



## Registration of a Charge

Company Name: **KNBY LND PR3 LIMITED**

Company Number: **09914712**



Received for filing in Electronic Format on the: **28/05/2021**

XA5FN4L5

### Details of Charge

Date of creation: **28/05/2021**

Charge code: **0991 4712 0005**

Persons entitled: **TC SECURITY TRUSTEE LIMITED**

Brief description: **ALL THAT LEASEHOLD PROPERTY KNOWN AS LEVEL 3, THE LEADENHALL BUILDING, 122 LEADENHALL ST, LONDON, EC3V 4AB REGISTERED AT HM LAND REGISTRY UNDER TITLE NUMBER AGL459769**

**Contains fixed charge(s).**

**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: **HARRISON CLARK RICKERBYS**



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

Company number: 9914712

Charge code: 0991 4712 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 28th May 2021 and created by KNBY LND PR3 LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 28th May 2021 .

Given at Companies House, Cardiff on 1st June 2021

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**

**LEGAL MORTGAGE OVER PROPERTY**

**DATED** 28th May **2021**

**between**

**(1) KNBY LND PR3 LIMITED as Chargor**

**and**

**(2) TC SECURITY TRUSTEE LIMITED acting as the Security Trustee of the Secured Parties**



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This Deed is dated 28th May 2021

## Parties

- (1) The company identified at Schedule 1 (**Chargor**)
- (2) **TC SECURITY TRUSTEE LIMITED** incorporated and registered in England and Wales with company number 12633574 whose registered office is at 2nd Floor Newlands House, 40 Berners Street, London W1T 3NA acting as the Security Trustee of the Secured Parties (**Security Trustee**)

## BACKGROUND

- (A) The Lender Members have agreed, pursuant to the Loan Agreement entered into on or around the date of this Deed, to provide the Borrower with loan facilities on a secured basis.
- (B) The Chargor owns the Property.
- (C) Under this Deed, the Chargor provides security to the Security Trustee acting for and on behalf of the Secured Parties in respect of the Secured Liabilities.
- (D) The Security Trustee and the Secured Parties have agreed that the Security Trustee will hold the benefit of the Security Rights created under this Deed on trust for itself and the Secured Parties.

## Agreed terms

### 1. Definitions and interpretation

#### 1.1 Definitions

Capitalised terms used in this Deed shall, except where the context otherwise requires and except where otherwise defined in this Deed, have the meanings given to them in the ThinCats Lending Definitions document provided with this Deed as the same may be amended from time to time pursuant to the Loan Agreement(s), save that:

**Borrower:** means the party specified in Schedule 3.

**Certificate of Title:** any report on or certificate of title relating to the Property supplied to the Security Trustee by the Chargor (or on its behalf).

**Charged Assets:** all the assets, property and undertaking of the Chargor, which are, or are intended to be, subject to the Security Rights created by, or pursuant to, this Deed (and references to the Charged Assets shall include references to any part of them).

**Delegate:** any person appointed by the Security Trustee or any Receiver under clause 15 and any person appointed as attorney of the Security Trustee, Receiver or Delegate.

**Environment:** the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media.

**Environmental Law:** all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment.

**Environmental Licence:** any authorisation, permit or licence necessary under Environmental Law in respect of any of the Charged Assets.

**Financial Collateral:** has the meaning given to that expression in the Financial Collateral Regulations.

**Financial Collateral Regulations:** the Financial Collateral Arrangements (No 2) Regulations 2003 (SI 2003/3226).

**Insurance Policy:** each contract and policy of insurance effected or maintained by the Chargor from time to time relating to the Property.

**Loan Agreement:** any loan agreement made at any time between the Borrower, the Security Trustee and, among others, the Lenders' Agent, Facility Agent and the Security Trustee (as each term is defined in the ThinCats Lending Definitions);

**LPA 1925:** the Law of Property Act 1925.

**Property:** the freehold or leasehold property (whether registered or unregistered) owned by the Chargor described in Schedule 2.

**Rental Income:** all amounts paid or payable to or for the account of the Chargor in connection with the letting, licence or grant of other rights of use or occupation of all or any part of the Property.

**Rights:** any Security Right or other right or benefit whether arising by set-off, counterclaim, subrogation, indemnity proof in liquidation or otherwise and whether from contribution or otherwise.

**Secured Liabilities:** all monies, obligations and liabilities of the Borrower and/or the Chargor to any of the Secured Parties, which may now or at any time in future be due, owing or incurred by the Borrower and/or the Chargor to the Secured Parties, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, together with all interest (including, without limitation, Default Interest) accruing in respect of those obligations or liabilities.

**Security Financial Collateral Arrangement:** has the meaning given to that expression in the Financial Collateral Regulations.

**Security Period:** the period starting on the date of this Deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.

**VAT:** value added tax or any equivalent tax chargeable in the UK or elsewhere.

## 1.2 Interpretation

Except where the context otherwise requires and except where otherwise defined in this Deed, the interpretation provisions set out in the ThinCats Lending Definitions shall apply to this Deed, save that:

- (a) a reference to **this Deed** (or any provision of it) or to any other agreement or document referred to in this Deed is a reference to this Deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this Deed) from time to time; and
- (b) a clause or a Schedule is a reference to a clause of or a Schedule to this Agreement.

## 1.3 Conflict

If there is any conflict between the provisions of this Deed and any definition set out in the ThinCats Lending Definitions, the provisions of this Deed will prevail.

## 1.4 Clawback

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

## 1.5 Nature of security over real property

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

- (a) all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) and fixed plant and machinery that are situated on or form part of the Property at any time;
- (b) the proceeds of the sale of any part of the Property and any other monies paid or payable in respect of or in connection with the Property;
- (c) the benefit of any covenants for title given, or entered into, by any predecessor in title of the Chargor in respect of the Property, and any monies paid or payable in respect of those covenants; and
- (d) all rights under any licence, agreement for sale or agreement for lease in respect of the Property.

## 1.6 Law of Property (Miscellaneous Provisions) Act 1989



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

#### **1.7 Perpetuity period**

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

#### **1.8 Schedules**

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

### **2. Covenant to pay**

The Chargor shall, on demand, pay to the Security Trustee and discharge the Secured Liabilities when they become due.

### **3. Grant of security**

#### **3.1 Legal mortgage and fixed charges**

As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee charges to the Security Trustee:

- (a) by way of a first legal mortgage, the Property; and
- (b) by way of a first fixed charge:
  - (i) all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy, the Rental Income and the benefit of any guarantee or security in respect of the Rental Income to the extent not effectively assigned under clause 3.2;
  - (ii) the benefit of all other contracts, guarantees, appointments and warranties relating to the Charged Assets and other documents to which the Chargor is a party or which are in its favour or of which it has the benefit relating to any letting, development, sale, purchase, use or the operation of the Charged Assets or otherwise relating to the Charged Assets (including, in each case, but without limitation, the right to demand and receive all monies whatever payable to or for its benefit under or arising from any of them, all remedies provided for in any of them or available at law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests and benefits whatever accruing to or for its benefit arising from any of them); and

- (iii) all licences, consents and authorisations (statutory or otherwise) held or required in connection with its business carried on at the Property or the use of any Charged Asset, and all rights in connection with them.

### **3.2 Assignment**

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

- (a) all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy; and
- (b) the Rental Income and the benefit of any guarantee or security in respect of the Rental Income.

provided that nothing in this clause 3.2 shall constitute the Security Trustee as mortgagee in possession.

## **4. Perfection of security**

### **4.1 Registration of legal mortgage at the Land Registry**

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

"No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [DATE] in favour of TC Security Trustee Limited referred to in the charges register."

### **4.2 Further advances**

The Security Trustee covenants with the Borrower on behalf of the Lender Members that such Lender Members shall perform their obligations to make advances under the Loan Agreement (including any obligation to make available further advances).

### **4.3 First registration**

If the title to the Property is not registered at the Land Registry, the Chargor shall ensure that no person (other than itself) shall be registered under the Land Registration Act 2002 as the proprietor of all or any part of the Property, without the prior written consent of the Security Trustee.

### **4.4 Cautions against first registration and notices**

Whether or not title to the Property is registered at the Land Registry, if any caution against first registration or any notice (whether agreed or unilateral) is registered against the Chargor's title to the Property, the Chargor shall immediately provide the Security Trustee with full particulars of the circumstances relating to such caution or notice. If such caution or notice was registered to protect a purported interest the creation of which is not permitted under this Deed, the Chargor shall immediately, and at its own expense, take such steps as the Security Trustee may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.

## **5. Liability of the Chargor**

### **5.1 Liability not discharged**

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

- (a) any intermediate payment, settlement of account or discharge in whole or in part of the Secured Liabilities;
- (b) any variation, extension, discharge, compromise, dealing with, exchange or renewal of any right or remedy that the Security Trustee may now or after the date of this deed have from or against the Borrower, the Chargor or any other person in connection with the Secured Liabilities;
- (c) any act or omission by the Security Trustee or any other person in taking up, perfecting or enforcing any Security Right, indemnity, guarantee from or against the Borrower, the Chargor or any other person;
- (d) any termination, amendment, variation, novation, replacement or supplement of or to any of the Secured Liabilities including, without limitation, any change in the purpose of, any increase in or extension of the Secured Liabilities and any addition of new Secured Liabilities;
- (e) any grant of time, indulgence, waiver or concession the Borrower, the Chargor or any other person;
- (f) any insolvency, bankruptcy, liquidation, administration, winding-up, incapacity, limitation, disability, the discharge by operation of law, or any change in the constitution, name or style of the Borrower, the Chargor or any other person;
- (g) any invalidity, illegality, unenforceability, irregularity, or frustration of any actual or purported obligation of, or Security Right held from the Borrower, the Chargor or any other person in connection with the Secured Liabilities;
- (h) any claim or enforcement of payment from the Borrower, the Chargor or any other person; or
- (i) any other act, omission, fact, circumstance or other matter or thing that would not have discharged or affected the liability of the Chargor had it been the principal debtor or by

anything done or omitted by any person which, but for this provision, might operate to exonerate or discharge the Chargor or otherwise reduce or extinguish their liability under this deed.

## **5.2 Immediate recourse**

The Chargor waives any right it may have to require the Security Trustee:

- (a) to take any action or obtain judgment in any court against the Borrower or any other person;
- (b) to make or file any claim in a bankruptcy, liquidation, administration or insolvency of the Borrower or any other person; or
- (c) to make demand, enforce or seek to enforce any claim, right or remedy against the Borrower or any other person,

before taking steps to enforce any of its rights or remedies under this deed. to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this Deed against the Chargor.

## **5.3 Non-competition**

The Chargor warrants to the Security Trustee that it has not taken or received, and shall not take, exercise or receive the benefit of any Rights from or against the Borrower, its liquidator, an administrator, co-guarantor or any other person in connection with any liability of, or payment by, the Chargor under this deed but:

- (a) if any of the Rights is taken, exercised or received by the Chargor, those Rights and all monies at any time received or held in respect of those Rights shall be held by the Chargor on trust for the Security Trustee for application in or towards the discharge of the Secured Liabilities under this deed; and
- (b) on demand by the Security Trustee, the Chargor shall promptly transfer, assign or pay to the Security Trustee all Rights and all monies from time to time held on trust by the Chargor under this clause 5.3.

## **6. Representations and warranties**

### **6.1 Times for making representations and warranties**

The Chargor makes the representations and warranties set out in this clause 6 to the Security Trustee on the date of this Deed and the representations and warranties contained in clauses 6.2 to 6.20 are deemed to be repeated on each Test Date (or where there is no applicable Test Date on each date on which interest payable on any of the Secured Liabilities falls due for payment) with reference to the facts and circumstances existing at the time of repetition.

### **6.2 Due incorporation**

The Chargor:

- (a) is a duly incorporated limited liability company validly existing under the law of its jurisdiction of incorporation; and
- (b) has the power to own its own assets and carry on its business as it is being conducted.

### **6.3 Powers**

- (a) The Chargor has the power to enter into, deliver and perform, and has taken all necessary action to authorise its entry into, delivery and performance of this deed and the transactions contemplated by it; and
- (b) No limit on its powers will be exceeded as a result of the grant of the Security Rights contemplated by this deed.

### **6.4 Non-contravention**

The entry into and performance by the Chargor of, and the transactions contemplated by, this deed do not and will not contravene or conflict with:

- (a) its constitutional documents;
- (b) any agreement or instrument binding on it or its assets or constitute a default or termination event (however described) under any such agreement or instrument; or
- (c) any law or regulation or judicial or official order applicable to it.

### **6.5 Authorisations**

The Chargor has obtained all required or desirable authorisations to enable it to enter into, exercise its rights and comply with its obligations in this deed and to make it admissible in evidence in its jurisdiction of incorporation. Any such authorisations are in full force and effect.

### **6.6 Binding obligations**

Subject to any general principles of law limiting its obligations specifically referred to in any legal opinion delivered:

- (a) the Chargor's obligations under this deed are legal, valid, binding and enforceable; and
- (b) this deed creates:
  - (i) valid, legally binding and enforceable Security Rights for the obligations expressed to be secured by it; and
  - (ii) subject to registration in accordance with the Companies Act 2006 and, in the case of real property, registration at the Land Registry, perfected Security Rights over the assets expressed to be subject to the Security Rights in it,

in favour of the Securityt Trustee, having the priority and ranking expressed to be created by this deed and ranking ahead of all (if any) Security Rights and rights of third parties, except those preferred by law.

**6.7 No filing or stamp taxes**

It is not necessary to file, record or enrol this deed (other than as provided in clause 6.6) with any court or other authority or pay any stamp, registration or similar taxes in relation to this deed or any transaction contemplated by it (other than in connection with the registrations referred to in clause 6.6).

**6.8 No litigation**

No litigation, arbitration, administrative proceedings or investigations are taking place, pending or, to the Chargor's knowledge, threatened against it, any of its directors or any of its assets, which, if adversely determined, will have or might reasonably be expected to have a Material Adverse Effect.

**6.9 Ownership of Charged Assets**

The Chargor is the sole legal and beneficial owner of the Charged Assets and has good, valid and marketable title to the Property.

**6.10 No Security Rights**

The Charged Assets are free from any Security Rights other than the Permitted Security Rights and the Security Rights created by this Deed.

**6.11 No adverse claims**

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

**6.12 No adverse covenants**

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

**6.13 No breach of laws**

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

**6.14 No interference in enjoyment**

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

**6.15 No overriding interests**

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

**6.16 No prohibitions or breaches**

There is no prohibition on the Chargor assigning its rights in any of the Charged Assets referred to in clause 3.2 and the entry into of this Deed by the Chargor does not, and will not, constitute a breach of any policy, agreement, document, instrument or obligation binding on the Chargor or its assets.

**6.17 Environmental compliance**

The Chargor has, at all times, complied in all material respects with all applicable Environmental Law and Environmental Licences.

**6.18 Information for Valuations and Certificates of Title**

- (a) All written information supplied by the Chargor or on its behalf for the purpose of each Valuation and Certificate of Title was true and accurate in all material respects at its date or at the date (if any) on which it was stated to be given.
- (b) The information referred to in clause 6.11(a) was, at its date or at the date (if any) on which it was stated to be given, complete and the Chargor did not omit to supply any information that, if disclosed, would adversely affect the Valuation or Certificate of Title.
- (c) In the case of the first Valuation and Certificate of Title only, nothing has occurred since the date the information referred to in clause 6.11(a) was supplied and the date of this Deed that would adversely affect such Valuation or Certificate of Title.

**6.19 Avoidance of security**

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

**6.20 Enforceable security**

Subject to the Legal Reservations, this Deed constitutes and will constitute the legal, valid, binding and enforceable obligations of the Chargor and is, and will continue to be, effective security over all and every part of the Charged Assets in accordance with its terms.

**7. General covenants****7.1 Negative pledge and disposal restrictions**

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

- (a) create, purport to create or permit to subsist any Security Rights on, or in relation to, any Charged Asset other than any Security Rights created by this Deed or any Permitted Security Rights;
- (b) sell, assign, transfer, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Charged Assets; or
- (c) create or grant (or purport to create or grant) any interest in the Charged Assets in favour of a third party other than a Permitted Security Right.

## **7.2 Preservation of Charged Assets**

The Chargor shall not do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Security Trustee or materially diminish the value of any of the Charged Assets or the effectiveness of the security created by this Deed.

## **7.3 Compliance with laws and regulations**

- (a) The Chargor shall not, without the Security Trustee's prior written consent, use or permit the Charged Assets to be used in any way contrary to law.
- (b) The Chargor shall:
  - (i) comply with the requirements of any law or regulation relating to or affecting the Charged Assets or the use of them or any part of them;
  - (ii) obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Charged Assets or their use or that are necessary to preserve, maintain or renew any Charged Asset; and
  - (iii) promptly effect any maintenance, modifications, alterations or repairs that are required by any law or regulation to be effected on or in connection with the Charged Assets.

## **7.4 Enforcement of rights**

The Chargor shall use all reasonable endeavours to:

- (a) procure the prompt observance and performance by the relevant counterparty to any agreement or arrangement with the Chargor and forming part of the Charged Assets of the covenants and other obligations imposed on such counterparty; and
- (b) enforce any rights and institute, continue or defend any proceedings relating to any of the Charged Assets that the Security Trustee may require from time to time.

## **7.5 Notice of misrepresentation and breach**

The Chargor shall, promptly on becoming aware of any of the same, notify the Security Trustee in writing of:



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

## **7.6 Title documents**

The Chargor shall, on the execution of this Deed, deposit with the Security Trustee and the Security Trustee shall, for the duration of this Deed, be entitled to hold:

- (a) all deeds and documents of title relating to the Charged Assets that are in the possession or control of the Chargor (and if these are not within the possession or control of the Chargor, the Chargor undertakes to obtain possession of all these deeds and documents of title); and
- (b) each Insurance Policy.

## **7.7 Notices to be given by the Chargor**

The Chargor shall within five days of the execution of this Deed give notice to the relevant insurers **of the assignment of the Chargor's rights and interest in and under each Insurance Policy** (including the proceeds of any claims under that Insurance Policy) under clause 3.2(a) and procure that each addressee of such notice promptly provides an acknowledgement of that notice to the Security Trustee.

**The Chargor shall obtain the Security Trustee's prior approval of the form of any notice or acknowledgement to be used under this clause 7.7.**

## **8. Property covenants**

### **8.1 Repair and maintenance**

- (a) The Chargor shall keep all premises, and fixtures and fittings on the Property, in:
  - (i) good and substantial repair and condition and shall keep all premises adequately and properly painted and decorated and replace any fixtures and fittings that have become worn out or otherwise unfit for use with others of a like nature and equal value; and
  - (ii) such repair and condition as to enable the Property to be let in accordance with all applicable laws and regulations.

### **8.2 No alterations**

- (a) The Chargor shall not, without the prior written consent of the Security Trustee:
  - (i) pull down or remove the whole or any part of any building forming part of the Property nor permit the same to occur; or

- (ii) make or permit to be made any material alterations to the Property or sever or remove, or permit to be severed or removed, any of its fixtures or fittings (except to make any necessary repairs or renew or replace the same in accordance with clause 8.1).
- (b) The Chargor shall promptly give notice to the Security Trustee if the premises or fixtures or fittings forming part of the Property are destroyed or damaged.

### **8.3 Development restrictions**

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

- (a) make or, in so far as it is able, permit others to make any application for planning permission or development consent in respect of the Property; or
- (b) carry out, or permit or suffer to be carried out, on the Property any development (as defined in each of the Town and Country Planning Act 1990 and the Planning Act 2008) or change or permit, or suffer to be changed, the use of the Property.

### **8.4 Insurance**

- (a) The Chargor shall insure and keep insured (or where, in the case of any leasehold property, insurance is the responsibility of the landlord under the terms of the lease, either procure that the landlord insures and keeps insured or, if and to the extent that the landlord does not do so, itself insure and keep insured) the Charged Assets against:
  - (i) loss or damage by fire or terrorist acts, including any third-party liability arising from such acts;
  - (ii) other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Chargor; and
  - (iii) any other risk, perils and contingencies as the Security Trustee may reasonably require.
- (b) Any insurance effected or maintained in accordance with clause 8.4(a) must be with an insurance company or underwriters, and on such terms, as are reasonably acceptable to the Security Trustee and must include property owners' public liability and third party liability insurance and be for not less than the replacement value of the relevant Charged Asset (meaning, in the case of any premises on the Property, the total cost of entirely rebuilding, reinstating or replacing the premises in the event of their being destroyed, together with architects', surveyors', engineers' and other professional fees and charges for shoring or propping up, demolition, site clearance and reinstatement with adequate allowance for inflation) and loss of rents payable by the tenants or other occupiers of the Property for a period of at least three years, including provision for increases in rent during the period of insurance.
- (c) The Chargor shall effect and maintain, in a form and amount and with an insurance, company or underwriters acceptable to the Security Trustee, such insurance on and in

respect of the Charged Asset which are not subject to clause 8.4(a) as a prudent company carrying on the same or substantially similar business as the Chargor would effect.

- (d) The Chargor shall, if requested by the Security Trustee, produce to the Security Trustee each policy, certificate or cover note relating to any insurance required by clause 8.4(a) and clause 8.4(c) (or where, in the case of any leasehold property, that insurance is effected by the landlord, such evidence of insurance as the Chargor is entitled to obtain from the landlord under the terms of the relevant lease).
- (e) The Chargor shall, if requested by the Security Trustee, procure that a note of the **Security Trustee's interest is endorsed on each Insurance Policy (other than public liability and third party liability insurances)** effected or maintained by it or any person on its behalf in accordance with clause 8.4(a) and clause 8.4(c) but without the Security Trustee having any liability for any premium in relation to those Insurance Policies unless it has expressly and specifically requested to be made liable in respect of any increase in premium or unpaid premium in respect of any Insurance Policy.

#### **8.5 Insurance premiums**

The Chargor shall:

- (a) promptly pay all premiums in respect of each Insurance Policy required by clause 8.4(a) and clause 8.4(c) and do all other things necessary to keep that policy in full force and effect; and
- (b) (if the Security Trustee so requires) give to the Security Trustee copies of the receipts for all premiums and other payments necessary for effecting and keeping up each Insurance Policy required by clause 8.4(a) and clause 8.4(c) (or where, in the case of leasehold property, insurance is effected by the landlord, such evidence of the payment of premiums as the Chargor is entitled to obtain from the landlord under the terms of the relevant lease).

#### **8.6 No invalidation of insurance**

The Chargor shall not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any Insurance Policy required by clause 8.4(a) and clause 8.4(c).

#### **8.7 Proceeds from Insurance Policies**

All monies payable under any Insurance Policy required by clause 8.4(a) and clause 8.4(c) shall (whether or not the security constituted by this Deed has become enforceable):

- (a) be paid immediately to the Security Trustee;
- (b) if they are not paid directly to the Security Trustee by the insurers, be held, pending such payment, by the Chargor as trustee of the same for the benefit of the Security Trustee; and

- (c) be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received or, after the security constituted by this Deed has become enforceable and, if the Security Trustee so directs, in or towards discharge or reduction of the Secured Liabilities; and
- (d) The Chargor shall ensure that the Security Trustee is noted as first loss payee on each Insurance Policy effected under clause 8.4(a) and clause 8.4(c).

#### **8.8 Leases and licences affecting the Property**

The Chargor shall not, without the prior written consent of the Security Trustee (which consent, in the case of clause 8.8(d), is not to be unreasonably withheld or delayed in circumstances in which the Chargor may not unreasonably withhold or delay its consent):

- (a) grant any licence or tenancy affecting the whole or any part of the Property, or exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925 (or agree to grant any such licence or tenancy, or agree to exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925);
- (b) in any other way dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of the Property (or agree to dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of the Property);
- (c) let any person into occupation, or share occupation, of the whole or any part of the Property; or
- (d) grant any consent or licence under any lease or licence affecting the Property.

#### **8.9 No restrictive obligations**

The Chargor shall not, without the prior written consent of the Security Trustee, enter into any onerous or restrictive obligations affecting the whole or any part of the Property or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of the Property.

#### **8.10 Proprietary rights**

The Chargor shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of the Property, without the prior written consent of the Security Trustee.

#### **8.11 Compliance with and enforcement of covenants**

The Chargor shall:

- (a) observe and perform all covenants, stipulations and conditions to which the Property, or the use of it, is or may be subject and (if the Security Trustee so requires) produce to

the Security Trustee evidence sufficient to satisfy the Security Trustee that those covenants, stipulations and conditions have been observed and performed; and

- (b) diligently enforce all covenants, stipulations and conditions benefiting the Property and shall not (and shall not agree to) waive, release or vary any of the same.

#### **8.12 Notices or claims relating to the Property**

- (a) The Chargor shall:
  - (i) give full particulars to the Security Trustee of any notice, order, direction, designation, resolution, application, requirement or proposal given or made by any public or local body or authority (a **Notice**) that specifically applies to the Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Notice; and
  - (ii) (if the Security Trustee so requires) immediately, and at the cost of the Chargor, take all reasonable and necessary steps to comply with any Notice, and make, or join with the Security Trustee in making, any objections or representations in respect of that Notice that the Security Trustee thinks fit.
- (b) The Chargor shall give full particulars to the Security Trustee of any claim, notice or other communication served on it in respect of any modification, suspension or revocation of any Environmental Licence or any alleged breach of any Environmental Law, in each case relating to the Property.

#### **8.13 Payment of rent and outgoings**

The Chargor shall:

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

#### **8.14 Rent reviews**

- (a) The Chargor shall, if the Property is subject to occupational leases or licences, implement any upwards rent review provisions and shall not, without the prior written consent of the Security Trustee, agree to any change in rent to less than the open market rental value of the relevant part of the Property.
- (b) The Chargor shall not, without the prior written consent of the Security Trustee, if the Property is leasehold, agree to any change in the rent payable under the lease in excess of the open market rental value and shall only agree to any upwards rent review in accordance with the terms of the lease.

#### **8.15 Environment**

Legal Charge

The Chargor shall in respect of the Property:

- (a) comply in all material respects with all the requirements of Environmental Law; and
- (b) obtain and comply in all material respects with all Environmental Licences.

#### **8.16 Conduct of business on Property**

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

#### **8.17 Inspection**

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

#### **8.18 VAT option to tax**

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

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

### **9. Rental Income covenants**

#### **9.1 Collection of and dealings with Rental Income**

- (a) The Chargor shall not deal with the Rental Income except by getting it in and realising it in the ordinary and usual course of its business. The Chargor shall, pending that payment in to the Rent Account or other account, hold all Rental Income on trust for the Security Trustee.
- (b) The Chargor agrees with the Security Trustee that any monies received by the Security Trustee under clause 9.1(a) shall not constitute the Security Trustee as mortgagee in possession of the Property.

#### **9.2 Notice of assignment of Rental Income**

The Chargor shall, promptly following the occurrence of an Event of Default, give notice to the relevant tenant, guarantor or surety of the assignment under clause 3.2(b) of the Chargor's rights and interest to the Rental Income and each guarantee or security in respect of the Rental Income and procure that each addressee of such notice promptly provides an acknowledgement of that notice to the Security Trustee.

## **10. Powers of the Security Trustee**

### **10.1 Power to remedy**

- (a) The Security Trustee shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Chargor of any of its obligations contained in this Deed.
- (b) The Chargor irrevocably authorises the Security Trustee and its agents to do all things that are necessary or desirable for that purpose.
- (c) Any monies expended by the Security Trustee in remedying a breach by the Chargor of its obligations contained in this Deed shall be reimbursed by the Chargor to the Security Trustee on a full indemnity basis and shall carry interest in accordance with clause 17.1.
- (d) In remedying any breach in accordance with this clause 10.1, the Security Trustee, its agents and their respective officers, agents and employees shall be entitled to enter onto the Property and to take any action as the Security Trustee may reasonably consider necessary or desirable including, without limitation, carrying out any repairs, other works or development.

### **10.2 Exercise of rights**

The rights of the Security Trustee under clause 10.1 are without prejudice to any other rights of the Security Trustee under this Deed. The exercise of any rights of the Security Trustee under this Deed shall not make the Security Trustee liable to account as a mortgagee in possession.

### **10.3 Security Trustee has Receiver's powers**

To the extent permitted by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may, after the security constituted by this Deed has become enforceable, be exercised by the Security Trustee in relation to any of the Charged Assets whether or not it has taken possession of any Charged Asset and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

### **10.4 Conversion of currency**

- (a) For the purpose of, or pending the discharge of, any of the Secured Liabilities, the Security Trustee may convert any monies received, recovered or realised by it under this Deed (including the proceeds of any previous conversion under this clause 10.4) from their existing currencies of denomination into any other currencies of denomination that the Security Trustee may think fit.
- (b) **Any such conversion shall be effected at the Security Trustee's bank's then prevailing spot selling rate of exchange for such other currency against the existing currency.**
- (c) Each reference in this clause 10.4 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

**10.5 New accounts**

- (a) If the Security Trustee receives, or is deemed to have received, notice of any subsequent Security Right, or other interest, affecting all or part of the Charged Assets, the Security Trustee may open a new account for the Chargor in the Security Trustee's books. Without prejudice to the Security Trustee's right to combine accounts, no money paid to the credit of the Chargor in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.
- (b) If the Security Trustee does not open a new account immediately on receipt of the notice, or deemed notice, under clause 10.5(a), then, unless the Security Trustee gives express written notice to the contrary to the Chargor, all payments made by the Chargor to the Security Trustee shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt or deemed receipt of the relevant notice by the Security Trustee.

**10.6 Indulgence**

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

**11. When security becomes enforceable****11.1 Security becomes enforceable on Event of Default**

The security constituted by this Deed shall become immediately enforceable if an Event of Default occurs which is continuing.

**11.2 Discretion**

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

**12. Enforcement of security****12.1 Enforcement powers**

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



- (b) The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this Deed) shall be immediately exercisable at any time after the security constituted by this Deed has become enforceable under clause 11.1.
- (c) Section 103 of the LPA 1925 does not apply to the security constituted by this Deed.

## **12.2 Extension of statutory powers of leasing**

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

- (a) grant a lease or agreement for lease;
- (b) accept surrenders of leases; or
- (c) grant any option in respect of the whole or any part of the Property with whatever rights relating to other parts of it,

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

## **12.3 Redemption of prior Security Right**

- (a) At any time after the security constituted by this Deed has become enforceable, or after any powers conferred by any Security Right having priority to this Deed shall have become exercisable, the Security Trustee may:
  - (i) redeem any prior Security Right over any Charged Asset;
  - (ii) procure the transfer of that Security Right to itself; and
  - (iii) settle and pass the accounts of the holder of any prior Security Right (and any accounts so settled and passed shall, in the absence of any manifest error, be conclusive and binding on the Chargor).
- (b) The Chargor shall pay to the Security Trustee immediately on demand all principal, interest, costs, charges and expenses of, and incidental to, any such redemption or transfer, and such amounts shall be secured by this Deed as part of the Secured Liabilities.

## **12.4 Protection of third parties**

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

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

## **12.5 Privileges**

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

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

Neither the Security Trustee nor any Receiver or Delegate shall be liable, by reason of entering into possession of a Charged Asset or for any other reason, to account as mortgagee in possession in respect of all or any of the Charged Assets, nor shall any of them be liable for any loss on realisation of, or for any act, default or omission for which a mortgagee in possession might be liable.

## **12.7 Relinquishing possession**

If the Security Trustee, any Receiver or Delegate enters into or takes possession of a Charged Asset, it or he/she may at any time relinquish possession.

## **12.8 Conclusive discharge to purchasers**

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

## **12.9 Right of appropriation**

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

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

- (b) The value of any Charged Assets appropriated in accordance with this clause shall be, in the case of cash, the amount standing to the credit of the Rent Account, together with any accrued but unpaid interest, at the time the right of appropriation is exercised.
- (c) The Chargor agrees that the method of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

### **13. Receivers**

#### **13.1 Appointment**

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

#### **13.2 Removal**

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

#### **13.3 Remuneration**

The Security Trustee may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925 and the remuneration of the Receiver shall be a debt secured by this Deed, to the extent not otherwise discharged.

#### **13.4 Power of appointment additional to statutory powers**

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

#### **13.5 Power of appointment exercisable despite prior appointments**

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

#### **13.6 Agent of the Chargor**

Any Receiver appointed by the Security Trustee under this Deed shall be the agent of the Chargor and the Chargor shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver.

The agency of each Receiver shall continue until the Chargor goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Security Trustee.

#### **14. Powers of Receiver**

##### **14.1 Powers additional to statutory powers**

- (a) Any Receiver appointed by the Security Trustee under this Deed shall, in addition to the rights, powers and discretions conferred on him/her by statute, have the rights, powers and discretions set out in clause 14.2 to clause 14.20.
- (b) A Receiver has all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the LPA 1925, and shall have those rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986 whether he/she is an administrative receiver or not.
- (c) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him/her states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.
- (d) Any exercise by a Receiver of any of the powers given by clause 14 may be on behalf of the Chargor, the directors of the Chargor or himself/herself.

##### **14.2 Repair and develop the Property**

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

##### **14.3 Grant or accept surrenders of leases**

A Receiver may grant, or accept, surrenders of any leases or tenancies affecting the Property on any terms, and subject to any conditions, that he/she thinks fit.

##### **14.4 Employ personnel and advisers**

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

##### **14.5 Make and revoke VAT options to tax**

A Receiver may make, exercise or revoke any VAT option to tax as he/she thinks fit.

##### **14.6 Charge for remuneration**

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

#### **14.7 Take possession**

A Receiver may take immediate possession of, get in and realise any Charged Asset.

#### **14.8 Manage or reconstruct the Chargor's business**

A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Chargor carried out at the Property.

#### **14.9 Dispose of Charged Assets**

A Receiver may grant options and licences over all or any part of the Charged Assets, grant any other interest or right over, sell, exchange, assign or lease (or concur in granting options and licences over all or any part of the Charged Assets, granting any other interest or right over, selling, exchanging, assigning or leasing) all or any of the Charged Assets in respect of which he/she is appointed for such consideration and in such manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as he/she thinks fit. A Receiver may promote, or concur in promoting, a company to purchase the Charged Assets to be disposed of by him/her.

#### **14.10 Sever fixtures and fittings**

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

#### **14.11 Give valid receipts**

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

#### **14.12 Make settlements**

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who claims to be a creditor of the Chargor or relating in any way to any Charged Asset.

#### **14.13 Bring legal action**

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

#### **14.14 Insure**

A Receiver may, if he/she thinks fit, but without prejudice to the indemnity in clause 17.2, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Chargor under this Deed.

#### **14.15 Form subsidiaries**

A Receiver may form a subsidiary of the Chargor and transfer to that subsidiary any Charged Asset.

#### **14.16 Borrow/lend**

A Receiver may, for whatever purpose he/she thinks fit, raise and borrow money either unsecured or on the security of all or any of the Charged Assets in respect of which he/she is appointed or lend money on a secured or unsecured basis, in each case on any terms that he/she thinks fit (including, if the Security Trustee consents, terms under which any security for any borrowings ranks in priority to this Deed).

#### **14.17 Redeem prior Security Right**

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

#### **14.18 Delegation**

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

#### **14.19 Absolute beneficial owner**

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

#### **14.20 Incidental powers**

A Receiver may do any other acts and things that he/she:

- (a) may consider desirable or necessary for realising any of the Charged Assets;
- (b) may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this Deed or law; or
- (c) lawfully may or can do as agent for the Chargor.

### **15. Delegation**

#### **15.1 Delegation**

The Security Trustee or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it or him/her by this Deed (including the power of attorney granted under clause 19.1).

## **15.2 Terms**

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

## **15.3 Liability**

Neither the Security Trustee nor any Receiver shall 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 Delegate.

## **16. Application of proceeds**

### **16.1 Order of application of proceeds**

All monies received or recovered by the Security Trustee, a Receiver or a Delegate under this Deed or in connection with the realisation or enforcement of all or part of the security constituted by this Deed (other than sums received under any Insurance Policy), shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following **order of priority (but without prejudice to the Security Trustee's right to recover any shortfall from the Chargor)**:

- (a) in or towards payment of all costs, liabilities, charges and expenses incurred by or on behalf of the Security Trustee (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this Deed and of all remuneration due to any Receiver under or in connection with this Deed;
- (b) in or towards payment of the Secured Liabilities in any order and manner that the Security Trustee determines; and
- (c) in payment of the surplus (if any) to the Chargor or other person entitled to it.

### **16.2 Appropriation**

Neither the Security Trustee, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

### **16.3 Suspense account**

All monies received by the Security Trustee, a Receiver or a Delegate under this Deed (other than sums received under any Insurance Policy that are not going to be applied in or towards discharge of the Secured Liabilities):

- (a) may, at the discretion of the Security Trustee, Receiver or Delegate, be credited to a suspense account;
- (b) shall bear interest, if any, at the rate agreed in writing between the Security Trustee and the Chargor; and
- (c) may be held in that account for so long (until the Secured Liabilities have been irrevocably and unconditionally discharged and no further Secured Liabilities may arise) as the Security Trustee, Receiver or Delegate thinks fit.

## **17. Costs and indemnity**

### **17.1 Costs**

The Chargor shall, within three Business Days of demand, pay to, or reimburse, the Security Trustee and any Receiver, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses):

- (a) reasonably incurred by the Security Trustee in connection with the preparation of this Deed (subject to any agreed fee cap in relation to legal fees); or the Charged Asset;
- (b) incurred by the Security Trustee, any Receiver or Delegate;
  - (i) in connection with this Deed (other than the preparation of this Deed) or the Charged Assets;
  - (ii) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Security Trustee's, a Receiver's or a Delegate's rights under this Deed; or
  - (iii) taking proceedings for, or recovering, any of the Secured Liabilities,

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

### **17.2 Indemnity**

- (a) The Chargor shall indemnify the Security Trustee, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full



indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:

- (i) the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this Deed or by law in respect of the Charged Assets;
  - (ii) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this Deed; or
  - (iii) any default or delay by the Chargor in performing any of its obligations under this Deed.
- (b) Any past or present employee or agent may enforce the terms of this clause 17.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

## **18. Further assurance**

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

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

including, without limitation the execution of any mortgage, transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Charged Assets (whether to the Security Trustee or to its nominee) and the giving of any notice, order or direction and the making of any filing or registration which, in any such case, the Security Trustee may consider necessary or desirable.

## **19. Power of attorney**

### **19.1 Appointment of attorneys**

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

- (a) the Chargor is required to execute and do under this Deed (but which it has failed to do); or

- (b) any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this Deed or by law on the Security Trustee, any Receiver or any Delegate.

## **19.2 Ratification of acts of attorneys**

The Chargor ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 19.1.

## **20. Release**

Subject to clause 27.3, at the end of the Security Period, the Security Trustee shall, at the request and cost of the Chargor, take whatever action is necessary to:

- (a) release the Charged Assets from the security constituted by this Deed; and
- (b) reassign the Charged Assets to the Chargor.

## **21. Assignment and transfer**

### **21.1 Assignment by Security Trustee**

- (a) Subject to the terms of the Loan Agreements, at any time, without the consent of the Chargor, the Security Trustee may assign or transfer any or all of its rights and obligations under this Deed.
- (b) The Security Trustee may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Chargor, the Charged Assets and this Deed that the Security Trustee considers appropriate.

### **21.2 Assignment by Chargor**

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

## **22. Set-off**

### **22.1 Security Trustee's right of set-off**

The Security Trustee may at any time set off any liability of the Chargor to the Security Trustee against any liability of the Security Trustee to the Chargor, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this Deed. If the liabilities to be set off are expressed in different currencies, the Security Trustee may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Security Trustee of its rights under this clause 22.1 shall not limit or affect any other rights or remedies available to it under this Deed or otherwise.

**22.2 No obligation to set off**

The Security Trustee is not obliged to exercise its rights under clause 22.1. If, however, it does exercise those rights it must promptly notify the Chargor of the set-off that has been made.

**22.3 Exclusion of Chargor's right of set-off**

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

**23. Amendments, waivers and consents****23.1 Amendments**

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

**23.2 Waivers and consents**

- (a) A waiver of any right or remedy under this Deed or by law, or any consent given under this Deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.
- (b) A failure or delay by a party to exercise any right or remedy provided under this Deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this Deed. No single or partial exercise of any right or remedy provided under this Deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this Deed by the Security Trustee shall be effective unless it is in writing.

**23.3 Rights and remedies**

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

**24. Severance**

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

**25. Counterparts**

- 25.1** This Deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.
- 25.2** Transmission of an executed counterpart of this Deed (but for the avoidance of doubt not just a signature page) by email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this Deed. Without prejudice to the validity of the deed thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.
- 25.3** No counterpart shall be effective until each party has executed and delivered at least one counterpart.

**26. Third party rights**

Except as expressly provided elsewhere in this Deed, a person who is not a party to this Deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this Deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

**27. Further provisions****27.1 Independent security**

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

**27.2 Continuing security**

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

**27.3 Discharge conditional**

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

- (a) The Security Trustee or its nominee may retain this Deed and the security created by or under it, including all certificates and documents relating to the whole or any part of the Charged Assets, for any period that the Security Trustee deems necessary to provide the Security Trustee with security against any such avoidance, reduction or order for refund; and
- (b) the Security Trustee may recover the value or amount of such security or payment from the Chargor subsequently as if the release, discharge or settlement had not occurred.

#### **27.4 Certificates**

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

#### **27.5 Consolidation**

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

### **28. Notices**

#### **28.1 Delivery**

Any notice or other communication given to a party under or in connection with this Deed shall be:

- (a) in writing;
- (b) delivered by hand, by pre-paid first-class post or other next working day delivery service; and
- (c) sent to:

the Chargor at the correspondence or registered office address or email address stated in Schedule 1; or

- (i) the Security Trustee at:

TC Security Trustee Limited c/o 2-3 Charter Point Way, Ashby de la Zouch, Leicestershire, LE65 1NF.

Attention: Securities Manager

or to any other address or email address as is notified in writing by one party to the other from time to time.

#### **28.2 Receipt by Chargor**

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

- (a) if delivered by hand, at the time it is left at the relevant address; and
- (b) if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting; and
- (c) if sent by email, at the time of transmission.

A notice or other communication given as described in clause 28.2(a) or 28.2(c) on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

### **28.3 Receipt by Security Trustee**

Any notice or other communication given to the Security Trustee shall be deemed to have been received only on actual receipt.

### **28.4 Service of proceedings**

This clause 28 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

### **28.5 No notice by fax**

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

## **29. Governing law and jurisdiction**

### **29.1 Governing law**

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

### **29.2 Jurisdiction**

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

### **29.3 Other service**

The Chargor irrevocably consents to any process in any legal action or proceedings under clause 29.2 being served on it in accordance with the provisions of this Deed relating to service of notices. Nothing contained in this Deed shall affect the right to serve process in any other manner permitted by law.

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

Schedule 1

The Chargor

Company Name:	KNBY LND PR3 Limited
Place of Registration:	England and Wales
Registration Number:	09914712
Registered Office Address:	1-3 Upper James Street, London W1F 9DF
Email Address:	[REDACTED] / [REDACTED]



Schedule 2

The Property

Description	Title Number
Leasehold property known as Level 3, The Leadenhall Building, 122 Leadenhall St, London EC3V 4AB	AGL459769

Schedule 3

The Borrower

Company Name:	KNBY LND OP1 LIMITED
Place of Registration:	England and Wales
Registration Number:	06270239
Registered Office Address:	C/O Bob Bob Ricard, 1-3 Upper James Street, London W1F 9DF
Email Address:	[REDACTED] / [REDACTED]

Executed as a deed by **KNBY LND  
PR3 LIMITED** acting by two  
directors,

or a director

in the presence of:

.....

WITNESS

NAME:

ADDRESS:

OCCUPATION:

DocuSigned by:

4267290FEE234C1...

Director

DocuSigned by:

5DF1E44F41824D1...

Director

Executed as a deed by **TC  
SECURITY TRUSTEE LIMITED** as  
Security Trustee of the Secured  
Parties acting by two directors

DocuSigned by:

4AA83623DB6D4BC...

Director

DocuSigned by:

AB2691584DB9474...

Director