5 Receivables**

The Chargor charges by way of fixed charge all its rights, title or interest in Receivables.

#### **4.6 Accounts**

The Chargor charges by way of fixed charge all its rights, title or interest in the Accounts and all monies standing to the credit of the Accounts and interest and other monies payable on or in respect of the Accounts.

#### **4.7 Goodwill**

The Chargor charges by way of fixed charge its goodwill.

#### **4.8 Uncalled capital**

The Chargor charges by way of fixed charge all its uncalled capital.

#### **4.9 Authorisations**

The Chargor charges by way of fixed charge all its rights, title or interest in Authorisations held in relation to any other Security Asset.

#### **4.10 Insurances**

The Chargor assigns absolutely, subject to the provisions of Clause 27 (*Release and recourse*), all its rights, title or interest in the Insurance Policies and the proceeds of such policies.

#### **4.11 Customer Loans and other Contracts**

The Chargor charges by way of fixed charge:

- (a) all its present and future right, title and interest to and in and the benefit of all agreements, deeds and documents of title (including without limitation any security, guarantees or indemnities (contractual or statutory)) from time to time entered into by, granted to or otherwise vested by it and relating to each Customer Loan; and
- (b) all its rights under all other agreements and documents to which it is a party other than a Material Contract and the benefit of any guarantee, indemnity (contractual and statutory) or security for the performance of any of such agreements or other documents.

#### **4.12 Material Contracts**

- (a) The Chargor assigns absolutely, subject to the provisions of Clause 27 (*Release and recourse*), all its present and future right, title and interest to and in and the benefit of all:
  - (i) its Material Contracts;
  - (ii) the benefit of any guarantee, indemnity (contractual and statutory) or security for the performance of any of such Material Contracts or other agreements.
- (b) To the extent that any such right described in paragraph (a) above is not capable of assignment, the assignment of that right purported to be effected by paragraph (a) above shall operate as an assignment of any damages, compensation, remuneration, profit, rent or income which the Chargor may derive from that right or be awarded or entitled to in respect of that right.
- (c) To the extent that they do not fall within any other part of this sub-clause or are not effectively assigned under paragraphs (a) or (b) above, the Chargor charges by way first fixed charge all of its rights under each agreement or document to which it is a party.

#### **4.13 Pension funds**

The Chargor charges by way of fixed charge any beneficial interest, claim or entitlement of the Chargor in any pension fund.

### **5. Floating Security**

#### **5.1 Floating charge**

The Chargor charges by way of floating charge the whole of its present and future business, undertaking and assets to the extent that they are not effectively mortgaged, charged or assigned to the Security Agent by way of fixed security under Clause 4 (*Fixed Security*).

## **5.2 Conversion**

Subject to Clause 5.3 (*Moratorium under Insolvency Act*), the Security Agent may at any time by written notice to the Chargor convert the floating charge created by the Chargor by Clause 5.1 (*Floating charge*) into a fixed charge as regards any assets specified in the notice if:

- (a) an Event of Default has occurred and is continuing;
- (b) the Security Agent considers such assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy or to be at risk of becoming subject to any Security (other than this Security); or
- (c) the Security Agent considers it is necessary in order to protect the value of the Security Asset or the priority of this Security.

## **5.3 Moratorium under Insolvency Act**

The Security Agent shall not be entitled to convert the floating charge created by Clause 5.1 (*Floating charge*) into a fixed charge as a result only of the Chargor obtaining a moratorium or anything done with a view to obtaining a moratorium under section 1A of and Schedule A1 to the Insolvency Act 1986.

## **5.4 Qualifying floating charge**

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by Clause 5.1 (*Floating charge*), which is a "qualifying floating charge" for the purpose of paragraph 14(1) of Schedule B1 to the Insolvency Act 1986.

## **5.5 Automatic conversion**

The floating charge created by Clause 5.1 (*Floating charge*) will convert automatically into a fixed charge over all of the Chargor's assets not already subject to an effective fixed charge:

- (a) if the Security Agent receives notice of an intention to appoint an administrator of the Chargor;
- (b) if any step is taken to appoint a liquidator, provisional liquidator, administrator or Receiver in respect of the Chargor or over all or any of its assets, or if such person is appointed;
- (c) if the Chargor takes any step to create Security over any Security Asset in breach of Clause 6 (*Restrictions on dealing*);
- (d) on the crystallisation of any other floating charge over the Security Assets;
- (e) if any person takes any step to seize, attach, charge, take possession of or sell any Security Asset under any form of distress, sequestration, execution or other process; or
- (f) in any other circumstances prescribed by law.

## **5.6 Reconversion to floating charge**

Any floating charge which has crystallised under Clause 5.2 (*Conversion*) or Clause 5.5 (*Automatic conversion*) may by notice in writing given at any time by the Security Agent to the

Chargor be reconverted into a floating charge under Clause 5.1 (*Floating charge*) in relation to the assets, rights and property specified in such notice.

**6. Restrictions on dealing**

The Chargor shall not:

- (a) create or permit to subsist any Security over any of the Security Assets other than Permitted Security; or
- (b) sell, transfer, license, lease or otherwise dispose of any of the Security Assets other than a Permitted Disposal.

**7. Representations**

The Chargor makes the representations and warranties set out in this Clause to the Security Agent.

**7.1 Nature of Security**

Subject to general principles of law limiting its obligations, this Deed creates the Security it purports to create in respect of the Chargor and such Security is valid and effective.

**7.2 Security Assets**

- (a) Except as pursuant to the Revolut Declaration of Trust, it is the sole legal and beneficial owner of, and absolutely entitled to, the assets it purports to mortgage, charge or assign under this Deed.
- (b) Such assets are free from any Security (except Permitted Security) and it has not granted any option or other right in favour of a third party or otherwise encumbered any such assets.
- (c) As at the date of this Deed, Schedule 1 (*Security Assets*) identifies:
  - (i) all of the Real Property, Group Shares, Material Contracts and Accounts in which it has any interest (whether direct or indirect); and
  - (ii) all of the Intellectual Property in which it has any interest that it considers (acting reasonably) is required to conduct its business or any part of it.

**7.3 Investments**

- (a) Its Investments are duly authorised, validly issued, freely transferable and fully paid.
- (b) The terms and conditions of its Investments do not restrict or otherwise limit its right to transfer or charge them other than any restriction permitted under the Finance Documents.
- (c) It has not nominated any person to enjoy or exercise any rights relating to the Investments pursuant to Part 9 of the Companies Act 2006 or otherwise.
- (d) The Investments described in Part 2 of Schedule 1 (*Security Assets*) constitute all of the Group Shares and no person has or is entitled to any conditional or unconditional



option, warrant or other right to subscribe for, purchase or otherwise acquire any issued or unissued shares, or any interest in shares, in the capital of any of its Subsidiaries.

- (e) It has complied with all notices relating to its Investments received by it pursuant to sections 790D and 790E of the Companies Act 2006.
- (f) No warning notice has been issued under paragraph 1(2) of Schedule 1B of the Companies Act 2006, and no restrictions notice has been issued under paragraph 1(3) of Schedule 1B of the Companies Act 2006, in respect of its Investments.

#### **7.4 Intellectual Property**

- (a) All Intellectual Property owned by it which is material to its business is identified in Part 3 of Schedule 1 (*Security Assets*).
- (b) It is not aware of any infringement or threatened infringement of its Intellectual Property.

#### **7.5 Contracts**

- (a) Each Charged Contract and each Material Contract to which it is a party has been duly executed and delivered by the parties to it, is in full force and effect and enforceable in accordance with its terms except to the extent its enforceability may be limited by applicable bankruptcy, insolvency, reorganisation, moratorium or similar laws generally affecting the rights of creditors and by equitable principles.
- (b) There is no prohibition on granting Security in any Charged Contract or any any Material Contract to which it is a party and the entry into and performance by it of this Deed does not conflict with any term of any such Charged Contract or Material Contract.

#### **7.6 Repetition**

The representations and warranties in this Clause are deemed to be made by the Chargor on the date of this Deed and to be repeated by the Chargor by reference to the facts and circumstances then existing on each day during the Security Period.

### **8. General undertakings**

#### **8.1 Covenant to perform**

The Chargor shall comply with the terms of this Deed, the other Finance Documents to which it is a party and of all contracts to which it is a party relating to the Secured Obligations.

#### **8.2 Carry on business**

The Chargor shall carry on its business in a proper manner and not make any material alteration in the nature of its business.

#### **8.3 Laws**

The Chargor shall observe and perform all laws, covenants and stipulations from time to time affecting any of its Security Asset or otherwise relating to its business.

**8.4 Not to jeopardise this Security**

The Chargor shall not do or cause or permit to be done anything which may depreciate, jeopardise or otherwise prejudice the Security Assets or their value to the Security Agent.

**8.5 Maintenance**

The Chargor shall keep all Equipment for the time being required for it to operate its business in a good and substantial state of repair and in good working order and condition and when necessary replace the same by items of similar quality and value.

**8.6 Accounting records**

The Chargor shall keep proper accounting records and make all proper entries in relation to its affairs and make such records available for inspection by or on behalf of the Security Agent or any Receiver at the cost of the Chargor at all reasonable times.

**8.7 Information**

The Chargor shall promptly:

- (a) provide the Security Agent or any Receiver with all such documents and information about its Security Assets and about the Chargor's business and affairs (including its books, accounts and records) as the Security Agent may from time to time reasonably require;
- (b) provide the Security Agent with copies of all communications sent to shareholders and/or creditors or any class of them generally; and
- (c) deliver to the Security Agent a copy of any notice or litigation, arbitration or administrative proceedings which to its knowledge are threatened, pending or have been commenced against it which is likely to have a Material Adverse Effect.

**8.8 Documents**

- (a) The Chargor shall, upon execution of this Deed or, if later, upon receipt, deposit with the Security Agent all deeds, certificates and other documents evidencing title in respect of its Investments and Real Property.
- (b) The Chargor shall deliver to the Security Agent all deeds and other documents of title relating to its Intellectual Property (including any licences relating to, and any applications to register, any such Intellectual Property) and such other documents of title relating to Security Assets as the Security Agent may from time to time require.
- (c) The Security Agent is entitled to hold and retain all such deeds, certificates and documents until the expiry of the Security Period or, if earlier, until the Security Asset to which such deeds, certificates or documents of title relate is released from this Security in accordance with the Finance Documents.
- (d) This Clause 8.8 is subject to the terms of the Senior Security Agreement such that, prior to the Senior Discharge Date, the obligations above will not apply if the equivalent deeds, certificates or documents of title have been or are required to be deposited with the Senior Security Agent. In these circumstances and for the avoidance of doubt the relevant obligation will apply on and from the Senior Discharge Date.

## **8.9 Events of Default**

The Chargor shall upon becoming aware of the same promptly notify the Security Agent of the occurrence of any Event of Default and at the same time inform the Security Agent of any action taken or proposed to be taken by it in connection with it.

## **8.10 Accuracy of information**

The Chargor shall ensure that all information supplied to the Security Agent by it is at the time of supply complete and accurate in all material respects.

## **8.11 Centre of main interests**

The Chargor shall not move its centre of main interests for the purposes of Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (recast) outside England and Wales.

# **9. Real Property**

## **9.1 HM Land Registry**

(a) The Chargor applies and agrees that it shall apply to HM Land Registry (by submitting a form RX1, CH2 or otherwise as appropriate) to:

- (i) enter a restriction in the following terms on the register or registers of title relating to any of its Real Property now or after the date of this Deed registered at HM Land Registry and against which this Deed may be noted:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated \_\_\_\_\_ 2023 in favour of BCI Finance Limited (as trustee for the Finance Parties referred to in that charge) referred to in the Charges Register or their conveyancer."

- (ii) to enter any obligation to make further advances on the relevant register of title.

(b) The Chargor certifies to HM Land Registry that this Security does not contravene any of the provisions of its memorandum or articles of association or other constitutive documents.

## **9.2 Acquisitions of Real Property**

The Chargor shall:

- (a) notify the Security Agent immediately upon the acquisition by or on behalf of the Chargor of any Real Property and the title number of such Real Property;
- (b) at the cost of the Chargor, execute and deliver to the Security Agent a legal mortgage in favour of the Security Agent of any Real Property which becomes vested in it after the date of this Deed substantially in the form of this Deed;

- (c) it the title to such Real Property is (or is required to be) registered at HM Land Registry, promptly submit an application to register the Chargor as proprietor of the Real Property and of the Security Agent as proprietor of such legal mortgage; and
- (d) if the consent of the landlord in whom the reversion of any lease comprised in any Real Property which becomes vested in the Chargor after the date of this Deed is required for the Chargor to create any fixed charge or legal mortgage, it will:
  - (i) use all reasonable endeavours to obtain such landlord's consent;
  - (ii) notify the Security Agent in writing upon receipt of such consent; and
  - (iii) not be required to create a fixed charge or legal mortgage over such Real Property until it has received the landlord's consent.

### **9.3 Outgoings**

The Chargor shall punctually pay or cause to be paid and shall indemnify and/or secure the Security Agent and any Receiver against all rents, rates, taxes, liabilities, duties, assessments and other outgoings payable in respect of or by the owner or occupier of its Real Property.

### **9.4 Repair**

The Chargor shall put and keep all buildings, installations and structures on its Real Property in good and substantial repair and condition, replacing, rebuilding and renewing the same when necessary and shall keep all fixtures and fittings from time to time on or in its Real Property in good and substantial repair and in good working order, in each case, ordinary wear and tear excepted.

### **9.5 Alterations**

The Chargor shall not make any alteration or addition to, erect, demolish or pull down, or change the use of, any of its Real Property or building or structure on its Real Property, or permit any such thing to be done.

### **9.6 Compliance with leases**

The Chargor shall:

- (a) observe and perform all the terms on its part contained in any Lease comprised within its Real Property and enforce the due observance and performance of all obligations of all other parties to such Lease;
- (b) not do or knowingly permit to be done any act as a result of which any such Lease may become liable to forfeiture or otherwise be determined;
- (c) not accelerate or defer payment of any moneys due or waive or vary any obligation under the terms of any Lease or other property agreement comprised within its Real Property; and
- (d) comply with any rent review procedures in Leases comprised within its Real Property.

**9.7 Compliance with covenants**

The Chargor shall duly and punctually perform and observe and indemnify and/or secure the Security Agent for any breach of any covenants and stipulations (restrictive or otherwise) affecting its Real Property or its use and enjoyment.

**9.8 Compliance with applicable laws and regulations**

The Chargor shall perform all of its obligations under any law or regulation affecting its Real Property including, but not limited to, any planning permission in any way related to or affecting its Real Property or its use and enjoyment.

**9.9 Notices**

The Chargor shall, promptly after the receipt by the Chargor of any material communication including, but not limited to, any application, requirement, order or notice served or given by any public or local or any other authority with respect to its Real Property, deliver a copy of the same to the Security Agent and inform the Security Agent of the steps taken or proposed to be taken to comply with the relevant communication.

**10. Receivables**

**10.1 Restriction on dealing**

The Chargor shall not charge, factor, discount, assign or otherwise deal with any of the Receivables save as permitted by Clause 10.2 (*Collection and payment*) and shall not subordinate, release or waive its rights in respect of any of the Receivables.

**10.2 Collection and payment**

The Chargor shall collect and realise all of its Receivables in a prudent manner (as agent for the Security Agent) and, immediately on receipt, pay the proceeds of such payment or realisation or procure that such proceeds are paid into an Account, and pending that payment will hold all monies so received upon trust for, until the Senior Discharge Date, the Senior Security Agent and, after the Senior Discharge Date, the Security Agent.

**10.3 Exercise of rights on Event of Default**

On and after the occurrence of an Event of Default which is continuing (but subject to any term of the Facility Agreement and the Intercreditor Agreement to the contrary in the period prior to the Senior Discharge Date):

- (a) the Chargor shall not be entitled to withdraw or otherwise transfer the proceeds of collection or realisation of any receivables standing to the credit of any Account without the prior written consent of the Security Agent; and
- (b) the Chargor shall give written notice of this Security to the debtors in respect of any Receivable in such form as the Security Agent may require.

**11. Accounts**

**11.1 Notices**

Except for in respect of any account subject to the Revolut Declaration of Trust, the Chargor shall, on the date of this Deed or, in relation to any Account opened after the date of this Deed,

no later than five Business Days after the date of opening of such account, give notice to the Account Bank substantially in the form set out in Schedule 2 (*Notice to Account Bank*) and shall use reasonable endeavours to ensure that the Account Bank delivers to the Security Agent a duly completed acknowledgement of such notice.

#### **11.2 Other undertakings**

- (a) The Chargor must operate and maintain the Accounts in accordance with the terms of the Facility Agreement.
- (b) The Chargor shall not, without the Security Agent's prior written consent, permit or agree to any variation of the rights attaching to any Account or close any Account.

#### **11.3 Accounts**

Subject to any term of the Facility Agreement and the Intercreditor Agreement to the contrary prior to the Senior Discharge Date:

- (a) prior to the occurrence of an Event of Default which is continuing, the Chargor shall be entitled to receive, withdraw or otherwise transfer any credit balance from time to time in any Account, subject to the terms of the Facility Agreement; and
- (b) following the occurrence of an Event of Default which is continuing, the Chargor shall not be entitled to receive, withdraw or otherwise transfer any credit balance from time to time in any Account other than with the prior written consent of the Security Agent.

#### **11.4 Exercise of rights on Event of Default**

On and after the occurrence of an Event of Default which is continuing (but subject, prior to the Senior Discharge Date, to the Intercreditor Agreement), the Security Agent shall be entitled without notice to withdraw, apply, transfer or set off any or all of the credit balances from time to time on any Account in or towards payment or other satisfaction of all or part of the Secured Obligations in accordance with Clause 22 (*Application of proceeds*).

### **12. Investments**

#### **12.1 Documents of title relating to Investments**

The Chargor shall, on the date of this Deed or, if later, upon becoming entitled to the relevant Investments, deliver to the Security Agent:

- (a) all stock and share certificates and other documents of title relating to its Investments; and
- (b) all stock transfer forms (duly executed in blank and left undated) and other documents that the Security Agent may request in respect of such Investments and in such form as the Security Agent may require (including declarations of trust in relation to any Investments in which the Chargor has an interest that are not held in its sole name, and forms of waiver of any pre-emption rights necessary to enable such transfers to be registered).

This Clause 12.1 is subject to the terms of the Senior Security Agreement such that, prior to the Senior Discharge Date, the obligations above will not apply if the equivalent stock and certificates and other documents of title (and any applicable stock transfer forms) have been or

are required to be deposited with the Senior Security Agent. In these circumstances and for the avoidance of doubt the relevant obligation will apply on and from the Senior Discharge Date.

## **12.2 Voting powers**

- (a) Prior to the occurrence of a Voting Event:
  - (i) the Chargor may continue to exercise the voting rights, powers and other rights in respect of its Investments (subject to paragraph (b) below); and
  - (ii) if the Investments of the Chargor have been registered in the name of the Security Agent (or its nominee), the Security Agent (or its nominee) shall exercise the voting rights, powers and other rights in respect of such Investments in such manner as the Chargor may direct in writing from time to time.
- (b) The Chargor shall not exercise any of its voting rights, powers and other rights in respect of its Investments (or direct the Security Agent (or its nominee) to exercise such voting rights, powers and other rights) in any manner which varies the rights attaching to or conferred by the Investments in any way which could reasonably be expected to adversely effect the interests of the Finance Parties or which could reasonably be expected to prejudice the value of or the ability of the Security Agent to realise this Security in respect of such Investments.
- (c) Before the occurrence of a Voting Event, voting power (for the purposes of section 435(10) of the Insolvency Act 1986) in respect of its Investments shall remain with the Chargor and shall not pass to the Security Agent.
- (d) In this Clause 12 "**Voting Event**" in relation to a particular Investment means service of a notice by the Security Agent (either specifying that Investment or generally in relation to all or a designated class of Investments) on the Chargor on or following an Event of Default which is continuing specifying that control over voting rights are to pass to the Security Agent.

## **12.3 Other undertakings**

- (a) Prior to the occurrence of an Event of Default, the Chargor shall be entitled to (subject to the terms of the Facility Agreement) receive and retain all Dividends paid or payable in relation to its Investments.
- (b) On and after the occurrence of an Event of Default which is continuing (and subject to the Intercreditor Agreement), all Dividends in respect of any of its Investments will be payable to the Security Agent and may be applied by the Security Agent in reduction of the Secured Obligations whether or not any such Investment is registered in the name of the Security Agent or its nominee or in the name of the Chargor or its nominee.
- (c) The Chargor shall not nominate any person, other than the Security Agent (or its nominee), to enjoy or exercise any right relating to any of the Investments whether pursuant to Part 9 of the Companies Act 2006 or otherwise.
- (d) At any time when any Investments of the Chargor have been registered in the name of the Security Agent (or its nominee), the Security Agent (or its nominee) will not be under any duty to ensure that any Dividends or other monies payable in respect of such Investments are duly and promptly paid or received by it (or its nominee), or to verify

that the correct amounts are paid or received by it (or its nominee), or to take any action in connection with the taking up of any (or any offer of any) stocks, shares, rights, monies or other property paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus, rights, preference, option, warrant or otherwise on or in respect of such Investments.

- (e) Prior to the occurrence of an Event of Default, the Security Agent shall use its reasonable endeavours to forward to the Chargor all material notices, correspondence and other communication it receives in relation to the Investments.
- (f) The Chargor shall promptly copy to the Security Agent and comply with all requests for information which are made under the Companies Act 2006 (including, but not limited to, under sections 790D and 790E of the Companies Act 2006) relating to its Investments. If it fails to do so, the Security Agent may elect to provide such information as it may have on behalf of the Chargor.
- (g) The Chargor shall indemnify the Security Agent (or its nominee) against any loss or liability incurred by the Security Agent (or its nominee) as a consequence of the Security Agent (or its nominee) acting at the direction of the Chargor in respect of its Investments.
- (h) The Chargor shall pay when due all calls or other payments that may be or become due in respect of any of its Investments. In the case of a default by the Chargor in such payment, the Security Agent may make such payment on behalf of the Chargor in which case any sums paid by the Security Agent shall be reimbursed (together with interest at the rate applicable under Clause 2.3 (*Interest*) for the period from and including the date incurred up to and excluding the date reimbursed) by the Chargor to the Security Agent on demand.

#### **12.4 Exercise of rights on Voting Event**

- (a) On and after the occurrence of a Voting Event, the Security Agent (or its nominee) may exercise or refrain from exercising any voting rights, powers and other rights in respect of the Investments in each case in the name of the Chargor, the registered holder or otherwise and without any further consent or authority on the part of the Chargor and irrespective of any direction given by the Chargor.
- (b) The Chargor irrevocably appoints the Security Agent (or its nominee) as its proxy to exercise all voting rights in respect of the Investments with effect from the occurrence of a Voting Event to the extent that such Investments remain registered in its name.

#### **12.5 Clearance systems**

- (a) The Chargor shall, if so requested by the Security Agent:
  - (i) instruct or request its nominee or custodian to instruct any clearance system (including, but not limited to, CREST) to transfer any Investment held by it or its nominee or custodian for the Chargor to an account of the Security Agent or its nominee with that clearance system; and
  - (ii) take whatever action the Security Agent may request for the dematerialisation or rematerialisation of any Investments held in a clearance system.



- (b) The Security Agent may, at the expense of the Chargor, take whatever action the Security Agent considers necessary for the dematerialisation or rematerialisation of the Investments.

## **12.6 Custodian arrangements**

The Chargor shall:

- (a) promptly give notice of this Deed to any custodian of any Investment in any form which the Security Agent may reasonably require; and
- (b) use reasonable endeavours to ensure that the custodian acknowledges that notice in any form which the Security Agent may reasonably require.

## **13. Insurance**

### **13.1 Notice of assignment**

The Chargor shall on and from the Senior Discharge Date or in relation to any Insurance Policy entered into after the Senior Discharge Date, no later than five Business Days after the date of entry into of such Insurance Policy give notice of assignment to each insurer in the form set out in Schedule 4 (*Notice of Insurance Assignment*) or such other form as the Security Agent may approve and shall use all its reasonable endeavours to procure the prompt delivery to the Security Agent of a duly completed acknowledgement of such notice.

### **13.2 Other undertakings**

At all times during the Security Period, the Chargor shall:

- (a) maintain insurances on and in relation to its business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially similar business;
- (b) ensure that all insurances must be with reputable independent insurance companies or underwriters;
- (c) promptly pay all premiums and take all reasonable and practicable steps to preserve and enforce its rights and remedies under or in respect of each Insurance Policy;
- (d) not amend, waive or terminate any term of any Insurance Policy unless permitted by the Facility Agreement; and
- (e) supply to the Security Agent on request copies of each Insurance Policy together with the current applicable premium receipts.

### **13.3 Default**

If the Chargor defaults in complying with Clause 13.2 (*Other undertakings*), the Security Agent may effect or renew any such insurance on such terms, in such name(s) and in such amount(s) as it reasonably considers appropriate, and all monies reasonably expended by the Security Agent in doing so shall be reimbursed by the Chargor to the Security Agent on demand and shall carry interest from the date of payment by the Security Agent until reimbursed at the rate in Clause 2.3 (*Interest*).

### **13.4 Proceeds**

All money received under any Insurance Policy shall be applied:

- (a) prior to the occurrence of an Event of Default, in making good the relevant loss or damage (any deficiency being made good by the Chargor); and
- (b) following the occurrence of an Event of Default which is continuing (but subject to the Intercreditor Agreement), in or towards discharge of the Secured Obligations.

Any such money received by the Chargor shall be held on trust for the Security Agent.

### **13.5 Leasehold property**

If any part of the Security Assets is held by the Chargor under a Lease or subject to a prior Security, this Clause shall apply to the extent compatible with the terms of the relevant Lease or prior Security.

## **14. Contracts**

### **14.1 Performance**

- (a) The Chargor shall duly and promptly perform its obligations and enforce and diligently pursue its rights under each Charged Contract and each Material Contract.
- (b) Prior to the occurrence of an Event of Default, the Chargor shall remain entitled to exercise its rights and remedies under or in respect of the Charged Contracts and the Material Contracts.
- (c) The Chargor shall take all reasonable and practicable steps to preserve and enforce its rights and remedies under or in respect of each Charged Contract and each Material Contract.
- (d) The Chargor shall give notice to the Security Agent forthwith in writing of any breach of any Charged Contract or Material Contract to which it is a party or right of rescission or termination arising under any such Charged Contract or Material Contract together (where such breach is by the Chargor) with its proposals for causing any breach to be remedied and, subject to the Security Agent's approval of such proposals, forthwith implement them at the Chargor's expense to the satisfaction of the Security Agent.

### **14.2 Assignment**

- (a) The Chargor will use its best endeavours to ensure that no Charged Contract or Material Contract which it enters into after the date of this Deed shall contain restrictions which would cause it to be excluded from the charges or assignments contained in Clauses 4 (*Fixed Security*) or 5 (*Floating Security*).

- (b) Upon request by the Security Agent at any time after the Senior Discharge Date, the Chargor must execute a legal assignment of any Charged Contract to the Security Agent and give notice of such assignment to the counterparty in such form as the Security Agent may require and use reasonable endeavours to procure that each relevant counterparty acknowledges that notice.
- (c) Upon request by the Security Agent at any time after the Senior Discharge Date, the Chargor must give notice of assignment of any Material Contract to the counterparty substantially in the form set out in Schedule 3 (*Notice of Assigned Contract*) and use reasonable endeavours to procure that each relevant counterparty acknowledges that notice.

#### **14.3 Changes to policies and standard form Customer Loan Documents**

The Chargor shall not make any changes to the Underwriting Policy (once implemented) the Collections Policy, the Provisioning Policy, the Data Protection Policy, the standard form Customer Loan Documents or Rate Card, in each case without the prior written consent of the Security Agent, except as permitted in accordance with the Facility Agreement.

#### **14.4 Copies and material documents relating to the Material Contracts**

- (a) The Chargor shall supply to the Security Agent on request copies of each Charged Contract and each Material Contract and any other information and documentation relating to any Charged Contract or Material Contract.
- (b) The Chargor shall supply to the Security Agent on request a copy of all Customer Loan Documents.

#### **14.5 Exercise of rights on Event of Default**

On and after the occurrence of an Event of Default which occurs after the Senior Discharge Date, the Security Agent may exercise (without any further consent or authority on the part of the Chargor and irrespective of any direction given by the Chargor) the Chargor's rights and remedies (including direction of any payments to the Security Agent) under or in respect of any Charged Contract or Material Contract.

### **15. Intellectual Property**

#### **15.1 General undertakings**

The Chargor shall do all things necessary in respect of the Intellectual Property to satisfy the requirements set out in clause 25.27 (*Intellectual Property*) of the Facility Agreement.

#### **15.2 Notification of new Intellectual Property**

The Chargor shall promptly notify the Security Agent of the creation or acquisition by it of any new Intellectual Property.

#### **15.3 Further assurance**

The Chargor shall promptly and at its own expense take all such steps and execute all such documents as the Security Agent reasonably requires in relation to the registration of the Security Agent's interest under this Deed in or in relation to its Intellectual Property or to record the interest of the Security Agent in any registers relating to any such Intellectual Property.

#### **15.4 Other undertakings**

The Chargor shall promptly provide details to the Security Agent of any Intellectual Property that the Chargor considers (acting reasonably) is required to conduct its business or any part of it unless such details are set out in Part 3 of Schedule 1 (*Security Assets*).

#### **16. Power to remedy**

##### **16.1 Security Agent's powers**

If the Chargor fails to comply with any of the covenants or obligations set out in this Deed or fails to perform its obligations affecting the Security Assets, and such failure is not remedied promptly to the satisfaction of the Security Agent, the Chargor will allow the Security Agent, its agents or contractors to take such action on behalf of the Chargor as may be necessary to ensure that such covenants and obligations are complied with. Such action may include, but is not limited to:

- (a) entering the Chargor's Real Property and carrying out any repairs or other works which the Chargor has failed to do; and
- (b) taking such action as the Security Agent considers necessary or appropriate to comply with or object to any notice served on the Chargor in respect of its Real Property,

and the Security Agent shall not, by taking any such action, become liable as a mortgagee in possession.

##### **16.2 Reimbursement of expenses**

The Chargor shall reimburse the Security Agent on demand for all costs and expenses incurred by the Security Agent in anything done pursuant to the powers contained in Clause 16.1 (*Security Agent's powers*) together with interest from the date of payment by the Security Agent until the reimbursement calculated in accordance with Clause 2.3 (*Interest*).

#### **17. When Security becomes enforceable**

##### **17.1 Timing**

This Security shall become immediately enforceable if:

- (a) an Event of Default occurs and is continuing; or
- (b) the Chargor requests the Security Agent to exercise any of its powers under this Deed.

##### **17.2 Enforcement**

After this Security has become enforceable and subject to the terms of the Intercreditor Agreement, the Security Agent may in its absolute discretion enforce all or any part of this Security in any manner it sees fit.

#### **18. Enforcement of Security**

##### **18.1 Security Agent's powers**

Immediately upon this Security becoming enforceable or at any time thereafter the Security Agent may, subject to the Intercreditor Agreement, do all or any of the following:

- (a) exercise the power of sale and all other rights, powers and discretions conferred on mortgagees by section 101 of the Act as varied or extended by this Deed;
- (b) appoint one or more qualified persons as an Administrator of the Chargor (to act together or independently of any others so appointed) in accordance with schedule B1 to the Insolvency Act 1986, and for this purpose "qualified person" means a person who, under the Insolvency Act 1986, is qualified to act as an administrator of any company with respect to which he is appointed;
- (c) subject to section 72A of and paragraph 43 of schedule A1 to the Insolvency Act 1986, appoint one or more persons as a Receiver of all or any part of the Security Assets;
- (d) exercise all the rights, powers and discretions conferred on a Receiver by this Deed, the Act, the Insolvency Act 1986 or otherwise by law, without first appointing a Receiver or notwithstanding the appointment of a Receiver;
- (e) by notice to the Chargor end the Chargor's right to possession of all or any of its Real Property and enter into possession of all or such part of such Real Property;
- (f) exercise all other powers conferred on mortgagees or receivers by law;
- (g) to the extent that this Deed constitutes a "security financial collateral arrangement" as defined in the Regulations, without notice to the Chargor, appropriate any Security Asset which constitutes "financial collateral" as defined in the Regulations in or towards satisfaction of the Secured Obligations and for this purpose the value of the financial collateral so appropriated shall be:
  - (i) in the case of cash, the amount standing to the credit of each relevant account together with any accrued but unposted interest at the time the right of appropriation is exercised;
  - (ii) in the case of any Investment, the market price of such Investment at the time the right of appropriation is exercised determined by the Security Agent in a commercially reasonable manner (including by reference to a public index or independent valuation or other procedure selected by the Security Agent acting reasonably); and
  - (iii) in the case of any other Security Asset, such amount as the Security Agent determines having taken into account advice obtained by it from an independent investment or accounting firm of national standing selected by it.

The Chargor agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Regulations.

## **18.2 Consideration on a disposal**

The consideration for any sale or other disposal of the Security Assets by the Security Agent or any Receiver in the exercise of their respective powers may (in addition to that permitted under the Act on a sale by a mortgagee) consist of cash, shares, securities, debentures or other valuable consideration, may fluctuate according to or dependent upon profit or turnover or be determined by a third party, and may be payable in a lump sum or in instalments (with or without security).

### **18.3 Leasing**

The statutory powers of leasing conferred on the Security Agent are extended so as to authorise the Security Agent to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent may think fit and without the need to comply with any provision of sections 99 or 100 of the Act, and may be exercised by the Security Agent at any time after this Security has become enforceable. Any lease granted will bind any holder of a subsequent Security deriving title under the Security Agent.

### **18.4 Protection of third parties**

No person (including a purchaser) dealing with the Security Agent or a Receiver will be concerned to enquire:

- (a) whether the Secured Obligations have become payable;
- (b) whether any right or power which the Security Agent or a Receiver is purporting to exercise has arisen or become exercisable;
- (c) whether any money remains due under this Deed or the other Finance Documents;
- (d) how any money paid to the Security Agent or to a Receiver is to be applied; or
- (e) as to the propriety or regularity of such dealings.

### **18.5 Redemption of prior mortgages**

At any time after this Security has become enforceable, the Security Agent may redeem any prior Security against any Security Asset, and/or procure the transfer of that Security to itself, and/or settle and pass the accounts of the prior mortgagee, Security Agent or encumbrancer. Any accounts so settled and passed shall be conclusive and binding on the Chargor. All principal moneys, interest, costs, charges and expenses of and incidental to any such redemption and/or transfer shall be paid by the Chargor to the Security Agent on demand and form part of the Secured Obligations.

### **18.6 Cash cover**

After this Security has become enforceable the Chargor shall, immediately on demand, provide to the Security Agent full cash cover for any contingent liabilities forming part of the Secured Obligations including liabilities arising in respect of bills of exchange or promissory notes accepted, endorsed or discounted and bonds, guarantees, indemnities, documentary or other credits or other instruments from time to time entered into by the Security Agent.

### **18.7 Receipts**

The receipt of the Security Agent or the Receiver shall be an absolute and a conclusive discharge to a purchaser and shall relieve it of any obligation to see to the application of any moneys paid to or by the direction of the Security Agent or the Receiver.

### **18.8 General**

- (a) For the purposes of all rights, powers and discretions implied by statute or arising by law, the Secured Obligations are deemed to have become due and payable on the date of this Deed.

- (b) The power of sale and all other powers conferred on mortgagees by section 101 of the Act as varied or extended by this Deed shall arise on the execution of this Deed by the Chargor.
- (c) Section 103 of the Act (restricting the power of sale) and section 93 of the Act (restricting the right of consolidation) do not apply to this Security.
- (d) The power to appoint a Receiver pursuant to Clause 18.1 (*Security Agent's powers*) is in addition to the power to appoint a Receiver under section 101 of the Act. Section 109(1) of the Act does not apply to this Deed.

## **19. Receiver**

### **19.1 Appointment**

Any appointment of a Receiver by the Security Agent shall be by deed or in writing under its hand.

### **19.2 Extension of appointment**

If a Receiver is appointed of part of the Security Assets, the Security Agent may subsequently extend the appointment to all or any other part of the Security Assets or appoint another Receiver of any other part of the Security Assets.

### **19.3 Removal**

The Security Agent may by writing under its hand or by deed (subject to any requirement for an order of the court in the case of an administrative receiver):

- (a) remove any Receiver appointed by it; and
- (b) whenever it deems it expedient, appoint a new Receiver to be an additional Receiver or in the place of any Receiver whose appointment may for any reason have terminated.

### **19.4 Remuneration**

The Security Agent may appoint any Receiver upon such terms as to remuneration and otherwise as the Security Agent thinks fit, and the maximum rate specified in section 109(6) of the Act will not apply.

### **19.5 Payments to the Security Agent**

Only monies actually paid by a Receiver to the Security Agent in satisfaction or discharge of the Secured Obligations shall be capable of being applied by the Security Agent for that purpose.

### **19.6 Agent of Chargor**

Each Receiver shall be the agent of the Chargor for all purposes and accordingly is deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. The Chargor alone shall be responsible for his remuneration and for his contracts, engagements, acts, omissions, defaults and losses and for liabilities incurred by him and the Security Agent shall not incur any liability (either to the Chargor or to any other person) by reason of the Security Agent making his appointment as a Receiver or for any other reason. If a liquidator is appointed in respect of the Chargor, the Receiver shall act as principal and not as agent of the Security Agent.

**19.7 Receivers of the same assets**

If at any time any two or more persons appointed by the Security Agent hold office as Receivers of the same assets or income, each of them may (unless otherwise stated in the instrument(s) appointing them) exercise all rights, powers and discretions conferred on Receivers by this Deed individually and to the exclusion of the other or others of them.

**20. Powers of Receiver**

**20.1 General powers**

A Receiver has (subject to any limitation or restriction expressed in the instrument appointing him) all the rights, powers and discretions set out below in this Clause 20 in addition to those conferred on the Receiver by any law or otherwise conferred by this Deed. Such rights, powers and discretions include (without limitation):

- (a) in the case of an administrative receiver all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986;
- (b) otherwise, all the rights, powers and discretions conferred on a receiver (or receiver or manager) under the Act or the Insolvency Act 1986.

**20.2 Possession**

A Receiver may take immediate possession of, collect and get in any Security Asset.

**20.3 Comply with undertakings**

A Receiver may comply with and perform all of the undertakings and covenants of the Chargor contained in this Deed.

**20.4 Carry on business**

A Receiver may carry on, manage, develop, amalgamate, reconstruct or diversify the whole or any part of the Chargor's business and, where the Chargor has one or more Subsidiaries, may supervise, control and finance any such Subsidiary or business.

**20.5 Building operations**

A Receiver may commence and/or complete any building operations or development on any Real Property subject to any of this Security and apply for and obtain any planning permissions, building regulation approvals and any other permissions, consents or licences, and may appoint and enter into contracts with building and engineering contractors or other contractors or professional advisors, in each such case as he may think fit.

**20.6 Repairs**

A Receiver may repair, decorate, maintain, furnish, alter or improve the Security Assets.

**20.7 Borrow money**

A Receiver may raise or borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on such terms as he may think fit.



## **20.8 Subsidiaries**

A Receiver may form a Subsidiary of the Chargor and transfer any Security Asset to that Subsidiary on such terms and conditions as he thinks fit.

## **20.9 Leasehold property**

If the Real Property subject to any of this Security is leasehold a Receiver may vary the terms of or surrender the lease and/or take a new lease of such Real Property on such terms as he may think fit. Any such new lease shall automatically be charged to the Security Agent on the terms of this Deed so far as applicable, but a Receiver shall if requested by the Security Agent execute a formal legal charge over such new lease in favour of the Security Agent in such form as the Security Agent may require.

## **20.10 Power of sale**

A Receiver may sell, transfer, assign, exchange, hire out, lend or otherwise convert into money or realise or dispose of the Security Assets or concur in any of the same, either by public auction or private contract or in any other manner, and generally in such manner and on such terms and conditions and for such consideration as he may think fit. Equipment, other than landlord's fixtures (where the Real Property subject to this Security is leasehold), may be severed and sold separately from such Real Property.

## **20.11 Leases**

A Receiver may grant Leases of Real Property subject to this Security for any term and at any rent, with or without a premium, and otherwise on such terms and conditions as he may think fit and may accept surrenders of such Leases on such terms as he may think fit, with or without a premium to or by any tenant or other person.

## **20.12 Transfers and other disposals**

A Receiver may carry any sale, letting or other disposal into effect by transferring, letting or otherwise making such disposal in the name of the Chargor and for that purpose may give valid receipts for all moneys and enter into covenants and contractual obligations in the name of and so as to bind the Chargor.

## **20.13 Legal actions**

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to the Security Assets or the business of the Chargor as he may think fit.

## **20.14 Obligations in relation to the Security Assets**

A Receiver may enter into, perform, repudiate, rescind, rectify or vary contracts, bonds, covenants, commitments, guarantees, indemnities and similar matters in relation to the Security Assets and may make all payments needed to effect, maintain, perform or satisfy any of the same.

## **20.15 Settle disputes**

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Chargor or relating in any way to the Security Assets.

**20.16 Insurance**

A Receiver may effect such insurances of or in connection with the Security Assets as he may think fit.

**20.17 Employees**

A Receiver may engage or employ or dismiss managers, officers, contractors, agents, servants, workmen and others for any of the purposes referred to in this Clause 20 upon such terms as to remuneration or otherwise as he may think fit.

**20.18 Prior Security**

A Receiver may redeem, discharge or compromise any prior Security and settle the account of encumbrances on such terms as he may think fit.

**20.19 Act in Chargor's name**

A Receiver may do all acts and execute in the name and on behalf of the Chargor, any deed, receipt or other document.

**20.20 VAT**

A Receiver may make such elections, registrations and applications for VAT purposes as he may think fit, and may do so in, or use the Chargor's name, for any such purpose.

**20.21 Credit and guarantees**

A Receiver may lend money or extend credit to any customer of the Chargor, enter into bonds, covenants, commitments, guarantees, indemnities or like matters and make all requisite payments to effect, maintain or satisfy the same.

**20.22 Other acts**

A Receiver may do all other acts and things which he may consider to be necessary, expedient or desirable for preserving, improving or realising any Security Asset or the getting in and collection of the Security Assets (or any assets which when got in would constitute Security Assets) or which are incidental or conducive to any of the rights, powers and discretions conferred on a Receiver by or pursuant to this Deed or by law.

**20.23 Other powers**

A Receiver may exercise in relation to the Security Assets all powers, authorities and things which he could exercise if he were the absolute beneficial owner of the Security Assets.

**21. Exclusion of liability**

**21.1 No obligation to recover**

Neither the Security Agent nor any Receiver is under any obligation to take action to collect any money or enforce any rights comprised in the Security Assets whether or not it is in possession of the relevant Security Assets.

## **21.2 No liability as mortgagee in possession**

Neither the Security Agent nor any Receiver shall be liable, by reason of entering into possession of the Security Assets to account as mortgagee or be liable for any loss on realisation or for any default or omission for which a mortgagee might be liable.

## **21.3 Possession**

If the Security Agent or any Receiver shall take possession of the Security Assets it or he may at any time go out of possession. The Chargor will remain liable to observe and perform all conditions and obligations relating to its Security Assets.

## **21.4 Losses on enforcement**

The Security Agent or any Receiver will not be liable to the Chargor for any loss or damage arising from:

- (a) any sale of any Security Asset;
- (b) any act, default or omission of the Security Agent or any Receiver in relation to any Security Asset; or
- (c) any exercise or non-exercise by the Security Agent or any Receiver of any power conferred upon it in relation to any Security Asset by or pursuant to this Deed or by the Act.

## **22. Application of proceeds**

### **22.1 Order of application**

Subject to any claims having priority to this Security and subject to the terms of the Intercreditor Agreement, all money recovered by the Security Agent or any Receiver as a result of the enforcement of this Deed or otherwise by reason of this Security will be applied as provided in clause 33.6 (*Partial Payments*) of the Facility Agreement with any excess proceeds after application in accordance with that clause being distributed to the Chargor or other person entitled at law to such proceeds.

### **22.2 Contingent or future liabilities**

If any money is received by the Security Agent or a Receiver as a result of the enforcement of or otherwise by reason of this Security at a time when the Secured Obligations include contingent or future liabilities the Security Agent or any Receiver may hold some or all of such money in an interest bearing suspense account.

### **22.3 Insurance moneys**

Any insurance moneys received by a Receiver deriving from any Insurance Policy which form part of the Security Assets shall be applied in accordance with Clause 13.4 (*Proceeds*) and section 109(8) of the Act shall not apply.

**23. Delegation of powers by Security Agent or Receiver**

**23.1 Delegation**

The Security Agent and (to the fullest extent permitted by law) any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed. Any such delegation may be made upon the terms (including power to sub-delegate) and subject to any conditions or regulations which the Security Agent or Receiver (as the case may be) may think fit.

**23.2 No liability for delegates**

Neither the Security Agent nor any Receiver will be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate.

**23.3 Construction of this Deed**

References in this Deed to the Security Agent or a Receiver shall be deemed to include references to any delegate of the Security Agent or Receiver appointed in accordance with this Clause 23.

**24. Further assurance**

When required by the Security Agent or any Receiver the Chargor shall, at its own cost:

- (a) execute an assignment of its Intellectual Property in such form as the Security Agent or any Receiver from time to time requires;
- (b) execute a charge by way of legal mortgage, assignment by way of security or fixed charge over any assets of the Chargor and such legal mortgage, assignment or charge shall secure the Secured Obligations and contain a power of sale which arises immediately upon execution, provisions excluding section 93 of the Act and the restrictions contained in section 103 of the Act and such other provisions including any similar to those in this Deed as the Security Agent may reasonably require;
- (c) execute any documents or do any other thing which the Security Agent or any Receiver may require for perfecting or protecting any Security created or intended to be created by this Deed or in connection with the exercise of any rights, powers or discretions given to the Security Agent or any Receiver under this Deed; and
- (d) convey, transfer, assign or otherwise deal with any Security Assets in such manner as the Security Agent or any Receiver may require in connection with any enforcement of any of this Security.

**25. Power of attorney**

**25.1 Grant of power of attorney**

The Chargor, by way of security, irrevocably and severally appoints the Security Agent and each Receiver and any Delegate to be its attorney (with full power of substitution) in its name and on its behalf:

- (a) to take any action which the Chargor is or may be obliged to take under or pursuant to this Deed, but has failed to do on the date it was obliged so to do; and

- (b) to take any action which the Security Agent or any Receiver and any Delegate in its or his sole and absolute discretion considers to be requisite, expedient or appropriate in order to carry any sale, lease or other disposal into effect, or to execute any deed, document or instrument, or to convey or transfer any legal estate or other interest in any asset, or to get in the Security Assets, or generally to enable the Security Agent or a Receiver or any Delegate to exercise the respective rights, powers and discretions conferred on them by or pursuant to this Deed or by law.

## **25.2 Ratification**

The Chargor agrees to ratify and confirm whatever any such attorney shall do, or attempt to do, in the exercise or purported exercise of the power of attorney granted under this Clause 25.

## **25.3 Appropriation**

The power of attorney conferred on the Security Agent and each Receiver shall continue notwithstanding the exercise by the Security Agent of any right of appropriation pursuant to Clause 18.1 (*Security Agents' powers*).

## **26. Non-release provisions**

### **26.1 Waiver of defences**

The obligations and liabilities of the Chargor under this Deed and this Security will not be affected by an act, omission or thing (whether or not known to it or the Security Agent) which, but for this Clause, would reduce, release or prejudice any of such obligations and liabilities or Security including:

- (a) any time, waiver or consent granted to, or composition with, the Chargor or other person;
- (b) the release of the Chargor or any other person under the terms of any composition or arrangement;
- (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 property of, any other Obligor or other person;
- (d) 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;
- (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any other Obligor or any other person;
- (f) any amalgamation, merger or reconstruction of the Security Agent with any other person or any sale or transfer of the whole or any part of the assets of the Security Agent to any other person;
- (g) the existence of any claim, set-off or other rights which any other Obligor may have at any time against the Security Agent, whether in connection with the Finance Documents or otherwise;
- (h) any increase in the amount of the Facilities made available under (and as defined in) the Facility Agreement (including, but not limited to, any increase pursuant to clause 6 (*Establishment of Additional Commitments*) of the Facility Agreement;

- (i) any novation, amendment (however fundamental) or replacement of a Finance Document or any other document or Security;
- (j) any obligation of any person under any Finance Document or any other document or Security being void, voidable, invalid, unenforceable or otherwise irrecoverable; or
- (k) any insolvency or similar proceedings.

#### **26.2 Immediate recourse**

The Chargor waives any right it may have of first requiring the Security Agent to proceed against or enforce any other rights or Security or claim payment from any person before enforcing this Security. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

#### **26.3 Appropriations**

During the Security Period the Security Agent may:

- (a) refrain from applying or enforcing any moneys, Security or rights held or received by it (or any trustee or agent on its behalf) in respect of the Secured Obligations, or, subject to Clause 22 (*Application of proceeds*), apply and enforce the same in such manner and order as it sees fit (whether against the Secured Obligations or otherwise) and the Chargor shall not be entitled to the benefit of the same; and
- (b) hold in an interest bearing suspense account any moneys received from the Chargor for or on account of the Secured Obligations.

#### **26.4 Deferral of Chargor's rights**

Until the expiry of the Security Period and unless the Security Agent otherwise directs, the Chargor will not exercise any rights which it may have by reason of the enforcement of this Deed to:

- (a) be indemnified by any other Obligor;
- (b) claim any contribution from any other Obligor or any other person in respect of any obligations and liabilities of that person under the Finance Documents;
- (c) take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Security Agent under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by the Security Agent;
- (d) bring legal or other proceedings for an order requiring the Chargor to make any payment, or perform any obligation, in respect of which the Chargor has given Security under this Deed;
- (e) exercise any right of set-off against the Chargor;
- (f) exercise any right of quasi-retainer or other analogous equitable right; and/or
- (g) claim or prove as a creditor of the Chargor in competition with the Security Agent.

## **26.5 Turnover**

If the Chargor receives any benefit, payment or distribution in relation to the rights referred to in Clause 26.4 (*Deferral of Chargor's rights*) it shall hold that benefit, payment or distribution on trust for the Security Agent and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in or towards discharge of the Secured Obligations.

## **27. Release and recourse**

### **27.1 Release of Security Assets**

Upon the expiry of the Security Period (but not otherwise), the Security Agent shall, at the request and cost of the Chargor:

- (a) take whatever action is necessary to release the Security Assets from, and/or to cancel, this Security; and
- (b) reassign or procure the reassignment to the Chargor of the assets assigned by it to the Security Agent pursuant to this Deed,

in each case subject to Clause 27.2 (*Releases conditional*) and without recourse to, or any representation or warranty by, the Security Agent or any of its nominees.

### **27.2 Releases conditional**

Any settlement, release or discharge under this Deed between the Security Agent and the Chargor will be conditional upon no security or payment to the Security Agent by the Chargor or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to bankruptcy, winding-up, administration or insolvency for the time being in force, and if such condition is not satisfied, the Security Agent will be entitled to recover from the Chargor on demand the value of such security or the amount of any such payment as if such settlement, release or discharge had not occurred and/or to enforce this Security to the full extent of the Secured Obligations. The Security Agent may concede or compromise any claim that any payment, security or disposition is liable to avoidance, refund or reduction.

## **28. Benefit of this Deed**

### **28.1 Assignment by the Security Agent**

The Security Agent may assign or transfer all or any part of its rights and/or obligations under this Deed to a replacement security trustee appointed pursuant to the terms of the Facility Agreement and who is (or becomes), prior to the Senior Discharge Date, party to the Intercreditor Agreement as Mezzanine Security Agent (as therein defined). Such replacement security trustee will, from the date of such assignment or transfer, be the Security Agent for the Security Parties under this Deed instead of the previous security trustee. The Chargor shall enter into any documents specified by the Security Agent to be necessary to give effect to such assignment or transfer.

### **28.2 No assignment by the Chargor**

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

### **28.3 Disclosure of information**

The Security Agent may disclose to:

- (a) any person to (or through) whom it assigns or transfers (or may potentially assign or transfer) this Security or all or any of its rights and obligations under this Deed;
- (b) any Receiver or proposed replacement or additional Receiver;
- (c) any person with (or through) whom it enters into (or may potentially enter into) any arrangement in relation to, or any other transaction under which payments are to be made by reference to, the Secured Obligations; or
- (d) any person to whom, and to the extent that, information is required to be disclosed by any applicable law or regulation,

any information about the Chargor and this Deed as the Security Agent shall consider appropriate.

### **28.4 Change in name or constitution**

This Deed shall remain valid and enforceable notwithstanding any change in the name, composition or constitution of any party or any merger, amalgamation or consolidation of such party with any other corporation or any reconstruction or reorganisation of any kind.

## **29. Notices**

### **29.1 Communications in writing**

Any communication to be made under or in connection with this Deed shall be made as provided in the Facility Agreement.

## **30. Miscellaneous**

### **30.1 Continuing security**

This Security is continuing and will extend to the ultimate balance of all the Secured Obligations, regardless of any intermediate payment or discharge in whole or in part.

### **30.2 Additional Security**

This Security is in addition to and is not in any way prejudiced by any bill, note, guarantee, indemnity or other Security now or subsequently held by the Security Agent for any of the Secured Obligations.

### **30.3 New accounts**

If the Security Agent receives, or is deemed to be affected by, notice, whether actual or constructive, of any subsequent Security or other interest affecting any Security Asset and/or the proceeds of sale of any Security Asset, or this Security for any reason ceases to be a continuing security in respect of the Chargor, the Security Agent may open a new account for the Chargor. If the Security Agent does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice. As from that time all payments made to the Security Agent will be credited or be treated as having been credited to the new account and will not operate to reduce any amount for which this Deed is security.



#### **30.4 Remedies**

No failure to exercise, nor any delay in exercising, on the part of the Security Agent, any right or remedy under this Deed, shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.

#### **30.5 Waivers**

A waiver given or consent granted by the Security Agent under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

#### **30.6 Partial invalidity**

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

#### **30.7 Amendments**

Any term of this Deed may be amended, varied or supplemented with the consent of the Security Agent and the Chargor and by an instrument in writing signed by the parties to this Deed and any such amendment, variation or supplement will be binding on the Security Agent and the Chargor.

#### **31. Governing law**

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

#### **32. Enforcement**

##### **32.1 Jurisdiction**

- (a) 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 or any non-contractual obligations arising out of or in connection with this Deed) (a "**Dispute**").
- (b) The Security Agent and the Chargor agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly neither of them will argue to the contrary.
- (c) This Clause 32.1 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.

**EXECUTED** as a deed and delivered by the Chargor and signed on behalf of the Security Agent on the date stated at the beginning of this document.

## Schedule 1

### Security Assets

#### Part 1 – Material Contracts

Date	Description	Parties
29 November 2019	PLFS II Customer Loan Sale Agreement.	Pay Later Financial Services III Limited  Pay Later Financial Services II Limited  Pay Later Financial Services Limited
29 November 2019	LoR Customer Loan Sale Agreement	Pay Later Financial Services III Limited  Pay Later Financial Services Limited

#### Part 2 – Group Shares

None as at the date of this Deed.

#### Part 3 – Intellectual Property

Patent/Trademark Registered Design/Application Number	Country	Proprietor
None as at the date of this Deed.		

#### Part 4 – Real Property

##### Registered Land

Country and District (or London Borough)	Address or Description	Title No.
None as at the date of this Deed.		

**Part 5– Accounts**

<b>Chargor (Account Holder)</b>	<b>Account Name</b>	<b>Account Number</b>	<b>Sort Code</b>
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## Schedule 2

Notice to Account Bank

To: [Account Bank]

[Date]

Dear Sirs

**Security Agreement dated [ • ] (the "Security Agreement") between [insert name of Chargor] and [ • ] (the "Security Agent")**

1. This letter constitutes notice to you that under the Security Agreement we have charged by way of first fixed charge in favour of the Security Agent all our rights, title and interest in all sums of money which may now or in the future be held with you for our account in the accounts identified in the schedule to this notice and to any other accounts from time to time maintained with you by us (the "**Accounts**") together with all interest from time to time earned on such sums and the debts represented by such sums and interest.
2. The Security Agreement is subordinated to the security created under a separate security agreement dated [ ] 2023 between, amongst others, Pay Later Financial Services Limited and Shawbrook Bank Limited (the "**Senior Security Agreement**"), in respect of which a separate notice has been served on you (as attached) (the "**Senior Notice**").
3. For the purposes of this notice, "**Senior Discharge Date**" refers to the date on which we or BCI Finance Limited (in its capacity as Security Agent) notify you that all amounts secured by the Senior Security Agreement have been irrevocably repaid and discharged.
4. With effect from the Senior Discharge Date:
  - (a) subject to paragraph (e) below, all sums from time to time standing to the credit of the Accounts should be held to the order of the Security Agent;
  - (b) subject to paragraph (e) below, such sums may only be paid or released in accordance with the written instructions of the Security Agent at any time;
  - (c) the terms and conditions relating to the Accounts designated as "Blocked" may not be amended, varied or waived without the prior written consent of the Security Agent;
  - (d) we are not permitted to withdraw any amount from the Accounts designated as "Blocked" in the schedule to this notice without the prior written consent of the Security Agent; and
  - (e) we are permitted to withdraw or transfer amounts from the Accounts designated as "Not blocked" in the schedule to this notice until such time as the Security Agent provides written notification to you that such permission is withdrawn (and the Security Agent may withdraw or modify this permission in its absolute discretion at any time after the Senior Discharge Date).
5. You are authorised and instructed, without requiring further approval from us:

- (a) to pay all monies received by you for the Accounts to (and only to) the credit of the Accounts;
  - (b) to provide the Security Agent with such information relating to the Accounts as it may from time to time request; and
  - (c) to, from the Senior Discharge Date, comply with the terms of any written notice or instructions in any way relating to, or purporting to relate to, the Security Agreement, the sums standing to the credit of the Accounts from time to time or the debts represented by them 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.
6. These instructions may not be revoked without the prior written consent of the Security Agent.
7. Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to us) to confirm (by way of undertaking in favour of the Security Agent) that:
- (a) you agree to the terms of this notice and to act in accordance with its provisions;
  - (b) you have not received notice of the interest of any third party in the accounts other than pursuant to the Senior Notice; and
  - (c) you have not and will not claim, exercise or enforce any security interest, right of set-off, counterclaim or similar right in respect of the Accounts or the debts represented by them without the prior written consent of the Security Agent.
8. This notice and any non-contractual obligations arising out of or in relation to this notice shall be governed by, and interpreted in accordance with, English law.

Yours faithfully

.....  
for and on behalf of  
[   •   ] as Chargor

.....  
for and on behalf of  
[   •   ] as Security Agent

**SCHEDULE**

<b>Account Number</b>	<b>Sort Code</b>	<b>Status</b>
[•]	[•]	[Blocked/not blocked]

[TO BE PRINTED ON ACCOUNT BANK LETTERHEAD]

To:

BCI Finance Limited  
[Insert address of Security Agent]  
(the "Security Agent")

and

[ • ]  
[Insert address of Chargor]  
(the "Chargor")

Dear All

Notice of charge dated .....2023 (the "Notice")

1. We refer to your Notice relating to the blocked accounts (the "**Blocked Accounts**") and the non-blocked account (the "**Non-Blocked Account**") as set out below (the Blocked Accounts and Non-Blocked Account being together referred to as the "**Accounts**"):
 

ACCOUNT HOLDER	BLOCKED / NON-BLOCKED	ACCOUNT NUMBER	SORT CODE
[ • ]	[ • ]	[ • ]	[ • ]
[ • ]	[ • ]	[ • ]	[ • ]

2. Unless otherwise defined herein, capitalised terms used in this acknowledgement have the same meaning as given to them in the Notice.

3. We confirm that:

- (a) on and from the Senior Discharge Date, we will block the Blocked Accounts and not permit any further withdrawals by the Chargor unless and until we receive and acknowledge a notice from the Security Agent informing us otherwise. Please note that we will not be able to permit withdrawals from the Blocked Accounts in accordance with the instructions of the Security Agent unless and until it has provided a list of authorised signatories confirming which persons have authority on behalf of the Security Agent to operate the Blocked Accounts and the Blocked Accounts will remain blocked and non-operational until that times;
- (b) we will continue to operate the Non-Blocked Account solely on the instructions of the Chargor unless and until:
  - (i) we have received, after the Senior Discharge Date, to the [-] (or such other contact names and addresses as we may advise you of from time to time) a notice from the Security Agent asking us to block the Non-Blocked Account

together with a copy of the Notice and this Acknowledgement (the "**Blocking Notice**"); and

- (ii) the date at which we have acknowledged to the Security Agent in writing that we have received the Blocking Notice, from which time we shall block the Non-Blocked Account and not permit further withdrawals by the Chargor.
- 4. Please note that we will not be able to permit withdrawals from the Non-Blocked Account in accordance with the instructions of the Security Agent unless and until it has provided a list of authorised signatories confirming which persons have authority on behalf of the Security Agent to operate the Non-Blocked Account and the Non-Blocked Account will remain blocked and non-operational until that time.
- 5. To the best of our knowledge and belief the business team responsible for the Accounts has not, as at the date of this acknowledgement, received any notice that any third party has any right or interest whatsoever in or has made any claim or demand or taken any action whatsoever against the Accounts and / or the debts represented thereby, or any part of any of it or them other than pursuant to the Senior Notice.
- 6. We are not, in priority to the Security Agent, entitled to combine the Accounts with any other account or to exercise any right of set-off or counterclaim against money in the Accounts in respect of any sum owed to us provided that, notwithstanding any term of the Notice:
  - (a) we shall be entitled at any time to deduct from the Accounts any amounts to satisfy any of our or the Chargor's obligations and / or liabilities incurred under the direct debit scheme or in respect of other unpaid sums in relation to cheques and payment reversals; and
  - (b) our agreement in this Acknowledgement not to exercise any right of combination of accounts, set-off or lien over any monies standing to the credit of the Accounts in priority to the Security Agent, shall not apply in relation to our standard bank charges and fees and any cash pooling arrangements provided to the Chargor.
- 7. We will disclose to the Security Agent any information relating to the Accounts which the Security Agent may from time to time request us to provide.
- 8. We do not confirm or agree to any of the other matters set out in the Notice.
- 9. Our acknowledgement of the Notice is subject to the following conditions:
  - (a) we shall not be bound to enquire whether the right of any person (including, but not limited to, the Security Agent) to withdraw any monies from the Accounts has arisen or be concerned with (A) the propriety or regularity of the exercise of that right or (B) any notice contrary to the terms of a Blocking Notice or (C) be responsible for the application of any monies received by such person (including, but not limited to, the Security Agent);
  - (b) we shall have no liability to the Security Agent in respect of the Accounts whatsoever, including, without limitation, for having acted on instructions of the Security Agent which on their face appear to be genuine, which comply with the terms of this notice and which otherwise comply in relation to Non-Blocked Account, with the latest bank mandate and in relation to Blocked Accounts, with the Security Agent's latest list of signatories held by us or relevant electronic banking system procedures in the case of an electronic instruction; and



(c) we shall not be deemed to be a trustee for the Chargor or the Security Agent of the Accounts.

10. This letter and any non-contractual obligations arising out of or in connection with this letter are governed by the laws of England and Wales.

Yours faithfully

For and on behalf of

[ • ]

Name:

Position:

Dated:

2023

### Schedule 3

Notice to Counterparty

To: [Contract Party]

Copy to: [ • ] as Security Agent

[Date]<sup>1</sup>

Dear Sirs

**Security Agreement (the "Security Agreement")** dated [ • ] between [insert name of Chargor] and [ • ] (the "Security Agent")

1. This letter constitutes notice to you that under the Security Agreement we have assigned to the Security Agent all our rights, title and interest in respect of [insert details of contract] (the "Contract") as security for certain obligations owed by us to the Security Agent.
2. [The Security Agreement was subordinated to the security created under a separate security agreement dated [] 2023 between Pay Later Financial Services Limited and Shawbrook Bank Limited (the "**Senior Security Agreement**"), in respect of which a separate notice has previously been served on you (as attached) (the "**Senior Notice**").
3. We hereby notify you that all amounts secured by the Senior Security Agreement have been irrevocably repaid and discharged and the Senior Notice is no longer of effect.] [Paragraphs 2 and 3 to be included if Senior Notice previously served].
4. With effect from [the date of this notice<sup>2</sup>] [the date the Security Agent notifies you that there has been an Event of Default for the purposes of the Security Agreement]<sup>3</sup>:
  - (a) all payments by you to us under or arising from the Contract shall be directed to the Security Agent or as the Security Agent otherwise instructs;
  - (b) all remedies provided for in the Contract or available at law or in equity are exercisable by the Security Agent;
  - (c) all rights to compel performance of the Contract are exercisable by the Security Agent although the Chargor shall remain liable to perform all the obligations assumed by it under the Contract; and
  - (d) all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Contract belong to the Security Agent to the exclusion of the Chargor and no changes may be made to the terms of the Contract other than as provided for in the revolving credit facility with term out between, amongst others, the Security Agent and the Chargor initially dated 19 December 2019 (the "**Facility Agreement**");
  - (e) you are authorised and instructed, without requiring further approval from us, to provide the Security Agent with such information relating to the Contract as it may from time to

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<sup>1</sup> To be served after the Senior Discharge Date.

<sup>2</sup> If notice served when an Event of Default has occurred and is continuing.

<sup>3</sup> If notice served prior to the occurrence of an Event of Default.

request and to send it copies of all notices issued by you under the Contract to the Security Agent as well as to us; and

- (f) these instructions may not be revoked, nor may the terms of the Contract be amended, varied or waived without the prior written consent of the Security Agent.
5. Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to us) to confirm (by way of undertaking in favour of the Security Agent) that:
- (a) you agree to the terms of this notice and to act in accordance with its provisions;
  - (b) you have not and will not claim, exercise or enforce any right of set-off, counterclaim or similar right in respect of the Contract without the consent of the Security Agent;
  - (c) you have not previously received notice of the interest of any third party in the Contract [other than pursuant to the Senior Notice]; and
  - (d) you will notify the Security Agent of any breach by us of the terms of the Contract and will allow the Security Agent to remedy that breach.
6. This notice and any non-contractual obligations arising out of or in relation to this notice shall be governed by, and interpreted in accordance with, English law.

Yours faithfully,

.....  
for and on behalf of  
[ • ] as Chargor

[On acknowledgement copy]

To: [Security Agent]

[Address]

Copy to: [ • ]

We acknowledge receipt of the above notice and confirm that[, other than pursuant to the Senior Notice,] we have not received notice of any previous assignments or charges of or over any of the rights, interests and benefits in and to the Contract and that we will comply with the terms of that notice.

We further confirm that no amendment, waiver or release of any of such rights, interests and benefit arising under the Contract shall be effective without the prior written consent of the Security Agent.

for and on behalf of

[Counterparty to relevant Material Contract]

Date: [ • ]

#### Schedule 4

##### Notice of Insurance Assignment

To: [insert name of insurance company]

[Date]<sup>4</sup>

Dear Sirs,

Re: [identify the relevant insurance policy(ies)] (the "Policies")

**Security Agreement (the "Security Agreement")** dated [ • ] between [insert name of Chargor] and [ • ] (the "Security Agent")

1. This letter constitutes notice to you that under the Security Agreement we have assigned to the Security Agent all our rights, title and interest in and to the insurance policies identified in the schedule to this letter and to any other insurance policies taken out with you by us or on our behalf or under which we have a right to a claim (other than in relation to third party liabilities) (the "**Insurance Policies**").
2. [The Security Agreement was subordinated to the security created under a separate security agreement dated [ ] 2023 between, amongst others, Pay Later Financial Services Limited and Shawbrook Bank Limited (the "**Senior Security Agreement**"), in respect of which a separate notice has been served on you (as attached) (the "**Senior Notice**").
3. We hereby notify you that all amounts secured by the Senior Security Agreement have been irrevocably repaid and discharged and the Senior Notice is no longer of effect.] [Paragraphs 2 and 3 to be included if Senior Notice previously served].
4. We will remain liable under the Insurance Policies to perform all obligations imposed on us under the Insurance Policies and none of the Security Agent, its agents, any receiver, administrator or any other person will at any time be under any obligation or liability to you under or in respect of the Insurance Policies.
5. We will remain entitled to exercise all of our rights under the Insurance Policies and you should continue to give notices under the Insurance Policies to us, until such time as the Security Agent provides written notification to the contrary. After such written notification:
  - (a) all amounts payable under the Insurance Policies should be paid to the Security Agent or as it directs; and
  - (b) all rights in respect of the Insurance Policies will be exercisable by the Security Agent and notices under the Insurance Policies should be given to the Security Agent or as it directs.
6. You are authorised and instructed (without requiring further approval from us) to provide the Security Agent with such information relating to the Insurance Policies as it may from time to time request.
7. These instructions may not be revoked without the prior written consent of the Security Agent.

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<sup>4</sup> To be served after Senior Discharge Date

8. Please note the interest of the Security Agent on the Insurance Policies and show the Security Agent as loss payee and first priority assignee.
9. Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to us) to confirm (by way of undertaking in favour of the Security Agent) that:
  - (a) you agree to the terms of this notice and to act in accordance with its provisions;
  - (b) you have not previously received notice of the interest of any third party in any of the Insurance Policies [other than pursuant to the Senior Notice];
  - (c) [in the case of insurance of real property] the Insurance Policies [have the Security Agent named as composite insured in respect of its own separate insurance interest under each of the insurances]/[are in the joint names of the Security Agent and ourselves] [and with the Security Agent as loss payee];
  - (d) the Insurance Policies shall not be vitiated or avoided as against the Security Agent in the event or as a result of any misrepresentation, act or neglect or failure to make disclosure on our part or in any circumstances beyond the control of us or the Security Agent;
  - (e) the Insurance Policies shall not be invalidated or otherwise cancelled or allowed to lapse so far as the Security Agent is concerned by failure to pay any premium due or otherwise cancelled unless you have first given to the Security Agent not less than 30 days' written notice;
  - (f) you have not and will not claim, exercise or enforce any right of set-off, counterclaim or similar right in respect of the Insurance Policies without the consent of the Security Agent;
  - (g) you will notify the Security Agent of any breach by us of the terms of any Insurance Policy and will allow the Security Agent to remedy that breach; and
  - (h) the Security Agent shall not in any circumstances be liable for the premium in relation to the Insurance Policies (but may elect to pay it).
10. This notice and any non-contractual obligations arising out of or in relation to this notice shall be governed by, and interpreted in accordance with, English law.

Yours faithfully

.....  
For and on behalf of  
[ • ] as Chargor

**Schedule**

*[Details of Insurance Policies to be inserted]*

[On acknowledgement copy]

To: [Security Agent]

[Address]

Copy to: [ • ]

We acknowledge receipt of the above notice and agree to and confirm the matters set out in it.

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

Date: [ • ]



The Chargor

EXECUTED as a DEED by PAY LATER FINANCIAL SERVICES LIMITED acting by a director in the presence of:

DocuSigned by:  
[Redacted Signature]

Signature of director

DocuSigned by:  
[Redacted Signature]

Signature of witness

Print name Egemen Koken

Address [Redacted Address]

[Redacted Address]

[Redacted Address]

Occupation Associate

**The Security Agent**

**SIGNED for and on behalf of BCI FINANCE LIMITED**

By:

DocuSigned by:  
  
3625F9718A28412...

Title:

MD