



**Registration of a Charge**

Company name: **QD UK MINORITY HOLDINGS LIMITED**

Company number: **10705773**



X6FZNDBE

Received for Electronic Filing: **29/09/2017**

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**Details of Charge**

Date of creation: **26/09/2017**

Charge code: **1070 5773 0001**

Persons entitled: **HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED**

Brief description:

**Contains fixed charge(s).**

**Contains negative pledge.**

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**Authentication of Form**

This form was authorised by: **a person with an interest in the registration of the charge.**

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**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: **NINA MORENO**



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

Company number: 10705773

Charge code: 1070 5773 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 26th September 2017 and created by QD UK MINORITY HOLDINGS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 29th September 2017 .

Given at Companies House, Cardiff on 3rd October 2017

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 Version

QD UK HOLDINGS LIMITED PARTNERSHIP  
QD UK HOLDINGS GP LLP  
AND  
QD UK MINORITY HOLDINGS LIMITED  
AS THE CHARGORS  
IN FAVOUR OF  
HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED  
AS SECURITY AGENT

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SHARE/PARTNERSHIP INTEREST AND  
SUBORDINATED DEBT SECURITY AGREEMENT  
AND ASSIGNMENT OF INTER-COMPANY LOANS IN  
RELATION TO THE £664,000,000 RESTATED  
FACILITY AGREEMENT ORIGINALLY DATED 23  
JUNE 2016 FOR FINANCING THE DEVELOPMENT  
OF PHASES 1-3 OF CHELSEA BARRACKS, LONDON

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**THIS SECURITY AGREEMENT** is dated 26 September 2017 and made by way of deed

**BY:**

- (1) **QD UK HOLDINGS GP LLP**, a limited liability company registered in Scotland with registered number SO306050 as trustee for and on behalf of **QD UK HOLDINGS LIMITED PARTNERSHIP** registered as a limited partnership under the Limited Partnerships Act 1907 in Scotland with registered number SL030897, (the "**Limited Partnership**");
- (2) **QD UK HOLDINGS GP LLP**, a limited liability company registered in Scotland with registered number SO306050 (the "**Majority Shareholder**"); and
- (3) **QD UK MINORITY HOLDINGS LIMITED**, a limited liability company incorporated in England and Wales with registered number 10705773 (the "**Minority Shareholder**"),

in favour of:

- (4) **HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED** as security agent for each of the Secured Parties (acting pursuant to the provisions of, and with the benefit of the protections set out in, the Facility Agreement, the "**Security Agent**").

**IT IS AGREED** as follows:

## **1. DEFINITIONS AND INTERPRETATION**

### **1.1 Definitions**

In this Security Agreement:

**"Amendment and Restatement Agreement"** means the amendment and restatement agreement dated 26 September 2017 between, amongst others, the Borrower, the Original Guarantors, the New Guarantors, the Mandated Lead Arrangers and Bookrunners, the Facility Agent, the Co-ordinator, the Hedge Co-ordinator, the Security Agent, the Original Lenders and the Original Hedge Counterparties.

**"Assigned Loan"** means each and every sum paid or payable from time to time by an Obligor to the relevant Chargor pursuant to each Inter-company Loan Agreement and any other sum from time to time paid or payable by any Transaction Obligor to any Chargor which is the subject of English law.

**"Facility Agreement"** means the facility agreement originally dated 23 June 2016 entered into between the Company as borrower, the Original Guarantors, the Mandated Lead Arrangers and Bookrunners, the Facility Agent, the Co-ordinator, the Hedge Co-ordinator, the Security Agent, the Original Lenders and the Original Hedge Counterparties as amended and restated by the Amendment and Restatement Agreement (as amended, varied, novated or supplemented from time to time).

**"General Partner"** means QD UK Holdings GP LLP, acting as trustee for and on behalf of the Limited Partnership.

**"Inter-company Loan Agreement"** means the inter-company loan agreement dated on or about the date of this agreement between Qatari Diar UK Holdings LP acting by its general partner Qatari Diar UK Holdings GP LLP as lender and Chelsea Barracks (1-3) LP acting by its general partner Chelsea Barracks (1-3) GP LLP as borrower.

**"Investment"** means all Shares, securities, certificates of deposit and other investments, all interests in collective investment schemes and partnerships (including all general and limited partnership interests in partnerships) and all warrants, options and rights to subscribe for any investment whether held directly by or to the order of any Chargor or by any trustee, nominee, custodian, fiduciary or clearance system on its behalf (including all rights against any such trustee, nominee, custodian, fiduciary or clearance system).

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

**"Related Assets"** means all dividends, interest and other moneys payable in respect of any Investment and all other rights, benefits and proceeds in respect of or derived from any Investment (whether by way of redemption, bonus, preference, option, substitution, conversion, compensation or otherwise) held by, to the order or on behalf of, any Chargor at any time.

**"Relevant Investments"** means any Investment listed in Schedule 1 (*Relevant Investments*) and all of any Chargor's other present and future Investments in any Obligor.

**"Secured Liabilities"** means all present and future obligations and liabilities (whether actual or contingent, whether owed jointly or severally or in any other capacity whatsoever and whether originally incurred by an Obligor, another Transaction Obligor or the Sponsor) of each Transaction Obligor or the Sponsor to any Secured Party under each Finance Document.

**"Secured Party"** means a Finance Party, a Receiver or Delegate.

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

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

**"Share"** means any stock, share, debenture or other security in respect of an English entity and all Related Assets.

## **1.2 Terms defined in other Finance Documents**

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

## **1.3 Construction**

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

## **1.4 Application of provisions in Facility Agreement**

Clauses 1.4 (*Third party rights*), 14 (*Other indemnities*), 16 (*Costs and expenses*), 27.1 (*Changes to the Transaction Obligors*), 28 (*Role of the Administrative Parties and Reference Banks*), 32 (*Payment mechanics*), 34 (*Notices*), 35.1 (*Accounts*), 35.2 (*Certificates and determinations*), 39 (*Amendments and waivers*) and 44 (*Enforcement*) of the Facility Agreement are deemed to form part of this Security Agreement as if expressly incorporated into it and as if all references in those clauses to the Facility Agreement were references to this Security Agreement.

## **1.5 Present and future assets**

- (a) A reference in this Security Agreement to any Investment, Security Asset or other asset includes, unless the contrary intention appears, present and future Investment, Security Assets or other assets.
- (b) The absence of or incomplete details of any Security Assets in any Schedule shall not affect the validity or enforceability of any Security under this Security Agreement.

## **1.6 Disposition of Property**

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

## **1.7 Fixed Security**

Clauses 2.1 (*Fixed Charge over Investments*) and 2.2 (*Assignment of Loans*) shall be construed as creating a separate and distinct mortgage, fixed charge or assignment by way of security over each relevant asset within any particular class of assets defined under this Security Agreement and the failure to create an effective mortgage, fixed

charge or assignment by way of security (whether arising out of this Security Agreement or any act or omission by any party) on any one asset shall not affect the nature of any mortgage, fixed charge or assignment imposed on any other asset whether within that same class of assets or not.

**1.8 No obligation**

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

**2. FIXED SECURITY**

**2.1 Fixed charge over Investments**

Each Chargor charges with full title guarantee in favour of the Security Agent (as security agent for the Secured Parties), with the payment and discharge of all the Secured Liabilities, by way of first fixed charge the Relevant Investments and Related Assets.

**2.2 Assignment of loans**

Each Chargor assigns absolutely and with full title guarantee to the Security Agent (as security agent for the Secured Parties) all of its right, title and interest from time to time in, under and to the Assigned Loans, together with all present and future claims, causes of action, payments and proceeds in respect thereof.

**3. PROVISIONS AS TO SECURITY AND PERFECTION**

**3.1 Negative pledge and restriction on dealings**

Except where agreed in writing by the Security Agent or as permitted under the Finance Documents, no Chargor will at any time during the Security Period create or permit to subsist any Security over all or any part of the Security Assets or dispose of or otherwise deal with any part of the Security Assets.

**3.2 Implied covenants for title**

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

**3.3 Delivery of Investment Certificates**

Each Chargor shall:



- (a) on the date of this Security Agreement, deposit with the Security Agent (or procure the deposit of) all certificates or other documents of title (if any) to the Relevant Investment and stock transfer forms (executed in blank by it or on its behalf); and
- (b) promptly upon the accrual, offer or issue of any stocks, shares, partnership interests, warrants or other securities in respect of or derived from the Relevant Investment (or upon acquiring any interest therein), notify the Security Agent of that occurrence and procure the delivery to the Security Agent of (a) all certificates or other documents (if any) of title representing such items and (b) such stock transfer forms or other instruments of transfer (executed in blank by it or on its behalf) in respect thereof as the Security Agent may request.

### **3.4 Deposit of title deeds**

Unless held by or required to be delivered to any holder of a Security ranking in priority to that of the Security Agent, each Chargor will:

- (a) immediately upon the execution of this Security Agreement (and upon the acquisition by it of any interest in any Security Asset at any time) deposit (or procure the deposit) with the Security Agent all deeds, certificates, instruments of transfer and other documents (if any) constituting or evidencing title to the Security Assets; and
- (b) deposit with the Security Agent at any time thereafter any further such deeds, certificates and other documents (if any), promptly upon coming into possession of any of those items.

### **3.5 Further advances**

Subject to the terms of the Facility Agreement, each Lender is under an obligation to make further advances to each Chargor and that obligation will be deemed to be incorporated in this Security Agreement as if set out in this Security Agreement.

### **3.6 Assigned Loans**

- (a) No Chargor shall take, or omit to take, any action which might result in:
  - (i) the alteration or impairment of any rights in the Assigned Loans; or
  - (ii) any default of any of its obligations under any Inter-company Loan Agreement or in respect of any Assigned Loan; or
  - (iii) any right to terminate any Inter-company Loan Agreement or any Assigned Loan becoming exercisable by any other party to that agreement; or
  - (iv) any counterclaims or rights of set-off arising under any Inter-company Loan Agreement or any Assigned Loan.

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

### **3.7 Acknowledgement of Security**

The Majority Shareholder, by its execution of this Security Agreement, in its capacity as the general partner of the Limited Partnership, consents to, and acknowledges, notice of the security created by this Security Agreement on behalf of the Limited Partnership.

### **3.8 No partnership or transfer of interests**

- (a) The Parties to this Security Agreement acknowledge and agree that:
  - (i) no Chargor is (either separately or jointly) in partnership with the Security Agent or any of the Finance Parties or any Receiver or Delegate or other person appointed for that purpose and that no provision of this Security Agreement shall be construed as creating a partnership;
  - (ii) no Finance Party or any Receiver or Delegate or other person appointed for that purpose assumes, nor shall be obliged to perform, any obligations of the Chargors and nothing in this Security Agreement shall be construed so as to transfer any such obligation to a Finance Party or any Receiver or Delegate or other person appointed for that purpose; and
  - (iii) the Security Agent is not and no Finance Party shall be liable in any way to indemnify any Chargor or otherwise reimburse any Chargor in respect of the Security Assets or any Chargor's position as a partner of the Limited Partnership.

## **4. FURTHER ASSURANCE**

### **4.1 Further assurance**

- (a) The covenant set out in Section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in paragraph (b) below.
- (b) Each Chargor shall promptly, at its own cost, take all such action (including filings, registrations and notarisations) and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may specify (and in such form as the Security Agent may require) in favour of the Security Agent or its nominee(s) to:
  - (i) create, perfect, protect and/or maintain the Security created or intended to be created in respect of the Security Assets in accordance with the rights vested in it under this Security Agreement (which may include the execution by that Chargor of a mortgage, charge, security interest

or assignment over all or any of the assets constituting, or intended to constitute, Security Assets) or for the exercise of any of the rights, powers and remedies of the Security Agent or the Finance Parties provided by or pursuant to this Security Agreement or by law;

- (ii) giving notice by each Chargor of any notice of assignment;
- (iii) confer on the Security Agent Security over any asset or undertaking of that Chargor located in any jurisdiction outside England and Wales equivalent or similar to the security intended to be conferred by or pursuant to this Security Agreement; and/or
- (iv) facilitate the realisation of the Security Assets.

## **5. INVESTMENTS**

### **5.1 Investments: Voting rights and dividends prior to an Event of Default**

- (a) Prior to the occurrence of an Event of Default, the relevant Chargor shall be entitled to receive all dividends, interest and other moneys arising from the Relevant Investments and, subject to paragraph (b) below, shall be entitled to exercise its voting rights in relation thereto.
- (b) No Chargor shall exercise (and shall procure that any nominee acting on its behalf does not exercise) its voting rights in relation to the Investments in any manner, or otherwise permit or agree to or concur or participate in any:
  - (i) variation of the rights attaching to or conferred by all or any part of the Relevant Investments;
  - (ii) increase in the issued share capital of any company whose shares are charged pursuant to this Security Agreement;
  - (iii) exercise, renunciation or assignment of any right to subscribe for any shares or securities; or
  - (iv) reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence thereof), in relation to any company whose shares or partnership interests or other securities are included in the Relevant Investments,

which could prejudice the value of, or the ability of the Security Agent to realise, the security created by this Security Agreement provided that the proceeds of any such action shall form part of the Relevant Investment.

### **5.2 Investments: Voting rights and dividends after an Event of Default**

Upon the occurrence of an Event of Default, the Security Agent may, at its discretion, (in the name of the Chargor or otherwise and without any further consent or authority from the Chargor):

- (a) exercise (or refrain from exercising) any voting rights in respect of the Relevant Investment;
- (b) apply all dividends, interest and other moneys arising from the Relevant Investment in accordance with Clause 12 (*Application of moneys*);
- (c) transfer the Relevant Investment into the name of such nominee(s) of the Security Agent as it shall require; and
- (d) exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Relevant Investment, including the right, in relation to any company or limited partnership whose shares, partnership interests or other securities are included in the Relevant Investment, to concur or participate in:
  - (i) the reconstruction, amalgamation, sale or other disposal of such company or limited partnership or any of its assets or undertaking (including the exchange, conversion or reissue of any shares, partnership interests or securities as a consequence thereof);
  - (ii) the release, modification or variation of any rights or liabilities attaching to such shares, partnership interests or securities; and
  - (iii) the exercise, renunciation or assignment of any right to subscribe for any shares, partnership interests or securities,

in each case in the manner and on the terms the Security Agent thinks fit, and the proceeds of any such action shall form part of the Relevant Investment.

### **5.3 Investments: Payment of calls**

The relevant Chargor shall pay when due all calls or other payments which may be or may become due in respect of any of the Investments, and in any case of default by it in such payment:

- (a) the relevant Chargor shall pay to the Security Agent any such amount due of all calls or other payments which may be or may become due in respect of any of the Investments; and
- (b) the Security Agent may, if it thinks fit, make such payment on its behalf in which case any sums paid by the Security Agent shall be reimbursed by each Chargor to the Security Agent on demand and shall carry interest from the date of payment by the Security Agent until reimbursed at the rate from time to time applicable to unpaid sums specified in the Finance Documents.

### **5.4 Investments: PSC notices**

Each Chargor shall:

- (a) within the relevant timeframe, comply with any notice it receives pursuant to Part 21A of the Companies Act 2006 from the issuer of any Relevant Investment; and

- (b) promptly provide the Security Agent with a copy of any such notice.

#### 5.5 **Investments: Exercise of rights**

No Chargor shall exercise any of its rights and powers in relation to any of the Investments in any manner which would prejudice the value of, or the ability of the Security Agent to realise, the Security created pursuant to this Security Agreement.

### 6. **REPRESENTATIONS**

Each Chargor makes the representations and warranties set out in this Clause 6 (*Representations*) to each Secured Party.

#### 6.1 **Status**

- (a) the Limited Partnership is a duly registered and validly existing limited partnership under the Limited Partnerships Act 1907 in Scotland with its principal place of business in Scotland.
- (b) the Majority Shareholder is a duly established and validly existing limited liability partnership under the law of Scotland.
- (c) the Minority Shareholder is a limited liability corporation, duly incorporated and validly existing under the law of England and Wales.
- (d) Each Chargor has the power to own its assets and carry on its business as it is being conducted.

#### 6.2 **Centre of Main Interests**

For the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (the "**Regulation**"), its centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in its Original Jurisdiction and it has no "establishment" (as that term is used in Article 2(h) of the Regulations) in any other jurisdiction.

#### 6.3 **Binding obligations**

- (a) The obligations expressed to be assumed by it in this Security Agreement are subject to the Legal Reservations:
  - (i) legal, valid, binding and enforceable obligations; and
  - (ii) create a first ranking security interest over the Relevant Investment and the Assigned Loans.

#### 6.4 **Non-conflict with other obligations**

The entry into and performance by it of, and the transactions contemplated by, this Security Agreement do not and will not:

- (a) conflict with:

- (i) subject to the Legal Reservations, any law or regulation applicable to it;
  - (ii) its constitutional document or, as the case may be, partnership agreement;
  - (iii) any agreement or instrument binding upon it or any of Security Assets or constitute a default or termination event (however described) under any such agreement or instrument in each case to an extent which would reasonably be expected to have a Material Adverse Effect; or
- (b) result in the existence of, or oblige it to create, any Security over any of Security Assets other than as permitted under Clause 3.1 (*Restriction on dealings*)

#### **6.5 Power and authority**

- (a) 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 Security Agreement and the transactions contemplated by this Security Agreement.
- (b) The General Partner has the power and capacity to grant security on behalf of the Limited Partnership.

#### **6.6 Ownership of Security Assets**

It is the sole owner of its interest in the Security Assets free and clear of all security interests except as created by this Security Agreement. It has not sold or disposed of or granted any option to purchase, pre-emption rights or other similar rights in respect of any of its right, title and interest in the Security Assets (other than as permitted under the Finance Documents). None of the Security Assets are subject to any pre-emption rights or other restrictions upon disposal which would operate to restrict in any way their disposal by the Security Agent should it come to enforce its security contained in this Security Agreement. All of the Relevant Investments are validly issued and fully paid.

#### **6.7 PSC Register**

No "warning notice" or "restrictions notice" (both as defined in paragraph 1(2) of Schedule 1B of the Companies Act 2006) has been issued to, and remains in effect in respect of the General Partner.

#### **6.8 Inter-company Loan**

Each Inter-company Loan Agreement is in full force and effect, enforceable in accordance with its terms and, as at the date of this Security Agreement, no party to such Inter-company Loan Agreement is in breach of any material term or condition of that agreement. There are no restrictions on the relevant Chargor's ability to assign or charge the Assigned Loans, whether contained in the Inter-company Loan Agreement or in any other document.

## 6.9 **Validity and admissibility in evidence**

- (a) All Authorisations required or reasonably desirable:
  - (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations under this Security Agreement; and
  - (ii) to make this Security Agreement admissible in evidence in its jurisdiction of incorporation,have been obtained or effected and are in full force and effect.
- (b) All Authorisations necessary for the conduct of the business, trade and ordinary activities of the Chargors have been obtained or effected and are in full force and effect if failure to obtain or effect or maintain in full force and effect those Authorisations has or is reasonably likely to have a Material Adverse Effect.

## 6.10 **Choice of law**

Subject to the Legal Reservations:

- (a) The choice of English law subject to the Legal Reservations as the governing law of this Security Agreement shall be recognised and enforced in its jurisdiction of incorporation.
- (b) Any judgement obtained in England in relation to this Security Agreement shall be recognised and enforced in its jurisdiction of incorporation.

## 6.11 **Repetition**

The representations set out in this Clause 8 are made and shall thereafter deemed to be repeated by each Chargor then existing on the date of this Security Agreement the date of each Utilisation Request, on each Utilisation Date and on each Interest Payment Date.

## 7. **UNDERTAKINGS**

The undertakings in this Clause 9 (*Undertakings*) remain in force for the duration of the Security Period.

### 7.1 **Authorisations**

Each Chargor shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) supply certified copies to the Security Agent of,  
  
any Authorisation required under any law or regulation of a Relevant Jurisdiction to:

- (i) enable it to perform its obligations under this Security Agreement and to ensure the legality, validity, enforceability or admissibility in evidence of this Security Agreement; or
- (ii) own its assets and carry on its business as it is being conducted.

## **7.2 Compliance with laws**

Each Chargor shall comply in all respects with all laws to which it or any other asset which is the subject of the security created pursuant to this Agree may be subject, if failure so to comply has or is reasonably likely to have a Material Adverse Effect.

## **7.3 Disposals**

Except as permitted by the Finance Documents or where agreed in writing by the Security Agent, each Chargor shall not enter into a single transaction or a series of transactions (whether related or not) and whether voluntarily or involuntarily, to sell, lease, transfer or otherwise dispose of the whole or any part of the Security Assets.

# **8. ENFORCEMENT OF SECURITY**

## **8.1 Enforcement**

On and at any time after the occurrence of:

- (a) an Event of Default (as long as it is continuing); or
- (b) any event or the receipt by the Security Agent of any information which causes the Security Agent to believe that all or any part of the Security Assets is in danger of seizure, distress or other legal process or that all or any part of the Security created by or pursuant to this Security Agreement is otherwise for any reason whatsoever in jeopardy; or
- (c) a request from any Chargor to the Security Agent that it exercise any of its powers under this Security Agreement,

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

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



## **8.2 Effect of Moratorium**

The Security Agent shall not be entitled to exercise its rights under Clause 8.1 (*Enforcement*) or where the right arises as a result of an Event of Default occurring solely due to any person obtaining or taking steps to obtain a moratorium pursuant to Schedule A1 of the Insolvency Act 1986.

## **9. EXTENSION OF POWERS AND RIGHT OF APPROPRIATION**

### **9.1 Extension of powers**

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

### **9.2 Restrictions**

The restrictions contained in Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Security Agreement or to the exercise by the Security Agent of its right to consolidate all or any of the Security created by or pursuant to this Security Agreement with any other Security in existence at any time or to its power of sale, which powers may be exercised by the Security Agent without notice to any Chargor on or at any time after this Security Agreement has become enforceable in accordance with Clause 8 (*Enforcement of Security*).

### **9.3 Right of appropriation**

To the extent that the provisions of the Financial Collateral Arrangements (No. 2) Regulations 2003 apply to a Security Asset, the Security Agent shall have the right to appropriate all or any part of that Security Asset in or towards the payment or discharge of the Secured Liabilities and may exercise such right to appropriate upon giving written notice to the Chargors. For this purpose, a commercially reasonable method of valuing a Security Asset shall be:

- (a) in the case of cash on account in an account, the amount standing to the credit of that account, together with any accrued interest, at the time of appropriation; and
- (b) in the case of any Investments, their market value determined by the Security Agent by reference to a public index, independent valuation or by such other process as the Security Agent may select.

### **9.4 Exclusion of Section 99(18) of the Law of Property Act 1925**

For the purposes of Section 99 of the Law of Property Act 1925, the expression "Mortgagor" will include any encumbrancer deriving title under any Chargor and Sub-section (18) of Section 99 of the Law of Property Act 1925 will not apply.

## 9.5 Statutory powers

The powers conferred by this Security Agreement on the Security Agent are in addition to and not in substitution for the powers conferred on mortgagees and mortgagees in possession under the Law of Property Act 1925, the Insolvency Act 1986 or otherwise by law and in the case of any conflict between the powers contained in any such Act and those conferred by this Security Agreement, the terms of this Security Agreement will prevail.

## 10. APPOINTMENT OF RECEIVER OR ADMINISTRATOR

### 10.1 Appointment and removal

After the Security created by or pursuant to this Security Agreement has become enforceable in accordance with Clause 8 (*Enforcement of Security*), the Security Agent may by deed or otherwise (acting through an authorised officer of the Security Agent):

- (a) without prior notice to any Chargor:
  - (i) appoint one or more persons to be a Receiver of the whole or any part of the Security Assets; or
  - (ii) appoint two or more Receivers of separate parts of the Security Assets; or
  - (iii) remove (so far as it is lawfully able) any Receiver so appointed; or
  - (iv) appoint another person(s) as an additional or replacement Receiver(s); or
  - (v) appoint one or more persons to be an administrator of any Chargor pursuant to section 426 of, or paragraph 14 of Schedule B1 to, the Insolvency Act 1986; and
- (b) following notice to any relevant Chargor, appoint one or more persons to be an administrator of any Chargor pursuant to paragraph 12 of Schedule B1 of the Insolvency Act 1986.

### 10.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to Clause 10.1 (*Appointment and removal*) shall be:

- (a) entitled to act individually or together with any other person appointed or substituted as Receiver;
- (b) for all purposes deemed to be the agent of each Chargor which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the Security Agent; and

- (c) entitled to remuneration for his services at a rate to be fixed by the Security Agent from time to time (without being limited to the maximum rate specified by the Law of Property Act 1925).

### **10.3 Statutory powers of appointment**

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

## **11. POWERS OF RECEIVERS**

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

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

## **12. APPLICATION OF MONEYS**

All moneys received or recovered and any non-cash recoveries made or received by the Security Agent or any Receiver pursuant to this Security Agreement or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied

first in the payment or other discharge of the costs, charges and expenses incurred and payments made by the Receiver, the payment or other discharge of his remuneration and the discharge of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of his powers, and thereafter shall be applied by the Security Agent (notwithstanding any purported appropriation by any Chargor) in accordance with clause 29.1 (*Order of application*) of the Facility Agreement.

### **13. PROTECTION OF PURCHASERS**

#### **13.1 Consideration**

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

#### **13.2 Protection of purchasers**

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

### **14. POWER OF ATTORNEY**

#### **14.1 Appointment and powers**

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

- (a) carrying out any obligation imposed on any Chargor by this Security Agreement or any other agreement binding on such Chargor to which the Security Agent is party (including the execution and delivery of any deeds, charges, assignments or other security and any transfers of the Security Assets and perfecting and/or releasing the security created or intended to be created in respect of the Security Assets) to the extent a Chargor has failed to carry out such action within any applicable timescale and any associated remedy period has expired;
- (b) giving notice by each Chargor of any notice of assignment; and
- (c) enabling the Security Agent and any Receiver to exercise or delegate the exercise of, any of the rights, powers and authorities conferred on them by or pursuant to this Security Agreement or by law (including, after this Security Agreement has become enforceable in accordance with Clause 8 (*Enforcement of security*), the exercise of any right of a legal or beneficial owner of the Security Assets.

## **14.2 Ratification**

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

## **15. EFFECTIVENESS OF SECURITY**

### **15.1 Continuing security**

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

### **15.2 Cumulative rights**

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

### **15.3 No prejudice**

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

### **15.4 Remedies and waivers**

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

### **15.5 No liability**

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

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

### **15.6 Partial invalidity**

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

### **15.7 Waiver of defences**

The obligations of, and the Security created by, each Chargor under this Security Agreement and the rights and remedies provided by this Security Agreement will not be affected by any act, omission, matter or thing which, but for this Clause 15.7, would reduce, release or prejudice any of its obligations under, or the Security created by, this Security Agreement and whether or not known to that Chargor or any Secured Party including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any Obligor;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instruments or any failure to realise the full value of any Security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of, any Obligor or any other person;
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise), restatement (in each case however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of a Finance Document or any other document or security or of the Secured Liabilities (including, without limitation, any change in the purpose of, any extension of, or any variation or increase in any facility or amount made available under any facility or the addition of any new facility under any Finance Document or other documents);

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

#### **15.8 Chargor intent**

Without prejudice to the generality of Clause 15.7 (*Waiver of Defences*), each Chargor expressly confirms that it intends that the Security created under this Security Agreement and the rights and remedies arising thereunder, shall extend from time to time to any (however fundamental and of whatsoever nature, and whether or not more onerous) variation, increase, extension or addition of or to any of the Finance Documents 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 investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

#### **15.9 Immediate recourse**

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

#### **15.10 Deferral of rights**

Until the end of the Security Period, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under this Security Agreement:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any guarantor of any Obligor's obligations under this Security Agreement;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any right of the Secured Parties under this Security Agreement or of any other guarantee or Security taken pursuant to, or in connection with, this Security Agreement by any Secured Party;
- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Obligor has given a guarantee, undertaking or indemnity under any Finance Document;
- (e) to exercise any right of set-off against any Obligor; or

- (f) to claim or prove as a creditor of any Obligor in competition with any Secured Party.

If any Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution on trust for the Security Agent to the extent necessary to enable all amounts which may be or become payable to any Secured Party by any Obligor under or in connection with this Security Agreement to be repaid in full and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with Clause 12 (*Application of Moneys*).

#### **16. PRIOR SECURITY INTERESTS**

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

#### **17. SUBSEQUENT SECURITY INTERESTS**

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

#### **18. SUSPENSE ACCOUNTS**

All moneys received, recovered or realised by the Security Agent under this Security Agreement (including the proceeds of any conversion of currency) may in the discretion of the Security Agent be credited to any interest bearing suspense or impersonal account(s) maintained with a bank, building society, financial institution or other person as it considers appropriate (including itself) for so long as it may think fit (the interest being credited to the relevant account) pending their application from time to time, at the Security Agent's discretion, in or towards the discharge of any of



the Secured Liabilities and save as provided herein no party will be entitled to withdraw any amount at any time standing to the credit of any suspense or impersonal account referred to above.

## **19. RELEASE OF SECURITY**

### **19.1 Release of Security**

- (a) Upon the expiry of the Security Period, the Security Agent shall, at the request and cost of each Chargor, release and cancel the security constituted by this Security Agreement and procure the reassignment to that Chargor of the Assigned Loans, without recourse to, or any representation or warranty by, the Security Agent or any of its nominees.
- (b) No part of the Security from time to time constituted by this Security Agreement will be considered satisfied or discharged by any intermediate payment, discharge or satisfaction of the Secured Liabilities.

### **19.2 Clawback**

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

## **20. SET-OFF**

If an Event of Default is continuing, each Chargor authorises the Security Agent (but the Security Agent shall not be obliged to exercise such right) to set off against the Secured Liabilities any amount or other obligation (contingent or otherwise) owing by the Security Agent to each Chargor and apply any credit balance to which each Chargor is entitled on any account with the Security Agent in accordance with Clause 12 (*Application of Moneys*) (notwithstanding any specified maturity of any deposit standing to the credit of any such account).

## **21. DISCRETION AND DELEGATION**

### **21.1 Discretion**

Any liberty or power which may be exercised or any determination which may be made under this Security Agreement by the Security Agent or any Receiver may, subject to the terms and conditions of the Finance Documents, including clause 28 (*Role of the Administrative Parties and Reference Banks*) of the Facility Agreement, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

### **21.2 Delegation**

Each of the Security Agent and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Security Agreement (including the power of attorney) on such terms and

conditions as it shall see fit which delegation shall not preclude either the subsequent exercise, any subsequent delegation or any revocation of such power, authority or discretion by the Security Agent or the Receiver itself.

## **22. TRANSFERS**

No Chargor may assign or otherwise transfer any of its rights and obligations under this Security Agreement.

## **23. SUCCESSORS**

### **23.1 Security Agent successors**

This Security Agreement shall remain in effect despite any amalgamation or merger (however effected) relating to the Security Agent, and references to the Security Agent shall include any assignee or successor in title of the Security Agent and any person who, under the laws of its jurisdiction of incorporation or domicile, has assumed the rights and obligations of the Security Agent under this Security Agreement or to which, under such laws, those rights and obligations have been transferred.

### **23.2 Disclosure**

The Security Agent shall be entitled to disclose such information concerning the Chargors or any other person and this Security Agreement as the Security Agent considers appropriate to any actual or proposed direct or indirect successor or to any person to whom information may be required to be disclosed by applicable law.

## **24. GOVERNING LAW**

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

## **25. JURISDICTION**

### **25.1 English courts**

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

### **25.2 Convenient Forum**

Each Chargor agrees that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly that no Chargor will argue to the contrary.

### 25.3 Exclusive Jurisdiction

Notwithstanding Clause 25.1 (*English courts*), the Security Agent may take proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law the Security Agent may take concurrent proceedings in any number of jurisdictions.

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

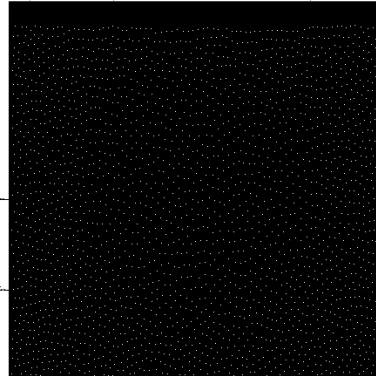
**SCHEDULE 1  
RELEVANT INVESTMENT**

<b>CHARGOR</b>	<b>OBLIGOR</b>	<b>INVESTMENT</b>
<b>QD UK Minority Holdings Limited</b>	Chelsea Barracks (1-3) GP LLP	0.1%
	QD UK Holdings GP LLP	0.1%
<b>QD UK Holdings Limited Partnership</b>	Chelsea Barracks (1-3) Limited Partnership	99.9%
<b>QD UK Holdings GP LLP</b>	Chelsea Barracks (1-3) GP LLP	99.9%

**EXECUTION PAGE**

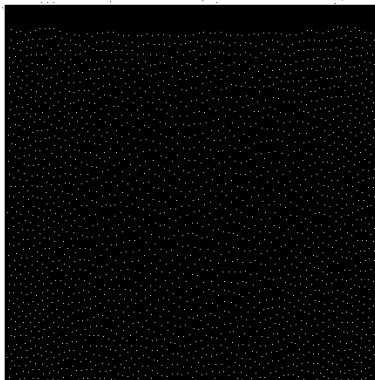
**Chargor**

**EXECUTED AS A DEED by )**  
**QD UK MINORITY HOLDINGS )**  
**LIMITED )**



\_\_\_\_\_  
of Director

\_\_\_\_\_  
Director

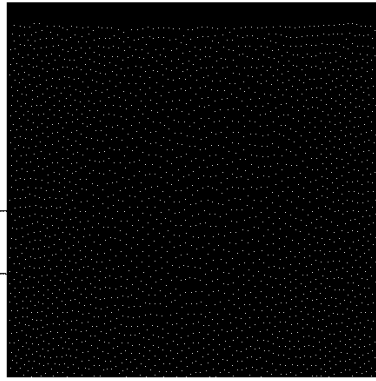


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Signature of witness

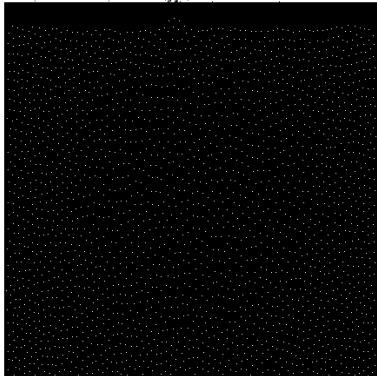
\_\_\_\_\_  
Name of witness

\_\_\_\_\_  
Address of witness

**EXECUTED AS A DEED by )**  
**QD UK HOLDINGS GP LLP )**



in the presence of:



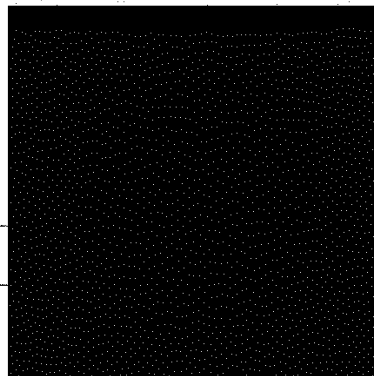
Signature of witness

Name of witness

Address of witness

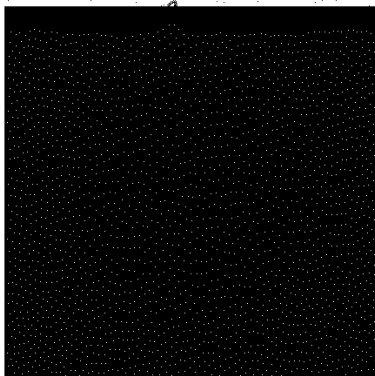
**EXECUTED AS A DEED** on  
behalf of **QD UK HOLDINGS**  
**GP LLP**, as a trustee for and on  
behalf of **QD UK HOLDINGS**  
**LIMITED PARTNERSHIP**

)  
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)  
)



e

in the presence of:



Signature of witness

Name of witness

Address of witness

Security Agent

**EXECUTED AS A DEED** by  
**HSBC CORPORATE TRUSTEE COMPANY**  
**(UK) LIMITED**

by the signature of its duly authorised  
attorney/director

in the presence of:

Signature of witness:

Name of witness:

Address:

