



Registration of a Charge

Company name: **TITAN ACQUISITION LIMITED**

Company number: **10168900**

Received for Electronic Filing: **23/12/2019**



Details of Charge

Date of creation: **16/12/2019**

Charge code: **1016 8900 0005**

Persons entitled: **MOUNT STREET MORTGAGE SERVICING LIMITED**

Brief description:

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 THE ELECTRONIC COPY INSTRUMENT
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **CLIFFORD CHANCE LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 10168900

Charge code: 1016 8900 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 16th December 2019 and created by TITAN ACQUISITION LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 23rd December 2019 .

Given at Companies House, Cardiff on 24th December 2019

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED 16 DECEMBER 2019

TITAN ACQUISITION LIMITED

AS CHARGOR

IN FAVOUR OF

MOUNT STREET MORTGAGE SERVICING LIMITED

AS THE SECURITY AGENT

SECURITY AGREEMENT IN RESPECT OF THE
HEDGE COLLATERAL ACCOUNTS

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THIS SECURITY AGREEMENT is made by way of deed on 16 December 2019 by:

- (1) **TITAN ACQUISITION LIMITED** registered in England and Wales with company registration number 10168900 (the "**Chargor**") in favour of:
- (2) **MOUNT STREET MORTGAGE SERVICING LIMITED** as security trustee for each of the Secured Parties (the "**Security Agent**").

IT IS AGREED as follows:

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

In this Security Agreement:

"Administration Event" means:

- (a) the presentation of an application or petition to the court for the making of an administration order in relation to a Chargor; or
- (b) any person (who is entitled to do so) gives notice of its intention to appoint an administrator to a Chargor or files such a notice with the court.

"Event of Default" has the meaning given to that term in the Facility Agreement.

"Facility Agreement" means the facility agreement dated 12 December 2019 between, amongst others, Titan Acquisition Holdco Limited as the Senior Holdco, Titan Acquisition Limited as the Original Borrower, the Original Guarantors, Morgan Stanley Bank, N.A. as the Arranger and the Original Lender and Mount Street Mortgage Servicing Limited as the Agent and the Security Agent (each as defined in that agreement as amended, varied, novated or supplemented from time to time).

"Finance Document" has the meaning given to that term in the Facility Agreement.

"Finance Party" has the meaning given to that term in the Facility Agreement.

"Hedge Collateral Account" has the meaning given to that term in the Facility Agreement.

"Hedge Collateral Secured Liabilities" means:

- (a) all Secured Liabilities; and
- (b) means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever and whether originally incurred by the Chargor or by some other person under a Secured Hedging Agreement or a Secured Hedging Transaction) of the Chargor to any Collateralised Hedge Counterparty under each Finance Document, a Secured Hedging Agreement or a Hedging Transaction.

"Hedge Collateral Security Property" means:

- (a) the Security expressed to be granted in favour of the Security Agent as trustee for the Secured Hedging Parties by or pursuant to this Security Agreement and all proceeds of that Security;
- (b) all obligations expressed to be undertaken by the Chargor to pay amounts in respect of the Hedge Collateral Secured Liabilities to the Security Agent as trustee for the Secured Hedging Parties and secured by the Security expressed to be granted in favour of the Security Agent as trustee for the Secured Hedging Parties by or pursuant to this Security Agreement together with all representations and warranties expressed to be given by the Chargor or any other person in favour of the Security Agent as trustee for the Secured Hedging Parties; and
- (c) any other amounts or property, whether rights, entitlements, choses in action or otherwise, actual or contingent, which the Security Agent is required by the terms of the Finance Documents and any Secured Hedging Agreement to hold as trustee on trust for the Secured Hedging Parties.

"Hedging Agreement" has the meaning given to that term in the Facility Agreement.

"Lender" has the meaning given to that term in the Facility Agreement.

"Obligor" has the meaning given to that term in the Facility Agreement.

"Party" means a party to this Security Agreement.

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

"Related Rights" means, to the extent applicable, in relation to any asset:

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

"Secured Hedging Agreement" means:

- (d) the Hedging Agreement entered into between the Borrower and the Secured Hedging Provider dated on or about the date of this Agreement; and
- (e) any other Hedging Agreement entered into between the Borrower and the Secured Hedging Provider from time to time.

"Secured Hedging Parties" means the Secured Parties and the Secured Hedging Provider.

"Secured Hedging Provider" means SMBC Nikko Capital Markets Limited.

"Secured Hedging Transaction" means the interest rate cap transaction evidenced by a Secured Hedging Agreement, which is fully prepaid by or on behalf of an Obligor, under which that Obligor does not thereafter have any actual or contingent payment or delivery obligations in respect of periodic payments or payments on close out after payment of the premium (and for the avoidance of doubt, which is not an interest rate cap transaction with a deferred premium).

"Secured Liabilities" has the meaning given to that term in the Facility Agreement.

"Secured Parties" has the meaning given to that term in the Facility Agreement.

"Security" has the meaning given to that term in the Facility Agreement.

"Security Assets" means each of the assets and undertaking of the Chargor which from time to time are, or are expressed to be, the subject of any Security created or expressed to be created by it in favour of the Security Agent by or pursuant to this Security Agreement.

"Security Period" means the period beginning on the date of this Security Agreement and ending on the date on which the Security Agent is satisfied that the Hedge Collateral Secured Liabilities have been irrevocably and unconditionally paid or discharged in full and no Secured Hedging Party is under any further actual or contingent obligation to make advances or provide other financial accommodation to the Chargor or any other person under any of the Finance Documents or any Secured Hedging Agreement.

"Transaction Obligor" has the meaning given to that term in the Facility Agreement.

1.2 Terms defined in other Finance Documents

Unless defined in this Security Agreement, or the context otherwise requires, a term defined in the Facility Agreement or in any other Finance Document has the same meaning in this Security Agreement or any notice given under or in connection with this Security Agreement, as if all references in those defined terms to the Facility Agreement or other Finance Document were a reference to this Security Agreement or that notice.

1.3 Security Agent

- (a) The Security Agent executes this Deed in the exercise of the rights, powers and authority conferred and vested in it under the Facility Agreement and any other Finance Document for and on behalf of the Secured Hedging Parties for whom it acts. It will exercise its powers, rights, duties and authority under this Deed in the manner provided for in the Facility Agreement and, in so acting, it shall have the protections, immunities, limitations of liability, rights, powers, authorisations, indemnities and benefits conferred on it under and by the Facility Agreement and the other Finance Documents.

- (b) The Security Agent shall not owe any fiduciary duties to any party to this Deed or any of their directors, employees, agents or affiliates

1.4 Effect as a Deed

It is intended by the Parties that this Security Agreement will take effect as a deed notwithstanding the fact that the Security Agent may execute this Security Agreement under hand.

1.5 Construction

Clauses 1.2 (*Construction*) and 1.3 (*Currency symbols and definitions*) of the Facility Agreement as at the date of this Security Agreement will apply as if incorporated in this Security Agreement or in any notice given under or in connection with this Security Agreement, as if all references in that Clause to the Facility Agreement were a reference to this Security Agreement or that notice.

1.6 Application of provisions in Facility Agreement

Clauses 1.7 (*Third party rights*), 8.4 (*Default interest*), 10.5 (*Break Costs*), 12 (*Tax Gross-Up and Indemnities*), 13 (*Increased Costs*), 14 (*Other indemnities*), 16 (*Costs and Expenses*), 25.1 (*Assignments and transfers by the Lenders*), 26.1 (*Assignments and transfers by Obligors*), 32 (*Payment Mechanics*), 35 (*Notices*), 36.1 (*Accounts*), 36.2 (*Certificates and determinations*) and 39 (*Amendments and waivers*) of the Facility Agreement as at the date of this Agreement are deemed to form part of this Security Agreement as if expressly incorporated into it and as if all references in those clauses to the Facility Agreement were references to this Security Agreement.

1.7 Present and future assets

A reference in this Security Agreement to any Security Asset or other asset includes, unless the contrary intention appears, present and future Security Assets and other assets.

1.8 Fixed Security

Clauses 4.1 (*Assignment by way of Security*) and 4.2 (*Fixed charges*) shall be construed as creating a separate and distinct fixed charge or assignment by way of security over each relevant asset within any particular class of assets defined under this Security Agreement and the failure to create an effective fixed charge or assignment by way of security (whether arising out of this Security Agreement or any act or omission by any party) on any one asset shall not affect the nature of any fixed charge or assignment imposed on any other asset whether within that same class of assets or not.

1.9 No obligation

The Security Agent shall not be under any obligation in relation to the Security Assets as a consequence of this Security Agreement and each Chargor shall at all times remain liable to perform all obligations expressed to be assumed by it in respect of the Security Assets.

1.10 Approvals, consents and rights of the Security Agent

References in this Security Agreement to the cooperation of, or to an approval, opinion, consent, discretion or requirement of the Security Agent means the cooperation of, or an approval, opinion, consent, direction or requirement of the Security Agent acting on the instructions of the Majority Lenders or the Secured Hedging Provider (as applicable) pursuant to the Facility Agreement.

2. COVENANT TO PAY

The Chargor covenants with the Security Agent (as trustee for the Secured Hedging Parties) that it shall, on demand of the Security Agent pay, discharge and satisfy the Hedge Collateral Secured Liabilities in accordance with their respective terms and to indemnify the Secured Hedging Parties against any losses, costs, charges, expenses and liabilities arising from any breach or failure to pay, discharge and satisfy the Hedge Collateral Secured Liabilities in accordance with their respective terms (which indemnified sums shall be treated as Hedge Collateral Secured Liabilities for the purposes of this Security Agreement).

3. COMMON PROVISIONS

3.1 Common provisions as to all Security

All the Security constituted by or pursuant to this Security Agreement is:

- (a) created with full title guarantee;
- (b) created in favour of the Security Agent as trustee for the Secured Hedging Parties and the Security Agent shall hold the benefit of this Security Agreement and the Security created by or pursuant to it on trust for the Secured Hedging Parties; and
- (c) continuing security for the payment and discharge of all the Hedge Collateral Secured Liabilities.

4. FIXED SECURITY

4.1 Assignment by way of Security

The Chargor assigns and agrees to assign absolutely and to the fullest extent assignable or capable of assignment without infringing any contractual provision restricting the same, all of its rights, title and interest from time to time in and to each Hedge Collateral Account maintained by the Chargor (and in each case, its interest in any replacement account or sub-account or sub-division of that account) and the debt or debts represented thereby and all other Related Rights.

4.2 Fixed charges

The Chargor charges (to the extent not validly and effectively assigned pursuant to Clause 4.1 (*Assignment by way of Security*)) by way of first fixed charge, all of its rights, title and interest from time to time in and to each Hedge Collateral Account (and in

each case, its interest in any replacement account or sub-account or sub-division of that account) and the debt or debts represented thereby and all other Related Rights;

5. PROVISIONS AS TO SECURITY AND PERFECTION

5.1 Negative pledge and restriction on dealings

Except where agreed in writing by the Security Agent or as permitted under the Finance Documents, the Chargor will not at any time during the Security Period create or permit to subsist any Security over all or any part of the Security Assets or dispose of or otherwise deal with any part of the Security Assets.

5.2 Implied covenants for title

- (a) The covenants set out in Sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to Clause 4 (*Fixed Security*).
- (b) It shall be implied in respect of Clause 4 (*Fixed Security*) that the Chargor is disposing of the Security Assets free from all charges and incumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment).

5.3 Notice of Security: Hedge Collateral Account

Immediately upon the date of this Security Agreement in relation to each Hedge Collateral Account maintained by it which is the subject of the Security created by this Security Agreement, or if later, upon the opening by it of any other such Hedge Collateral Account, the Chargor shall:

- (a) deliver to the Security Agent a duly executed notice addressed to each relevant bank, building society or other person of the Security constituted by this Security Agreement, such notice being substantially in the form set out in Schedule 1 (*Hedge Collateral Accounts*) or as otherwise agreed between the the Chargor and the Security Agent (each acting reasonably); and
- (b) procure from each relevant person an acknowledgement in the form set out in such notice of security.

5.4 Further advances

Subject to the terms of the Facility Agreement or the Secured Hedging Agreement (as applicable), each of the Lenders and the Secured Hedging Provider is under an obligation to make further advances to the Chargor and that obligation will be deemed to be incorporated in this Security Agreement as if set out in this Security Agreement.

6. FURTHER ASSURANCE

6.1 Further assurance

- (a) The covenant set out in Section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in paragraph (b) below.
- (b) The Chargor shall promptly, at its own cost, take all such action (including filings, registrations and notarisations and applying for relief against forfeiture) and execute all such documents (including assignments, assignations, transfers, standard securities, mortgages, charges, notarisations, registrations, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require) in favour of the Security Agent or its nominee(s) to:
 - (i) create, perfect, confer priority, protect and/or maintain the Security created or intended to be created in respect of the Security Assets in accordance with the rights vested in it under this Security Agreement (which may include the execution by the Chargor of a mortgage, standard security, security interest, charge or assignment over all or any of the assets constituting, or intended to constitute, Security Assets) or for the exercise of any of the rights, powers and remedies of the Security Agent provided by or pursuant to this Security Agreement or by law;
 - (ii) confer on the Security Agent Security over any asset or undertaking of the Chargor located in any jurisdiction outside England and Wales equivalent or similar to the security intended to be conferred by or pursuant to this Security Agreement; and/or
 - (iii) while an Event of Default is continuing, facilitate the realisation of the Security Assets.

6.2 Necessary action

The Chargor shall take all such action as is available to it (including making all filings and registrations and applying for relief against forfeiture) as may be necessary or as may reasonably be requested by the Security Agent for the purpose of the creation, perfection, protection or maintenance of any security or priority conferred or intended to be conferred on the Security Agent by or pursuant to this Security Agreement.

7. HEDGE COLLATERAL ACCOUNTS

The Security Agent may, at any time on behalf of any Secured Hedging Party while this Security Agreement is enforceable in accordance with Clause 9 (*Enforcement of security*), without prior notice:

- (a) set-off, transfer or apply any Account and any other account which is the subject of the security created by this Security Agreement and any debt represented thereby in or towards satisfaction of all or any part of the Hedge Collateral Secured Liabilities; and

- (b) demand and receive all and any moneys due under or arising out of each Account which has been assigned by this Security Agreement and exercise all rights that the Chargor was then entitled to exercise in relation to that Account or might, but for the terms of this Security Agreement, exercise,

in each case, in accordance with clause 17.9 (*Hedge Collateral Account*) of the Facility Agreement.

8. THE SECURITY AGENT

8.1 Trust

The Security Agent declares that it holds the Hedge Collateral Security Property on trust for the Secured Hedging Parties on the terms contained in this Security Agreement.

8.2 No independent power

The Secured Hedging Parties shall not have any independent power to enforce, or have recourse to, any of the Security created or expressed to be created in favour of the Security Agent by or pursuant to this Security Agreement or to exercise any rights or powers arising under this Security Agreement except through the Security Agent.

8.3 Instructions to Security Agent

(a) Subject to paragraphs (e) and (f) below, the Security Agent shall:

- (i) exercise or refrain from exercising any right, power, authority or discretion vested in it as Security Agent in accordance with any instructions given to it:

- (A) until such time as the relevant hedging transactions have been closed out or terminated in accordance with the relevant Secured Hedging Agreement and all amounts or securities payable or deliverable to the Secured Hedging Provider (if any) under the relevant Secured Hedging Agreement have been irrevocably paid or delivered, by the Secured Hedging Provider; and

- (B) otherwise, the Majority Lenders; and

- (ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with paragraph (i) above (or, if the Facility Agreement stipulates the matter is a decision for any other Finance Party or group of Finance Parties, in accordance with the instructions given to it by that Finance Party or group of Finance Parties).

- (b) The Security Agent shall be entitled to request instructions, or clarification of any instruction, from the Secured Hedging Provider or the Majority Lenders (or, if the Facility Agreement stipulates the matter is a decision for any other Finance Party or group of Finance Parties, from that Finance Party or group of Finance Parties) as to whether, and in what manner, it should exercise or refrain from exercising any rights, powers, authorities and discretions and the Security Agent

may (without liability) refrain from acting unless and until it receives those instructions or that clarification.

- (c) Save in the case of:
 - (i) any instructions or requests given pursuant to clause 17.9 (*Hedge Collateral Account*) of the Facility Agreement, which are expressed to be given by or required to be given by the Secured Hedging Provider; and
 - (ii) decisions stipulated to be a matter for any other Finance Party or group of Finance Parties under the Facility Agreement,

any instructions given to the Security Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all the Secured Parties.

- (d) The Security Agent (as applicable) may refrain from acting in accordance with any instructions of the Secured Hedging Provider or any Finance Party or group of Finance Parties until it has received any indemnification and/or security and/or pre-funding that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability (together with any applicable VAT) which it may incur in complying with those instructions.

- (e) Paragraph (a) above shall not apply:
 - (i) in respect of any provision which protects the Security Agent's own position in its personal capacity as opposed to its role of Security Agent for the Secured Parties including, without limitation, the provisions set out in this Clause 8 and Clause 14 (*Other Indemnities*) of the Facility Agreement;
 - (ii) in respect of the exercise of the Security Agent's discretion to exercise a right, power or authority under any of:
 - (A) Clause 34.2 (*Prospective liabilities*) of the Facility Agreement;
 - (B) Clause 34.5 (*Permitted Deductions*) of the Facility Agreement,

the Security Agent shall do so having regard to the interests of all the Secured Hedging Parties (subject to paragraph (g) below).

- (f) If giving effect to instructions given by the Majority Lenders would (in the Agent's opinion) on its face have an effect equivalent to an amendment or waiver of any term of the Facility Agreement, the Security Agent shall not act in accordance with those instructions unless consent to it so acting is obtained from each party to the Facility Agreement (other than the Security Agent) whose consent would have been required in respect of that amendment or waiver.

- (g) In exercising any discretion to exercise a right, power or authority under the Finance Documents where either:
 - (i) it has not received any instructions as to the exercise of that discretion; or
 - (ii) the exercise of that discretion is subject to paragraph (e)(ii) above,the Security Agent shall do so having regard to the interests of all the Secured Hedging Parties.
- (h) Nothing in this Clause shall oblige the Security Agent to consider or monitor the effect of any instructions delivered to it in accordance with the Facility Agreement and the Security Agent shall have no liability to any Secured Hedging Party whatsoever (including as a result of any corresponding delay), if in fact, such instructions do have the effect of an amendment or waiver of any term of this Agreement.

8.4 Duties of the Security Agent

- (a) The Security Agent's duties under the Finance Documents are solely mechanical and administrative in nature.
- (b) The Security Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to any Secured Hedging Party.
- (c) If the Security Agent receives notice from a Party (as defined in the Facility Agreement) referring to any Finance Document, describing a Default and stating that the circumstance described is a Default, it shall promptly notify (i) the Agent on behalf of the Finance Parties and (ii) the Secured Hedging Provider.
- (d) The Security Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).

8.5 No fiduciary duties

- (a) Nothing in any Finance Document constitutes the Security Agent as an agent, trustee or fiduciary of an Obligor.
- (b) The Security Agent shall not be bound to account to any other Secured Hedging Party for any sum or the profit element of any sum received by it for its own account.

8.6 Security Agent's rights and discretions

- (a) The Security Agent may:
 - (i) conclusively rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;

- (ii) rely on any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify;
- (iii) assume that:
 - (A) any instructions or directions received by it from the Secured Hedging Provider, Majority Lenders, any Finance Party or any group of Finance Parties are duly given by the Secured Hedging Provider, Majority Lenders, such Finance Party or such group of Finance Parties (as applicable) in accordance with the terms of the Finance Documents; and
 - (B) unless it has received written notice of revocation, any instructions or directions given by the Secured Hedging Provider, Majority Lenders, any Finance Party or any group of Finance Parties (as applicable) have not been revoked and no revocation of any such instructions by the Secured Hedging Provider, Majority Lenders, any Finance Party or any group of Finance Parties (as applicable) shall affect any such action taken by the Security Agent in reliance upon such instruction or direction prior to actual receipt of the notice of revocation; and
- (iv) conclusively rely on a certificate from any person:
 - (A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or
 - (B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,
 - (C) as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.
- (b) The Security Agent may assume (unless it has received notice to the contrary in its capacity as security agent for the Secured Hedging Parties) that:
 - (i) no Default has occurred and that each party is in compliance with its obligations under the Finance Documents and any Secured Hedging Agreement;
 - (ii) any right, power, authority or discretion vested in any Secured Hedging Party or any group of Finance Parties has not been exercised;
 - (iii) if it receives any instructions to act in relation to the Hedge Collateral Security Property, that all applicable conditions under the Finance Documents and (if any) any Secured Hedging Agreement for so acting have been satisfied;

- (iv) any notice or request made by an Obligor is made on behalf of and with the consent and knowledge of all the Obligors.
- (c) The Security Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors, insurance advisors or other professional advisers or experts.
- (d) Without prejudice to the generality of paragraph (c) above or paragraph (e) below, the Security Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Security Agent (and so separate from any lawyers instructed by the Secured Hedging Provider or any Finance Party) if the Security Agent deems this to be desirable.
- (e) The Security Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors, insurance advisors or other professional advisers or experts (whether obtained by the Security Agent or by any other party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.
- (f) The Security Agent may act in relation to the Finance Documents and the Hedge Collateral Security Property through its officers and employees and shall not:
 - (i) be liable for any error of judgment made by any such person; or
 - (ii) be bound to supervise, or be in any way responsible for any loss incurred by reason of misconduct, omission or default on the part of, any such person,unless such error or such loss was directly caused by the Security Agent's gross negligence or wilful misconduct.
- (g) Unless the Facility Agreement expressly provides otherwise, the Security Agent may disclose to any other Secured Hedging Party any information it reasonably believes it has received as Security Agent under this Agreement.
- (h) Notwithstanding any other provision of any Finance Document to the contrary, the Security Agent is not obliged to do or omit to do anything if it would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.
- (i) Notwithstanding any provision of any Finance Document to the contrary, the Security Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, pre-funding for or security for, such risk or liability is not reasonably assured to it.

8.7 Responsibility for documentation

- (a) None of the Security Agent, any Receiver nor any Delegate is responsible or liable for:
 - (i) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by or received by the Security Agent and which it passes on to any other person in or in connection with any Finance Document or the transactions contemplated in the Finance Documents, or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
 - (ii) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document, the Hedge Collateral Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Hedge Collateral Security Property;
 - (iii) any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

8.8 No duty to monitor

- (a) The Security Agent shall not be responsible for monitoring compliance by any other party under any Finance Document.
- (b) The Security Agent shall not be bound to enquire:
 - (i) whether or not any Default has occurred;
 - (ii) as to the performance, default or any breach by any party of its obligations under any Finance Document; or
 - (iii) whether any other event specified in any Finance Document has occurred.

8.9 Exclusion of liability

- (a) Without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Security Agent or any Receiver or Delegate, none of the Security Agent, any Receiver nor any Delegate will be liable (including, without limitation, for negligence or any other category of liability whatsoever) for:
 - (i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Finance Document or the Hedge

Collateral Security Property, unless directly caused by its gross negligence or wilful misconduct;

- (ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Finance Document, the Hedge Collateral Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Finance Document or the Hedge Collateral Security Property; or
- (iii) any shortfall which arises on the enforcement or realisation of the Hedge Collateral Security Property;
- (iv) without prejudice to the generality of paragraphs (i) to (iii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of:
 - (A) any act, event or circumstance not reasonably within its control; or
 - (B) the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets; breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

- (b) Nothing in this Agreement shall oblige the Security Agent to carry out:
 - (i) any "know your customer" or other checks in relation to any person; or
 - (ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for the Secured Hedging Provider or any Finance Party,

on behalf of the Secured Hedge Provider or any Finance Party

- (c) Without prejudice to any provision of any Finance Document excluding or limiting the liability of the Security Agent, any Receiver or Delegate, any liability of the Security Agent, any Receiver or Delegate arising under or in connection with any Finance Document or the Hedge Collateral Security Property shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Security Agent, Receiver or Delegate (as the case may be) or, if later, the date on which the loss arises as a result of such default) but

without reference to any special conditions or circumstances known to the Security Agent, Receiver or Delegate (as the case may be) at any time which increase the amount of that loss. Notwithstanding any provision of this Agreement or the Finance Documents, in no event shall the Security Agent, any Receiver or Delegate be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Security Agent, Receiver or Delegate (as the case may be) has been advised of the possibility of such loss or damages and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise.

8.10 Delegation

- (a) Each of the Security Agent, any Receiver and any Delegate may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any of the rights, powers and discretions vested in it by any of the Finance Documents.
- (b) That delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Security Agent, that Receiver or that Delegate (as the case may be) may direct.
- (c) No Security Agent, Receiver or Delegate shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such delegate or sub-delegate.

8.11 No responsibility to perfect Security created by or pursuant to this Security Agreement

The Security Agent shall not be liable for any failure to:

- (a) require the deposit with it of any deed or document certifying, representing or constituting the title of any Obligor to any of the Security Assets;
- (b) obtain any licence, consent or other authority for the execution, delivery, legality, validity, enforceability or admissibility in evidence of any of the Finance Documents or the Security created by or pursuant to this Security Agreement;
- (c) register, file or record or otherwise protect any of the Security created by or pursuant to this Security Agreement (or the priority of any of the Security created by or pursuant to this Security Agreement) under any law or regulation or to give notice to any person of the execution of any Finance Document or of the Security created by or pursuant to this Security Agreement;
- (d) take, or to require the Chargor to take, any step to perfect its title to any of the Security Assets or to render the Security created by or pursuant to this Security Agreement effective or to secure the creation of any ancillary Security under any law or regulation; or

- (e) require any further assurance in relation to this Security Agreement.

8.12 Insurance by Security Agent

The Security Agent shall not be obliged:

- (a) to insure any of the Security Assets;
- (b) to require any other person to maintain any insurance; or
- (c) to verify any obligation to arrange or maintain insurance contained in the Finance Documents,

and the Security Agent shall not be liable for any damages, costs or losses to any person as a result of the lack of, or inadequacy of, any such insurance.

8.13 Custodians and nominees

The Security Agent may appoint and pay any person to act as a custodian or nominee on any terms in relation to any assets of the trust as the Security Agent may determine, including for the purpose of depositing with a custodian this Agreement or any document relating to the trust created under this Security Agreement and the Security Agent shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it under this Agreement or be bound to supervise the proceedings or acts of any person.

8.14 Acceptance of title

The Security Agent shall be entitled to accept without enquiry, and shall not be obliged to investigate, any right and title that the Chargor may have to any of the Security Assets and shall not be liable for, or bound to require the Chargor to remedy, any defect in its right or title.

8.15 Winding up of trust

If the Security Agent, with the approval of the Agent and the Secured Hedging Provider, determines that:

- (a) all of the Hedge Collateral Secured Liabilities and all other obligations secured by this Security Agreement have been fully and finally discharged; and
- (b) none of the Secured Hedging Parties is under any commitment, obligation or liability (actual or contingent) to make advances or provide other financial accommodation to any Obligor pursuant to the Finance Documents or any Secured Hedging Agreement (as applicable),

then the trusts set out in this Security Agreement shall be wound up and the Security Agent shall release, without recourse, representation or warranty, all of the Security created by or pursuant to this Security Agreement and the rights of the Security Agent under this Security Agreement.

8.16 Powers supplemental

The rights, powers, authorities and discretions conferred upon the Security Agent under or in connection with the Finance Documents shall be supplemental to the Trustee Act 1925 and the Trustee Act 2000 and in addition to any which may be vested in the Security Agent by law or regulation or otherwise.

8.17 Trustee division separate

- (a) In acting as trustee for the Secured Hedging Parties, the Security Agent shall be regarded as acting through its trustee division which shall be treated as a separate entity from any of its other divisions or departments.
- (b) If information is received by another division or department of the Security Agent, it may be treated as confidential to that division or department and the Security Agent shall not be deemed to have notice of it.

8.18 Disapplication

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Security Agent in relation to the trusts constituted by this Security Agreement. Where there are any inconsistencies between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this Security Agreement, the provisions of this Security Agreement shall, to the extent allowed by law, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Security Agreement shall constitute a restriction or exclusion for the purposes of that Act.

9. ENFORCEMENT OF SECURITY

9.1 Enforcement

On and at any time after the occurrence of:

- (a) an Event of Default (as long as it is continuing); or
- (b) a request from the Chargor to the Security Agent that it exercise any of its powers under this Security Agreement,

the Security created by or pursuant to this Security Agreement is, immediately enforceable and the Security Agent may, without notice to the Chargor or prior authorisation from any court, in its absolute discretion:

- (i) 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 Security Assets (at the times, in the manner and on the terms it thinks fit (including whether for cash or non-cash consideration)); and
- (ii) whether or not it has appointed a Receiver, exercise all or any of the rights, powers, authorities and discretions conferred by the Law of Property Act 1925 (as varied or extended by this Security Agreement)

on mortgagees and by this Security Agreement on any Receiver or otherwise conferred by law on mortgagees or Receivers.

9.2 Effect of Moratorium

The Security Agent shall not be entitled to exercise its rights under Clause 9.1 (*Enforcement*) where the right arises as a result of an Event of Default occurring solely due to any person obtaining or taking steps to obtain a moratorium pursuant to Schedule A1 of the Insolvency Act 1986.

10. EXTENSION OF POWERS AND RIGHT OF APPROPRIATION

10.1 Extension of powers

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

10.2 Restrictions

The restrictions contained in Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Security Agreement or to the exercise by the Security Agent of its right to consolidate all or any of the security created by or pursuant to this Security Agreement with any other security in existence at any time or to its power of sale pursuant to Clause 11.1 (*Extension of powers*) above, which powers arise on execution of this Security Agreement and which powers may be exercised by the Security Agent without notice to the Chargor on or at any time after this Security Agreement has become enforceable in accordance with Clause 9 (*Enforcement of Security*).

10.3 Right of appropriation

To the extent that the provisions of the Financial Collateral Arrangements (No. 2) Regulations 2003 (the "**Regulations**") apply to a Security Asset, the Security Agent shall have the right to appropriate all or any part of that Security Asset in or towards the payment or discharge of the Hedge Collateral Secured Liabilities and may exercise such right to appropriate upon giving written notice to the Chargor. For this purpose, a commercially reasonable method of valuing a Security Asset shall be, in the case of cash, the amount standing to the credit of each Hedge Collateral Account or otherwise, together with any accrued but unposted interest, at the time of appropriation

In each case, the parties agree that the method of valuation provided for this Security Agreement shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

11. APPOINTMENT OF RECEIVER OR ADMINISTRATOR

11.1 Appointment and removal

After the Security created by or pursuant to this Security Agreement has become enforceable in accordance with Clause 9 (*Enforcement of security*), the Security Agent may by deed or otherwise (acting through an authorised officer of the Security Agent):

- (a) without prior notice to the Chargor:
 - (i) appoint one or more persons to be a Receiver of the whole or any part of the Security Assets; or
 - (ii) appoint two or more Receivers of separate parts of the Security Assets; or
 - (iii) remove (so far as it is lawfully able) any Receiver so appointed; or
 - (iv) appoint another person(s) as an additional or replacement Receiver(s); or
 - (v) appoint one or more persons to be an administrator of the Chargor pursuant to paragraph 14 of Schedule B1 of the Insolvency Act 1986; and
- (b) appoint one or more persons to be an administrator of the Chargor pursuant to paragraph 12 of Schedule B1 of the Insolvency Act 1986.

11.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to Clause 11.1 (*Appointment and removal*) shall be:

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

11.3 Statutory powers of appointment

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

12. POWERS OF RECEIVERS

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

- (a) all the powers conferred by the Law of Property Act 1925 on mortgagors and on mortgagees in possession and on receivers appointed under that Act;
- (b) all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 and all the powers of a Scottish receiver set out in Schedule 2 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- (c) all the powers and rights of an absolute owner and power to do or omit to do anything which the Chargor itself could do or omit to do; and
- (d) the power to do all things (including bringing or defending proceedings in the name or on behalf of the Chargor) which seem to the Receiver to be incidental or conducive to:
 - (i) any of the functions, powers, authorities or discretions conferred on or vested in him;
 - (ii) the exercise of any rights, powers and remedies of the Security Agent provided by or pursuant to this Security Agreement or by law (including realisation of all or any part of the assets in respect of which that Receiver was appointed); or
 - (iii) bringing to his hands any assets of the Chargor forming part of, or which when got in would be, Security Assets.

13. APPLICATION OF MONEYS

All moneys received or recovered and any non-cash recoveries made or received by the Security Agent or any Receiver pursuant to this Security Agreement or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied first in the payment or other discharge of the costs, charges and expenses incurred and payments made by the Receiver, the payment or other discharge of his remuneration and the discharge of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of his powers, and thereafter shall be applied by the Security Agent (notwithstanding any purported appropriation by any Chargor) in accordance with the terms of clauses 17.9 (*Hedge Collateral Account*) and 34 (*Application of Proceeds*) of the Facility Agreement.

14. PROTECTION OF PURCHASERS

14.1 Consideration

The receipt of the Security Agent or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Security Assets or making any acquisition, the Security Agent or any Receiver may do so for such consideration (whether cash or non-cash), in such manner and on such terms as it thinks fit.

14.2 Protection of purchasers

No purchaser or other person dealing with the Security Agent, any Receiver or any of the Security Agent's or Receiver's delegates shall be bound to inquire whether the right of the Security Agent, such Receiver or such delegates to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Security Agent, such Receiver or such delegates in such dealings. No purchaser or other person dealing with any such delegate shall be concerned as to whether the delegation by the Security Agent or the Receiver (as applicable) pursuant to the terms of this Security Agreement shall have lapsed for any reason or been revoked.

15. POWER OF ATTORNEY

15.1 Appointment and powers

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

- (i) carrying out any obligation imposed on the Chargor by or pursuant to this Security Agreement or any other agreement binding on the Chargor to which the Security Agent is party (including the execution and delivery of any deeds, charges, assignments, standard securities, assignments or other security and any transfers of the Security Assets and perfecting, establishing priority and/or releasing the security created or intended to be created in respect of the Security Assets); and
- (ii) enabling the Security Agent and any Receiver to exercise, or delegate the exercise of, any of the rights, powers and authorities conferred on them by or pursuant to this Security Agreement or by law (including, after this Security Agreement has become enforceable in accordance with Clause 9 (*Enforcement of security*), the exercise of any right of a heritable proprietor or legal or beneficial owner of the Security Assets).

The power of attorney granted in paragraph (i) above shall only be exercisable:

- (A) following the occurrence of an Event of Default which is continuing; or
- (B) following a failure by the Chargor to comply with its obligations under this Security Agreement.

15.2 Ratification

The Chargor shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers.

16. EFFECTIVENESS OF SECURITY

16.1 Continuing security

- (a) The Security created by or pursuant to this Security Agreement shall remain in full force and effect as a continuing security for the Hedge Collateral Secured Liabilities unless and until discharged by the Security Agent in writing.
- (b) No part of the Security from time to time intended to be constituted by this Security Agreement will be considered satisfied or discharged by an intermediate payment, discharge or satisfaction of the whole or any part of the Hedge Collateral Secured Liabilities.

16.2 Cumulative rights

The Security created by or pursuant to this Security Agreement shall be cumulative, in addition to and independent of every other Security which the Security Agent or any Secured Hedging Party may at any time hold for the Hedge Collateral Secured Liabilities or any other obligations or any rights, powers and remedies provided by law and shall operate as an independent security notwithstanding any receipt, release or discharge endorsed on or given in respect of or under any such other Security. No prior Security held by the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Hedging Parties over the whole or any part of the Security Assets shall merge into the Security constituted by this Security Agreement.

16.3 No prejudice

The Security created by or pursuant to this Security Agreement shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to the Chargor or any other person, by the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Hedging Parties or by any variation of the terms of the trust upon which the Security Agent holds the security or by any other thing which might otherwise prejudice that Security.

16.4 Remedies and Waivers

No failure on the part of the Security Agent to exercise, nor any delay on its part in exercising, any right, power or remedy under this Security Agreement, shall operate as a waiver of that right, power or remedy or, constitute an election to affirm this Security Agreement. No election to affirm this Security Agreement on the part of the Security Agent shall be effective unless it is in writing. The rights, powers and remedies provided in this Security Agreement are cumulative and not exclusive of any provided by law. No single or partial exercise of any right, power or remedy shall preclude any further or other exercise of that or any other right or remedy.

16.5 No liability

None of the Security Agent, its nominee(s) nor any Receiver shall be liable

- (a) to account as a mortgagee or mortgagee in possession; or
- (b) for any loss arising by reason of taking any action permitted by this Security Agreement or any neglect, default or omission in connection with the Security Assets or taking possession of or realising all or any part of the Security Assets,

except in the case of gross negligence or wilful default upon its part.

16.6 Partial invalidity

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

16.7 Waiver of defences

The obligations of, and the Security created by, the Chargor under this Security Agreement and the rights and remedies provided by this Security Agreement will not be affected by any act, omission, matter or thing which, but for this Clause 16.7, would reduce, release or prejudice any of its obligations under, or the Security created by, this Security Agreement and whether or not known to the Chargor or any Secured Hedging Party including:

- (a) any time, waiver or consent granted to, or composition with, any Transaction Obligor or other person;
- (b) the release of any other Transaction Obligor or any other person under the terms of any composition or arrangement with any creditor of any Transaction Obligor;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, any Transaction Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of, any Transaction Obligor or any other person;
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of a Finance Document or any other document or security or of the Hedge Collateral Secured

Liabilities (including, without limitation, any change in the purpose of, any extension of, or any variation or increase in any facility or amount made available under any facility or the addition of any new facility under any Finance Document or other documents);

- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security or of the hedge Collateral Liabilities; and
- (g) any insolvency or similar proceedings in any relevant jurisdiction.

16.8 Chargor intent

Without prejudice to the generality of Clause 16.7 (*Waiver of Defences*), the Chargor expressly confirms that it intends that the Security created under this Security Agreement and the rights and remedies arising thereunder, shall extend from time to time to any (however fundamental and of whatsoever nature, and whether or not more onerous) variation, increase, extension or addition of or to any of the Finance Documents or any of the Secured Hedging Agreements and/or any facility or amount made available under any of the Finance Documents or any of the Secured Hedging Agreements for the purposes of or in connection with any of the following: acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

16.9 Immediate recourse

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

16.10 Deferral of rights

Until the end of the Security Period, the Chargor will exercise any rights which it may have by reason of performance by it of its obligations under this Security Agreement:

- (a) to be indemnified by a Transaction Obligor;
- (b) to claim any contribution from any guarantor of any Transaction Obligor's obligations under this Security Agreement;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any right of the Secured Parties under this Security Agreement or of any other guarantee or Security taken pursuant to, or in connection with, this Security Agreement by any Secured Party

- (d) to bring legal or other proceedings for an order requiring any Transaction Obligor to make any payment, or perform any obligation, in respect of which any Obligor has given a guarantee, undertaking or indemnity under any Finance Document;
- (e) to exercise any right of set-off against any Transaction Obligor; or
- (f) to claim or prove as a creditor of any Transaction Obligor in competition with any Secured Hedging Party.

If the Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution on trust for the Security Agent to the extent necessary to enable all amounts which may be or become payable to any Secured Hedging Party by the Transaction Obligors under or in connection with this Security Agreement to be repaid in full and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with Clause 13 (*Application of Moneys*).

17. PRIOR SECURITY INTERESTS

- (a) In the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking Security against any of the Security Assets or in case of exercise by the Security Agent or any Receiver of any power of sale under this Security Agreement, the Security Agent may redeem such prior Security or procure the transfer thereof to itself.
- (b) The Security Agent may settle and agree the accounts of the prior Security and any accounts so settled and agreed will be conclusive and binding on the Chargor.
- (c) All principal moneys, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by the Chargor to the Security Agent (or as the Security Agent may direct in accordance with the Facility Agreement) on demand together with accrued interest thereon as well as before judgment at the rate from time to time applicable to unpaid sums specified in the Facility Agreement from the time or respective times of the same having been paid or incurred until payment thereof (as well as after as before judgment).

18. SUBSEQUENT SECURITY INTERESTS

If the Security Agent acting in its capacity as trustee or otherwise or any of the other Secured Hedging Parties at any time receives or is deemed to have received notice of any subsequent Security, assignment or transfer affecting all the Security Assets or any part of the Security Assets which is prohibited by the terms of any Finance Document, all payments thereafter by or on behalf of the Chargor to the Security Agent (or as the Security Agent may direct in accordance with the Facility Agreement) (whether in its capacity as trustee or otherwise) or any of the other Secured Hedging Parties will (in the absence of any express contrary appropriation by that Chargor) be credited or treated as having been credited to a new account of that Chargor and not as having been applied in reduction of the Hedge Collateral Secured Liabilities at the time that notice was received.

19. SUSPENSE ACCOUNTS

All moneys received, recovered or realised by the Security Agent under this Security Agreement (including the proceeds of any conversion of currency) may in the discretion of the Security Agent be credited to any interest bearing (if available) suspense or impersonal account(s) maintained with a bank, building society, financial institution or other person as it considers appropriate (including itself) for so long as it may think fit (the interest, if any, being credited to the relevant account) pending their application from time to time at the Security Agent's discretion, in or towards the discharge of any of the Hedge Collateral Secured Liabilities and save as provided herein no party will be entitled to withdraw any amount at any time standing to the credit of any suspense or impersonal account referred to above.

20. RELEASE OF SECURITY

20.1 Release of Security

Upon the expiry of the Security Period, the Security Agent shall, at the request and cost of the Chargor, release and cancel the security constituted by this Security Agreement and procure the reassignment to the Chargor of the property and assets assigned to the Security Agent pursuant to this Security Agreement, in each case without recourse to, or any representation or warranty by, the Security Agent or any of its nominees.

20.2 Clawback

If the Security Agent (acting on the instructions of the Majority Lenders and the Secured Hedging Provider) considers that any amount paid or credited to any Secured Hedging Party is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of the Chargor under this Security Agreement and the Security constituted by that document will continue and such amount will not be considered to have been irrevocably discharged.

21. SET-OFF

The Chargor authorises the Security Agent (but the Security Agent shall not be obliged to exercise such right), after the occurrence of an Event of Default which is continuing, to set off against the Hedge Collateral Secured Liabilities any amount or other obligation (contingent or otherwise) owing by the Security Agent to the Chargor and apply any credit balance to which the Chargor is entitled on any account with the Security Agent in accordance with Clause 13 (*Application of Moneys*) (notwithstanding any specified maturity of any deposit standing to the credit of any such account).

22. DISCRETION AND DELEGATION

22.1 Discretion

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

22.2 Delegation

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

23. TRANSFERS

The Chargor may not assign or otherwise transfer any of its rights and obligations under this Security Agreement unless in accordance with the terms of the Facility Agreement.

24. GOVERNING LAW

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

25. JURISDICTION

25.1 English courts

Subject to Clause 25.3 (*Exclusive Jurisdiction*), the courts of England have exclusive jurisdiction to settle any dispute arising out of, or in connection with this Security Agreement (including a dispute relating to the existence, validity or termination of this Security Agreement or the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Security Agreement) (a "**Dispute**").

25.2 Convenient Forum

The Chargor agrees that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly that the Chargor will not argue to the contrary.

25.3 Exclusive Jurisdiction

Notwithstanding Clause 25.1 (*English courts*), the Security Agent may take 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.

25.4 Service of Process

The Chargor agrees that the documents which start any proceedings in relation to this Security Agreement, and any other documents required to be served in connection with those proceedings, may be served on it by being delivered to its registered office or place of business in England and Wales; or, in each case, to such other address in England and Wales or to such address in England and Wales as the Chargor may specify by notice in writing to the Security Agent or otherwise in accordance with clause 44 (*Enforcement*) of the Facility Agreement. Nothing in this paragraph shall affect the

right of any Finance Party to serve process in any other manner permitted by law. This Clause applies to proceedings in England and proceedings elsewhere.

THIS SECURITY AGREEMENT has been executed as, and is intended to take effect as, a deed by the Chargor and has been signed by the Security Agent on the date written on the first page of this Security Agreement.

**SCHEDULE 1
HEDGE COLLATERAL ACCOUNTS**

**PART A
NOTICE OF SECURITY TO ACCOUNT BANK**

To: [Bank or other financial institution holding the Hedge Collateral Account]

Date: []

Dear Sirs

We give you notice that, by a Security Agreement dated [•] 2019, we have created security [by way of equitable assignment] in favour of [•] (the "**Security Agent**") as trustee for the Secured Hedging Parties over any accounts and all moneys (including interest) from time to time standing to the credit of the accounts listed below and the debt or debts represented thereby.

The account[s] maintained with you [is/are]:

Account Name[s]: []

Sort Code[s]: []

Account No[s]: []

[Insert the following if notifying an assignment of, or charge over, Accounts other than an operating Account:

With effect from the date of your receipt of this notice:

We further instruct and authorise you to act only in accordance with the Security Agent's instructions following receipt by you of a notice of the occurrence of an Event of Default issued by the Security Agent. Until such notice is received by you, we are authorised by the Security Agent to receive, withdraw or otherwise transfer any credit balance from time to time on *[specify account]*.

We irrevocably instruct and authorise you to disclose to the Security Agent without any reference to or further authority from us and without any inquiry by you as to the justification for such disclosure, such information relating to [any] account[s] maintained with you from time to time as the Security Agent may request you to disclose to it.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.

Would you please confirm your agreement to the above by sending the enclosed acknowledgement to the Security Agent with a copy to us.

Yours faithfully

[Chargor Name]

PART B
ACKNOWLEDGEMENT OF SECURITY BY ACCOUNT BANK

To: [•] as Security Agent

Date: []

Dear Sirs

We confirm receipt of a notice dated [•] 2019 of security created by [*Chargor Name*] (the "**Chargor**") in favour of [•] (the "**Security Agent**") over all moneys (including interest) from time to time standing to the credit of the Chargor's account[s] (as specified in that notice) (the "**Account[s]**") which [is/are] maintained with us and the debt or debts represented thereby.

We confirm that:

- (a) we will comply with the terms of that notice; and
- (b) we have not received notice of any prior security over or interest of any third party in [any of] the Account[s]. We confirm that we will not, without the Security Agent's prior written consent, amend or vary any rights attaching to the Account[s].

We will act only in accordance with the instructions given by persons authorised by the Security Agent and we shall send all statements and other notices given by us relating to the Account to the Security Agent.

We unconditionally and irrevocably waive all rights of set-off, lien, combination or consolidation of accounts, security and similar rights (however described) which we may have now or in the future in respect of [each of] the Account[s] or the balance thereon to the extent that such rights relate to amounts owed to us by the Chargor.

This letter and all non-contractual obligations arising out of or in connection with it are to be governed by and will be construed in accordance with the laws of England and Wales.

Yours faithfully

[Bank or other financial institution holding the Account]

cc. [*Chargor Name*]

EXECUTION PAGE

Chargor

EXECUTED AS A DEED by
Titan Acquisition Limited

acting by *Desmond Taljaard*

)
) *Desmond Taljaard*
)

Director

In the presence of:

Witness's signature: *Jacqueline Lowes*

Name: *Jacqueline Lowes*

Address: *55 Baker Street
London, W1U 8EW*

Security Agent

Signed by
MOUNT STREET MORTGAGE
SERVICING LIMITED
for and on its behalf
by its duly authorised
signatory

)
)
)
)
)
)

Address for notices:

Address: Woolgate Exchange
25 Basinghall Street
London, EC2V 5HA
Attention: Hardeep Devgun
Email: Hardeep.Devgun@mountstreetllp.com

EXECUTION PAGE

Chargor

EXECUTED AS A DEED by)
Titan Acquisition Limited)
acting by)

Director

In the presence of:

Witness's signature:

Name:

Address:

Security Agent

Signed by)
MOUNT STREET MORTGAGE)
SERVICING LIMITED)
for and on its behalf)
by its duly authorised)
signatory)



James Buncle
Authorised Signatory

Address for notices:

Address: Woolgate Exchange
25 Basinghall Street
London, EC2V 5HA
Attention: Hardeep Devgun
Email: Hardeep.Devgun@mountstreetllp.com