



**Registration of a Charge**

Company Name: **RIBBON HEATHROW ARIEL LIMITED**

Company Number: **10634305**



Received for filing in Electronic Format on the: **01/12/2021**

XAIFWGD6

**Details of Charge**

Date of creation: **19/11/2021**

Charge code: **1063 4305 0004**

Persons entitled: **METRO BANK PLC**

Brief description: **PURSUANT TO THE SECURITY LAW, FOR THE DURATION OF THE SECURITY PERIOD, RIBBON HEATHROW ARIEL LIMITED HEREBY: GRANTS TO THE BANK A FIRST PRIORITY SECURITY INTEREST IN AND OVER ALL ITS PRESENT AND FUTURE RIGHTS, TITLE AND INTEREST IN THE COLLATERAL PURSUANT TO THE SECURITY LAW AS A CONTINUING SECURITY FOR THE PAYMENT, PERFORMANCE AND DISCHARGE OF THE SECURED LIABILITIES; AGREES THAT THE BANK WILL HAVE CONTROL OF THE COLLATERAL; AND ASSIGNS, BY WAY OF SECURITY, TO THE BANK ALL OF THE RIBBON HEATHROW ARIEL LIMITED'S RIGHTS, TITLE AND INTEREST, PRESENT AND FUTURE IN, TO AND UNDER, THE RELATED RIGHTS AND PROCEEDS THEREFROM.**

**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: **DMH STALLARD LLP**



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

Company number: 10634305

Charge code: 1063 4305 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 19th November 2021 and created by RIBBON HEATHROW ARIEL LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 1st December 2021 .

Given at Companies House, Cardiff on 2nd December 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**

**EXECUTION**

Dated 19 November 2021

**RIBBON HEATHROW ARIEL LIMITED**

(the Grantor)

and

**METRO BANK PLC**

(the Bank)

---

**SECURITY INTEREST AGREEMENT**

**relating to shares issued by R. HEATHROW ARIEL PROPCO LIMITED**

---

**HATSTONE**

[www.hatstone.com](http://www.hatstone.com)

## TABLE OF CONTENTS

<b>1. OPERATIVE PROVISIONS.....</b>	<b>1</b>
1.1 Definitions and interpretation.....	1
1.2 Construction.....	3
1.3 Facility Document .....	5
<b>2. COVENANT TO PAY .....</b>	<b>5</b>
2.1 Covenant to pay .....	5
<b>3. CREATION OF SECURITY INTEREST.....</b>	<b>5</b>
3.1 General .....	5
3.2 Attachment.....	5
3.3 Value given .....	5
3.4 Assignment .....	5
3.5 Priority .....	6
3.6 Registration .....	6
3.7 Control of Securities .....	6
3.8 Control of Additional Securities.....	7
3.9 Transfer of title .....	7
3.10 Transfer of Collateral to the Bank.....	7
<b>4. PERFECTION OF SECURITY INTEREST.....</b>	<b>7</b>
4.1 Means of perfection.....	7
4.2 Perfection of Security Interest by way of possession .....	8
<b>5. REPRESENTATIONS AND WARRANTIES .....</b>	<b>8</b>
5.1 The Collateral.....	8
5.2 This Agreement.....	9
5.3 The Grantor .....	9
5.4 Times when representations made .....	11
<b>6. UNDERTAKINGS .....</b>	<b>11</b>
6.1 Grantor.....	12
6.2 General undertakings .....	13
<b>7. PAYMENT AND VOTING RIGHTS .....</b>	<b>13</b>
7.1 General .....	13
7.2 Voting rights prior to the occurrence of an Event of Default .....	14
7.3 Voting rights on and after the occurrence of an Event of Default.....	14
7.4 Payment rights prior to the occurrence of an Event of Default.....	14
7.5 Payment rights on and after the occurrence of an Event of Default.....	14
7.6 Dealings .....	14
7.7 Further Assurance .....	15
<b>8. EVENTS OF DEFAULT AND POWER OF ENFORCEMENT BY THE BANK .....</b>	<b>15</b>
8.1 Events of Default .....	15
8.2 When security enforceable .....	15
8.3 Powers .....	15
8.4 Exercise of power of sale .....	15
8.5 Notice of appropriation or sale of Collateral .....	16
8.6 Statement of account.....	16
8.7 Distribution of surplus .....	16
8.8 Payment of surplus into Court.....	17
8.9 Protection of Bank .....	17
8.10 No restriction on enforcement .....	17
8.11 Credit for value or proceeds realised .....	17
<b>9. POWER OF ATTORNEY.....</b>	<b>17</b>

9.1	Power of attorney .....	17
9.2	Exercise of power is evidence of right to exercise .....	18
9.3	When power of attorney takes effect .....	18
9.4	Ratification .....	18
10.	<b>MISCELLANEOUS</b> .....	18
10.1	Exercise of rights, etc. ....	18
10.2	No obligation to fulfil Grantor's obligations, enquire, claim or collect .....	19
10.3	Currency conversion .....	19
10.4	No enquiry by person dealing with Bank .....	19
10.5	Severability .....	19
10.6	No set-off or deductions .....	19
10.7	Remedies and waivers .....	20
10.8	Possession of certificates of title .....	20
10.9	Grantor waivers .....	20
11.	<b>PRESERVATION OF SECURITY, ETC.</b> .....	20
11.1	Continuing security .....	20
11.2	Reinstatement .....	20
11.3	Specific waiver of customary law rights .....	21
11.4	Grantor intent .....	21
11.5	Appropriations .....	21
11.6	Further advances .....	21
11.7	Additional security .....	22
11.8	Change demands .....	22
12.	<b>SET-OFF</b> .....	22
13.	<b>CHANGES TO THE PARTIES</b> .....	22
13.1	No Assignment by Grantor .....	22
13.2	Assignment by Bank .....	22
13.3	Financing change statement .....	22
14.	<b>ENFORCEMENT COSTS AND INDEMNITIES</b> .....	22
14.1	Indemnities for costs and expenses .....	22
14.2	Enforcement indemnity .....	23
15.	<b>RELEASE</b> .....	23
15.1	Release of Collateral .....	23
15.2	Financing change statement .....	23
16.	<b>NOTICES</b> .....	23
16.1	General .....	23
16.2	In writing .....	23
17.	<b>COUNTERPARTS</b> .....	24
18.	<b>JURISDICTION AND WAIVER OF IMMUNITY</b> .....	24
18.1	Jurisdiction .....	24
18.2	Waiver of immunity .....	24
	<b>SCHEDULE 1 - SECURITIES</b> .....	25
	<b>SCHEDULE 2 - FORM OF NOTICE</b> .....	26
	<b>SIGNATURE PAGE</b> .....	27
	<b>SCHEDULE 3 - FORM OF ACKNOWLEDGMENT</b> .....	28
	<b>SIGNATURE PAGE</b> .....	29
	<b>SIGNATURE PAGE</b> .....	30

THIS AGREEMENT is made on 19 November 2021

**BETWEEN:**

- (1) **RIBBON HEATHROW ARIEL LIMITED**, a private company incorporated in England & Wales with registered number 10634305 and whose registered office is at Holiday Inn London Heathrow M4 J4, Sipson Road, West Drayton, England, UB7 0JU (as Grantor); and
- (2) **METRO BANK PLC**, a public limited company incorporated in England & Wales, with registered number 06419578 and whose registered office is at One, Southampton Row, London, England, WC1B 5HA (the Bank).

**RECITALS**

- (A) In connection with the acquisition (**Acquisition**) of the entire issued share capital of Ribbon Heathrow Ariel Limited by Metalic Limited (the **Buyer**) from Ribbon Acquisition Limited (the **Seller**) certain funding arrangements will be made pursuant to the terms of the Loan Agreement (as defined below).
- (B) The Buyer has entered into a Loan Agreement between (1) the Bank (as lender) and (2) the Buyer pursuant to which the Bank has agreed to make available to the Buyer (subject to the terms of the Loan Agreement) certain facilities in connection with the Acquisition.
- (C) The Grantor has a subsidiary company, R. Heathrow Ariel PropCo Limited (the **Company**) and the Grantor and the Company are each required to be a party to security documents in connection with the Loan Agreement.
- (D) It is a condition of the Loan Agreement that the Grantor enter into this Agreement for the purposes of creating a first priority security interest under the Security Law over, amongst other things, the entire issued share capital of the Company in favour of the Bank.
- (E) This Agreement includes the terms of and constitutes a "security interest agreement" in accordance with the provisions of the Security Law.

**1. OPERATIVE PROVISIONS**

**1.1 Definitions and interpretation**

In this Agreement (including the Recitals and Schedules):

- (a) words and expressions will, **except** where the context otherwise requires, have the meanings given to them in the Loan Agreement; and
- (b) the following expressions will, where the context permits, have the following meanings:

**Additional Securities** means any other investment securities of the Company issued to, transferred to or otherwise acquired by the Grantor at any time after the execution of this Agreement (including the Related Rights).

**Business Day** means a day other than a Saturday or Sunday on which banks are open for business in London and Jersey.

**Buyer** means Metalic Limited incorporated and registered in England and Wales with registered number 08601674 whose registered office is at 112 Commercial Road, London, E1 1NU.

**Collateral** means the Securities and the Related Rights deriving from the Securities and any Proceeds thereof in which the Grantor has, or after the execution of this Agreement acquires, rights.

**Companies Law** means the Companies (Jersey) Law 1991.

**Company** means R.HEATHROW ARIEL PROPCO LIMITED, a private par value company incorporated in Jersey with registered number 128757 and having its registered office address at 22 Grenville Street St Helier, Jersey JE4 8PX.

**Court** means the Royal Court of Jersey.

**Event of Default** means any of the events set out in Clause 8.

**Finance Documents** has the meaning given to it in the Loan Agreement.

**Jersey Security Interest** means the security interests granted and created pursuant to this Agreement.

**Loan Agreement** means the the Key Terms, any Special Terms and the Standard Terms, each as set out and defined in the loan agreement dated 26 October 2021, between the Bank and the Buyer (as borrower).

**Notice of Event of Default** means a notice given in accordance with Clause 8.2(b).

**Order** means the Security Interests (Registration and Miscellaneous Provisions) (Jersey) Order 2013.

**Potential Event of Default** has the meaning given to it in the Loan Agreement.

**Proceeds** means any proceeds (as defined in the Security Law) derived directly or indirectly from a dealing with the Securities or from a dealing with the proceeds of such Securities.

**Register** means the register of members of the Company.

**Related Rights** means all rights of the Grantor relating to the Securities including:

- (a) interest, dividends and other income (whether in cash or otherwise) paid or payable in relation to any Securities;
- (b) rights, moneys, security and other property that accrues or arises at any time (including by way of bonus issue, conversion, exchange, preference, repurchase, redemption, reduction of capital, substitution or by way of option, warrant or otherwise) in relation to any Securities; and
- (c) rights in relation to any subscription agreement relating to any Securities.

**Secured Liabilities** means means all or any monies and liabilities which are for the time being and from time to time (and whether on or at any time after demand) due, owing or payable, or expressed to be due, owing or payable, in whatsoever manner to the Bank by the Grantor, whether actually or contingently, solely or jointly and whether as principal or surety, together with Interest and Expenses and all other charges or commission which the Bank may charge or incur in respect of any of those matters.

**Securities** means the entire share capital issued by the Company identified in Schedule 1 (including the Related Rights) and any Additional Securities.

**Security Interest** means any security interest, mortgage, charge, pledge, lien, assignment, hypothecation or any other encumbrance or other security interest securing any obligation



of any person or any other agreement or arrangement having a similar effect and will include the Jersey Security Interest.

**Security Law** means the Security Interests (Jersey) Law 2012.

**Security Period** means the period beginning on the date of this Agreement and ending on the date on which the Bank is satisfied that all Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of arising.

**SIR** means the security interest register maintained pursuant to Part 8 of the Security Law.

**Transfer Form** means, in respect of any Collateral or part of it, an instrument of transfer duly signed by or on behalf of the Grantor, with the identity of the transferee and the date not completed and in a form which:

- (a) complies in all respects with the constitution of that Collateral and all the laws applying to a transfer of the Collateral; and
- (b) is sufficient to enable the Bank (or its delegate or a purchaser of the Collateral) to acquire title to the Collateral.

## 1.2 Construction

In this Agreement, **except** where the context requires otherwise, a reference to:

- (a) **after-acquired property, attach, control, events of default, financing exchange statement, financing statement, further advance, investment security, perfect, possession, proceeds, receivable, securities, security agreement, transfer, value, and writing** has the meaning given to it in the Security Law;
- (b) **bankruptcy**, or a person becoming bankrupt, include the occurrence of any of the events referred to in Article 8 of the Interpretation (Jersey) Law 1954 and will include any other state of bankruptcy, insolvency, insolvent winding up, administration, receivership, administrative receivership, liquidation or similar status or analogous procedure or proceedings under the laws of any jurisdiction;
- (c) a **certified copy** of a document is a reference to it being certified by someone acceptable to the Bank as being true, complete and up-to-date as at the date it is delivered;
- (d) **Collateral** includes a reference to all or any part or item of it and includes any after-acquired property;
- (e) the **constitutional documents** of an entity include its certificate(s) of incorporation and memorandum and articles of association, and where the entity is the trustee of a trust, the trust instrument establishing the relevant trust and, in any such case, any other analogous documents specified by the Bank;
- (f) a **delegate** of any person includes a reference to any agent, attorney, employee, director, representative, nominee or trustee of that person (and, in the case of the Bank, also includes a reference to any delegate, agent, attorney or co-trustee approved by the Bank) but does not include the Grantor or a person acting on behalf of the Grantor);
- (g) an act, matter or thing being in or at the **discretion** of the Bank or a delegate of the Bank will be construed as references to such act, matter or thing being in or at the **reasonable discretion** of such person which discretion may be exercised without

preference to the interests of the Grantor or any other person and without the consent of the Grantor or any other person;

- (h) **to dispose** means to assign, declare a trust, grant an option, lease, license, sell, surrender, transfer, part with possession of or otherwise dispose of, whether voluntarily or involuntarily (and **disposal** will be construed accordingly);
- (i) **distribution** includes any distribution of income, return of capital or any other payment;
- (j) **including** are references to **including, without limitation**, and references to **include** or **includes** will be construed accordingly;
- (k) a **Potential Event of Default** (other than an **Event of Default**) is **continuing** if it has not been remedied or waived and an **Event of Default** is **continuing** if it has not been waived;
- (l) a **power of enforcement** is a reference to a power of enforcement under this Agreement and/or the Security Law;
- (m) **to property** includes any present or after-acquired property and any proceeds, revenue or right under or derived from that property;
- (n) a **right** includes authority, benefit, claim, consent, discretion, interest, power, right or remedy and a reference to rights includes having an interest in property (including a legal or beneficial interest) and the power to grant rights in property;
- (o) a **Clause, paragraph** or a **Schedule** is a reference to a clause, paragraph or schedule of this Agreement and form part of this Agreement and will have the same force and effect as if they were expressly set out in the body of this Agreement;
- (p) **to this Agreement** or to any agreement or document referred to in this Agreement (or to any provision thereof) includes all amendments (including any relating to further advances) as replaced, varied, supplemented, restated or novated from time to time;
- (q) a **regulation** or a **law** (or any provision of it) is a reference to it as the same may have been or may be amended, modified, replaced, extended, consolidated or re-enacted from time to time and includes any subordinate legislation made under it, any rule, official directive, request, statute or guideline (whether or not having the force of law) of any governmental or intergovernmental, intergovernmental or supranational body, department, agency or of any other regulatory, self-regulatory or other organisation or authority;
- (r) words in the singular include the plural and vice versa and a gender includes all genders;
- (s) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (t) the grantor is the Grantor, the secured party is the Bank and this Agreement is a security agreement for the purposes of the Security Law;
- (u) a **person** includes any individual, partnership, corporation, unincorporated association, government agency or other body or entity whether or not having separate legal personality (including such person acting in its capacity as partner, trustee or nominee or in any other capacity whatsoever);
- (v) the **Bank** include its successors, assignors and transferees and where references are made to the Bank holding title to or having possession or control of the Collateral,

such references will include any person holding title to or having possession or control of the Collateral for or on behalf of the Bank (or its delegate) whether as trustee or in some other capacity; and

- (w) **winding up** means the winding up, dissolution or striking-off a register of a person or an equivalent or analogous procedure under the law of any jurisdiction (and wound-up will be construed accordingly).

### **1.3 Facility Document**

This Agreement is a Finance Document as defined in the Loan Agreement.

## **2. COVENANT TO PAY**

### **2.1 Covenant to pay**

The Grantor will pay to the Bank the Secured Liabilities immediately on demand as and when the same are expressed to be due for payment in accordance with their respective terms.

## **3. CREATION OF SECURITY INTEREST**

### **3.1 General**

- (a) Pursuant to the Security Law, for the duration of the Security Period, the Grantor hereby:
  - (i) grants to the Bank a first priority security interest in and over all its present and future rights, title and interest in the Collateral pursuant to the Security Law as a continuing security for the payment, performance and discharge of the Secured Liabilities;
  - (ii) agrees that the Bank will have control of the Collateral; and
  - (iii) assigns, by way of security, to the Bank all of the Grantor's rights, title and interest, present and future in, to and under, the Related Rights and proceeds therefrom.

### **3.2 Attachment**

The Grantor agrees that the Jersey Security Interest will attach to the Collateral in which the Grantor:

- (a) has rights when it executes this Agreement; and
- (b) acquires rights after this Agreement is executed, without the need for any specific appropriation of the property,

when it executes this Agreement or when it acquires those rights respectively.

### **3.3 Value given**

The Grantor acknowledges that value has been given in respect of this Agreement.

### **3.4 Assignment**

The Jersey Security Interest in any present and future receivables will take effect as an assignment to the Bank with a right to re-assignment at the end of the Security Period.

### 3.5 Priority

The Jersey Security Interest:

- (a) secures the irrevocable and unconditional payment and satisfaction in full of the Secured Liabilities;
- (b) constitutes a first ranking Security Interest in the Collateral; and
- (c) has the same priority in relation to all Secured Liabilities (including further advances).

### 3.6 Registration

- (a) Subject to clause 3.6(d), the Bank (acting reasonably) or its representative or agent may in its sole discretion (but will not be obliged to) at any time:
  - (i) register the Jersey Security Interest created by this Agreement under the Security Law by registration of a financing statement for any period determined by the Bank without any consent of the Grantor; and
  - (ii) register a financing change statement under the Security Law in respect of any change to the details in the financing statement (including, without limitation, any amendment, renewal or discharge of the financing statement) for any period determined by the Bank.
- (b) The Grantor will, promptly following written request from the Bank, deliver to the Bank such information and/or certified copy documents as the Bank may reasonably require for the purposes of the registration contemplated by this clause including, without limitation, a certified copy of the constitutional documents of the Grantor.
- (c) The Grantor hereby consents to the registration contemplated by this clause and waives its right to receive a copy of any verification statement in respect of such registration.
- (d) The Grantor confirms that it is not the trustee of a trust granting a security interest over trust property under this Agreement.

### 3.7 Control of Securities

The Grantor hereby undertakes to the Bank that, within 4 Business Days of the execution of this Agreement it will deliver to the Bank (or as it may direct):

- (a) all original certificates of title in respect of all Securities;
- (b) a certified copy of:
  - (i) the constitutional documents of the Company;
  - (ii) any regulatory authorisation issued in respect of the Securities; and
  - (iii) the Register, noting the Bank's security interest created pursuant to this Agreement;
- (c) execute and deliver to the Bank (or as it may direct) duly executed Transfer Forms (left undated and with the transferee left blank) in respect of the Securities.

### **3.8 Control of Additional Securities**

The Grantor undertakes to the Bank, so that the same will be continuing undertakings throughout the Security Period, that if any Additional Securities are issued to, transferred to or otherwise acquired by the Grantor, it will immediately upon acquiring such Additional Securities:

- (a) deliver, or procure delivery, to the Bank (or as it may direct):
  - (i) all original certificates of title in respect of such Additional Securities;
  - (ii) a certified copy of:
    - (1) the constitutional documents of the Company;
    - (2) any regulatory authorisation issued in respect of the Additional Securities; and
    - (3) the Register, noting the Bank's security interest over such Additional Securities created pursuant to this Agreement; and
- (b) execute and deliver, or procure the execution and delivery, to the Bank (or as it may direct) duly executed Transfer Forms (left undated and with the transferee left blank) in respect of such Additional Securities.

### **3.9 Transfer of title**

The Grantor undertakes to the Bank that, immediately upon written request from the Bank, following the occurrence of an Event of Default which is continuing, it will:

- (a) assign, transfer and/or otherwise make over to the Bank title to the Securities; and
- (b) execute and deliver to the Company a notice materially in the form set out in Schedule 2 of this Agreement in respect of the Securities and will procure that the Company executes and delivers to the Bank an acknowledgment materially in the form set out in Schedule 3 of this Agreement.

### **3.10 Transfer of Collateral to the Bank**

- (a) The Bank may at any time while an Event of Default is continuing and without exercising the power of enforcement:
  - (i) complete, date and deliver any Transfer Form; and
  - (ii) become (or cause its nominee(s) or transferee(s) to become) the registered holder of any Collateral;
- (b) Any obligation on the Grantor to deliver documents to the Bank under this Clause 3 is an obligation to deliver them to the Bank or as it may direct; and
- (c) The Grantor authorises the Bank to complete, date and deliver any document, notice, notice of assignment or Transfer Form delivered by the Grantor to the Bank under this Clause 3.

## **4. PERFECTION OF SECURITY INTEREST**

### **4.1 Means of perfection**

Each of the parties agrees for the purposes of the Security Law that the Security Interest will be perfected by:

- (a) the Bank having control of the Securities; and/or
- (b) at the option of the Bank, by the registration of a financing statement in accordance with the Security Law with the consent of the Grantor that will not be unreasonably withheld.

#### 4.2 Perfection of Security Interest by way of possession

Without prejudice to the creation of Security Interests in the Collateral pursuant to Clause 3 of this Agreement, the Bank (or its delegate) will have possession of all certificates of title to the Collateral to the intent that the Bank (but not a delegate) will pursuant to this Agreement have a security interest under the Security Law in the Collateral.

### 5. REPRESENTATIONS AND WARRANTIES

#### 5.1 The Collateral

The Grantor makes the representations and warranties set out in this Clause 5 to the Bank.

- (a) **Validly authorised and issued:** The Securities have been validly issued, are fully paid and not subject to any option to purchase, pre-emption or similar rights and constitute the entire issued share capital of the Company and the certificates of title representing them as delivered to the Bank pursuant to this Agreement are the only certificates of title in respect thereof;
- (b) **Ownership:** it is the sole registered holder of the Securities listed against its name in Schedule 1 of this Agreement and holds legal title to such Securities as trustee;
- (c) **No other security, rights nor any attachment:**
  - (i) The Collateral is not subject to any options, warranties, pre-emption or similar rights and is free from any Security Interests, registrations of any security interests over the Collateral under the Security Law and rights of set-off other than those created under this Agreement in favour of the Bank;
  - (ii) The Grantor is not aware of any person (except for the Bank pursuant to the Security Interests and Finance Documents) claiming or threatening to claim any interests or rights of lien, set-off, netting, option, cross-claim or counter-claim in respect of the Collateral and the Grantor is not aware of any circumstances which could or might give rise to any such claim or threat; and
  - (iii) This Agreement create a first priority security interest in the Collateral under the Security Law in favour of the Bank, which has attached and is perfected under the Security Law;
- (d) **Possession of Certificates of Title:** The certificates of title to the Collateral required to be delivered pursuant to Clauses 3.7 and 3.8 will when so delivered be the:
  - (i) only certificates of title to the Collateral; and
  - (ii) certificates of title in relation to all Collateral;
- (e) **No restrictions on transfer of the Collateral:** There is no restriction applicable to the Collateral or any part of it which may prohibit the transfer of title to the Collateral or any part of it and without prejudice to the foregoing;

- (i) there is no right or power including in the constitutional documents of the Company which if exercised (or not exercised) may interfere with or impede any transfer of title to the Collateral or any part of it;
- (ii) there are no conditions attaching to any consents issued to the Company or in respect of the Collateral or any part of it and there are no resolutions, agreements or arrangements which could restrict a transfer of the Collateral or any part of it (for the purposes of creating or enforcing the Security Interests created hereunder);
- (f) **Ranking:** Subject to the Legal Reservations and Perfection Requirements, the Jersey Security Interest has or will have first ranking priority and is not subject to any prior ranking or pari passu ranking Security Interest; and
- (g) **Extent:** The Securities and Additional Securities (if any) together comprise all the issued securities in the Company.

## 5.2 This Agreement

- (a) **Creation:** This Agreement creates the Security Interests it purports to create and such security interests will be recognised as first ranking rights of security in the Collateral by way of security for the Secured Liabilities and will not be liable to be avoided or otherwise set aside on a bankruptcy of the Grantor or otherwise;
- (b) **Legal validity:** Subject to the Legal Reservations and Perfection Requirements, this Agreement constitutes valid, legal and binding obligations of the Grantor and is enforceable in accordance with its terms;
- (c) **No default:** No Event of Default and, on the date of this Agreement, no Potential Event of Default is continuing or likely to result from the entry into, the performance of, or any transaction contemplated by, this Agreement;
- (d) **Non-conflict:** The entry into and performance by the Grantor of, and the transactions contemplated by, this Agreement and the granting of the Jersey Security Interest do not and will not conflict with:
  - (i) any law or regulation, or judicial or official order, applicable to it;
  - (ii) its constitutional documents; or
  - (iii) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument to the extent that such default or termination event would have a Material Adverse Effect;
- (e) **Governing law and enforcement:** Subject to the Legal Reservations, the choice of governing law of this Agreement and any judgment obtained in relation to this Agreement, will, subject to the Legal Reservations, be recognised and enforced in the Relevant Jurisdiction of the Grantor; and
- (f) **Deduction of Tax:** The Grantor will not be required to make any deduction for or on account of Tax from any payment it may make under this Agreement to the Bank.

## 5.3 The Grantor

The Grantor hereby represents and warrants to the Bank that:

- (a) **Status:** it is a private company, duly incorporated and validly existing under the law of its jurisdiction of incorporation;
- (b) **Power:** it has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of this Agreement and the transactions contemplated by this Agreement;
- (c) **Bankruptcy:** it has not been declared bankrupt or suffered or instituted similar proceedings, nor has it committed any act indicative of insolvency under the laws of any jurisdiction or had any judgment made against it in any court of law or arbitration, and no one has threatened or commenced bankruptcy proceedings against it;
- (d) **Power of attorney:** it has not granted any power of attorney in respect of the exercise of any rights or powers in connection with the Securities, other than to the Bank;
- (e) **Change of name:** it:
  - (i) has disclosed in writing its current full name and all of his previous full names (if any) to the Bank and all such names are correctly spelt as they appear in the constitutional documents; and
  - (ii) is not, at the date of this Agreement, in the process of changing its name;
- (f) **Trust:** it is not the trustee(s) of a trust granting a security interest over trust property under this Agreement;
- (g) **No proceedings pending or threatened:** No litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency which if adversely determined would reasonably be expected to have a Material Adverse Effect have (so far as it is aware) been started or threatened against the Grantor;
- (h) **No breach of laws:** The Grantor has not been in breach of any law or regulation which breach has or is likely to have a Material Adverse Effect;
- (i) **Environmental laws:** No Environmental Claim has been commenced or, so far as it is aware, is threatened against the Grantor, where that claim would reasonably be expected, if adversely determined, to have a Material Adverse Effect;
- (j) **No filing or stamp taxes:**

Under Jersey law it is not necessary that this Agreement be filed, recorded or enrolled with any court or other authority in Jersey or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents except submitting an on-line financing statement in relation to this Agreement on the SIR and payment of associated fees which will be made and paid on or before the date of this Agreement;
- (k) **No misleading information:**



- (i) To the best of its knowledge and belief (having made due and careful enquiry), all written factual information provided by the Grantor for the purposes of the Reports or otherwise in connection with this Agreement was true and accurate in all material respects as at the date it was provided or as at any date at which it is expressed to be given;
  - (ii) Any expressions of opinion or intention provided by or on behalf of the Grantor for the purposes of the information referred to in clause 5.3(k)(i) were made after careful consideration and were fair and based on reasonable grounds;
  - (iii) To the best of its knowledge and belief (having made due and careful enquiry), no event or circumstance has occurred or arisen and no information has been omitted for the purposes of the information referred to in clause 5.3(k)(i) and no information has been given or withheld that results in the information, opinions, intentions, forecasts or projections contained in the information referred to in clause 5.3(k)(i) being untrue or misleading in any material respect;
- (l) **Taxation:** The Grantor is not overdue in the filing of any Tax returns or overdue in the payment of any amount in respect of Tax unless:
- (i) such payment is being contested in good faith; adequate reserves are being maintained for those Taxes and such payment can be lawfully withheld and failure to pay those Taxes does not have or is not reasonably likely to have a Material Adverse Effect; and
  - (ii) no claims or investigations are being, or so far as it is aware are likely to be, made or conducted against the Grantor with respect to Taxes such that a liability of, or claim against the Grantor is likely to arise;
- (m) **Notification of default:**
- (i) The Grantor will notify the Bank of any Potential Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.
  - (ii) Promptly upon a request by the Bank, the Grantor shall supply to the Bank a certificate signed by two of its directors certifying that no Potential Event of Default is continuing (or if a Potential Event of Default is continuing, specifying the Potential Event of Default and the steps, if any, being taken to remedy it).

#### 5.4 Times when representations made

- (a) The Grantor makes each representation in this Clause 5 on the date of this Agreement and shall be deemed to be repeated on each Payment Date and each Drawdown Date, in each case with reference to the facts and circumstances then subsisting as if made at each such time.
- (b) Each representation or warranty deemed to be made after the date of this Agreement will be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

## 6. UNDERTAKINGS

## 6.1 Grantor

The Grantor undertakes to the Bank that:

- (a) **Ownership:** subject only to the Jersey Security Interest, it will remain the sole legal owner of all the Collateral;
- (b) **Calls and other obligations:** it will pay all calls or other payments to be made or becoming due (but in any event, on or before their due date) and immediately discharge any lien which may arise in respect of the Collateral or any part of it and will remain liable to observe and perform all other obligations in respect of the Collateral or any part of it;
- (c) **Negative pledge:** it will not (or will not agree to);
  - (i) create or permit to subsist any Security over; nor
  - (ii) sell, assign, factor, discount, transfer, lease, release, terminate or otherwise dispose of any of; nor
  - (iii) permit any variation, waiver or termination of the rights attaching to the whole or any part of,  
  
of the Collateral under the Security Law (other than registration of the Jersey Security Interest in favour of the Bank or unless permitted under the Loan Agreement;
- (d) **Disposals and dealings:** it will not enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary for any Disposal of all or any part of the Collateral other than the Security Interests applying to or affecting the Collateral, without the prior written consent of the Bank (not to be unreasonably withheld or delayed) other than in the ordinary course of trading and if permitted under a Security Document other than as expressly permitted under the terms of the Finance Documents or with the prior written consent of the Bank;
- (e) **Loss:** it will not negotiate, waive or settle any claim for loss, damage or other compensation affecting the Collateral or any part thereof;
- (f) **Security Interests:** it will not do or cause or permit to be done (or omit to do or omit to cause or permit to be done), except where expressly permitted by the terms of the Finance Documents or otherwise permitted in writing by the Bank, anything which may adversely affect:
  - (i) the Collateral or the Security Interest created hereunder, or the value of any of them; or
  - (ii) the rights or interests of the Bank hereunder including the ability of the Bank to exercise its rights and remedies hereunder and to preserve or enforce the Security Interests created hereunder;
- (g) **Certificates of Title:** it will issue certificates of title to all Collateral, together with undated and signed stock transfer forms acceptable to the Bank, to hold pursuant to this Agreement;
- (h) **Information:** it will disclose to the Bank such information relating to the Collateral as the Bank may require;
- (i) **Event of Default:** it will notify the Bank of any Event of Default (and the steps, if any, being taken to remedy it) immediately upon becoming aware of its occurrence;

- (j) **Collateral:** it will do everything in his power to prevent any person other than the Bank from being entitled to claim any right over the Collateral or any part thereof;
- (k) **Change of name:**
  - (i) it has given written notice to the Bank of its registered number and its current full name correctly spelt as it appears in the Grantor's current constitutional documents and it is not, at the date of this Agreement, in the process of changing its name;
  - (ii) if it proposes to change its name it will give written notice to the Bank (along with the correct spelling of the proposed new name) at least 5 Business Days before such change takes effect and a certified copy of the constitutional documents stating the Grantor's new name as soon as practicable after they are issued;
- (l) **Receipts:** if the Bank or any delegate of the Bank sells the Collateral or any part of it under or pursuant to the rights of the Bank under this Agreement or the Security Law, the Grantor will, at the request and on the direction of the Bank, deliver a valid receipt for the proceeds of sale of such Collateral to any person specified by the Bank; and
- (m) **Notify:** it will notify the Bank of any registration of a security interest in respect of the Collateral under the Security Law (other than registration of the Jersey Security Interest in favour of the Bank) or other interest of a third party in the Collateral immediately upon becoming aware of its occurrence.

## 6.2 General undertakings

The undertakings in this Clause 6 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Facility is still available to the Company.

## 7. PAYMENT AND VOTING RIGHTS

### 7.1 General

- (a) At any time when any Collateral is registered in the name of the Bank (or its delegate) the Bank is not obliged:
  - (i) to ensure that any interest, dividends, distribution or any payments in respect of such Collateral are duly and promptly paid or received by it (or its delegate); or
  - (ii) to exercise, or procure the exercise of, any voting rights granted to it under this Clause 7,
 and is not liable to the Grantor or any other person for any such exercise or failure to exercise such rights.
- (b) If any issuer of securities would, but for Article 2A(7) of the Companies Law, be regarded as a subsidiary of the Bank, rights attached to shares of the Company held by way of security under this Agreement will, apart from the right to exercise them for the purpose of preserving the value of such shares or of realising the security, be exercisable:
  - (i) only in accordance with the Grantor's instructions; or

- (ii) where such shares are held in connection with the granting of loans as part of normal business activities, only in the Grantor's interests.
- (c) The Bank may give notice in writing to the Grantor that Clause 7.1(b) will cease to have effect for any period specified in such notice.

## **7.2 Voting rights prior to the occurrence of an Event of Default**

- (a) Notwithstanding the provisions of Clause 3, until an Event of Default which is continuing occurs, the Grantor may exercise all voting and other rights and powers in respect of the Collateral and, where the title to the Securities has been assigned, transferred or otherwise made over to the Bank, the Bank will, at the request, cost and expense of the Grantor, execute such forms of proxy as are reasonably required to allow the Grantor to exercise such rights), provided that the Grantor will not, except with the prior written consent of the Bank, take or permit any action pursuant to such authorisation:
  - (i) which is inconsistent with any Finance Document or which may be prejudicial to the rights and interests of the Bank;
  - (ii) that does not comply with the Finance Documents;
  - (iii) to amend the constitutional documents of the Company;
- (b) that will have a material adverse effect on the value of the Collateral or any security created under this Agreement.

## **7.3 Voting rights on and after the occurrence of an Event of Default**

At any time on and after the occurrence of an Event of Default which is continuing:

- (a) the Bank may (in its sole discretion) directly or indirectly (by instructing the Grantor to do so) exercise, refrain from exercising or disclaim any right to exercise any voting or other rights and powers attaching to the Collateral;
- (b) the Grantor will not be authorised to, and will not, give instructions or exercise any voting and other rights and powers in respect of the Collateral; and
- (c) subject to Clause 3.10, the Grantor will comply with any direction given by the Bank in relation to the exercise of voting or other rights and powers hereby irrevocably appoints the Bank to be his proxy for these purposes and authorises the Bank to complete, execute and deliver on his behalf any proxy forms that the Bank may require.

## **7.4 Payment rights prior to the occurrence of an Event of Default**

Until an Event of Default which is continuing occurs, the Grantor may receive and retain all interest, dividends, distributions and other income arising in respect of the Collateral.

## **7.5 Payment rights on and after the occurrence of an Event of Default**

On and after the occurrence of an Event of Default which is continuing, the Grantor will pay all interest, dividends, distributions and other income arising in respect of from the Collateral as directed by the Bank and, pending delivery, will hold such interest and dividends on trust for the Bank.

## **7.6 Dealings**

For the purposes of Article 24 of the Security Law, the Bank does not authorise the Grantor or any other person to deal with the Securities and any such dealing is prohibited, except as expressly provided in this Agreement.

#### **7.7 Further Assurance**

The Grantor will, at the expense and cost of the Grantor, promptly take all such actions, including executing all such documents, notices and instructions in such form as the Bank may reasonably require:

- (a) to create, perfect, protect and (if necessary) maintain the Security Interests created or intended to be created over any assets under this Agreement or for the exercise of any rights, powers and remedies of the Bank provided by or under this Agreement or by law;
- (b) to confer on the Bank security interests in or over the Jersey Security Interests; and/or
- (c) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security Interests.

### **8. EVENTS OF DEFAULT AND POWER OF ENFORCEMENT BY THE BANK**

#### **8.1 Events of Default**

There will be an Event of Default upon the occurrence of any Event of Default (as defined in the Loan Agreement).

#### **8.2 When security enforceable**

The power of enforcement in respect of the Jersey Security Interest becomes exercisable when:

- (a) an Event of Default is continuing at the time notice is served under paragraph (b); and
- (b) the Bank has served on the Grantor written notice specifying the Event of Default.

#### **8.3 Powers**

Subject to Clause 8.5, the Bank may exercise any power of enforcement set out in Article 43 of the Security Law in relation to all or any part or item of Collateral as many times as the Bank thinks fit.

#### **8.4 Exercise of power of sale**

The Bank may exercise the power of sale in any way and on such terms as it thinks fit including, but not limited to:

- (a) by auction, public tender, private sale or another method;
- (b) for cash or other valuable consideration;

- (c) that payment of all or part of the purchase price is deferred or is paid in instalments spread over any period (with or without security);
- (d) in one lot or in parcels;
- (e) whether or not in conjunction with the sale of other property;
- (f) with or without special provisions as to title; or
- (g) by sale to the Bank or any subsidiary of the Bank or any subsidiary of any holding body of the Bank.

#### **8.5 Notice of appropriation or sale of Collateral**

Provided that a Notice of Event of Default has been served, the Bank may exercise its power of appropriation or sale of any Collateral in accordance with Article 44 of the Security Law:

- (a) not less than 14 days after the Bank gives written notice of appropriation or sale of that Collateral on:
  - (i) any person who, 21 days before the appropriation or sale, has a registered Security Interest in the Collateral; and
  - (ii) any person (other than the Grantor) who has an interest in that Collateral and has, not less than 21 days before the appropriation or sale, given the Bank notice of that interest,

and where no person is entitled to receive such notice, the Bank may appropriate or sell the Collateral immediately; or
- (b) immediately on or after service of a Notice of Event of Default if:
  - (i) no one is entitled to receive notice of appropriation or sale of that Collateral under paragraph (a) or if the Bank and another person entitled to such notice has waived that right in writing;
  - (ii) the Collateral is a quoted investment security;
  - (iii) the Bank believes on reasonable grounds that the Collateral to be sold will decline substantially in value if it is not disposed of within 14 days after the relevant Event of Default; or
  - (iv) for any other reason, the Court orders, on an *ex parte* application that a notice of sale need not be given.

#### **8.6 Statement of account**

Within 14 days after the day on which any Collateral is appropriated or sold by the Bank, the Bank will give a written statement of account to the Grantor and any other person entitled to receive it, such statement to be prepared in accordance with Article 48 of the Security Law.

#### **8.7 Distribution of surplus**

- (a) Any proceeds of sale of the Collateral or the value of any Collateral which has been appropriated after the power of enforcement has become exercisable will be applied by the Bank in the following order:

- (i) in paying or providing for all costs and expenses incurred in, and incidental to, exercise of the power of enforcement by the Bank;
  - (ii) in or towards payment and discharge of the Secured Liabilities in such order as the Bank may in its discretion determine; and
  - (iii) in paying any surplus to the Grantor or any other person entitled to it under Article 49 of the Security Law or into the Royal Court of Jersey; and
- (b) Paragraph (a) is subject to the payment of any claim having priority over the Jersey Security Interest.

#### **8.8 Payment of surplus into Court**

The Bank may, if it thinks fit, pay any surplus referred to in Clause 8.7 into the Court in accordance with Article 50 of the Security Law.

#### **8.9 Protection of Bank**

To the extent permitted by law, neither the Bank nor any delegate will be liable for any:

- (a) conduct, delay, negligence or breach of duty in the exercise or non-exercise of any right or the performance of any obligation or duty under this Agreement in respect of the Collateral or provided by law; or
- (b) loss that results from anything referred to in Clause 8.7(a)(i).

To the extent permitted by law, in the exercise or non-exercise of the power of enforcement or any other rights under this Agreement, the Bank will not become liable to pay or discharge the liabilities or obligations of the Grantor in relation to any Collateral (for which the Grantor will remain liable).

#### **8.10 No restriction on enforcement**

The Bank is not obliged to marshal, enforce, apply, appropriate, recover or exercise any security, guarantee or other right held by it, or any moneys or property that it holds or is entitled to receive, before the power of enforcement is exercised.

#### **8.11 Credit for value or proceeds realised**

The Bank is accountable (and the Grantor is entitled to be credited) only for actual value or proceeds realised by the Bank arising from the appropriation, sale or other realisation of any Collateral by the Bank.

### **9. POWER OF ATTORNEY**

#### **9.1 Power of attorney**

- (a) As security for the performance of its obligations under this Agreement, in accordance with Article 5(2)(a) of the Powers of Attorney (Jersey) Law, 1995 (the **Powers of Attorney Law**), the Grantor hereby irrevocably and severally appoints the Bank and its delegates to be its attorney.
- (b) The attorney may, in the name of the Grantor and on its behalf and at its expense, take any action which the Grantor is obliged to take under this Agreement but has not taken following notification of its failure or which the Bank or delegate may in their absolute discretion consider appropriate in connection with the exercise of any of their rights, powers, authorities or discretions under or otherwise for the purposes of this Agreement;
- (c) The Grantor ratifies and confirms any action proper and lawful taken by any attorney under this Clause. The Grantor agrees to indemnify the attorney against all actions, claims, demands and proceedings taken or made against it and all costs, damages, expenses, liabilities and losses incurred by the attorney as a result of or in connection with anything lawfully done by it under or in connection with this power of attorney.

#### **9.2 Exercise of power is evidence of right to exercise**

The exercise of any power granted by this Clause 9 will be conclusive evidence of the right to exercise such power.

#### **9.3 When power of attorney takes effect**

The power of attorney granted by this Clause 9 will take effect upon this Agreement being duly executed by or on behalf of the Grantor.

#### **9.4 Ratification**

The Grantor hereby ratifies and confirms any action proper and lawful taken by any attorney under this Clause 9. The Grantor agrees to indemnify the attorney against all actions, claims, demands and proceedings taken or made against it and all costs, damages, expenses, liabilities and losses incurred by the attorney as a result of or in connection with anything lawfully done by it under or in connection with this power of attorney.

### **10. MISCELLANEOUS**

#### **10.1 Exercise of rights, etc.**

Every right, benefit, power, discretion, authority and remedy given to or vested in the Bank by or pursuant to this Agreement will be:

- (a) in addition to and not a limitation of any and every other right, benefit, power, discretion, authority and remedy given to or vested in the Bank by or pursuant to this Agreement or any other document; and
- (b) exercisable from time to time and at any time and in any circumstances and without waiving or releasing any other right, benefit, power, discretion, authority or remedy and as often as the Bank may in its discretion deem expedient, and the Bank will **without prejudice** to its other rights and powers under this Agreement be entitled (but not bound) at any time and as often as may be necessary to take any such action as it may in its discretion think for the purpose of protecting the Security Interests.



**10.2 No obligation to fulfil Grantor's obligations, enquire, claim or collect**

The Bank is not obliged to fulfil any obligation of the Grantor or to make any payment in respect of the Collateral or any part of it, or to make any enquiry as to the nature or sufficiency of any payment received by the Bank or the Grantor in respect of the Collateral, or to present or file any claim or take any other action to collect or enforce the payment of any amount in respect of the Collateral to which the Bank or the Grantor may be entitled under the Agreement or otherwise.

**10.3 Currency conversion**

Sterling is the currency of account and payment for each and every sum at any time due from the Grantor under this Agreement.

**10.4 No enquiry by person dealing with Bank**

No person (including a purchaser) dealing with the Bank or a nominee of the Bank will be concerned to enquire (whether upon the exercise of any power granted or otherwise):

- (a) whether or not an Event of Default is continuing;
- (b) whether the Secured Liabilities have become due or payable;
- (c) whether any power which any of them is purporting to exercise has become exercisable;
- (d) as to the propriety or regularity of any action of any of them; or
- (e) how any money paid to the Bank is to be applied.

**10.5 Severability**

If at any time one or more provisions of this Agreement becomes invalid, illegal or unenforceable in under the laws of any jurisdiction, that will not affect:

- (a) the validity or enforceability in that jurisdiction of any other provision of this Agreement; or
- (b) the validity or enforceability in other jurisdictions of that or any other provision of this Agreement.

**10.6 No set-off or deductions**

- (a) The Grantor shall ensure that all payments to be made by it under this Agreement will be made without any set-off, counterclaim or other deductions.
- (b) The Grantor shall ensure that all payments to be made by it to the Bank shall be made without deduction for or on account of, and free from, any present or future Tax imposed unless the Grantor is compelled to make any such deduction or withholding by law.
- (c) The Grantor shall furnish the Bank with the original or a certified copy of any receipt evidencing payment of Taxes withheld or deducted by the Grantor in respect of any payment to the Bank.
- (d) The Grantor shall, promptly upon becoming aware, inform the Bank in writing of any deduction or withholding required by law to be made by it from a payment under this Agreement.

#### **10.7 Remedies and waivers**

No failure by the Bank to exercise, or any delay by the Bank in exercising, any right or remedy this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies by law and may be waived only in writing and specifically.

#### **10.8 Possession of certificates of title**

If the Bank (or its delegate) takes possession of any certificates of title before the execution of this Agreement, such possession will be deemed to be pursuant to this Agreement.

#### **10.9 Grantor waivers**

The Grantor irrevocably and unconditionally waives his right to:

- (a) receive notice of appropriation or sale of any Collateral; and
- (b) reinstate this Agreement under Article 54 (Entitled persons may redeem collateral; grantor may reinstate agreement) of the Security Law.

### **11. PRESERVATION OF SECURITY, ETC.**

#### **11.1 Continuing security**

Subject to Clause 15, the Jersey Security Interest created by this Agreement is continuing security for the payment and discharge of the Secured Liabilities. The provisions of this Agreement will apply at all times:

- (a) regardless of the date on which any of the Secured Liabilities was incurred;
- (b) notwithstanding any intermediate payment or discharge; and
- (c) in respect of the full amount of the Secured Liabilities at the relevant time even if the amount of the Secured Liabilities had previously been less than that amount or had been nil at any time.

#### **11.2 Reinstatement**

- (a) If, at any time, there has been a release, settlement or discharge of the Grantor's obligations under this Agreement and, as a consequence of any bankruptcy, insolvency, liquidation or for any other reason:
  - (i) any payment made to any person in respect of any of the Secured Liabilities is required to be repaid; and/or
  - (ii) any Security (or other right) held by the Bank in respect of any of the Secured Liabilities (whether under this Agreement or otherwise) is declared void, is set aside or is otherwise affected,

then the Grantor's obligations under this Agreement will continue in effect as if there had been no such release, settlement or discharge and as if the relevant payment had not been made and/or (as applicable) the relevant obligation or Security Interests (or other right) had not been so affected; and accordingly (but without limiting the Bank's other rights under this Agreement) the Bank will be entitled to recover from the Grantor the value which the Bank has placed upon such Security (or other right) or the amount of any such payment as if such release, settlement or discharge had not occurred.

- (b) This Clause 11.2 will continue to apply after this Agreement has been released.

### 11.3 Specific waiver of customary law rights

Without prejudice to the generality of any waiver granted in the Finance Documents at any time, to the extent permitted by law, the Grantor irrevocably and unconditionally waives any right it may have (by virtue of the *droit de discussion*, the *droit de division* or otherwise) of first requiring that:

- (a) the Bank:
- (i) commence proceedings against any person or its property;
  - (ii) claim payment from any person;
  - (iii) make or file any claim or proof in a bankruptcy or dissolution of any person; or
  - (iv) enforce any other right or security,
- before bringing a claim against the Grantor under this Agreement or any other Finance Document; and
- (b) any liability under this Agreement or any other Finance Document be divided or apportioned with any other person or reduced in any manner.

### 11.4 Grantor intent

The Grantor expressly confirms that it intends that the Jersey Security Interest created by this Agreement will extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: acquisitions of any nature; increasing working capital; enabling distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new person; any other variation or extension of the purposes for which any facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

### 11.5 Appropriations

Any appropriation by the Bank under this Agreement will override any appropriation by the Grantor.

### 11.6 Further advances

The Jersey Security Interest and the Secured Liabilities will extend to and include:

- (a) unlimited further advances made to the Grantor by the Bank (whether or not made under any Finance Document and whether or not they are in the contemplation of the Grantor or the Bank when this Agreement is executed); and
- (b) all liabilities and obligations pursuant to any Finance Document notwithstanding any assignment, transfer or amendment thereof.

**11.7 Additional security**

The Jersey Security Interests created by this Agreement are in addition to and are not in any way prejudiced by any other guarantee or security now or subsequently held by the Bank.

**11.8 Change demands**

The Grantor must not, during the Security Period, serve a demand under Article 75 (Demand for registration of financing change statement) of the Security Law for the discharge of any financing statement registered by the Bank under or in connection with this Agreement.

**12. SET-OFF**

The Bank may set off any matured obligation due from the Grantor under the Finance Documents against any matured obligation owed by the Bank to the Grantor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Bank may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

**13. CHANGES TO THE PARTIES**

**13.1 No Assignment by Grantor**

The Grantor may not assign any of its rights nor transfer or novate any of its rights or obligations under this Agreement.

**13.2 Assignment by Bank**

The Bank may assign any of its rights or transfer or novate any of its rights or obligations under this Deed in accordance with the terms of the Loan Agreement.

**13.3 Financing change statement**

If all or part of the Jersey Security Interest is transferred, the Bank or its representative may register a financing change statement to reflect the transfer without any consent of the Grantor.

**14. ENFORCEMENT COSTS AND INDEMNITIES**

**14.1 Indemnities for costs and expenses**

- (a) The Grantor shall indemnify the Bank for all costs properly and reasonably incurred and expenses (including, without limitation, legal fees, travel costs, printing costs, courier charges, and other out-of-pocket expenses) reasonably and properly incurred by the Bank in connection with:
  - (i) the negotiation, preparation, execution, implementation and properly incurred completion of this Agreement and in each case, the transactions respectively contemplated therein; and
  - (ii) responding to, evaluating, negotiating or complying with any amendment, waiver or consent made by the Grantor,

in each case, subject to any limitation in respect of these actual costs and expenses as agreed between the Bank and the Grantor.

- (b) The Grantor shall reimburse the Bank for any costs and expenses referred to in this Clause within 5 Business Days of presentation to the Grantor by the Bank of a statement of account, to be supported by copies of such documents available to the Bank which the Bank can unconditionally disclose to the Grantor and which the Bank reasonably considers relevant for the purposes of establishing any amount claimed by the Bank.

#### **14.2 Enforcement indemnity**

The Grantor agrees that in the event of a breach by the Grantor of any term of this Agreement, it shall pay within 5 Business Days of written demand all legal fees and all other actual costs, losses or expenses of the Bank, in connection with the enforcement of this Agreement or the recovery of any sum due hereunder or thereunder or the Bank's compliance with any demand for registration of a financing change statement served by the Grantor on the Bank under Article 75 of the Security Law and any proceedings instituted by or against the Bank as a consequence of taking or holding the Security Interest or enforcing these rights.

### **15. RELEASE**

#### **15.1 Release of Collateral**

If the Bank is satisfied that all the Secured Liabilities have, been unconditionally and irrevocably paid and discharged in full and all relevant commitments of the Bank cancelled, the Bank will, at the request and cost of the Grantor, execute such documents and take such steps as may be necessary to release the Collateral from the Security Interests created by this Agreement.

#### **15.2 Financing change statement**

The Bank or its representative may file a financing change statement to reflect any partial or final release of this Agreement without the consent of the Grantor.

### **16. NOTICES**

#### **16.1 General**

Each party agrees that Clause 21 (Notices) of the Standard Terms is incorporated into and applies to this Agreement, but as if all references in that clause to:

- (a) "Borrower" were references to "Grantor; and
- (b) "Obligor" were references to "Grantor".

#### **16.2 In writing**

The:

- (a) Grantor may serve a demand under Article 75 (Demand for registration of financing change statement) of the Security Law; and
- (b) Bank may serve notice of objection under Article 76 (Procedure where no compliance with demand) of the Security Law,

by way of the security interests register maintained by the Jersey Registrar of Companies under the Security Law but must also serve such demand or notice in accordance with clause 16.1 (other than by email).

**17. COUNTERPARTS**

This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

**18. JURISDICTION AND WAIVER OF IMMUNITY**

**18.1 Jurisdiction**

This Agreement will be governed and construed in accordance with Jersey law and the Grantor irrevocably submits to the non-exclusive jurisdiction of the Jersey courts in connection with this Agreement.

Subject to any applicable law, nothing contained in this Clause 18 will limit the right of the Bank to institute proceedings against the Grantor in any other court of competent jurisdiction nor will the institution of proceedings in one or more jurisdictions preclude the institution of proceedings in any other jurisdiction whether concurrently or not.

The Grantor irrevocably and unconditionally waives any:

- (a) objection which it may have now or at any time to the commencement of any proceedings in any such court as is referred to in this Clause 18; and
- (b) claim that any such proceedings have been commenced in an inconvenient forum.

The Grantor unconditionally agrees that a judgement in any proceedings brought in any such court as is referred to in this Clause 18 will be conclusive and binding upon the Grantor and may be enforced in the court of any other jurisdiction.

**18.2 Waiver of immunity**

The Grantor irrevocably and unconditionally:

- (a) agrees not to claim any immunity from proceedings brought by the Bank against it in connection with this Agreement and to ensure that no such claim is made on its behalf;
- (b) consents generally to the giving of any relief or the issue of any process in connection with such proceedings; and
- (c) waives all rights of immunity in respect of it or its assets.

The parties to this Agreement have caused it to be duly executed on the date stated at the beginning of this Agreement.

### Schedule 1 - Securities

The entire issued share capital of the Company which is held as follows:

Identity of shareholder	Securities
Ribbon Heathrow Ariel Limited	100 fully paid ordinary shares of GBP £1.00 each in the Company

**Schedule 2 - Form of Notice**

**TITLE SECURITY NOTICE**

**To:** R. HEATHROW ARIEL PROPCO LIMITED (the Company)  
22 Grenville Street St Helier, Jersey JE4 8PX

**From:** RIBBON HEATHROW ARIEL LIMITED (the Grantor)  
Holiday Inn London Heathrow M4 J4, Sipson Road, West Drayton, England, UB7 0JU

**And:** METRO BANK PLC (the Bank)  
One, Southampton Row, London, England, WC1B 5HA

**Date:** \_\_\_\_\_

We hereby give you notice that pursuant to a security interest agreement dated \_\_\_\_\_ 2021 made between the Grantor and the Bank (the Security Interest Agreement) the Grantor has granted to the Bank a security interest in respect of among other things, 100 fully paid ordinary shares of GBP £1.00 each in the Company (being the entire issued share capital of the Company) (including, without limitation, all rights of the Grantor relating to such securities) (the Securities). Under the Security Interest Agreement the Grantor has also agreed to assign, transfer and/or otherwise make over to the Bank title to the Securities.

We enclose the originals of (i) a dated and signed duly completed stock transfer form in respect of the transfer of title to the Securities to [the Bank] [name of Bank's nominee] and (ii) certificates of title in respect of the Securities.

We hereby instruct you to:

1. enter the name of [the Bank] [name of Bank's delegate] in the register of members of the Company as the holder of the Securities; and
2. issue a certificate of title to reflect such entry and deliver the same to the Bank at the address set out above.

This notice may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this notice.

Please sign and forward to the Bank at the above address the enclosed form of acknowledgement (for the attention of [name]).

This notice will be governed by and construed in accordance with the laws of Jersey.



**SIGNATURE PAGE**

**TITLE SECURITY NOTICE**

**The Grantor**

**RIBBON HEATHROW ARIEL  
LIMITED**

in the presence of:

Witness signature:

---

Witness name:

---

Witness address:

---

---

Witness occupation:

---

---

**The Bank**

**METRO BANK PLC**

acting by an authorised signatory

---

in the presence of:

**Authorised Signatory**

Witness signature:

---

Witness name:

---

Witness address:

---

---

---

**Schedule 3 - Form of Acknowledgment**

**TITLE SECURITY ACKNOWLEDGEMENT**

**To:** **RIBBON HEATHROW ARIEL LIMITED (the Grantor)**  
Holiday Inn London Heathrow M4 J4, Sipson Road, West Drayton, England, UB7 0JU

**From:** **METRO BANK PLC (the Bank)**  
One, Southampton Row, London, England, WC1B 5HA

**And:** **R. HEATHROW ARIEL PROPCO LIMITED (the Company)**  
22 Grenville Street St Helier, Jersey JE4 8PX

**Date:** \_\_\_\_\_

We hereby acknowledge receipt of a notice dated \_\_\_\_\_ (the Notice) from the Grantor and the Bank relating to the creation of a security interest in respect of the Securities Terms defined in the Notice will have the same meaning where used herein.

We confirm that:

1. we have not, at the date hereof, received notice of any other security interest or encumbrance over any of the Securities and we hereby undertake to notify the Bank of any such notice received in the future;
2. for such time as such security interest continues, the Bank acts as Bank only and will not, except as required by law, be held liable by or under any obligation to the Company in respect of the Securities;
3. the names of the persons identified as the transferees of the Securities in the Notice have been entered in the register of members as the holders of the Securities and we enclose originals of the certificate of title reflecting such holding; and
4. for the purpose of the giving of notice to us, without prejudice to any other form of notice we agree that an email sent to [address] will be sufficient notice.

This acknowledgement will be governed by and construed in accordance with the laws of Jersey.

**SIGNATURE PAGE**

**TITLE SECURITY ACKNOWLEDGMENT**

**The Bank**

**METRO BANK PLC**

acting by an authorised signatory

in the presence of:

\_\_\_\_\_  
Authorised Signatory

Witness signature:

\_\_\_\_\_

Witness name:

\_\_\_\_\_

Witness address:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Signed for and on behalf of  
**R. HEATHROW ARIEL PROPCO LIMITED**

(the Company)

\_\_\_\_\_  
Signature:

Print Name:

Title:

## SECURITY INTEREST AGREEMENT

## The Grantor

**RIBBON HEATHROW ARIEL  
LIMITED**

**Witness signature:**

**Witness name:**

**Witness address:**

Witness occupation:

## The Bank

Executed as an Agreement by

**METRO BANK PLC**

acting by an authorised signatory

in the presence of:

**Witness signature:**

**Witness name:**

**Witness address:**

KATHERINE CEREGHINO

**Authorised Signatory**

EXECUTION

Dated 19 November 2021

RIBBON HEATHROW ARIEL LIMITED

(the Grantor)

and

METRO BANK PLC

(the Bank)

---

SECURITY INTEREST AGREEMENT

relating to shares issued by R. HEATHROW ARIEL PROPCO LIMITED

---

HATSTONE

[www.hatstone.com](http://www.hatstone.com)

## TABLE OF CONTENTS

<b>1.</b>	<b>OPERATIVE PROVISIONS.....</b>	<b>1</b>
1.1	Definitions and interpretation.....	1
1.2	Construction.....	3
1.3	Facility Document.....	5
<b>2.</b>	<b>COVENANT TO PAY .....</b>	<b>5</b>
2.1	Covenant to pay .....	5
<b>3.</b>	<b>CREATION OF SECURITY INTEREST.....</b>	<b>5</b>
3.1	General .....	5
3.2	Attachment.....	5
3.3	Value given .....	5
3.4	Assignment .....	5
3.5	Priority.....	6
3.6	Registration .....	6
3.7	Control of Securities .....	6
3.8	Control of Additional Securities.....	7
3.9	Transfer of title .....	7
3.10	Transfer of Collateral to the Bank.....	7
<b>4.</b>	<b>PERFECTION OF SECURITY INTEREST.....</b>	<b>7</b>
4.1	Means of perfection.....	7
4.2	Perfection of Security Interest by way of possession .....	8
<b>5.</b>	<b>REPRESENTATIONS AND WARRANTIES .....</b>	<b>8</b>
5.1	The Collateral.....	8
5.2	This Agreement .....	9
5.3	The Grantor .....	9
5.4	Times when representations made .....	11
<b>6.</b>	<b>UNDERTAKINGS .....</b>	<b>11</b>
6.1	Grantor.....	12
6.2	General undertakings .....	13
<b>7.</b>	<b>PAYMENT AND VOTING RIGHTS.....</b>	<b>13</b>
7.1	General .....	13
7.2	Voting rights prior to the occurrence of an Event of Default .....	14
7.3	Voting rights on and after the occurrence of an Event of Default.....	14
7.4	Payment rights prior to the occurrence of an Event of Default.....	14
7.5	Payment rights on and after the occurrence of an Event of Default.....	14
7.6	Dealings.....	14
7.7	Further Assurance .....	15
<b>8.</b>	<b>EVENTS OF DEFAULT AND POWER OF ENFORCEMENT BY THE BANK .....</b>	<b>15</b>
8.1	Events of Default .....	15
8.2	When security enforceable .....	15
8.3	Powers .....	15
8.4	Exercise of power of sale .....	15
8.5	Notice of appropriation or sale of Collateral .....	16
8.6	Statement of account.....	16
8.7	Distribution of surplus .....	16
8.8	Payment of surplus into Court.....	17
8.9	Protection of Bank .....	17
8.10	No restriction on enforcement .....	17
8.11	Credit for value or proceeds realised .....	17
<b>9.</b>	<b>POWER OF ATTORNEY.....</b>	<b>17</b>

9.1	Power of attorney .....	17
9.2	Exercise of power is evidence of right to exercise.....	18
9.3	When power of attorney takes effect.....	18
9.4	Ratification.....	18
10.	<b>MISCELLANEOUS</b> .....	18
10.1	Exercise of rights, etc. ....	18
10.2	No obligation to fulfil Grantor's obligations, enquire, claim or collect .....	19
10.3	Currency conversion .....	19
10.4	No enquiry by person dealing with Bank.....	19
10.5	Severability.....	19
10.6	No set-off or deductions .....	19
10.7	Remedies and waivers .....	20
10.8	Possession of certificates of title .....	20
10.9	Grantor waivers.....	20
11.	<b>PRESERVATION OF SECURITY, ETC.</b> .....	20
11.1	Continuing security .....	20
11.2	Reinstatement .....	20
11.3	Specific waiver of customary law rights .....	21
11.4	Grantor intent .....	21
11.5	Appropriations .....	21
11.6	Further advances.....	21
11.7	Additional security .....	22
11.8	Change demands .....	22
12.	<b>SET-OFF</b> .....	22
13.	<b>CHANGES TO THE PARTIES</b> .....	22
13.1	No Assignment by Grantor .....	22
13.2	Assignment by Bank.....	22
13.3	Financing change statement.....	22
14.	<b>ENFORCEMENT COSTS AND INDEMNITIES</b> .....	22
14.1	Indemnities for costs and expenses .....	22
14.2	Enforcement indemnity .....	23
15.	<b>RELEASE</b> .....	23
15.1	Release of Collateral .....	23
15.2	Financing change statement.....	23
16.	<b>NOTICES</b> .....	23
16.1	General .....	23
16.2	In writing .....	23
17.	<b>COUNTERPARTS</b> .....	24
18.	<b>JURISDICTION AND WAIVER OF IMMUNITY</b> .....	24
18.1	Jurisdiction.....	24
18.2	Waiver of immunity .....	24
	<b>SCHEDULE 1 - SECURITIES</b> .....	25
	<b>SCHEDULE 2 - FORM OF NOTICE</b> .....	26
	<b>SIGNATURE PAGE</b> .....	27
	<b>SCHEDULE 3 - FORM OF ACKNOWLEDGMENT</b> .....	28
	<b>SIGNATURE PAGE</b> .....	29
	<b>SIGNATURE PAGE</b> .....	30

THIS AGREEMENT is made on 19 November 2021

**BETWEEN:**

- (1) **RIBBON HEATHROW ARIEL LIMITED**, a private company incorporated in England & Wales with registered number 10634305 and whose registered office is at Holiday Inn London Heathrow M4 J4, Sipson Road, West Drayton, England, UB7 0JU (as Grantor); and
- (2) **METRO BANK PLC**, a public limited company incorporated in England & Wales, with registered number 06419578 and whose registered office is at One, Southampton Row, London, England, WC1B 5HA (the Bank).

**RECITALS**

- (A) In connection with the acquisition (Acquisition) of the entire issued share capital of Ribbon Heathrow Ariel Limited by Metalic Limited (the Buyer) from Ribbon Acquisition Limited (the Seller) certain funding arrangements will be made pursuant to the terms of the Loan Agreement (as defined below).
- (B) The Buyer has entered into a Loan Agreement between (1) the Bank (as lender) and (2) the Buyer pursuant to which the Bank has agreed to make available to the Buyer (subject to the terms of the Loan Agreement) certain facilities in connection with the Acquisition.
- (C) The Grantor has a subsidiary company, R. Heathrow Ariel PropCo Limited (the Company) and the Grantor and the Company are each required to be a party to security documents in connection with the Loan Agreement.
- (D) It is a condition of the Loan Agreement that the Grantor enter into this Agreement for the purposes of creating a first priority security interest under the Security Law over, amongst other things, the entire issued share capital of the Company in favour of the Bank.
- (E) This Agreement includes the terms of and constitutes a "security interest agreement" in accordance with the provisions of the Security Law.

**1. OPERATIVE PROVISIONS**

**1.1 Definitions and interpretation**

In this Agreement (including the Recitals and Schedules):

- (a) words and expressions will, **except** where the context otherwise requires, have the meanings given to them in the Loan Agreement; and
- (b) the following expressions will, where the context permits, have the following meanings:

**Additional Securities** means any other investment securities of the Company issued to, transferred to or otherwise acquired by the Grantor at any time after the execution of this Agreement (including the Related Rights).

**Business Day** means a day other than a Saturday or Sunday on which banks are open for business in London and Jersey.

**Buyer** means Metalic Limited incorporated and registered in England and Wales with registered number 08601674 whose registered office is at 112 Commercial Road, London, E1 1NU.



**Collateral** means the Securities and the Related Rights deriving from the Securities and any Proceeds thereof in which the Grantor has, or after the execution of this Agreement acquires, rights.

**Companies Law** means the Companies (Jersey) Law 1991.

**Company** means R.HEATHROW ARIEL PROPCO LIMITED, a private par value company incorporated in Jersey with registered number 128757 and having its registered office address at 22 Grenville Street St Helier, Jersey JE4 8PX.

**Court** means the Royal Court of Jersey.

**Event of Default** means any of the events set out in Clause 8.

**Finance Documents** has the meaning given to it in the Loan Agreement.

**Jersey Security Interest** means the security interests granted and created pursuant to this Agreement.

**Loan Agreement** means the the Key Terms, any Special Terms and the Standard Terms, each as set out and defined in the loan agreement dated 26 October 2021, between the Bank and the Buyer (as borrower).

**Notice of Event of Default** means a notice given in accordance with Clause 8.2(b).

**Order** means the Security Interests (Registration and Miscellaneous Provisions) (Jersey) Order 2013.

**Potential Event of Default** has the meaning given to it in the Loan Agreement.

**Proceeds** means any proceeds (as defined in the Security Law) derived directly or indirectly from a dealing with the Securities or from a dealing with the proceeds of such Securities.

**Register** means the register of members of the Company.

**Related Rights** means all rights of the Grantor relating to the Securities including:

- (a) interest, dividends and other income (whether in cash or otherwise) paid or payable in relation to any Securities;
- (b) rights, moneys, security and other property that accrues or arises at any time (including by way of bonus issue, conversion, exchange, preference, repurchase, redemption, reduction of capital, substitution or by way of option, warrant or otherwise) in relation to any Securities; and
- (c) rights in relation to any subscription agreement relating to any Securities.

**Secured Liabilities** means means all or any monies and liabilities which are for the time being and from time to time (and whether on or at any time after demand) due, owing or payable, or expressed to be due, owing or payable, in whatsoever manner to the Bank by the Grantor, whether actually or contingently, solely or jointly and whether as principal or surety, together with Interest and Expenses and all other charges or commission which the Bank may charge or incur in respect of any of those matters.

**Securities** means the entire share capital issued by the Company identified in Schedule 1 (including the Related Rights) and any Additional Securities.

**Security Interest** means any security interest, mortgage, charge, pledge, lien, assignment, hypothecation or any other encumbrance or other security interest securing any obligation

of any person or any other agreement or arrangement having a similar effect and will include the Jersey Security Interest.

**Security Law** means the Security Interests (Jersey) Law 2012.

**Security Period** means the period beginning on the date of this Agreement and ending on the date on which the Bank is satisfied that all Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of arising.

**SIR** means the security interest register maintained pursuant to Part 8 of the Security Law.

**Transfer Form** means, in respect of any Collateral or part of it, an instrument of transfer duly signed by or on behalf of the Grantor, with the identity of the transferee and the date not completed and in a form which:

- (a) complies in all respects with the constitution of that Collateral and all the laws applying to a transfer of the Collateral; and
- (b) is sufficient to enable the Bank (or its delegate or a purchaser of the Collateral) to acquire title to the Collateral.

## 1.2 Construction

In this Agreement, except where the context requires otherwise, a reference to:

- (a) **after-acquired property, attach, control, events of default, financing exchange statement, financing statement, further advance, investment security, perfect, possession, proceeds, receivable, securities, security agreement, transfer, value, and writing** has the meaning given to it in the Security Law;
- (b) **bankruptcy**, or a person becoming **bankrupt**, include the occurrence of any of the events referred to in Article 8 of the Interpretation (Jersey) Law 1954 and will include any other state of bankruptcy, insolvency, insolvent winding up, administration, receivership, administrative receivership, liquidation or similar status or analogous procedure or proceedings under the laws of any jurisdiction;
- (c) a **certified copy** of a document is a reference to it being certified by someone acceptable to the Bank as being true, complete and up-to-date as at the date it is delivered;
- (d) **Collateral** includes a reference to all or any part or item of it and includes any after-acquired property;
- (e) the **constitutional documents** of an entity include its certificate(s) of incorporation and memorandum and articles of association, and where the entity is the trustee of a trust, the trust instrument establishing the relevant trust and, in any such case, any other analogous documents specified by the Bank;
- (f) a **delegate** of any person includes a reference to any agent, attorney, employee, director, representative, nominee or trustee of that person (and, in the case of the Bank, also includes a reference to any delegate, agent, attorney or co-trustee approved by the Bank) but does not include the Grantor or a person acting on behalf of the Grantor);
- (g) an act, matter or thing being in or at the discretion of the Bank or a delegate of the Bank will be construed as references to such act, matter or thing being in or at the **reasonable discretion** of such person which discretion may be exercised without

preference to the interests of the Grantor or any other person and without the consent of the Grantor or any other person;

- (h) **to dispose** means to assign, declare a trust, grant an option, lease, license, sell, surrender, transfer, part with possession of or otherwise dispose of, whether voluntarily or involuntarily (and **disposal** will be construed accordingly);
- (i) **distribution** includes any distribution of income, return of capital or any other payment;
- (j) **including** are references to **including, without limitation**, and references to **include** or **includes** will be construed accordingly;
- (k) a **Potential Event of Default** (other than an Event of Default) is **continuing** if it has not been remedied or waived and an **Event of Default** is **continuing** if it has not been waived;
- (l) a **power of enforcement** is a reference to a power of enforcement under this Agreement and/or the Security Law;
- (m) **to property** includes any present or after-acquired property and any proceeds, revenue or right under or derived from that property;
- (n) a **right** includes authority, benefit, claim, consent, discretion, interest, power, right or remedy and a reference to **rights** includes having an interest in property (including a legal or beneficial interest) and the power to grant rights in property;
- (o) a **Clause, paragraph** or a **Schedule** is a reference to a clause, paragraph or schedule of this Agreement and form part of this Agreement and will have the same force and effect as if they were expressly set out in the body of this Agreement;
- (p) **to this Agreement** or to any agreement or document referred to in this Agreement (or to any provision thereof) includes all amendments (including any relating to further advances) as replaced, varied, supplemented, restated or novated from time to time;
- (q) a **regulation** or a **law** (or any provision of it) is a reference to it as the same may have been or may be amended, modified, replaced, extended, consolidated or re-enacted from time to time and includes any subordinate legislation made under it, any rule, official directive, request, statute or guideline (whether or not having the force of law) of any governmental or intergovernmental, intergovernmental or supranational body, department, agency or of any other regulatory, self-regulatory or other organisation or authority;
- (r) words in the singular include the plural and vice versa and a gender includes all genders;
- (s) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (t) the grantor is the Grantor, the secured party is the Bank and this Agreement is a security agreement for the purposes of the Security Law;
- (u) a **person** includes any individual, partnership, corporation, unincorporated association, government agency or other body or entity whether or not having separate legal personality (including such person acting in its capacity as partner, trustee or nominee or in any other capacity whatsoever);
- (v) the **Bank** include its successors, assignors and transferees and where references are made to the Bank holding title to or having possession or control of the Collateral,

such references will include any person holding title to or having possession or control of the Collateral for or on behalf of the Bank (or its delegate) whether as trustee or in some other capacity; and

- (w) **winding up** means the winding up, dissolution or striking-off a register of a person or an equivalent or analogous procedure under the law of any jurisdiction (and wound-up will be construed accordingly).

### **1.3 Facility Document**

This Agreement is a Finance Document as defined in the Loan Agreement.

## **2. COVENANT TO PAY**

### **2.1 Covenant to pay**

The Grantor will pay to the Bank the Secured Liabilities immediately on demand as and when the same are expressed to be due for payment in accordance with their respective terms.

## **3. CREATION OF SECURITY INTEREST**

### **3.1 General**

- (a) Pursuant to the Security Law, for the duration of the Security Period, the Grantor hereby:
- (i) grants to the Bank a first priority security interest in and over all its present and future rights, title and interest in the Collateral pursuant to the Security Law as a continuing security for the payment, performance and discharge of the Secured Liabilities;
  - (ii) agrees that the Bank will have control of the Collateral; and
  - (iii) assigns, by way of security, to the Bank all of the Grantor's rights, title and interest, present and future in, to and under, the Related Rights and proceeds therefrom.

### **3.2 Attachment**

The Grantor agrees that the Jersey Security Interest will attach to the Collateral in which the Grantor:

- (a) has rights when it executes this Agreement; and
- (b) acquires rights after this Agreement is executed, without the need for any specific appropriation of the property,

when it executes this Agreement or when it acquires those rights respectively.

### **3.3 Value given**

The Grantor acknowledges that value has been given in respect of this Agreement.

### **3.4 Assignment**

The Jersey Security Interest in any present and future receivables will take effect as an assignment to the Bank with a right to re-assignment at the end of the Security Period.

### 3.5 Priority

The Jersey Security Interest:

- (a) secures the irrevocable and unconditional payment and satisfaction in full of the Secured Liabilities;
- (b) constitutes a first ranking Security Interest in the Collateral; and
- (c) has the same priority in relation to all Secured Liabilities (including further advances).

### 3.6 Registration

- (a) Subject to clause 3.6(d), the Bank (acting reasonably) or its representative or agent may in its sole discretion (but will not be obliged to) at any time:
  - (i) register the Jersey Security Interest created by this Agreement under the Security Law by registration of a financing statement for any period determined by the Bank without any consent of the Grantor; and
  - (ii) register a financing change statement under the Security Law in respect of any change to the details in the financing statement (including, without limitation, any amendment, renewal or discharge of the financing statement) for any period determined by the Bank.
- (b) The Grantor will, promptly following written request from the Bank, deliver to the Bank such information and/or certified copy documents as the Bank may reasonably require for the purposes of the registration contemplated by this clause including, without limitation, a certified copy of the constitutional documents of the Grantor.
- (c) The Grantor hereby consents to the registration contemplated by this clause and waives its right to receive a copy of any verification statement in respect of such registration.
- (d) The Grantor confirms that it is not the trustee of a trust granting a security interest over trust property under this Agreement.

### 3.7 Control of Securities

The Grantor hereby undertakes to the Bank that, within 4 Business Days of the execution of this Agreement it will deliver to the Bank (or as it may direct):

- (a) all original certificates of title in respect of all Securities;
- (b) a certified copy of:
  - (i) the constitutional documents of the Company;
  - (ii) any regulatory authorisation issued in respect of the Securities; and
  - (iii) the Register, noting the Bank's security interest created pursuant to this Agreement;
- (c) execute and deliver to the Bank (or as it may direct) duly executed Transfer Forms (left undated and with the transferee left blank) in respect of the Securities.

### **3.8 Control of Additional Securities**

The Grantor undertakes to the Bank, so that the same will be continuing undertakings throughout the Security Period, that if any Additional Securities are issued to, transferred to or otherwise acquired by the Grantor, it will immediately upon acquiring such Additional Securities:

- (a) deliver, or procure delivery, to the Bank (or as it may direct):
  - (i) all original certificates of title in respect of such Additional Securities;
  - (ii) a certified copy of:
    - (1) the constitutional documents of the Company;
    - (2) any regulatory authorisation issued in respect of the Additional Securities; and
    - (3) the Register, noting the Bank's security interest over such Additional Securities created pursuant to this Agreement; and
- (b) execute and deliver, or procure the execution and delivery, to the Bank (or as it may direct) duly executed Transfer Forms (left undated and with the transferee left blank) in respect of such Additional Securities.

### **3.9 Transfer of title**

The Grantor undertakes to the Bank that, immediately upon written request from the Bank, following the occurrence of an Event of Default which is continuing, it will:

- (a) assign, transfer and/or otherwise make over to the Bank title to the Securities; and
- (b) execute and deliver to the Company a notice materially in the form set out in Schedule 2 of this Agreement in respect of the Securities and will procure that the Company executes and delivers to the Bank an acknowledgment materially in the form set out in Schedule 3 of this Agreement.

### **3.10 Transfer of Collateral to the Bank**

- (a) The Bank may at any time while an Event of Default is continuing and without exercising the power of enforcement:
  - (i) complete, date and deliver any Transfer Form; and
  - (ii) become (or cause its nominee(s) or transferee(s) to become) the registered holder of any Collateral;
- (b) Any obligation on the Grantor to deliver documents to the Bank under this Clause 3 is an obligation to deliver them to the Bank or as it may direct; and
- (c) The Grantor authorises the Bank to complete, date and deliver any document, notice, notice of assignment or Transfer Form delivered by the Grantor to the Bank under this Clause 3.

## **4. PERFECTION OF SECURITY INTEREST**

### **4.1 Means of perfection**

Each of the parties agrees for the purposes of the Security Law that the Security Interest will be perfected by:

- (a) the Bank having control of the Securities; and/or
- (b) at the option of the Bank, by the registration of a financing statement in accordance with the Security Law with the consent of the Grantor that will not be unreasonably withheld.

#### 4.2 Perfection of Security Interest by way of possession

Without prejudice to the creation of Security Interests in the Collateral pursuant to Clause 3 of this Agreement, the Bank (or its delegate) will have possession of all certificates of title to the Collateral to the intent that the Bank (but not a delegate) will pursuant to this Agreement have a security interest under the Security Law in the Collateral.

### 5. REPRESENTATIONS AND WARRANTIES

#### 5.1 The Collateral

The Grantor makes the representations and warranties set out in this Clause 5 to the Bank.

- (a) **Validly authorised and issued:** The Securities have been validly issued, are fully paid and not subject to any option to purchase, pre-emption or similar rights and constitute the entire issued share capital of the Company and the certificates of title representing them as delivered to the Bank pursuant to this Agreement are the only certificates of title in respect thereof;
- (b) **Ownership:** it is the sole registered holder of the Securities listed against its name in Schedule 1 of this Agreement and holds legal title to such Securities as trustee;
- (c) **No other security, rights nor any attachment:**
  - (i) The Collateral is not subject to any options, warranties, pre-emption or similar rights and is free from any Security Interests, registrations of any security interests over the Collateral under the Security Law and rights of set-off other than those created under this Agreement in favour of the Bank;
  - (ii) The Grantor is not aware of any person (except for the Bank pursuant to the Security Interests and Finance Documents) claiming or threatening to claim any interests or rights of lien, set-off, netting, option, cross-claim or counter-claim in respect of the Collateral and the Grantor is not aware of any circumstances which could or might give rise to any such claim or threat; and
  - (iii) This Agreement create a first priority security interest in the Collateral under the Security Law in favour of the Bank, which has attached and is perfected under the Security Law;
- (d) **Possession of Certificates of Title:** The certificates of title to the Collateral required to be delivered pursuant to Clauses 3.7 and 3.8 will when so delivered be the:
  - (i) only certificates of title to the Collateral; and
  - (ii) certificates of title in relation to all Collateral;
- (e) **No restrictions on transfer of the Collateral:** There is no restriction applicable to the Collateral or any part of it which may prohibit the transfer of title to the Collateral or any part of it and without prejudice to the foregoing;

- (i) there is no right or power including in the constitutional documents of the Company which if exercised (or not exercised) may interfere with or impede any transfer of title to the Collateral or any part of it;
- (ii) there are no conditions attaching to any consents issued to the Company or in respect of the Collateral or any part of it and there are no resolutions, agreements or arrangements which could restrict a transfer of the Collateral or any part of it (for the purposes of creating or enforcing the Security Interests created hereunder);
- (f) **Ranking:** Subject to the Legal Reservations and Perfection Requirements, the Jersey Security Interest has or will have first ranking priority and is not subject to any prior ranking or pari passu ranking Security Interest; and
- (g) **Extent:** The Securities and Additional Securities (if any) together comprise all the issued securities in the Company.

## 5.2 This Agreement

- (a) **Creation:** This Agreement creates the Security Interests it purports to create and such security interests will be recognised as first ranking rights of security in the Collateral by way of security for the Secured Liabilities and will not be liable to be avoided or otherwise set aside on a bankruptcy of the Grantor or otherwise;
- (b) **Legal validity:** Subject to the Legal Reservations and Perfection Requirements, this Agreement constitutes valid, legal and binding obligations of the Grantor and is enforceable in accordance with its terms;
- (c) **No default:** No Event of Default and, on the date of this Agreement, no Potential Event of Default is continuing or likely to result from the entry into, the performance of, or any transaction contemplated by, this Agreement;
- (d) **Non-conflict:** The entry into and performance by the Grantor of, and the transactions contemplated by, this Agreement and the granting of the Jersey Security Interest do not and will not conflict with:
  - (i) any law or regulation, or judicial or official order, applicable to it;
  - (ii) its constitutional documents; or
  - (iii) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument to the extent that such default or termination event would have a Material Adverse Effect;
- (e) **Governing law and enforcement:** Subject to the Legal Reservations, the choice of governing law of this Agreement and any judgment obtained in relation to this Agreement, will, subject to the Legal Reservations, be recognised and enforced in the Relevant Jurisdiction of the Grantor; and
- (f) **Deduction of Tax:** The Grantor will not be required to make any deduction for or on account of Tax from any payment it may make under this Agreement to the Bank.

## 5.3 The Grantor

The Grantor hereby represents and warrants to the Bank that:



- (a) **Status:** it is a private company, duly incorporated and validly existing under the law of its jurisdiction of incorporation;
- (b) **Power:** it has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of this Agreement and the transactions contemplated by this Agreement;
- (c) **Bankruptcy:** it has not been declared bankrupt or suffered or instituted similar proceedings, nor has it committed any act indicative of insolvency under the laws of any jurisdiction or had any judgment made against it in any court of law or arbitration, and no one has threatened or commenced bankruptcy proceedings against it;
- (d) **Power of attorney:** it has not granted any power of attorney in respect of the exercise of any rights or powers in connection with the Securities, other than to the Bank;
- (e) **Change of name:** it:
  - (i) has disclosed in writing its current full name and all of his previous full names (if any) to the Bank and all such names are correctly spelt as they appear in the constitutional documents; and
  - (ii) is not, at the date of this Agreement, in the process of changing its name;
- (f) **Trust:** it is not the trustee(s) of a trust granting a security interest over trust property under this Agreement;
- (g) **No proceedings pending or threatened:** No litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency which if adversely determined would reasonably be expected to have a Material Adverse Effect have (so far as it is aware) been started or threatened against the Grantor;
- (h) **No breach of laws:** The Grantor has not been in breach of any law or regulation which breach has or is likely to have a Material Adverse Effect;
- (i) **Environmental laws:** No Environmental Claim has been commenced or, so far as it is aware, is threatened against the Grantor, where that claim would reasonably be expected, if adversely determined, to have a Material Adverse Effect;
- (j) **No filing or stamp taxes:**

Under Jersey law it is not necessary that this Agreement be filed, recorded or enrolled with any court or other authority in Jersey or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents except submitting an on-line financing statement in relation to this Agreement on the SIR and payment of associated fees which will be made and paid on or before the date of this Agreement;
- (k) **No misleading information:**

- (i) To the best of its knowledge and belief (having made due and careful enquiry), all written factual information provided by the Grantor for the purposes of the Reports or otherwise in connection with this Agreement was true and accurate in all material respects as at the date it was provided or as at any date at which it is expressed to be given;
  - (ii) Any expressions of opinion or intention provided by or on behalf of the Grantor for the purposes of the information referred to in clause 5.3(k)(i) were made after careful consideration and were fair and based on reasonable grounds;
  - (iii) To the best of its knowledge and belief (having made due and careful enquiry), no event or circumstance has occurred or arisen and no information has been omitted for the purposes of the information referred to in clause 5.3(k)(i) and no information has been given or withheld that results in the information, opinions, intentions, forecasts or projections contained in the information referred to in clause 5.3(k)(i) being untrue or misleading in any material respect;
- (l) **Taxation:** The Grantor is not overdue in the filing of any Tax returns or overdue in the payment of any amount in respect of Tax unless:
- (i) such payment is being contested in good faith; adequate reserves are being maintained for those Taxes and such payment can be lawfully withheld and failure to pay those Taxes does not have or is not reasonably likely to have a Material Adverse Effect; and
  - (ii) no claims or investigations are being, or so far as it is aware are likely to be, made or conducted against the Grantor with respect to Taxes such that a liability of, or claim against the Grantor is likely to arise;
- (m) **Notification of default:**
- (i) The Grantor will notify the Bank of any Potential Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.
  - (ii) Promptly upon a request by the Bank, the Grantor shall supply to the Bank a certificate signed by two of its directors certifying that no Potential Event of Default is continuing (or if a Potential Event of Default is continuing, specifying the Potential Event of Default and the steps, if any, being taken to remedy it).

#### 5.4 Times when representations made

- (a) The Grantor makes each representation in this Clause 5 on the date of this Agreement and shall be deemed to be repeated on each Payment Date and each Drawdown Date, in each case with reference to the facts and circumstances then subsisting as if made at each such time.
- (b) Each representation or warranty deemed to be made after the date of this Agreement will be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

#### 6. UNDERTAKINGS

## 6.1 Grantor

The Grantor undertakes to the Bank that:

- (a) **Ownership:** subject only to the Jersey Security Interest, it will remain the sole legal owner of all the Collateral;
- (b) **Calls and other obligations:** it will pay all calls or other payments to be made or becoming due (but in any event, on or before their due date) and immediately discharge any lien which may arise in respect of the Collateral or any part of it and will remain liable to observe and perform all other obligations in respect of the Collateral or any part of it;
- (c) **Negative pledge:** it will not (or will not agree to);
  - (i) create or permit to subsist any Security over; nor
  - (ii) sell, assign, factor, discount, transfer, lease, release, terminate or otherwise dispose of any of; nor
  - (iii) permit any variation, waiver or termination of the rights attaching to the whole or any part of,  
  
of the Collateral under the Security Law (other than registration of the Jersey Security Interest in favour of the Bank or unless permitted under the Loan Agreement;
- (d) **Disposals and dealings:** it will not enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary for any Disposal of all or any part of the Collateral other than the Security Interests applying to or affecting the Collateral, without the prior written consent of the Bank (not to be unreasonably withheld or delayed) other than in the ordinary course of trading and if permitted under a Security Document other than as expressly permitted under the terms of the Finance Documents or with the prior written consent of the Bank;
- (e) **Loss:** it will not negotiate, waive or settle any claim for loss, damage or other compensation affecting the Collateral or any part thereof;
- (f) **Security Interests:** it will not do or cause or permit to be done (or omit to do or omit to cause or permit to be done), **except** where expressly permitted by the terms of the Finance Documents or otherwise permitted in writing by the Bank, anything which may adversely affect:
  - (i) the Collateral or the Security Interest created hereunder, or the value of any of them; or
  - (ii) the rights or interests of the Bank hereunder including the ability of the Bank to exercise its rights and remedies hereunder and to preserve or enforce the Security Interests created hereunder;
- (g) **Certificates of Title:** it will issue certificates of title to all Collateral, together with undated and signed stock transfer forms acceptable to the Bank, to hold pursuant to this Agreement;
- (h) **Information:** it will disclose to the Bank such information relating to the Collateral as the Bank may require;
- (i) **Event of Default:** it will notify the Bank of any Event of Default (and the steps, if any, being taken to remedy it) immediately upon becoming aware of its occurrence;

- (j) **Collateral:** it will do everything in his power to prevent any person other than the Bank from being entitled to claim any right over the Collateral or any part thereof;
- (k) **Change of name:**
  - (i) it has given written notice to the Bank of its registered number and its current full name correctly spelt as it appears in the Grantor's current constitutional documents and it is not, at the date of this Agreement, in the process of changing its name;
  - (ii) if it proposes to change its name it will give written notice to the Bank (along with the correct spelling of the proposed new name) at least 5 Business Days before such change takes effect and a certified copy of the constitutional documents stating the Grantor's new name as soon as practicable after they are issued;
- (l) **Receipts:** if the Bank or any delegate of the Bank sells the Collateral or any part of it under or pursuant to the rights of the Bank under this Agreement or the Security Law, the Grantor will, at the request and on the direction of the Bank, deliver a valid receipt for the proceeds of sale of such Collateral to any person specified by the Bank; and
- (m) **Notify:** it will notify the Bank of any registration of a security interest in respect of the Collateral under the Security Law (other than registration of the Jersey Security Interest in favour of the Bank) or other interest of a third party in the Collateral immediately upon becoming aware of its occurrence.

## 6.2 General undertakings

The undertakings in this Clause 6 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Facility is still available to the Company.

## 7. PAYMENT AND VOTING RIGHTS

### 7.1 General

- (a) At any time when any Collateral is registered in the name of the Bank (or its delegate) the Bank is not obliged:
  - (i) to ensure that any interest, dividends, distribution or any payments in respect of such Collateral are duly and promptly paid or received by it (or its delegate); or
  - (ii) to exercise, or procure the exercise of, any voting rights granted to it under this Clause 7,
 and is not liable to the Grantor or any other person for any such exercise or failure to exercise such rights.
- (b) If any issuer of securities would, but for Article 2A(7) of the Companies Law, be regarded as a subsidiary of the Bank, rights attached to shares of the Company held by way of security under this Agreement will, apart from the right to exercise them for the purpose of preserving the value of such shares or of realising the security, be exercisable:
  - (i) only in accordance with the Grantor's instructions; or

- (ii) where such shares are held in connection with the granting of loans as part of normal business activities, only in the Grantor's interests.
- (c) The Bank may give notice in writing to the Grantor that Clause 7.1(b) will cease to have effect for any period specified in such notice.

## **7.2 Voting rights prior to the occurrence of an Event of Default**

- (a) Notwithstanding the provisions of Clause 3, until an Event of Default which is continuing occurs, the Grantor may exercise all voting and other rights and powers in respect of the Collateral and, where the title to the Securities has been assigned, transferred or otherwise made over to the Bank, the Bank will, at the request, cost and expense of the Grantor, execute such forms of proxy as are reasonably required to allow the Grantor to exercise such rights), **provided that the Grantor will not, except with the prior written consent of the Bank, take or permit any action pursuant to such authorisation:**
  - (i) which is inconsistent with any Finance Document or which may be prejudicial to the rights and interests of the Bank;
  - (ii) that does not comply with the Finance Documents;
  - (iii) to amend the constitutional documents of the Company;
- (b) that will have a material adverse effect on the value of the Collateral or any security created under this Agreement.

## **7.3 Voting rights on and after the occurrence of an Event of Default**

At any time on and after the occurrence of an Event of Default which is continuing:

- (a) the Bank may (in its sole discretion) directly or indirectly (by instructing the Grantor to do so) exercise, refrain from exercising or disclaim any right to exercise any voting or other rights and powers attaching to the Collateral;
- (b) the Grantor will not be authorised to, and will not, give instructions or exercise any voting and other rights and powers in respect of the Collateral; and
- (c) subject to Clause 3.10, the Grantor will comply with any direction given by the Bank in relation to the exercise of voting or other rights and powers hereby irrevocably appoints the Bank to be his proxy for these purposes and authorises the Bank to complete, execute and deliver on his behalf any proxy forms that the Bank may require.

## **7.4 Payment rights prior to the occurrence of an Event of Default**

Until an Event of Default which is continuing occurs, the Grantor may receive and retain all interest, dividends, distributions and other income arising in respect of the Collateral.

## **7.5 Payment rights on and after the occurrence of an Event of Default**

On and after the occurrence of an Event of Default which is continuing, the Grantor will pay all interest, dividends, distributions and other income arising in respect of from the Collateral as directed by the Bank and, pending delivery, will hold such interest and dividends on trust for the Bank.

## **7.6 Dealings**

For the purposes of Article 24 of the Security Law, the Bank does not authorise the Grantor or any other person to deal with the Securities and any such dealing is prohibited, except as expressly provided in this Agreement.

#### **7.7 Further Assurance**

The Grantor will, at the expense and cost of the Grantor, promptly take all such actions, including executing all such documents, notices and instructions in such form as the Bank may reasonably require:

- (a) to create, perfect, protect and (if necessary) maintain the Security Interests created or intended to be created over any assets under this Agreement or for the exercise of any rights, powers and remedies of the Bank provided by or under this Agreement or by law;
- (b) to confer on the Bank security interests in or over the Jersey Security Interests; and/or
- (c) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security Interests.

### **8. EVENTS OF DEFAULT AND POWER OF ENFORCEMENT BY THE BANK**

#### **8.1 Events of Default**

There will be an Event of Default upon the occurrence of any Event of Default (as defined in the Loan Agreement).

#### **8.2 When security enforceable**

The power of enforcement in respect of the Jersey Security Interest becomes exercisable when:

- (a) an Event of Default is continuing at the time notice is served under paragraph (b); and
- (b) the Bank has served on the Grantor written notice specifying the Event of Default.

#### **8.3 Powers**

Subject to Clause 8.5, the Bank may exercise any power of enforcement set out in Article 43 of the Security Law in relation to all or any part or item of Collateral as many times as the Bank thinks fit.

#### **8.4 Exercise of power of sale**

The Bank may exercise the power of sale in any way and on such terms as it thinks fit including, but not limited to:

- (a) by auction, public tender, private sale or another method;
- (b) for cash or other valuable consideration;

- (c) that payment of all or part of the purchase price is deferred or is paid in instalments spread over any period (with or without security);
- (d) in one lot or in parcels;
- (e) whether or not in conjunction with the sale of other property;
- (f) with or without special provisions as to title; or
- (g) by sale to the Bank or any subsidiary of the Bank or any subsidiary of any holding body of the Bank.

#### **8.5 Notice of appropriation or sale of Collateral**

**Provided that** a Notice of Event of Default has been served, the Bank may exercise its power of appropriation or sale of any Collateral in accordance with Article 44 of the Security Law:

- (a) not less than 14 days after the Bank gives written notice of appropriation or sale of that Collateral on:
  - (i) any person who, 21 days before the appropriation or sale, has a registered Security Interest in the Collateral; and
  - (ii) any person (other than the Grantor) who has an interest in that Collateral and has, not less than 21 days before the appropriation or sale, given the Bank notice of that interest,

and where no person is entitled to receive such notice, the Bank may appropriate or sell the Collateral immediately; or
- (b) immediately on or after service of a Notice of Event of Default if:
  - (i) no one is entitled to receive notice of appropriation or sale of that Collateral under paragraph (a) or if the Bank and another person entitled to such notice has waived that right in writing;
  - (ii) the Collateral is a quoted investment security;
  - (iii) the Bank believes on reasonable grounds that the Collateral to be sold will decline substantially in value if it is not disposed of within 14 days after the relevant Event of Default; or
  - (iv) for any other reason, the Court orders, on an *ex parte* application that a notice of sale need not be given.

#### **8.6 Statement of account**

Within 14 days after the day on which any Collateral is appropriated or sold by the Bank, the Bank will give a written statement of account to the Grantor and any other person entitled to receive it, such statement to be prepared in accordance with Article 48 of the Security Law.

#### **8.7 Distribution of surplus**

- (a) Any proceeds of sale of the Collateral or the value of any Collateral which has been appropriated after the power of enforcement has become exercisable will be applied by the Bank in the following order:

- (i) in paying or providing for all costs and expenses incurred in, and incidental to, exercise of the power of enforcement by the Bank;
  - (ii) in or towards payment and discharge of the Secured Liabilities in such order as the Bank may in its discretion determine; and
  - (iii) in paying any surplus to the Grantor or any other person entitled to it under Article 49 of the Security Law or into the Royal Court of Jersey; and
- (b) Paragraph (a) is subject to the payment of any claim having priority over the Jersey Security Interest.

#### **8.8 Payment of surplus into Court**

The Bank may, if it thinks fit, pay any surplus referred to in Clause 8.7 into the Court in accordance with Article 50 of the Security Law.

#### **8.9 Protection of Bank**

To the extent permitted by law, neither the Bank nor any delegate will be liable for any:

- (a) conduct, delay, negligence or breach of duty in the exercise or non-exercise of any right or the performance of any obligation or duty under this Agreement in respect of the Collateral or provided by law; or
- (b) loss that results from anything referred to in Clause 8.7(a)(i).

To the extent permitted by law, in the exercise or non-exercise of the power of enforcement or any other rights under this Agreement, the Bank will not become liable to pay or discharge the liabilities or obligations of the Grantor in relation to any Collateral (for which the Grantor will remain liable).

#### **8.10 No restriction on enforcement**

The Bank is not obliged to marshal, enforce, apply, appropriate, recover or exercise any security, guarantee or other right held by it, or any moneys or property that it holds or is entitled to receive, before the power of enforcement is exercised.

#### **8.11 Credit for value or proceeds realised**

The Bank is accountable (and the Grantor is entitled to be credited) only for actual value or proceeds realised by the Bank arising from the appropriation, sale or other realisation of any Collateral by the Bank.

### **9. POWER OF ATTORNEY**

#### **9.1 Power of attorney**



- (a) As security for the performance of its obligations under this Agreement, in accordance with Article 5(2)(a) of the Powers of Attorney (Jersey) Law, 1995 (the **Powers of Attorney Law**), the Grantor hereby irrevocably and severally appoints the Bank and its delegates to be its attorney.
- (b) The attorney may, in the name of the Grantor and on its behalf and at its expense, take any action which the Grantor is obliged to take under this Agreement but has not taken following notification of its failure or which the Bank or delegate may in their absolute discretion consider appropriate in connection with the exercise of any of their rights, powers, authorities or discretions under or otherwise for the purposes of this Agreement;
- (c) The Grantor ratifies and confirms any action proper and lawful taken by any attorney under this Clause. The Grantor agrees to indemnify the attorney against all actions, claims, demands and proceedings taken or made against it and all costs, damages, expenses, liabilities and losses incurred by the attorney as a result of or in connection with anything lawfully done by it under or in connection with this power of attorney.

## 9.2 Exercise of power is evidence of right to exercise

The exercise of any power granted by this Clause 9 will be conclusive evidence of the right to exercise such power.

## 9.3 When power of attorney takes effect

The power of attorney granted by this Clause 9 will take effect upon this Agreement being duly executed by or on behalf of the Grantor.

## 9.4 Ratification

The Grantor hereby ratifies and confirms any action proper and lawful taken by any attorney under this Clause 9. The Grantor agrees to indemnify the attorney against all actions, claims, demands and proceedings taken or made against it and all costs, damages, expenses, liabilities and losses incurred by the attorney as a result of or in connection with anything lawfully done by it under or in connection with this power of attorney.

## 10. MISCELLANEOUS

### 10.1 Exercise of rights, etc.

Every right, benefit, power, discretion, authority and remedy given to or vested in the Bank by or pursuant to this Agreement will be:

- (a) in addition to and not a limitation of any and every other right, benefit, power, discretion, authority and remedy given to or vested in the Bank by or pursuant to this Agreement or any other document; and
- (b) exercisable from time to time and at any time and in any circumstances and without waiving or releasing any other right, benefit, power, discretion, authority or remedy and as often as the Bank may in its discretion deem expedient, and the Bank will **without prejudice** to its other rights and powers under this Agreement be entitled (but not bound) at any time and as often as may be necessary to take any such action as it may in its discretion think for the purpose of protecting the Security Interests.

**10.2 No obligation to fulfil Grantor's obligations, enquire, claim or collect**

The Bank is not obliged to fulfil any obligation of the Grantor or to make any payment in respect of the Collateral or any part of it, or to make any enquiry as to the nature or sufficiency of any payment received by the Bank or the Grantor in respect of the Collateral, or to present or file any claim or take any other action to collect or enforce the payment of any amount in respect of the Collateral to which the Bank or the Grantor may be entitled under the Agreement or otherwise.

**10.3 Currency conversion**

Sterling is the currency of account and payment for each and every sum at any time due from the Grantor under this Agreement.

**10.4 No enquiry by person dealing with Bank**

No person (including a purchaser) dealing with the Bank or a nominee of the Bank will be concerned to enquire (whether upon the exercise of any power granted or otherwise):

- (a) whether or not an Event of Default is continuing;
- (b) whether the Secured Liabilities have become due or payable;
- (c) whether any power which any of them is purporting to exercise has become exercisable;
- (d) as to the propriety or regularity of any action of any of them; or
- (e) how any money paid to the Bank is to be applied.

**10.5 Severability**

If at any time one or more provisions of this Agreement becomes invalid, illegal or unenforceable in under the laws of any jurisdiction, that will not affect:

- (a) the validity or enforceability in that jurisdiction of any other provision of this Agreement; or
- (b) the validity or enforceability in other jurisdictions of that or any other provision of this Agreement.

**10.6 No set-off or deductions**

- (a) The Grantor shall ensure that all payments to be made by it under this Agreement will be made without any set-off, counterclaim or other deductions.
- (b) The Grantor shall ensure that all payments to be made by it to the Bank shall be made without deduction for or on account of, and free from, any present or future Tax imposed unless the Grantor is compelled to make any such deduction or withholding by law.
- (c) The Grantor shall furnish the Bank with the original or a certified copy of any receipt evidencing payment of Taxes withheld or deducted by the Grantor in respect of any payment to the Bank.
- (d) The Grantor shall, promptly upon becoming aware, inform the Bank in writing of any deduction or withholding required by law to be made by it from a payment under this Agreement.

#### **10.7 Remedies and waivers**

No failure by the Bank to exercise, or any delay by the Bank in exercising, any right or remedy this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies by law and may be waived only in writing and specifically.

#### **10.8 Possession of certificates of title**

If the Bank (or its delegate) takes possession of any certificates of title before the execution of this Agreement, such possession will be deemed to be pursuant to this Agreement.

#### **10.9 Grantor waivers**

The Grantor irrevocably and unconditionally waives his right to:

- (a) receive notice of appropriation or sale of any Collateral; and
- (b) reinstate this Agreement under Article 54 (Entitled persons may redeem collateral; grantor may reinstate agreement) of the Security Law.

#### **11. PRESERVATION OF SECURITY, ETC.**

##### **11.1 Continuing security**

Subject to Clause 15, the Jersey Security Interest created by this Agreement is continuing security for the payment and discharge of the Secured Liabilities. The provisions of this Agreement will apply at all times:

- (a) regardless of the date on which any of the Secured Liabilities was incurred;
- (b) notwithstanding any intermediate payment or discharge; and
- (c) in respect of the full amount of the Secured Liabilities at the relevant time even if the amount of the Secured Liabilities had previously been less than that amount or had been nil at any time.

##### **11.2 Reinstatement**

- (a) If, at any time, there has been a release, settlement or discharge of the Grantor's obligations under this Agreement and, as a consequence of any bankruptcy, insolvency, liquidation or for any other reason:
  - (i) any payment made to any person in respect of any of the Secured Liabilities is required to be repaid; and/or
  - (ii) any Security (or other right) held by the Bank in respect of any of the Secured Liabilities (whether under this Agreement or otherwise) is declared void, is set aside or is otherwise affected,

then the Grantor's obligations under this Agreement will continue in effect as if there had been no such release, settlement or discharge and as if the relevant payment had not been made and/or (as applicable) the relevant obligation or Security Interests (or other right) had not been so affected; and accordingly (but without limiting the Bank's other rights under this Agreement) the Bank will be entitled to recover from the Grantor the value which the Bank has placed upon such Security (or other right) or the amount of any such payment as if such release, settlement or discharge had not occurred.

(b) This Clause 11.2 will continue to apply after this Agreement has been released.

### 11.3 Specific waiver of customary law rights

Without prejudice to the generality of any waiver granted in the Finance Documents at any time, to the extent permitted by law, the Grantor irrevocably and unconditionally waives any right it may have (by virtue of the *droit de discussion*, the *droit de division* or otherwise) of first requiring that:

(a) the Bank:

- (i) commence proceedings against any person or its property;
- (ii) claim payment from any person;
- (iii) make or file any claim or proof in a bankruptcy or dissolution of any person; or
- (iv) enforce any other right or security,

before bringing a claim against the Grantor under this Agreement or any other Finance Document; and

(b) any liability under this Agreement or any other Finance Document be divided or apportioned with any other person or reduced in any manner.

### 11.4 Grantor intent

The Grantor expressly confirms that it intends that the Jersey Security Interest created by this Agreement will extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: acquisitions of any nature; increasing working capital; enabling distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new person; any other variation or extension of the purposes for which any facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

### 11.5 Appropriations

Any appropriation by the Bank under this Agreement will override any appropriation by the Grantor.

### 11.6 Further advances

The Jersey Security Interest and the Secured Liabilities will extend to and include:

- (a) unlimited further advances made to the Grantor by the Bank (whether-or-not made under any Finance Document and whether-or-not they are in the contemplation of the Grantor or the Bank when this Agreement is executed); and
- (b) all liabilities and obligations pursuant to any Finance Document notwithstanding any assignment, transfer or amendment thereof.

**11.7 Additional security**

The Jersey Security Interests created by this Agreement are in addition to and are not in any way prejudiced by any other guarantee or security now or subsequently held by the Bank.

**11.8 Change demands**

The Grantor must not, during the Security Period, serve a demand under Article 75 (Demand for registration of financing change statement) of the Security Law for the discharge of any financing statement registered by the Bank under or in connection with this Agreement.

**12. SET-OFF**

The Bank may set off any matured obligation due from the Grantor under the Finance Documents against any matured obligation owed by the Bank to the Grantor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Bank may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

**13. CHANGES TO THE PARTIES**

**13.1 No Assignment by Grantor**

The Grantor may not assign any of its rights nor transfer or novate any of its rights or obligations under this Agreement.

**13.2 Assignment by Bank**

The Bank may assign any of its rights or transfer or novate any of its rights or obligations under this Deed in accordance with the terms of the Loan Agreement.

**13.3 Financing change statement**

If all or part of the Jersey Security Interest is transferred, the Bank or its representative may register a financing change statement to reflect the transfer without any consent of the Grantor.

**14. ENFORCEMENT COSTS AND INDEMNITIES**

**14.1 Indemnities for costs and expenses**

- (a) The Grantor shall indemnify the Bank for all costs properly and reasonably incurred and expenses (including, without limitation, legal fees, travel costs, printing costs, courier charges, and other out-of-pocket expenses) reasonably and properly incurred by the Bank in connection with:
  - (i) the negotiation, preparation, execution, implementation and properly incurred completion of this Agreement and in each case, the transactions respectively contemplated therein; and
  - (ii) responding to, evaluating, negotiating or complying with any amendment, waiver or consent made by the Grantor,

in each case, subject to any limitation in respect of these actual costs and expenses as agreed between the Bank and the Grantor.

- (b) The Grantor shall reimburse the Bank for any costs and expenses referred to in this Clause within 5 Business Days of presentation to the Grantor by the Bank of a statement of account, to be supported by copies of such documents available to the Bank which the Bank can unconditionally disclose to the Grantor and which the Bank reasonably considers relevant for the purposes of establishing any amount claimed by the Bank.

#### **14.2 Enforcement indemnity**

The Grantor agrees that in the event of a breach by the Grantor of any term of this Agreement, it shall pay within 5 Business Days of written demand all legal fees and all other actual costs, losses or expenses of the Bank, in connection with the enforcement of this Agreement or the recovery of any sum due hereunder or thereunder or the Bank's compliance with any demand for registration of a financing change statement served by the Grantor on the Bank under Article 75 of the Security Law and any proceedings instituted by or against the Bank as a consequence of taking or holding the Security Interest or enforcing these rights.

#### **15. RELEASE**

##### **15.1 Release of Collateral**

If the Bank is satisfied that all the Secured Liabilities have, been unconditionally and irrevocably paid and discharged in full and all relevant commitments of the Bank cancelled, the Bank will, at the request and cost of the Grantor, execute such documents and take such steps as may be necessary to release the Collateral from the Security Interests created by this Agreement.

##### **15.2 Financing change statement**

The Bank or its representative may file a financing change statement to reflect any partial or final release of this Agreement without the consent of the Grantor.

#### **16. NOTICES**

##### **16.1 General**

Each party agrees that Clause 21 (Notices) of the Standard Terms is incorporated into and applies to this Agreement, but as if all references in that clause to:

- (a) "Borrower" were references to "Grantor; and
- (b) "Obligor" were references to "Grantor".

##### **16.2 In writing**

The:

- (a) Grantor may serve a demand under Article 75 (Demand for registration of financing change statement) of the Security Law; and
- (b) Bank may serve notice of objection under Article 76 (Procedure where no compliance with demand) of the Security Law,

by way of the security interests register maintained by the Jersey Registrar of Companies under the Security Law but must also serve such demand or notice in accordance with clause 16.1 (other than by email).

## **17. COUNTERPARTS**

This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

## **18. JURISDICTION AND WAIVER OF IMMUNITY**

### **18.1 Jurisdiction**

This Agreement will be governed and construed in accordance with Jersey law and the Grantor irrevocably submits to the non-exclusive jurisdiction of the Jersey courts in connection with this Agreement.

Subject to any applicable law, nothing contained in this Clause 18 will limit the right of the Bank to institute proceedings against the Grantor in any other court of competent jurisdiction nor will the institution of proceedings in one or more jurisdictions preclude the institution of proceedings in any other jurisdiction whether concurrently or not.

The Grantor irrevocably and unconditionally waives any:

- (a) objection which it may have now or at any time to the commencement of any proceedings in any such court as is referred to in this Clause 18; and
- (b) claim that any such proceedings have been commenced in an inconvenient forum.

The Grantor unconditionally agrees that a judgement in any proceedings brought in any such court as is referred to in this Clause 18 will be conclusive and binding upon the Grantor and may be enforced in the court of any other jurisdiction.

### **18.2 Waiver of immunity**

The Grantor irrevocably and unconditionally:

- (a) agrees not to claim any immunity from proceedings brought by the Bank against it in connection with this Agreement and to ensure that no such claim is made on its behalf;
- (b) consents generally to the giving of any relief or the issue of any process in connection with such proceedings; and
- (c) waives all rights of immunity in respect of it or its assets.

The parties to this Agreement have caused it to be duly executed on the date stated at the beginning of this Agreement.

### Schedule 1 - Securities

The entire issued share capital of the Company which is held as follows:

Identity of shareholder	Securities
Ribbon Heathrow Ariel Limited	100 fully paid ordinary shares of GBP £1.00 each in the Company



**Schedule 2 - Form of Notice**

**TITLE SECURITY NOTICE**

**To:** R. HEATHROW ARIEL PROPCO LIMITED (the Company)  
22 Grenville Street St Helier, Jersey JE4 8PX

**From:** RIBBON HEATHROW ARIEL LIMITED (the Grantor)  
Holiday Inn London Heathrow M4 J4, Sipson Road, West Drayton, England, UB7 0JU

**And:** METRO BANK PLC (the Bank)  
One, Southampton Row, London, England, WC1B 5HA

Date: \_\_\_\_\_

We hereby give you notice that pursuant to a security interest agreement dated \_\_\_\_\_ 2021 made between the Grantor and the Bank (the **Security Interest Agreement**) the Grantor has granted to the Bank a security interest in respect of among other things, 100 fully paid ordinary shares of GBP £1.00 each in the Company (being the entire issued share capital of the Company) (including, without limitation, all rights of the Grantor relating to such securities) (the **Securities**). Under the Security Interest Agreement the Grantor has also agreed to assign, transfer and/or otherwise make over to the Bank title to the Securities.

We enclose the originals of (i) a dated and signed duly completed stock transfer form in respect of the transfer of title to the Securities to [the Bank] [name of Bank's nominee] and (ii) certificates of title in respect of the Securities.

We hereby instruct you to:

1. enter the name of [the Bank] [name of Bank's delegate] in the register of members of the Company as the holder of the Securities; and
2. issue a certificate of title to reflect such entry and deliver the same to the Bank at the address set out above.

This notice may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this notice.

Please sign and forward to the Bank at the above address the enclosed form of acknowledgement (for the attention of [name]).

This notice will be governed by and construed in accordance with the laws of Jersey.

**SIGNATURE PAGE**

**TITLE SECURITY NOTICE**

**The Grantor**

**RIBBON HEATHROW ARIEL  
LIMITED**

in the presence of:

Witness signature:

---

Witness name:

---

Witness address:

---

---

Witness occupation:

---

---

**The Bank**

**METRO BANK PLC**

acting by an authorised signatory

---

in the presence of:

Authorised Signatory

Witness signature:

---

Witness name:

---

Witness address:

---

---

---

### Schedule 3 - Form of Acknowledgment

#### TITLE SECURITY ACKNOWLEDGEMENT

**To:** RIBBON HEATHROW ARIEL LIMITED (the Grantor)  
Holiday Inn London Heathrow M4 J4, Sipson Road, West Drayton, England, UB7 0JU

**From:** METRO BANK PLC (the Bank)  
One, Southampton Row, London, England, WC1B 5HA

**And:** R. HEATHROW ARIEL PROPCO LIMITED (the Company)  
22 Grenville Street St Helier, Jersey JE4 8PX

Date: \_\_\_\_\_

We hereby acknowledge receipt of a notice dated \_\_\_\_\_ (the Notice) from the Grantor and the Bank relating to the creation of a security interest in respect of the Securities Terms defined in the Notice will have the same meaning where used herein.

We confirm that:

1. we have not, at the date hereof, received notice of any other security interest or encumbrance over any of the Securities and we hereby undertake to notify the Bank of any such notice received in the future;
2. for such time as such security interest continues, the Bank acts as Bank only and will not, **except** as required by law, be held liable by or under any obligation to the Company in respect of the Securities;
3. the names of the persons identified as the transferees of the Securities in the Notice have been entered in the register of members as the holders of the Securities and we enclose originals of the certificate of title reflecting such holding; and
4. for the purpose of the giving of notice to us, **without prejudice** to any other form of notice we agree that an email sent to [address] will be sufficient notice.

This acknowledgement will be governed by and construed in accordance with the laws of Jersey.

**SIGNATURE PAGE**

**TITLE SECURITY ACKNOWLEDGMENT**

**The Bank**

**METRO BANK PLC**

acting by an authorised signatory

in the presence of:

\_\_\_\_\_  
Authorised Signatory

Witness signature:

\_\_\_\_\_

Witness name:

\_\_\_\_\_

Witness address:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Signed for and on behalf of  
**R. HEATHROW ARIEL PROPCO LIMITED**  
(the Company)

\_\_\_\_\_  
Signature:

Print Name:

Title:

**SIGNATURE PAGE**

**SECURITY INTEREST AGREEMENT**

**relating to shares issued by R. HEATHROW ARIEL PROPCO LIMITED**

**The Grantor**

Executed as an Agreement by

**RIBBON HEATHROW ARIEL  
LIMITED**

in the presence of:

Witness signature:

\_\_\_\_\_

Witness name:

\_\_\_\_\_

Witness address:

\_\_\_\_\_

\_\_\_\_\_

Witness occupation:

\_\_\_\_\_

\_\_\_\_\_

**The Bank**

Executed as an Agreement by

**METRO BANK PLC**

acting by an authorised signatory

in the presence of:

Witness signature:



Authorised Signatory

*CHRISTINA  
PAPACHANAMBURU*

Witness name:

*CHRISTOPHER ROBERTS*

Witness address:

