

MR01

Particulars of a charge



Companies House

000331-92



Go online to file this information
www.gov.uk/companieshouse

A fee is be payable with this form
Please see 'How to pay' on the last page.

✓ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument.

✗ **What this form is NOT for**
You may not use this form to
register a charge where there is no
instrument. Use form MR08.

For further information, please
refer to our guidance at:
www.gov.uk/companieshouse

This form **must be delivered to the Registrar for registration within 21 days** beginning with the day after the date of creation of the charge. If delivered outside of the 21 days it will be rejected unless it is accompanied by a court order extending the time for delivery.



You **must** enclose a certified copy of the instrument with this form. The copy must be scanned and placed on the public record. **Do not send the original.**

TUESDAY



ACY92K0J

A10

05/03/2024

#147

COMPANIES HOUSE

For official use

1 Company details

Company number 1 1 1 5 6 8 5 0

Company name in full CYGNUS PHARMA LIMITED

→ Filling in this form

Please complete in typescript or in
bold black capitals.

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date d 2 d 9 m 0 m 2 y 2 y 0 y 2 y 4

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge.

Name CRESCENT PHARMA LIMITED

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below.

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge.

MR01

Particulars of a charge

4

Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument.

Brief description

All the assets, property and undertaking of the Chargor which are, or are expressed to be, subject to the Security created by or pursuant to the instrument.

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument".

Please limit the description to the available space.

5

Other charge or fixed security

Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box.

☒ **Yes**

☐ **No**

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box.

☒ **Yes** Continue

☐ **No** Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☒ **Yes**

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box.

☒ **Yes**

☐ **No**

8

Trustee statement ^①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge.

☐

^① This statement may be filed after the registration of the charge (use form MR06).

9

Signature

Please sign the form here.

Signature

Signature

X  X

This form must be signed by a person with an interest in the charge.

MR01

Particulars of a charge

**Presenter information**

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **James Fairley**

Company name **Phillips Law**

Address **Town Gate, 38 London St**

Post town **Basingstoke**

County/Region **Hampshire**

Postcode **R G 2 1 7 N Y**

Country **UK**

DX

Telephone **01256 854667**

**Certificate**

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have included a certified copy of the instrument with this form.
- ☐ You have entered the date on which the charge was created.
- ☐ You have shown the names of persons entitled to the charge.
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8.
- ☐ You have given a description in Section 4, if appropriate.
- ☐ You have signed the form.
- ☐ You have enclosed the correct fee.
- ☐ Please do not send the original instrument; it must be a certified copy.

**Important information**

Please note that all information on this form will appear on the public record.

**How to pay**

A fee of £23 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House.'

**Where to send**

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below:

For companies registered in England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

For companies registered in Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

For companies registered in Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.

**Further information**

For further information, please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

WE HEREBY CERTIFY THIS TO BE A
TRUE COPY OF THE ORIGINAL

SIGNED *July James Atkinson*
SOLICITOR PHILLIPS SOLICITORS
29.02.2024

Deed of Debenture

Cygnus Pharma Limited
and
Crescent Pharma Limited

Phillips Law

Phillips Law
Town Gate
38 London Street
Basingstoke
Hampshire
RG21 7NY
Tel: 01256 460830
www.phillips-law.co.uk

CONTENTS

Clause	
1.	Definitions and interpretation2
2.	Covenant to pay 11
3.	Grant of security 11
4.	Liability of the Chargor 14
5.	Representations and warranties 14
6.	General covenants 17
7.	Property covenants..... 21
8.	Investments covenants 21
9.	Book Debts covenants 24
10.	Intellectual Property covenants 24
11.	Powers of the Lender..... 25
12.	When security becomes enforceable 27
13.	Enforcement of security 27
14.	Receiver 30
15.	Powers of Receiver 31
16.	Delegation..... 34
17.	Application of proceeds..... 34
18.	Costs and indemnity 35
19.	Further assurance 36
20.	Power of attorney..... 37
21.	Release..... 37
22.	Assignment and transfer..... 37
23.	Set-off 38
24.	Amendments, waivers and consents..... 38
25.	Partial invalidity 39
26.	Counterparts 39
27.	Third party rights 39
28.	Further provisions..... 40
29.	Notices 40
30.	Governing law and jurisdiction 42

This Deed is dated **29 February** 2024.

PARTIES:

- (1) **Cygnus Pharma Limited**, incorporated and registered in England under company no: 11156850, the registered office of which is at 72 Cardigan Street, Luton, Bedfordshire, United Kingdom, LU1 1RR (**Chargor**); and
- (2) **Crescent Pharma Limited**, incorporated and registered in England under company no: 4750933, the registered office of which is at Key House, Sarum Hill, Basingstoke, Hampshire, England, RG21 8SR (**Lender**).

BACKGROUND:

- (A) The Lender has agreed to provide the Chargor's parent company with a loan facility on a secured basis.
- (B) Under this Deed, the Chargor provides security to the Lender for the loan facility.

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following definitions apply in this Deed:

Administrator	an administrator appointed to manage the affairs, business and property of the Chargor pursuant to clause 11.8.
Book Debts	all present and future book and other debts, and monetary claims due or owing to the Chargor, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Chargor in relation to any of them.
Business Day	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for non-automated business.
Charged Property	any freehold, leasehold or commonhold property the subject of the security constituted by this Deed and references to " Charged Property " shall include references to the whole or any part of it.
Default Interest	the higher of 3% per annum and 3% over the Bank of England's base rate from time to time.
Delegate	any person appointed by the Lender or any Receiver pursuant to clause 16 and any person appointed as attorney of the Lender or any Receiver or Delegate.

Designated Account	any account of the Chargor nominated by the Lender as a designated account for the purposes of this Deed.
Disruption Event	<p>either or both of:</p> <p>(a) an event (not caused by, and outside the control of, either party) that materially disrupts the systems for payment or communication or the financial markets needed, in each case, to enable either payment to be made or transactions to be carried out under this Deed or any document under which the Chargor owes obligations to the Lender; or</p> <p>(b) any other event (not caused by, and outside the control of, the party whose operations are disrupted), that results in disruption (of a technical or systems-related nature) to the treasury or payments operations of a party and which prevents either or both parties from (i) performing its payment obligations under this Deed or any document under which the Chargor owes obligations to the Lender; or (ii) communicating with the other party as required by the terms of this Deed or any document under which the Chargor owes obligations to the Lender.</p>
Equipment	all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property owned by the Chargor or in which it has an interest, including any part of it and all spare parts, replacements, modifications and additions.
Event of Default	as defined in the loan agreement dated 28 December 2023 between Crescent Pharma Limited and A & S Pharma Holdings Limited.
Financial Collateral	has the meaning given to that expression in the Financial Collateral Regulations.
Financial Collateral Regulations	the Financial Collateral Arrangements (No 2) Regulations 2003 (<i>SI 2003/3226</i>).
Financial Indebtedness	any indebtedness of the Chargor of whatsoever kind.
Insurance Policy	each contract and policy of insurance effected or maintained by the Chargor from time to time in respect of its assets or business (including, without limitation, any contract or policy of insurance relating to the Charged Properties or the Equipment).
Intellectual Property	the Chargor's present and future patents, rights to inventions, copyright and related rights, trademarks, business names and domain names, rights in get-up, goodwill and the right to sue for

passing off, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets) and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.

Investments	all certificated shares, stock, debentures, bonds or other securities or investments (whether or not marketable) from time to time legally or beneficially owned by or on behalf of the Chargor.
LPA 1925	the Law of Property Act 1925.
Receiver	a receiver, receiver and manager or administrative receiver appointed by the Lender under clause 14.
Secured Assets	all the assets, property and undertaking of the Chargor which are, or are expressed to be, subject to the Security created by, or pursuant to, this Deed (and references to the Secured Assets shall include references to any part of them).
Secured Liabilities	all present and future obligations and liabilities of A & S Pharma Holdings Limited (company registration number 14030706) to the Lender, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, together with all interest (including, without limitation, default interest) accruing in respect of those obligations or liabilities.
Security Financial Collateral Arrangement	has the meaning given to that expression in the Financial Collateral Regulations.
Security	any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.
Security Period	the period starting on the date of this Deed and ending on the date on which the Lender is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.
VAT	value added tax or any equivalent tax chargeable in the UK or elsewhere.

1.2 Interpretation

In this Deed:

- 1.2.1 clause, Schedule and paragraph headings shall not affect the interpretation of this Deed;
- 1.2.2 a **person** includes an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality);
- 1.2.3 unless the context otherwise requires:
 - (a) words in the singular shall include the plural and in the plural shall include the singular; and
 - (b) a reference to one gender shall include a reference to the other genders;
- 1.2.4 a reference to a party shall include that party's personal representatives, successors, permitted assigns and permitted transferees and this Deed shall be binding on, and enure to the benefit of, the parties to this Deed and their respective personal representatives, successors, permitted assigns and permitted transferees;
- 1.2.5 a reference to a statute or statutory provision:
 - (a) is a reference to it as amended, extended or re-enacted from time to time; and
 - (b) shall include all subordinate legislation made from time to time under that statute or statutory provision;
- 1.2.6 a reference to **writing** or **written** excludes fax and email;
- 1.2.7 an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- 1.2.8 a reference to **this Deed** (or any provision of it) or to any other agreement or document referred to in this Deed is a reference to this Deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this Deed) from time to time;
- 1.2.9 unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this Deed and a reference to a paragraph is to a paragraph of the relevant Schedule;
- 1.2.10 any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- 1.2.11 a reference to an **amendment** includes a novation, supplement or variation (and **amend** and **amended** shall be construed accordingly);
- 1.2.12 a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- 1.2.13 a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration or resolution;

- 1.2.14 a reference to **continuing** in relation to an Event of Default means an Event of Default that has not been waived;
- 1.2.15 a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it; and
- 1.2.16 a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

1.3 **Clawback**

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

1.4 **Nature of security over real property**

A reference in this Deed to a charge or mortgage of or over any Charged Property includes:

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

1.5 **Nature of security over Investments**

A reference in this Deed to any share, stock, debenture or other security or investment includes:

- 1.5.1 any dividend, interest or other distribution paid or payable in respect of that share, stock, debenture or other security or investment; and
- 1.5.2 any right, money, shares or property accruing, offered or issued at any time in relation to that share, stock, debenture or other security or investment by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise.

1.6 **Schedules**

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

2. COVENANT TO PAY

The Chargor's parent company shall pay to the Lender and discharge the Secured Liabilities when they become due.

3. GRANT OF SECURITY

3.1 Legal mortgage

As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee charges to the Lender, by way of a first legal mortgage, all estates or interests in any freehold, leasehold or commonhold property now owned by it.

3.2 Fixed charges

As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee charges to the Lender by way of a first fixed charge:

- 3.2.1 all present and future estates or interests of the Chargor in, or over, any freehold, leasehold or commonhold property (other than any such property effectively mortgaged under clause 3.1);
- 3.2.2 the benefit of all other contracts, guarantees, appointments and warranties relating to each Charged Property and other documents to which the Chargor is a party or which are in its favour or of which it has the benefit relating to any letting, development, sale, purchase, use or the operation of any Charged Property or otherwise relating to any Charged Property (including, in each case, but without limitation, the right to demand and receive all monies whatever payable to or for its benefit under or arising from any of them, all remedies provided for in any of them or available at law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests and benefits whatever accruing to or for its benefit arising from any of them);
- 3.2.3 all licences, consents and authorisations (statutory or otherwise) held or required in connection with its business or the use of any Secured Asset, and all rights in connection with them;
- 3.2.4 all its present and future goodwill;
- 3.2.5 all its uncalled capital;
- 3.2.6 all the Equipment;
- 3.2.7 all the Intellectual Property;
- 3.2.8 all the Investments;
- 3.2.9 all moneys from time to time standing to the credit of its accounts with any bank, financial institution or other person (including each Designated Account), together with all other rights and benefits accruing to or arising in connection with each account (including, but not limited to, entitlements to interest);

3.2.10 all its rights in respect of each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy, to the extent not effectively assigned under clause 3.3; and

3.2.11 all its rights in respect of each agreement, instrument and right relating to the Secured Assets, to the extent not effectively assigned under clause 3.3.

3.3 Assignment

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

3.3.1 all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy; and

3.3.2 the benefit of all agreements, instruments and rights relating to the Secured Assets.

3.4 Floating charge

As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee charges to the Lender, by way of first floating charge, all its undertaking, property, assets and rights not otherwise effectively mortgaged, charged or assigned under clause 3.1 to clause 3.3 inclusive including the Book Debts.

3.5 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 3.4.

3.6 Automatic crystallisation of floating charge

The floating charge created by clause 3.4 shall automatically and immediately (without notice) convert into a fixed charge over the assets subject to that floating charge if:

3.6.1 the Chargor:

- (a) creates, or attempts to create, without the prior written consent of the Lender, Security or a trust in favour of another person over all or any part of the Secured Assets; or
- (b) disposes, or attempts to dispose, of all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains uncrystallised);

3.6.2 any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets;

3.6.3 a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Chargor; or

- 3.6.4 an application is made to court, or an order is made, for the appointment of an administrator, or a notice of intention to appoint an administrator is given or an administrator is appointed.

3.7 Crystallisation of floating charge by notice

Except as provided in clause 3.8, the Lender may, in its sole discretion, by written notice to the Chargor, convert the floating charge created under this Deed into a fixed charge as regards any part of the Secured Assets specified by the Lender in that notice if:

- 3.7.1 an Event of Default is continuing; or
- 3.7.2 the Lender considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

3.8 Part A1 moratorium

- 3.8.1 Subject to the paragraph below, the floating charge created by clause 3.4 may not be converted into a fixed charge solely by reason of obtaining a moratorium (or anything done with a view to obtaining a moratorium) under Part A1 of the Insolvency Act 1986.
- 3.8.2 The paragraph above does not apply to any floating charge referred to in section A52(4) of Part A1 of the Insolvency Act 1986.

3.9 Assets acquired after any floating charge has crystallised

Any asset acquired by the Chargor after any crystallisation of the floating charge created under this Deed that, but for that crystallisation, would be subject to a floating charge under this Deed, shall (unless the Lender confirms otherwise to the Chargor in writing) be charged to the Lender by way of first fixed charge.

4. LIABILITY OF THE CHARGOR

4.1 Liability not discharged

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

- 4.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Lender that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- 4.1.2 the Lender renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or
- 4.1.3 any other act or omission that, but for this clause 4.1, might have discharged, or otherwise prejudiced or affected, the liability of the Chargor.

4.2 Immediate recourse

The Chargor waives any right it may have to require the Lender to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this Deed against the Chargor.

5. REPRESENTATIONS AND WARRANTIES

5.1 Times for making representations and warranties

The Chargor makes the representations and warranties set out in this clause 5 to the Lender on the date of this Deed.

5.2 Status

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

5.3 Power and authority

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

5.4 Non-contravention

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

5.4.1 any law or regulation or judicial or official order applicable to it;

5.4.2 its constitutional documents; or

5.4.3 any agreement or instrument binding on it or its assets or constitute a default or termination event (however described) under any such agreement or instrument.

5.5 Authorisations

The Chargor has obtained all required authorisations to enable it to enter into, exercise its rights and comply with its obligations in this Deed. Any such authorisations are in full force and effect.

5.6 Ownership of Secured Assets

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

5.7 No Security

The Secured Assets are free from any Security other than the Security created by this Deed.

5.8 No adverse claims

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

5.9 No adverse covenants

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

5.10 No breach of laws

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

5.11 No interference in enjoyment

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

5.12 No overriding interests

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

5.13 Avoidance of security

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

5.14 No prohibitions or breaches

There is no prohibition on assignment in any Insurance Policy and the entry into this Deed by the Chargor does not, and will not, constitute a breach of any Insurance Policy, or any other policy, agreement, document, instrument or obligation binding on the Chargor or its assets.

5.15 Enforceable security

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

5.16 No default

5.16.1 No Event of Default or, on the date of this Deed, event or circumstance which would, on the giving of notice, expiry of any grace period, making of any determination under this Deed or any document under which the Chargor owes obligations to the Lender, or satisfaction of any other condition (or any combination thereof) become an Event of Default is continuing.

5.16.2 No other event or circumstance is outstanding which constitutes (or, with the giving of notice, the expiry of a grace period, the making of any determination, or satisfaction of any other condition (or any combination thereof), would constitute) a default or a termination event

(however described) under any other agreement or instrument that is binding on the Chargor or to which any of the Chargor's assets is subject which has or is reasonably likely to have a material adverse effect on its business, assets or condition, or its ability to perform its obligations under this Deed.

5.17 No litigation

No litigation, arbitration, administrative proceedings or investigations are taking place, pending or, to the best of the Chargor's knowledge and belief, have been threatened against it, any of its directors or any of its assets which, if adversely determined, might reasonably be expected to have a material adverse effect on its business, assets or condition, or its ability to perform its obligations under this Deed or any document under which the Chargor owes obligations to the Lender.

5.18 Investments

5.18.1 The Investments are fully paid and are not subject to any option to purchase or similar rights.

5.18.2 No constitutional document of an issuer of an Investment, nor any other agreement:

(a) restricts or inhibits any transfer of the Investments on creation or enforcement of the security constituted by this Deed; or

(b) contains any rights of pre-emption in relation to the Investments.

5.18.3 The Chargor has complied with all notices relating to all or any of the Investments received by it pursuant to the Companies Act 2006.

5.18.4 No warning notice has been issued under paragraph 1(2) of Schedule 1B of the Companies Act 2006, and no restrictions notice has been issued under paragraph 1(3) of Schedule 1B of the Companies Act 2006, in respect of all or any of the Investments.

6. GENERAL COVENANTS

6.1 Negative pledge and disposal restrictions

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

6.1.1 create, purport to create or permit to subsist any Security on, or in relation to, any Secured Asset other than any Security created by this Deed;

6.1.2 sell, assign, transfer, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Secured Assets (except, in the ordinary course of business, Secured Assets that are only subject to an uncrystallised floating charge); or

6.1.3 create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party.

6.2 Preservation of Secured Assets

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

6.3 Notification of default

6.3.1 The Chargor shall notify the Lender of any Event of Default or any event or circumstance which would, on the giving of notice, expiry of any grace period, making of any determination under this Deed or any document under which the Chargor owes obligations to the Lender or satisfaction of any other condition (or any combination thereof), become an Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

6.3.2 The Chargor shall, promptly on request by the Lender, supply a certificate signed by any director on its behalf certifying that no Event of Default is continuing (or, if an Event of Default is continuing, specifying the Event of Default and the steps, if any, being taken to remedy it).

6.4 Authorisations

The Chargor shall promptly obtain all consents and authorisations under any law or regulation (and do all that is needed to maintain them in full force and effect) to enable it to perform its obligations under this Deed and to ensure the legality, validity, enforceability and admissibility in evidence of this Deed in its jurisdiction of incorporation.

6.5 Compliance with laws

The Chargor shall comply in all respects with all laws to which it may be subject, if failure to do so would materially impair its ability to perform its obligations under this Deed.

6.6 Change of business

The Chargor shall not make any substantial change to the general nature or scope of its business as carried on at the date of this Deed.

6.7 Information

The Chargor shall supply to the Lender:

6.7.1 all documents dispatched by the Chargor to its shareholders (or any class of them), or its creditors generally, at the same time as they are dispatched;

6.7.2 details of any litigation, arbitration or administrative proceedings that are current, threatened or pending against the Chargor or any of its directors as soon as it becomes aware of them and which might, if adversely determined, have a material adverse effect on its business, assets or condition, or its ability to perform its obligations under this Deed or any document under which the Chargor owes obligations to the Lender; and

- 6.7.3 statutory accounts and half year management accounts and, in the event that the Chargor requests a change to the payment terms of the facility made available to the Chargor by the Lender which is adverse to the Lender, monthly management accounts.

6.8 Enforcement of rights

The Chargor shall use its best endeavours to:

- 6.8.1 procure the prompt observance and performance by each counterparty to any agreement or arrangement with the Chargor forming part of the Secured Assets (including each insurer in respect of an Insurance Policy) of the covenants and other obligations imposed on that counterparty; and
- 6.8.2 enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets as the Lender may require from time to time.

6.9 Title documents

The Chargor shall, if and as so required by the Lender, deposit with the Lender and the Lender shall, for the duration of this Deed be entitled to hold:

- 6.9.1 all deeds and documents of title relating to the Secured Assets that are in the possession or control of the Chargor (and if they are not within the possession or control of the Chargor, the Chargor undertakes to obtain possession of all those deeds and documents of title);
- 6.9.2 all Insurance Policies; and
- 6.9.3 all deeds and documents of title (if any) relating to the Book Debts as the Lender may specify from time to time.

6.10 Insurance

- 6.10.1 The Chargor shall insure and keep insured (or where, in the case of any leasehold property, insurance is the responsibility of the landlord under the terms of the lease, either procure that the landlord insures and keeps insured or, if and to the extent that the landlord does not do so, itself insure and keep insured) the Secured Assets against:
 - (a) loss or damage by fire or terrorist acts, including any third party liability arising from such acts;
 - (b) other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Chargor; and
 - (c) any other risk, perils and contingencies as the Lender may reasonably require.
- 6.10.2 The Chargor shall, if requested by the Lender, produce to the Lender each policy, certificate or cover note relating to any insurance as is required by clause 6.10.1 (or where, in the case of any leasehold property, that insurance is effected by the landlord, such evidence of insurance as the Chargor is entitled to obtain from the landlord under the terms of the relevant lease).

6.11 Insurance premiums

The Chargor shall:

- 6.11.1 promptly pay all premiums in respect of each insurance policy as is required by clause 6.10.1 and do all other things necessary to keep that policy in full force and effect; and
- 6.11.2 (if the Lender so requires) give to the Lender copies of the receipts for all premiums and other payments necessary for effecting and keeping up each insurance policy as is required by clause 6.10.1 (or where, in the case of leasehold property, insurance is effected by the landlord, such evidence of the payment of premiums as the Chargor is entitled to obtain from the landlord under the terms of the relevant lease).

6.12 No invalidation of insurance

The Chargor shall not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any insurance policy as is required by clause 6.10.1.

6.13 Proceeds from insurance policies

All moneys payable under any insurance policy maintained by the Chargor in accordance with clause 6.10.1 at any time (whether or not the security constituted by this Deed has become enforceable) shall:

- 6.13.1 be paid immediately to the Lender or, if the Lender so specifies, into a Designated Account;
- 6.13.2 if they are not paid directly to the Lender by the insurers or into a Designated Account, be held, pending such payment, by the Chargor as trustee of the same for the benefit of the Lender; and
- 6.13.3 at the option of the Lender, either be applied in making good or recouping expenditure in respect of the loss or damage for which those moneys are received or in, or towards, discharge or reduction of the Secured Liabilities or, if the Lender so directs, in or towards discharge or reduction of the Secured Liabilities.

6.14 Notices to be given by the Chargor

The Chargor shall if so requested by the Lender from time to time give notice to each insurer under an Insurance Policy in such form as the Lender may from time to time approve and use reasonable endeavours to procure that each insurer provides to the Lender promptly an acknowledgement of such notice.

6.15 Payment of outgoings

The Chargor shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Secured Assets and, on demand, produce evidence of payment to the Lender.

7. PROPERTY COVENANTS

7.1 Repair and maintenance

The Chargor shall keep all premises and fixtures and fittings on each Charged Property in good and substantial repair and condition.

7.2 Compliance with and enforcement of covenants

The Chargor shall observe and perform all covenants, stipulations and conditions to which each Charged Property, or the use of it, is or may be subject.

7.3 Payment of rent and outgoings

The Chargor shall, where a Charged Property, or part of it, is held under a lease or licence, duly and punctually pay all rents and other amounts due from time to time.

8. INVESTMENTS COVENANTS

8.1 Deposit of title documents

8.1.1 The Chargor shall:

- (a) on the execution of this Deed, deposit with the Lender, or as the Lender may direct, all stock or share certificates and other documents of title or evidence of ownership relating to any Investments owned by the Chargor at that time; and
- (b) on the purchase or acquisition by it of Investments after the date of this Deed, deposit with the Lender, or as the Lender may direct, all stock or share certificates and other documents of title or evidence of ownership relating to those Investments.

8.1.2 At the same time as depositing documents with the Lender, or as the Lender may direct, in accordance with clause 8.1.1, the Chargor shall also deposit with the Lender, or as the Lender may direct:

- (a) all stock transfer forms relating to the relevant Investments duly completed and executed by or on behalf of the Chargor, but with the name of the transferee, the consideration and the date left blank; and
- (b) any other documents (in each case duly completed and executed by or on behalf of the Chargor) that the Lender may request to enable it or any of its nominees, or any purchaser or transferee, to be registered as the owner of, or otherwise obtain a legal title to, or to perfect its security interest in any of the relevant Investments,

so that the Lender may, at any time and without notice to the Chargor, complete and present those stock transfer forms and other documents to the issuer of the Investments for registration.

- 8.1.3 The Chargor shall not, during the Security Period, exercise any rights (including, without limitation, any rights under sections 145 and 146 of the Companies Act 2006) to nominate any person in respect of any of the Investments.

8.2 Pre-emption rights and restrictions on transfer

The Chargor shall:

- 8.2.1 obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of an issuer of any Investments, for the transfer of the Investments to the Lender or its nominee, or to a purchaser on enforcement of the security constituted by this Deed; and
- 8.2.2 procure the amendment of the share transfer provisions (including, but not limited to, deletion of any pre-emption provisions) under the articles of association, other constitutional document or otherwise of each issuer of the Investments in any manner that the Lender may require in order to permit the transfer of the Investments to the Lender or its nominee, or to a purchaser on enforcement of the security constituted by this Deed.

8.3 Dividends and voting rights before enforcement

- 8.3.1 Before the security constituted by this Deed becomes enforceable, the Chargor may retain and apply for its own use all dividends, interest and other moneys paid or payable in respect of the Investments and, if any are paid or payable to the Lender or any of its nominees, the Lender will hold all those dividends, interest and other monies received by it for the Chargor and will pay them to the Chargor promptly on request.
- 8.3.2 Before the security constituted by this Deed becomes enforceable, the Chargor may exercise all voting and other rights and powers in respect of the Investments or, if any of the same are exercisable by the Lender or any of its nominees, to direct in writing the exercise of those voting and other rights and powers provided that:
- (a) it shall not do so in any way that would breach any provision of this Deed or for any purpose inconsistent with this Deed; and
- (b) the exercise of, or the failure to exercise, those voting rights or other rights and powers would not, in the Lender's opinion, have an adverse effect on the value of the Investments or otherwise prejudice the Lender's security under this Deed.
- 8.3.3 The Chargor shall indemnify the Lender against any loss or liability incurred by the Lender (or its nominee) as a consequence of the Lender (or its nominee) acting in respect of the Investments at the direction of the Chargor.
- 8.3.4 The Lender shall not, by exercising or not exercising any voting rights or otherwise, be construed as permitting or agreeing to any variation or other change in the rights attaching to, or conferred by, any of the Investments that the Lender considers prejudicial to, or impairing the value of, the security created by this Deed.

8.4 Dividends and voting rights after enforcement

After the security constituted by this Deed has become enforceable:

- 8.4.1 all dividends and other distributions paid in respect of the Investments and received by the Chargor shall be held by the Chargor on trust for the Lender and immediately paid into a Designated Account or, if received by the Lender, may be applied by the Lender in accordance with clause 17.1; and
- 8.4.2 all voting and other rights and powers attaching to the Investments may be exercised by, or at the direction of, the Lender and the Chargor shall, and shall procure that its nominees shall, comply with any directions the Lender may give, in its absolute discretion, concerning the exercise of those rights and powers.

8.5 Calls on Investments

Notwithstanding the security created by this Deed, the Chargor shall promptly pay all calls, instalments and other payments that may be or become due and payable in respect of all or any of the Investments. The Chargor acknowledges that the Lender shall not be under any liability in respect of any such calls, instalments or other payments.

8.6 No alteration of constitutional documents or rights attaching to Investments

The Chargor shall not, without the prior written consent of the Lender, amend, or agree to the amendment of:

- 8.6.1 the memorandum or articles of association, or any other constitutional documents, of any issuer of the Investments that is not a public company; or
- 8.6.2 the rights or liabilities attaching to, or conferred by, all or any of the Investments.

8.7 Preservation of Investments

The Chargor shall ensure (as far as it is able to by the exercise of all voting rights, powers of control and other means available to it) that any issuer of any of the Investments (that is not a public company) shall not:

- 8.7.1 consolidate or subdivide any of the Investments, or re-organise, exchange, repay or reduce its share capital in any way;
- 8.7.2 issue any new shares or stock; or
- 8.7.3 refuse to register any transfer of any of the Investments that may be lodged with it for registration by, or on behalf of, the Lender or the Chargor in accordance with this Deed.

8.8 Investments information

The Chargor shall, promptly following receipt, send to the Lender copies of any notice, circular, report, accounts and any other document received by it that relates to the Investments.

8.9 Compliance with requests for information

The Chargor shall promptly send a copy to the Lender of, and comply with, all requests for information which is within its knowledge and which are made under any law or regulation or any similar provision in any articles of association or other constitutional document, or by any listing or other authority, relating to any of the Investments. If it fails to do so, the Lender may elect to provide such information as it may have on behalf of the Chargor.

9. BOOK DEBTS COVENANTS

9.1 Realising Book Debts

The Chargor shall, if called on to do so by the Lender, execute a legal assignment of the Book Debts to the Lender on such terms as the Lender may require and give notice of that assignment to the debtors from whom the Book Debts are due, owing or incurred.

9.2 Preservation of Book Debts

The Chargor shall not (except as permitted under clause 9.1 or with the prior written consent of the Lender) release, exchange, compound, set off, grant time or indulgence in respect of, or in any other manner deal with, all or any of the Book Debts.

10. INTELLECTUAL PROPERTY COVENANTS

10.1 Preservation of rights

The Chargor shall take all necessary action to safeguard and maintain present and future rights in, or relating to, the Intellectual Property including (without limitation) by observing all covenants and stipulations relating to those rights, and by paying all applicable renewal fees, licence fees and other outgoings.

10.2 Registration of Intellectual Property

The Chargor shall use all reasonable efforts to register applications for the registration of any Intellectual Property, and shall keep the Lender informed of all matters relating to each such registration.

10.3 Maintenance of Intellectual Property

The Chargor shall not permit any Intellectual Property to be abandoned, cancelled or to lapse.

11. POWERS OF THE LENDER

11.1 Power to remedy

11.1.1 The Lender shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Chargor of any of its obligations contained in this Deed.

11.1.2 The Chargor irrevocably authorises the Lender and its agents to do all things that are necessary or desirable for that purpose.

- 11.1.3 The Chargor shall reimburse the Lender, on a full indemnity basis, for any moneys which the Lender expends in remedying a breach by the Chargor of its obligations contained in this Deed, and such moneys shall carry interest in accordance with clause 18.1.

11.2 Exercise of rights

- 11.2.1 The rights of the Lender under clause 11.1 are without prejudice to any other rights of the Lender under this Deed.
- 11.2.2 The exercise of any rights of the Lender under this Deed shall not make the Lender liable to account as a mortgagee in possession.

11.3 Power to dispose of chattels

- 11.3.1 At any time after the security constituted by this Deed has become enforceable, the Lender or any Receiver may, as agent for the Chargor, dispose of any chattels or produce found on any Charged Property.
- 11.3.2 Without prejudice to any obligation to account for the proceeds of any disposal made under clause 11.3.1, the Chargor shall indemnify the Lender and any Receiver against any liability arising from any disposal made under clause 11.3.1.

11.4 Lender has Receiver's powers

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

11.5 Conversion of currency

- 11.5.1 For the purpose of, or pending the discharge of, any of the Secured Liabilities, the Lender may convert any monies received, recovered or realised by it under this Deed (including the proceeds of any previous conversion under this clause 11.5) from their existing currencies of denomination into any other currencies of denomination that the Lender may think fit.
- 11.5.2 Any such conversion shall be effected at Barclays Bank plc's then prevailing spot selling rate of exchange for such other currency against the existing currency.
- 11.5.3 Each reference in this clause 11.5 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

11.6 New accounts

- 11.6.1 If the Lender receives, or is deemed to have received, notice of any subsequent Security, or other interest, affecting all or part of the Secured Assets, the Lender may open a new account for the Chargor in the Lender's books. Without prejudice to the Lender's right to combine

accounts, no money paid to the credit of the Chargor in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.

- 11.6.2 If the Lender does not open a new account immediately on receipt of the notice, or deemed notice, under clause 11.6.1, then, unless the Lender gives express written notice to the contrary to the Chargor, all payments made by the Chargor to the Lender shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt or deemed receipt of the relevant notice by the Lender.

11.7 Indulgence

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

11.8 Appointment of an Administrator

- 11.8.1 The Lender may, without notice to the Chargor, appoint any one or more persons to be an Administrator of the Chargor pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this Deed becomes enforceable.

- 11.8.2 Any appointment under this clause 11.8 shall:

- (a) be in writing signed by a duly authorised signatory of the Lender; and
- (b) take effect in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.

- 11.8.3 The Lender may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this clause 11.8 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

12. WHEN SECURITY BECOMES ENFORCEABLE

12.1 Security becomes enforceable on Event of Default

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

12.2 Discretion

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

13. ENFORCEMENT OF SECURITY

13.1 General

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

13.1.2 The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this Deed) shall be immediately exercisable at any time after the security constituted by this Deed has become enforceable under clause 12.1.

13.1.3 Section 103 of the LPA 1925 does not apply to the security constituted by this Deed.

13.2 Extension of statutory powers of leasing

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

13.2.1 grant a lease or agreement for lease;

13.2.2 accept surrenders of leases; or

13.2.3 grant any option in respect of the whole or any part of the Secured Assets with whatever rights relating to other parts of it,

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

13.3 Access on enforcement

13.3.1 At any time after the Lender has demanded payment of the Secured Liabilities or if the Chargor defaults in the performance of its obligations under this Deed or an Event of Default is continuing, the Chargor will allow the Lender or its Receiver, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Secured Asset and for that purpose to enter on any premises where a Secured Asset is situated (or where the Lender or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to the Chargor for, or by any reason of, that entry.

13.3.2 At all times, the Chargor must use its best endeavours to allow the Lender or its Receiver access to any premises for the purpose of clause 13.3.1 (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

13.4 Redemption of prior Security

13.4.1 At any time after the security constituted by this Deed has become enforceable, the Lender may:

- (a) redeem any prior Security over any Secured Asset;
- (b) procure the transfer of that Security to itself; and
- (c) settle and pass the accounts of the holder of any prior Security (and any accounts so settled and passed shall, in the absence of any manifest error, be conclusive and binding on the Chargor).

13.4.2 The Chargor shall pay to the Lender immediately on demand all principal, interest, costs, charges and expenses of, and incidental to, any such redemption or transfer, and such amounts shall be secured by this Deed as part of the Secured Liabilities.

13.5 **Protection of third parties**

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

- 13.5.1 whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
- 13.5.2 whether any power the Lender, a Receiver or Delegate is purporting to exercise has become exercisable or is being properly exercised; or
- 13.5.3 how any money paid to the Lender, any Receiver or any Delegate is to be applied.

13.6 **Privileges**

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

13.7 **Exclusion of liability**

Neither the Lender, nor any Receiver or Delegate, shall be liable to the Chargor or any other person:

- 13.7.1 (by reason of entering into possession of a Secured Asset, or for any other reason) to account as mortgagee in possession in respect of all or any of the Secured Assets;
- 13.7.2 for any loss on realisation, or for any act, default or omission for which a mortgagee in possession might be liable; or
- 13.7.3 for any expense, loss or liability:
 - (a) relating to the enforcement of, or any failure to enforce or delay in enforcing, any security constituted by or pursuant to this Deed;
 - (b) relating to an exercise of rights, or by any failure to exercise or delay in exercising, rights under this Deed; or
 - (c) arising in any other way in connection with this Deed,

except that this does not exempt the Lender or any Receiver or Delegate from liability for losses caused by the gross negligence, fraud or wilful misconduct of the Lender or the relevant Receiver or Delegate.

13.8 Conclusive discharge to purchasers

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

13.9 Right of appropriation

13.9.1 To the extent that:

- (a) the Secured Assets constitute Financial Collateral; and
- (b) this Deed and the obligations of the Chargor under it constitute a Security Financial Collateral Arrangement,

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

13.9.2 The value of any Secured Assets appropriated in accordance with this clause shall be:

- (a) in the case of cash, the amount standing to the credit of each of the Chargor's accounts with any bank, financial institution or other person, together with any accrued but unpaid interest, at the time the right of appropriation is exercised; and
- (b) in the case of Investments, the market price of those Investments at the time the right of appropriation is exercised determined by the Lender by reference to a recognised market index or by any other method that the Lender may select (including independent valuation).

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

14. RECEIVER

14.1 Appointment

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

14.1.2 The Lender may not appoint a Receiver solely as a result of the obtaining of a moratorium (or as a result of anything done with a view to obtaining a moratorium) under Part A1 of the

Insolvency Act 1986 other than in respect of a floating charge referred to in section A52(4) of Part A1 of the Insolvency Act 1986.

14.2 Removal

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

14.3 Remuneration

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

14.4 Power of appointment additional to statutory powers

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

14.5 Power of appointment exercisable despite prior appointments

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

14.6 Agent of the Chargor

Any Receiver appointed by the Lender under this Deed shall be the agent of the Chargor and the Chargor shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each Receiver shall continue until the Chargor goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Lender.

15. POWERS OF RECEIVER

15.1 General

15.1.1 Any Receiver appointed by the Lender under this Deed shall, in addition to the powers conferred on it by statute, have the rights, powers and discretions set out in clause 15.2 to clause 15.23.

15.1.2 A Receiver has all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the LPA 1925, and shall have those rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986 whether it is an administrative receiver or not.

15.1.3 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing it states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

15.1.4 Any exercise by a Receiver of any of the powers given by clause 15 may be on behalf of the Chargor, the directors of the Chargor (in the case of the power contained in clause 15.16) or itself.

15.2 Repair and develop Charged Properties

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

15.3 Grant or accept surrenders of leases

A Receiver may grant, or accept, surrenders of any leases or tenancies affecting any Secured Asset on any terms, and subject to any conditions, that it thinks fit.

15.4 Employ personnel and advisers

15.4.1 A Receiver may provide services and employ or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that it thinks fit.

15.4.2 A Receiver may discharge any such person or any such person appointed by the Chargor.

15.5 Make and revoke VAT options to tax

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

15.6 Remuneration

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

15.7 Possession

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

15.8 Manage or reconstruct the Chargor's business

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

15.9 Dispose of Secured Assets

A Receiver may sell, exchange, convert into money and realise all or any of the Secured Assets in respect of which it is appointed in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as it thinks fit. Any sale may be for any consideration that the

Receiver thinks fit and a Receiver may promote, or concur in promoting, a company to purchase the Secured Assets to be sold.

15.10 Sever fixtures and fittings

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

15.11 Sell Book Debts

A Receiver may sell and assign all or any of the Book Debts in respect of which it is appointed in any manner, and generally on any terms and conditions, that it thinks fit.

15.12 Valid receipts

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

15.13 Make settlements

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

15.14 Legal action

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

15.15 Improve the Equipment

A Receiver may make substitutions of, or improvements to, the Equipment as it may think expedient.

15.16 Make calls on Chargor members

A Receiver may make calls conditionally or unconditionally on the members of the Chargor in respect of uncalled capital with (for that purpose and for the purpose of enforcing payments of any calls so made) the same powers as are conferred by the articles of association of the Chargor on its directors in respect of calls authorised to be made by them.

15.17 Insure

A Receiver may, if it thinks fit, but without prejudice to the indemnity in clause 18, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Chargor under this Deed.

15.18 Subsidiaries

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

15.19 Borrow

A Receiver may, for whatever purpose it thinks fit, raise and borrow money either unsecured or on the security of all or any of the Secured Assets in respect of which it is appointed on any terms that it thinks fit (including, if the Lender consents, terms under which that security ranks in priority to this Deed).

15.20 Redeem prior Security

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

15.21 Delegation

A Receiver may delegate its powers in accordance with this Deed.

15.22 Absolute beneficial owner

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

15.23 Incidental powers

A Receiver may do any other acts and things that it:

15.23.1 may consider desirable or necessary for realising any of the Secured Assets;

15.23.2 may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this Deed or law; or

15.23.3 lawfully may or can do as agent for the Chargor.

16. DELEGATION

16.1 Delegation

The Lender or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this Deed (including the power of attorney granted under clause 20.1).

16.2 Terms

The Lender and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that it thinks fit.

16.3 Liability

Neither the Lender nor any Receiver shall be in any way liable or responsible to the Chargor for any loss or liability of any nature arising from any act, default, omission or misconduct on the part of any Delegate.

17. APPLICATION OF PROCEEDS

17.1 Order of application of proceeds

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

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

17.2 Appropriation

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

17.3 Suspense account

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

- 17.3.1 may, at the discretion of the Lender, Receiver or Delegate, be credited to a suspense account;
- 17.3.2 shall bear interest, if any, at the rate agreed in writing between the Lender and the Chargor; and
- 17.3.3 may be held in that account for so long as the Lender, Receiver or Delegate thinks fit.

18. COSTS AND INDEMNITY

18.1 Costs

The Chargor shall, promptly on demand, pay to, or reimburse, the Lender and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Lender, any Receiver or any Delegate in connection with:

- 18.1.1 the Secured Assets;
- 18.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's, a Receiver's or a Delegate's rights under this Deed;
- 18.1.3 any amendment, extension, waiver, consent or suspension of rights (or any proposal for any of these) under or in connection with this Deed;
- 18.1.4 any release of any security constituted by this Deed; or
- 18.1.5 taking proceedings for, or recovering, any of the Secured Liabilities,

together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost, charge, expense, tax or liability arose until full discharge of that cost, charge, expense, tax or liability (whether before or after judgment) at the Default Rate.

18.2 Indemnity

- 18.2.1 The Chargor shall, promptly on demand, indemnify the Lender, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:
 - (a) the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this Deed or by law in respect of the Secured Assets;
 - (b) taking, holding, protecting, perfecting, preserving, releasing or enforcing (or attempting to do so) the security constituted by this Deed; or
 - (c) any default or delay by the Chargor in performing any of its obligations under this Deed.
- 18.2.2 Any past or present employee or agent may enforce the terms of this clause 18.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

19. FURTHER ASSURANCE

19.1 Further assurance

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

19.1.1 creating, perfecting or protecting the security created or intended to be created by this Deed;

19.1.2 facilitating the realisation of any Secured Asset; or

19.1.3 facilitating the exercise of any right, power, authority or discretion exercisable by the Lender or any Receiver in respect of any Secured Asset,

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

20. POWER OF ATTORNEY

20.1 Appointment of attorneys

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

20.1.1 the Chargor is required to execute and do under this Deed; or

20.1.2 any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this Deed or by law on the Lender, any Receiver or any Delegate.

20.2 Ratification of acts of attorneys

The Chargor ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 20.1.

21. RELEASE

21.1 Subject to clause 28.3, at the end of the Security Period, the Lender shall, at the request and cost of the Chargor, take whatever action is necessary to:

21.1.1 release the Secured Assets from the security constituted by this Deed; and

21.1.2 reassign the Secured Assets to the Chargor.

22. ASSIGNMENT AND TRANSFER

22.1 Assignment by Lender

22.1.1 At any time, without the consent of the Chargor, the Lender may assign any of its rights or transfer any of its rights and obligations under this Deed.

22.1.2 The Lender may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Chargor, the Secured Assets and this Deed that the Lender considers appropriate.

22.2 Assignment by Chargor

The Chargor may not assign any of its rights, or transfer any of its rights or obligations, under this Deed or enter into any transaction which would result in any of those rights or obligations passing to another person.

23. SET-OFF

23.1 Lender's right of set-off

The Lender may at any time set off any liability of the Chargor to the Lender against any liability of the Lender to the Chargor, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this Deed. If the liabilities to be set off are expressed in different currencies, the Lender may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Lender of its rights under this clause 23 shall not limit or affect any other rights or remedies available to it under this Deed or otherwise.

23.2 No obligation to set off

The Lender is not obliged to exercise its rights under clause 23.1. If it does exercise those rights it must promptly notify the Chargor of the set-off that has been made.

23.3 Exclusion of Chargor's right of set-off

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

24. AMENDMENTS, WAIVERS AND CONSENTS

24.1 Amendments

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

24.2 Waivers and consents

24.2.1 A waiver of any right or remedy under this Deed or by law, or any consent given under this Deed, is only effective if given in writing by the waiving or consenting party and shall not be

deemed a waiver of any subsequent right or remedy. It only applies to the circumstances in relation to which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.

- 24.2.2 A failure by the Lender to exercise, or delay by it in exercising any right or remedy provided under this Deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this Deed. No single or partial exercise of any right or remedy provided under this Deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this Deed by the Lender shall be effective unless it is in writing.

24.3 Rights and remedies

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

25. PARTIAL INVALIDITY

25.1 Partial invalidity

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

26. COUNTERPARTS

26.1 Counterparts

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

27. THIRD PARTY RIGHTS

27.1 Third party rights

- 27.1.1 Except as expressly provided in this Deed, a person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this Deed.

- 27.1.2 Notwithstanding any term of this Deed, the consent of any person who is not a party to this Deed is not required to rescind or vary this Deed at any time.

28. FURTHER PROVISIONS

28.1 Independent security

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

28.2 Continuing security

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

28.3 Discharge conditional

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

28.3.1 the Lender or its nominee may retain this Deed and the security created by or under it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Lender deems necessary to provide the Lender with security against any such avoidance, reduction or order for refund; and

28.3.2 the Lender may recover the value or amount of such security or payment from the Chargor subsequently as if the release, discharge or settlement had not occurred.

28.4 Certificates

Any certification or determination by the Lender of any rate or amount under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

28.5 Consolidation

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

29. NOTICES

29.1 Delivery

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

29.1.1 in writing;

29.1.2 delivered by hand, by pre-paid first-class post or other next working day delivery service; and

29.1.3 sent to:

- (a) the Chargor at its registered office for the attention of the managing director; and
 - (b) the Lender at the address shown at the start of this Deed, with a copy by email to jack.gardener@phillips-law.co.uk;
- or to any other address or fax number as is notified in writing by one party to the other from time to time.

29.2 **Receipt by Chargor**

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

29.2.1 if delivered by hand, at the time it is left at the relevant address; and

29.2.2 if posted by pre-paid first-class post or other next working day delivery service, on the third Business Day after posting.

A notice or other communication given as described in clause 29.2.1 or clause 29.2.2 on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

29.3 **Receipt by Lender**

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

29.4 **Service of proceedings**

This clause 29 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

29.5 **No notice by email**

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

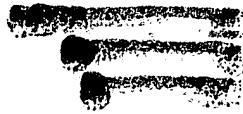
30. **GOVERNING LAW AND JURISDICTION**

30.1 **Governing law**

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

30.2 Jurisdiction

Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Deed or its subject matter or formation.

A blacked-out rectangular area, likely redacting a signature or name.A blacked-out rectangular area, likely redacting a signature or name.

This agreement has been entered into as a deed on the date stated at the beginning of it.

EXECUTED as a deed by **CRESCENT PHARMA LIMITED**
acting by a director in the presence of:

Witness' signature:

DocuSigned by:
Cian Condon
69681113BB4D4C5...

Witness' name:

Cian Condon

Witness' address:

[REDACTED]

Witness' occupation:

Commercial
Manager

DocuSigned by:
Laith Aldoori
0C2429679099439...

I confirm that I was physically
present when Laith Aldoori
signed this document.

EXECUTED as a deed by **CYGNUS PHARMA LIMITED**

acting by a director in the presence of:

Witness' signature:

DocuSigned by:
Alpesh Patel
306625128874429...

Witness' name:

Alpesh Patel

Witness' address:

[REDACTED]

Witness' occupation: COO

DocuSigned by:
Sharan Patel
807F9E7EAA1F401...

I confirm that I was physically
present when Sharan Patel
signed this document.



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 11156850

Charge code: 1115 685 0 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 29th February 2024 and created by CYGNUS PHARMA LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 5th March 2024 .

Given at Companies House, Cardiff on 11th March 2024



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**