



Registration of a Charge

Company Name: **KITCHENER BARRACKS MANAGEMENT LIMITED**

Company Number: **11269650**



Received for filing in Electronic Format on the: **28/02/2022**

XAYTHKN4

Details of Charge

Date of creation: **21/02/2022**

Charge code: **1126 9650 0007**

Persons entitled: **WILMINGTON TRUST SP SERVICES (LONDON) LIMITED AS SECURITY TRUSTEE FOR THE SECURED PARTIES**

Brief description: **ALL PRESENT AND FUTURE FREEHOLD OR LEASEHOLD LAND AND, SUBJECT TO ANY SECURITY INTERESTS CREATED PURSUANT TO THE EXISTING TRANSACTION SECURITY, ALL INTELLECTUAL PROPERTY PURSUANT TO CLAUSE 3 OF THE ACCOMPANYING COPY INSTRUMENT**

Contains fixed charge(s).

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S. 859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION**

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

SIMMONS & SIMMONS LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 11269650

Charge code: 1126 9650 0007

The Registrar of Companies for England and Wales hereby certifies that a charge dated 21st February 2022 and created by KITCHENER BARRACKS MANAGEMENT LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 28th February 2022 .

Given at Companies House, Cardiff on 2nd March 2022

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**

Security Agreement

between

The parties listed in Schedule 1
as Original Chargors

and

Wilmington Trust SP Services (London) Limited
as Security Trustee

Simmons & Simmons LLP

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CONTENTS

| | | |
|-----|-------------------------------|----|
| 1. | Interpretation | 1 |
| 2. | Covenant to Pay | 4 |
| 3. | Creation of Security | 4 |
| 4. | Continuing Security..... | 8 |
| 5. | Further Assurance | 8 |
| 6. | Restrictions on Dealing | 9 |
| 7. | Land | 9 |
| 8. | Investments | 11 |
| 9. | Intellectual Property | 14 |
| 10. | Book Debts..... | 15 |
| 11. | Bank Accounts..... | 15 |
| 12. | Contracts | 16 |
| 13. | Plant and Machinery | 17 |
| 14. | Insurances | 18 |
| 15. | Representations | 18 |
| 16. | Enforcement | 19 |
| 17. | Receiver | 20 |
| 18. | Powers of Receiver..... | 21 |
| 19. | Further Representations | 23 |
| 20. | Power of Attorney | 23 |
| 21. | Tacking..... | 24 |
| 22. | Delegation | 24 |
| 23. | Preservation of Security..... | 24 |
| 24. | J G Chatham as Agent | 26 |
| 25. | Enforcement Expenses..... | 26 |
| 26. | Changes to the Parties | 26 |
| 27. | Payments | 27 |

| | | |
|-----|--|----|
| 28. | Release of Security..... | 27 |
| 29. | Counterparts..... | 28 |
| 30. | Governing Law | 28 |
| 31. | Enforcement | 28 |
| | SCHEDULE 1 : The Original Chargors..... | 30 |
| | SCHEDULE 2 : Mortgaged Property | 31 |
| | SCHEDULE 3 : Contracts | 32 |
| | PART 1 Assigned Contracts..... | 32 |
| | PART 2 Charged Contracts..... | 32 |
| | SCHEDULE 4 : Bank Accounts..... | 35 |
| | SCHEDULE 5 : Plant and Machinery | 36 |
| | SCHEDULE 6 : Investments | 40 |
| | SCHEDULE 7 : Intellectual Property | 41 |
| | SCHEDULE 8 : Notice to Bank Holding an Account..... | 43 |
| | SCHEDULE 9 : Notice to Counterparty to Assigned Contract | 45 |
| | SCHEDULE 10 : Notice to Insurers..... | 47 |
| | SCHEDULE 11 : Notice to Tenants..... | 49 |
| | SCHEDULE 12 : Form of Deed of Accession..... | 51 |
| | SCHEDULE 13 : Form of Supplemental Mortgage..... | 60 |

THIS DEED (this "Deed") is dated

21 February 2022

and made

BETWEEN:

- (1) **THE PARTIES** listed in Schedule 1 (*Original Chargors*), as chargors (the "Original Chargors"); and
- (2) **WILMINGTON TRUST SP SERVICES (LONDON) LIMITED**, in its capacity as security trustee (the "Security Trustee" which expression includes its successors and assigns as Security Trustee and security trustee for the Secured Parties).

BACKGROUND:

- (A) Each Chargor is entering into this Deed in connection with the Finance Documents.
- (B) As a condition of subscription to the additional bonds issued under a Sixth Supplemental Bond Issuance Deed the Parties shall enter into this Deed to provide security for the bonds.
- (C) It is intended that this document takes effect as a deed even though a Party may only execute it under hand.

IT IS AGREED as follows:

1. **Interpretation**

1.1 **Definitions**

In this Deed, terms defined in the Bond Subscription Deeds have the same meaning in this Deed unless given a different meaning and:

"Additional Chargor" means a person who becomes a Chargor by executing a Deed of Accession.

"Assigned Contracts" means the documents listed in Part 1 of Schedule 3 (*Contracts*).

"Bank Account" means any account in the name of a Chargor with any person (including those listed in Schedule 4 (*Bank Accounts*)) and includes any other account which is a successor to that account on any renumbering or re-designation of accounts and any account into which all or a part of the balance from that account is transferred for investment or administrative purposes.

"Bond Subscription Deeds" means, collectively:

- (A) the bond issuance deed dated 21 March 2019 and made between Tophat Enterprises Limited as issuer, AGLQ S.à r.l. as Subscriber, the Security Trustee and Wilmington Trust SP Services (Dublin) Limited, as registrar (as amended, varied, supplemented or amended and restated from time to time, including by the First Supplemental Bond Issuance Deed (as defined below) and the Second Supplemental Bond Issuance Deed (as defined below), the "Original Bond Subscription Deed");

- (B) the first supplemental bond issuance deed dated 26 May 2020 and made between Tophat Enterprises Limited as issuer, AGLQ S.à r.l. as Subscriber and Bondholder, the Security Trustee and Wilmington Trust SP Services (Dublin) Limited, as registrar (the "First Supplemental Bond Issuance Deed");
- (C) the second supplemental bond issuance deed dated 12 March 2021 and made between Tophat Enterprises Limited as issuer, AGLQ S.à r.l. as Subscriber and Bondholder, the Security Trustee and Wilmington Trust SP Services (Dublin) Limited, as registrar (the "Second Supplemental Bond Issuance Deed");
- (D) the third supplemental bond issuance deed dated 9 August 2021 and made between Tophat Enterprises Limited as issuer, AGLQ S.à r.l. as Subscriber and Bondholder, the Security Trustee and Wilmington Trust SP Services (Dublin) Limited, as registrar;
- (E) the fourth supplemental bond issuance deed dated 22 December 2021 and made between Tophat Enterprises Limited as issuer, AGLQ S.à r.l. as Subscriber and Bondholder, the Security Trustee and Wilmington Trust SP Services (Dublin) Limited, as registrar;
- (F) the fifth supplemental bond issuance deed dated 23 December 2021 and made between Tophat Enterprises Limited as issuer, AGLQ S.à r.l. as Subscriber and Bondholder, the Security Trustee and Wilmington Trust SP Services (Dublin) Limited, as registrar; and
- (G) the sixth supplemental bond issuance deed dated on or around the date of this Agreement and made between Tophat Enterprises Limited as issuer, AGLQ S.à r.l. as Subscriber and Bondholder, the Security Trustee and Wilmington Trust SP Services (Dublin) Limited, as registrar (the "Sixth Supplemental Bond Issuance Deed").

"Charged Contracts" means:

- (A) the Development Documents;
- (B) any section 106 agreement, any section 278 agreement, all warranty agreements or favour of a Chargor which related to the Development and any other agreement relating to the acquisition, construction, management, design, servicing, marketing, development, operation or use of the Properties (or any part of it); and
- (C) the documents listed in Part 2 of Schedule 3 (*Charged Contracts*).

"Charged Property" means all of the assets of a Chargor which from time to time are, or are expressed to be, subject to the Transaction Security.

"Chargor" means an Original Chargor or any Additional Chargor.

"Deed of Accession" means a document substantially in the form of Schedule 12 (*Form of Deed of Accession*).

"Delegate" means any delegate or sub delegate appointed under Clause 22 (*Delegation*).

"Existing Security Agreements" means:

- (A) the security agreement dated 21 March 2019 entered into between Tophat Technologies Limited, Tophat Industries Limited, Tophat Labs Limited, Tophat Corporate Limited, Tophat Communities Limited, J G Chatham Limited, Kitchener Barracks Management Limited and the Security Trustee;
- (B) the security agreement dated 21 March 2019 entered into between Tophat Enterprises Ltd and the Security Trustee;
- (C) the security agreement dated 27 March 2020 entered into between Tophat Technologies Limited, Tophat Industries Limited, Tophat Labs Limited, Tophat Corporate Limited, Tophat Communities Limited, J G Chatham Limited, Kitchener Barracks Management Limited and the Security Trustee;
- (D) the security agreement dated 26 May 2020 entered into between Tophat Technologies Limited, Tophat Industries Limited, Tophat Labs Limited, Tophat Corporate Limited, Tophat Communities Limited, J G Chatham Limited, Kitchener Barracks Management Limited, Tophat Enterprises Ltd and the Security Trustee;
- (E) the security agreement dated 12 March 2021 entered into between Tophat Technologies Limited, Tophat Industries Limited, Tophat Labs Limited, Tophat Corporate Limited, Tophat Communities Limited, J G Chatham Limited, Kitchener Barracks Management Limited, Tophat Enterprises Ltd and the Security Trustee; and
- (F) the Homes England Security Agreement.

"Existing Transaction Security" means the Security created or expressed to be created in favour of the Security Trustee pursuant to the Existing Security Agreements.

"Homes England Security Agreement" means the security agreement dated 22 December 2021 entered into by J G chatham Limited and Homes and Communities Agency (trading as Homes England).

"Investments" means any securities and investments of any kind (including shares, stock, debentures, units, depositary receipts, bonds, notes, commercial paper and certificates of deposit), warrants, options or other rights to subscribe for, purchase or otherwise acquire securities and investments now or in the future owned by a Chargor or (to the extent of its interest) in which it now or in the future has any interest including all of the shares held by the Issuer in the Guarantors as set out in Schedule 6 (*Investments*).

"LPA" means the Law of Property Act 1925.

"Mauer Companies" means Mauer (UK) Limited, BR Testing Limited and Mauer Installations Limited.

"Mauer IP Assignment and Licence Deed" means the IP assignment and licence deed entered into between TopHat Industries Limited and the Mauer Companies and two individuals on 27 March 2020

"Mortgaged Property" means any freehold or leasehold property included in the definition of Charged Property.

"Party" means a party to this Deed.

"Receiver" means a receiver, receiver or manager or administrative receiver of the whole or any part of the Charged Property.

"Secured Liabilities" means all moneys, debts and liabilities from time to time due, owing or incurred by each Obligor to the Secured Parties on any current or other account whatsoever pursuant to the Transaction Documents, in each case:

- (A) whether present or future;
- (B) whether alone or jointly with any other person;
- (C) whether actual or contingent;
- (D) whether as principal or as surety;
- (E) in whatsoever name, firm or style;
- (F) in whatsoever currency denominated; or
- (G) otherwise.

"Security Period" means the period beginning on the date of this Deed and ending on the date on which the Security Trustee (acting on the instructions of the Bondholders, acting reasonably), is satisfied that all the Secured Liabilities have been irrevocably paid in full and that all facilities which might give rise to any Secured Liabilities have been terminated.

"Supplemental Mortgage" means a document substantially in the form of Schedule 13 (*Form of Supplemental Mortgage*).

1.2 Construction

- (A) Any reference in this Deed to a "Finance Document" or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended, restated (however fundamentally and whether or not more onerous) or replaced and includes any change in the purpose of, any extension of or any increase in any facility under that Finance Document or other agreement or instrument.
- (B) The other provisions of clause 1.2 (*Interpretation*) of the Original Bond Subscription Deed apply to this Deed as if set out in full in this Deed with all necessary changes.
- (C) A reference in this Deed to the singular includes the plural and vice versa.
- (D) Unless a contrary indication appears, a reference in this Deed to "Charged Property" includes any part of that Charged Property and the proceeds of that Charged Property.
- (E) Each of the undertakings given by a Chargor in this Deed remain in force from the date of this Deed (or, if it becomes a Party later, the date it becomes a Party) until the end of the Security Period.
- (F) Each representation and warranty expressed to be made by a Chargor in this Deed is made by such Chargor on the date of this Deed (or, if it becomes a Party later, the date it becomes a Party) and is deemed to be repeated on the date of each Issuance Notice, on each Issue Date and on each Quarterly Payment Date by reference to the facts and circumstances then existing.

1.3 **Disposition of property**

The terms of the other Finance Documents and of any agreement, document or side letter between the Parties are incorporated into this Deed to the extent required for any purported disposition of all or any part of any freehold or leasehold property contained in this Deed to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.4 **Third party rights**

- (A) A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.
- (B) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.
- (C) Any Receiver or Delegate may, subject to this Clause 1.4 and the Third Parties Act, rely on any Clause of this Deed which expressly confers rights on it.

2. **Covenant to Pay**

Each Chargor shall pay each of the Secured Liabilities when due, or if they do not specify a time, on demand.

3. **Creation of Security**

3.1 **Security generally**

Subject to any security interests created pursuant to the Existing Transaction Security, all the Transaction Security:

- (A) is created in favour of the Security Trustee;
- (B) is created over the present and future assets of each Chargor;
- (C) is security for the payment of all the Secured Liabilities; and
- (D) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

3.2 **Land**

- (A) Subject to any security interests created pursuant to the Existing Transaction Security, each Chargor charges:
 - (1) by way of a first legal mortgage all estates or interests in any freehold or leasehold property now owned by it and all rights under any licence or other agreement or document which gives that Chargor a right to occupy or use that property, including the freehold or leasehold property (if any) specified in Schedule 2 (*Mortgaged Property*); and
 - (2) (to the extent that they are not the subject of a legal mortgage under Clause 3.2(A)(1)) by way of first fixed charge all estates or interests in any freehold or leasehold property now or in the future owned by it and all rights under any licence or other agreement or document which gives that Chargor a right to occupy or use that property.

- (B) Each Chargor assigns absolutely to the Security Trustee all of its rights and interests (but none of its obligations) in and to each Lease Document (including all rental income and in respect of any guarantee of rental income contained in or relating to any Lease Document).
- (C) A reference in this Deed to a mortgage or charge of any freehold or leasehold property includes:
 - (1) each and every part of that property, including the buildings, structures, fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery now or in the future on that property and all easements and rights attaching to it; and
 - (2) the benefit of any covenants for title given or entered into by any predecessor in title of a Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

3.3 Investments

- (A) Subject to any security interests created pursuant to the Existing Transaction Security, each Chargor charges by way of first fixed charge all of its rights and interests in its Investments.
- (B) A reference in this Deed to any mortgage or charge of any Investments includes:
 - (1) any dividend or interest paid or payable in relation to it;
 - (2) any right, money or property accruing or offered at any time in relation to it by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;
 - (3) any right against any clearance system in relation to it; and
 - (4) any right under any custodian or other agreement in relation to it.

3.4 Contracts

- (A) Subject to any security interests created pursuant to the Existing Transaction Security, each Chargor assigns absolutely to the Security Trustee all of its rights and interests (but none of its obligations) in, to and under all the Assigned Contracts.
- (B) Subject to any security interests created pursuant to the Existing Transaction Security, each Chargor grants a first fixed charge to the Security Trustee over all of its rights and interests in, to and under the Charged Contracts.
- (C) To the extent that any such right described in Clause 3.4(A) is not capable of assignment, the assignment of that right purported to be effected by Clause 3.4(A) shall operate as an assignment of any damages, compensation, remuneration, profit, rent or income which that Chargor may derive from that right or be awarded or entitled to in respect of that right.
- (D) To the extent that they do not fall within any other part of this Clause or are not effectively assigned under Clauses 3.4(A) and 3.4(C), subject to any security interests created pursuant to the Existing Transaction Security, each Chargor

charges by way of first fixed charge all of its rights under each agreement or document to which it is a party.

- (E) If a Chargor assigns an agreement or document under this Deed (or charges it) and the assignment or charge breaches a term of that agreement or document because a third party's consent has not been obtained:
- (1) that Chargor shall notify the Security Trustee immediately;
 - (2) unless the Security Trustee otherwise requires (acting on the instructions of the Bondholders), that Chargor shall, and each other Chargor shall ensure that the Chargor will use all reasonable endeavours to obtain the consent as soon as practicable; and
 - (3) that Chargor shall promptly supply to the Security Trustee a copy of the consent obtained by it.

3.5 Bank accounts

Subject to any security interests created pursuant to the Existing Transaction Security, each Chargor charges by way of first fixed charge all of its rights in respect of any amount standing to the credit of any Bank Account and the debt represented by any such Bank Account (or to which it is beneficially entitled).

3.6 Book debts etc.

Subject to any security interests created pursuant to the Existing Transaction Security, each Chargor charges by way of first fixed charge:

- (A) all of its book and other debts;
- (B) all other moneys due and owing to it; and
- (C) the benefit of all rights, securities or guarantees of any nature enjoyed or held by it in relation to any item under Clause 3.6(A) and Clause 3.6(B).

3.7 Insurances

- (A) Subject to any security interests created pursuant to the Existing Transaction Security, each Chargor assigns absolutely to the Security Trustee:
- (1) all of its rights (but none of its obligations) in respect of any contract or policy of insurance taken out by it or on its behalf or in which it has an interest; and
 - (2) all moneys payable and all moneys paid to it under or in respect of all such contracts or policies of insurance.
- (B) To the extent that any such right described in Clause 3.7(A) is not capable of assignment, the assignment of that right purported to be effected by Clause 3.7(A) shall operate as an assignment of any damages, compensation, remuneration, profit, rent or income which that Chargor may derive from that right or be awarded or entitled to in respect of that right.
- (C) To the extent that they do not fall within any other part of this Clause or are not effectively assigned under Clause 3.7(A) or 3.7(B), subject to any security interests created pursuant to the Existing Transaction Security, each Chargor charges by

way of first fixed charge all of its rights under each agreement or document to which it is a party.

3.8 Plant and machinery

Subject to any security interests created pursuant to the Existing Transaction Security, each Chargor charges by way of first fixed charge all fixed and moveable plant and machinery owned by it (including any specified in Schedule 5 (*Plant and Machinery*)), its interest in any plant or machinery in its possession and the benefit of (but none of the obligations under) all related Authorisations, agreements and warranties.

3.9 Intellectual Property

Subject to any security interests created pursuant to the Existing Transaction Security, each Chargor charges by way of first fixed charge all its IP (including any specified in Schedule 7 (*Intellectual Property*)) save and except where expressly prohibited under the terms of any licence or agreement of such IP.

3.10 Authorisations

Subject to any security interests created pursuant to the Existing Transaction Security, each Chargor charges by way of first fixed charge the benefit of (but none of the obligations under) all Authorisations held by it in relation to any Charged Property, together with the right to recover and receive compensation which may be payable to it in respect of any Authorisation.

3.11 Pension fund

Subject to any security interests created pursuant to the Existing Transaction Security, each Chargor charges by way of first fixed charge any beneficial interest, claim or entitlement it has in any pension fund.

3.12 Goodwill

Subject to any security interests created pursuant to the Existing Transaction Security, each Chargor charges by way of first fixed charge its goodwill.

3.13 Uncalled capital

Subject to any security interests created pursuant to the Existing Transaction Security, each Chargor charges by way of first fixed charge its uncalled capital.

3.14 Floating charge

- (A) Subject to any security interests created pursuant to the Existing Transaction Security, each Chargor charges by way of first floating charge its undertaking and assets, both present and future not otherwise effectively mortgaged or charged under this Deed.
- (B) The floating charge created by each Chargor pursuant to Clause 3.14(A) is a "qualifying floating charge" for the purposes of paragraph 14 of Schedule B1 to the Insolvency Act 1986.
- (C) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to this Deed and the Security Trustee may appoint an administrator to a Chargor pursuant to that paragraph.

(D) The Security Trustee may convert the floating charge created by this Deed or any Deed of Accession over all or any of the Charged Property into a first fixed charge by notice to the relevant Chargor specifying the relevant Charged Property (either specifically or generally):

- (1) on the occurrence of an Event of Default which is continuing; and/or
- (2) if the Security Trustee (acting in good faith) considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process.

(E) If:

- (1) a Chargor takes any step to create any Security in breach of Clause 6.2 (*Negative Pledge*) over any of the Charged Property not subject to a mortgage or first fixed charge;
- (2) an administrator is appointed or the Security Trustee receives notice of an intention to appoint an administrator in respect of a Chargor; or
- (3) any person takes any step to effect any expropriation, attachment, sequestration, distress or execution against any of the Charged Property,

the floating charge over the relevant Charged Property shall automatically and immediately be converted into a first fixed charge.

4. **Continuing Security**

4.1 **Continuing Security**

The Transaction Security is a continuing security and will extend to the ultimate balance of the Secured Liabilities, regardless of any intermediate payment or discharge in whole or in part.

4.2 **Additional Security**

The Transaction Security:

- (A) is in addition to, and is not in any way prejudiced by, the Existing Transaction Security, any other Security or other right now or subsequently held by any Finance Party; and
- (B) may be enforced against a Chargor without having recourse to any other rights of any Finance Party.

5. **Further Assurance**

(A) Each Chargor shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as may be necessary or advisable or as the Security Trustee may reasonably specify (and in such form as necessary or advisable or as the Security Trustee may reasonably require in favour of the Security Trustee or its nominee(s)):

- (1) to perfect the Security created or intended to be created by the Transaction Security (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are

intended to be, the subject of Transaction Security) or for the exercise of any rights, powers and remedies of the Security Trustee or the Finance Parties provided by or pursuant to the Finance Documents or by law;

- (2) to confer on the Security Trustee or confer on the Finance Parties Security over any property and assets of that Chargor located in any jurisdiction equivalent or similar to the Security conferred or intended to be conferred by or pursuant to the Transaction Security; and/or
- (3) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security.

(B) Each Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Trustee or the Finance Parties by or pursuant to the Transaction Security.

6. Restrictions on Dealing

6.1 No breach of this Clause 6 shall occur as a result of any act or omission of any Chargor which is caused by the Senior Shareholder in its capacity as shareholder of the Issuer.

6.2 Negative pledge

No Chargor shall create or permit to subsist any Security over any Charged Property, nor do anything which is prohibited by clause 20.3 (*Negative pledge*) of the Original Bond Subscription Deed except as permitted by the Bond Subscription Deeds (including pursuant to the Existing Transaction Security).

6.3 Disposals

No Chargor shall (nor agree to) enter into a single transaction or series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, licence, transfer or otherwise dispose of any Charged Property except as permitted by the Bond Subscription Deeds.

7. Land

7.1 No breach of this Clause 7 shall occur as a result of any act or omission of any Chargor which is caused by the Senior Shareholder in its capacity as shareholder of the Issuer.

7.2 The Land Registry

In the case of a Chargor's existing freehold or leasehold property, that Chargor shall promptly upon request of the Security Trustee (acting on the instructions of the Bondholders):

- (A) apply to the Land Registry to register the Security created or expressed to be created by the Transaction Security;
- (B) submit to the Land Registry a duly completed form RX1 in which the Chargor applies for a restriction in the form specified by the Security Trustee (acting on the instructions of the Bondholders) to be entered on the register of title to that freehold

or leasehold property in respect of the Security created or expressed to be created by the Transaction Security; and

- (C) pay all appropriate registration fees.

7.3 Acquisitions

- (A) If a Chargor acquires any freehold or leasehold property after the date of this Deed, the Chargor shall:

- (1) notify the Security Trustee promptly, and in any event on the same Business Day;
- (2) on the date of any such acquisition and at the cost of the relevant Chargor, execute and deliver to the Security Trustee a Supplemental Mortgage of that freehold or leasehold property together with such constitutional documents, corporate authorisations and other matters as the Security Trustee (acting on the instructions of the Bondholders) may reasonably require to verify that such document constitutes that Chargor's legal, valid, binding and enforceable obligations;
- (3) if title to that freehold or leasehold property is registered at the Land Registry or is required to be so registered:
 - (a) promptly and in any event within any applicable priority period, apply to the Land Registry for first registration of that freehold or leasehold property (where that freehold or leasehold property is not already registered at the Land Registry) and registration of that Chargor as the registered proprietor of that freehold or leasehold property;
 - (b) promptly and in any event within any applicable priority period, apply to the Land Registry to register the Security created or expressed to be created by the Transaction Security;
 - (c) promptly and in any event within any applicable priority period, submit to the Land Registry a duly completed form RX1 in which the Chargor applies for a restriction in the form specified by the Security Trustee (acting on the instructions of the Bondholders) to be entered on the register of title to that freehold or leasehold property in respect of the Security created or expressed to be created by the Transaction Security;
 - (d) promptly submit to the Land Registry a duly completed form CH2 in which the Chargor applies for a note of an obligation to make further advances to be entered on the register of title to that freehold or leasehold property in respect of the Security created or expressed to be created by the Transaction Security; and
 - (e) promptly pay all appropriate registration fees.

- (B) If the consent of the landlord in whom the reversion of a lease is vested is required for a Chargor to execute a legal mortgage over it, that Chargor shall not be required to perform that obligation unless and until it has obtained the landlord's consent. The relevant Chargor shall use its reasonable endeavours to obtain the landlord's consent.

7.4 Deposit of title deeds

Each Chargor shall deposit with the Security Trustee all deeds and documents of title relating to any Mortgaged Property and all local land charges, land charges and Land Registry search certificates and similar documents received by or on behalf of that Chargor.

7.5 Investigation of title

Each Chargor shall grant the Security Trustee or its lawyers on request all facilities within its power to enable (without obligating) the Security Trustee or its lawyers (at the expense of that Chargor) to:

- (A) carry out investigations of title to any Mortgaged Property; and
- (B) make such enquiries in relation to any part of any Mortgaged Property as a prudent mortgagee might carry out.

7.6 Title Information Document

On completion of the registration of any Security in respect of its Mortgaged Property, each Chargor shall promptly supply to the Security Trustee a certified copy of the Title Information Document issued by the Land Registry.

7.7 Power to remedy

If a Chargor fails to perform any obligations under the Finance Documents affecting a Property, the Chargors shall permit the Security Trustee and/or any of its representatives, agents or contractors to enter any Mortgaged Property and to take any steps which it believes necessary in relation to that Mortgaged Property; provided that the Security Trustee shall have no obligation to take any such steps. Each Chargor shall immediately on demand by the Security Trustee pay the costs and expenses of the Security Trustee, its representatives, agents or contractors incurred in connection with any action taken under this Clause.

7.8 Notice of charge or assignment

- (A) On request by the Security Trustee (acting on the instructions of the Bondholders), each Chargor shall promptly, and in any event within 5 Business Days, serve a notice of charge or assignment, substantially in the applicable form as set out in Schedule 11 (*Notice to Tenants*) on each tenant of any Mortgaged Property.
- (B) Each Chargor shall use reasonable endeavours to ensure that each person referred to in Clause 7.8(A) acknowledges receipt of that notice, substantially in the applicable form as set out in Schedule 11 (*Notice to Tenants*).

8. Investments

8.1 No breach of this Clause 8 shall occur as a result of any act or omission of any Chargor which is caused by the Senior Shareholder in its capacity as shareholder of the Issuer.

8.2 Investments

Each Chargor represents and warrants to the Security Trustee for the benefit of each Finance Party that:

- (A) the Investments are duly authorised, validly issued and fully paid and are not subject to any option to purchase or similar right;
- (B) the constitutional documents of the issuer(s) of the Investments do not and could not restrict or inhibit the transfer of those Investments on creation or the enforcement of the Transaction Security;
- (C) it is the sole legal and beneficial owner of the Investments; and
- (D) there are no agreements in force which provide for the issue or allotment of, or grant any person the right to call for the issue or allotment of, any share or loan capital of any issuer of the Investments (including any option or right of pre-emption or conversion); and
- (E) the Investments are the entire issued share capital of the issuer(s) of those Investments.

8.3 **Certificated Investments**

Each Chargor shall, in accordance with the provisions of the Bond Subscription Deeds (or in the case of any certificated Investments acquired after the date of this Deed within 5 Business Days after that acquisition):

- (A) deposit with the Security Trustee, or as the Security Trustee may direct, any bearer instrument, share certificate or other document of title or evidence of ownership in relation to its Investments; and
- (B) shall promptly take any action and execute and deliver to the Security Trustee any share transfer or other document which may be reasonably requested by the Security Trustee (acting on the instructions of the Bondholders) in order to enable the transferee to be registered as the owner or otherwise obtain a legal title to its Investments; this includes:
 - (1) delivering executed and (unless exempt from stamp duty), pre-stamped share transfers in favour of the Security Trustee or any of its nominees as transferee or, if the Security Trustee so directs, with the transferee left blank; and
 - (2) procuring that those share transfers are registered by the issuer(s) of the Investments are held and that share certificates in the name of the transferee are delivered to the Security Trustee.

8.4 **Changes to rights**

No Chargor may (except to the extent permitted by the Bond Subscription Deeds) take or allow the taking of any action on its behalf which may result in the rights attaching to any of its Investments being altered or further Investments being issued.

8.5 **Calls**

- (A) Each Chargor shall pay all calls or other payments due and payable in respect of its Investments.
- (B) If a Chargor fails to do so, the Security Trustee may pay the calls or other payments in respect of any Investment on behalf of the Chargor. Each Chargor

shall immediately on request reimburse the Security Trustee for any payment made by the Security Trustee under this Clause 8.5.

8.6 Other obligations in respect of Investments

- (A) Each Chargor shall comply with all other conditions and obligations assumed by it in respect of any Investments.
- (B) The Security Trustee is not obliged to:
 - (1) perform any obligation of a Chargor;
 - (2) make any payment;
 - (3) make any enquiry as to the nature or sufficiency of any payment received by it or a Chargor; or
 - (4) present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under the Transaction Security,in respect of any Investments.

8.7 Voting rights before enforcement

- (A) Subject to Clause 8.8 (*Voting rights after enforcement*), a Chargor may continue to exercise the voting rights, powers and other rights in respect of its Investments but only to the extent that it does so (including by directing the Security Trustee pursuant to Clause 8.7(B), if applicable) for a purpose not inconsistent with any Finance Document and the exercise of or failure to exercise those rights would not prejudice the interests of any Finance Party.
- (B) If the relevant Investments have been registered in the name of the Security Trustee or its nominee, the Security Trustee (or that nominee) shall exercise the voting rights, powers and other rights in respect of the Investments in any manner which the Chargor may direct in writing. The Security Trustee (or that nominee) shall execute any form of proxy or other document which a Chargor may reasonably require for this purpose.
- (C) Subject to Clause 8.8 (*Voting rights after enforcement*), all dividends or other income or distributions paid or payable in relation to any Investments shall be paid in accordance with the provisions of the Finance Documents.
- (D) Each Chargor shall indemnify the Security Trustee against any loss or liability incurred by the Security Trustee as a consequence of the Security Trustee acting in respect of Investments on the direction of the Chargor.

8.8 Voting rights after enforcement

- (A) Following the occurrence of an Event of Default which is continuing, the Security Trustee or its nominee may exercise or refrain from exercising:
 - (1) any voting rights; and

- (2) any other powers or rights which may be exercised by the legal or beneficial owner of any Investments, any person who is the holder of any Investments or otherwise,

in each case, in the name of the relevant Chargor, the registered holder or otherwise and without any further consent or authority on the part of that Chargor and irrespective of any direction given by that Chargor.

- (B) To the extent that the Investments remain registered in the name of a Chargor, that Chargor irrevocably appoints the Security Trustee or its nominee as its proxy to exercise all voting rights in respect of those Investments at any time after this Security has become enforceable.

8.9 Clearance systems

- (A) Each Chargor shall, if so requested by the Security Trustee:
 - (1) instruct any clearance system to transfer any Investment held by it for the Chargor or its nominee to an account of the Security Trustee or its nominee with that clearance system; and
 - (2) take whatever action the Security Trustee may request for the dematerialisation or rematerialisation of any Investments held in a clearance system.
- (B) Without prejudice to the rest of this Clause the Security Trustee may (but shall not be obligated to), at the expense of the Chargor, take whatever action is required for the dematerialisation or rematerialisation of the Investments as necessary.

8.10 Custodian arrangements

Each Chargor shall:

- (A) promptly give notice of the Transaction Security to any custodian of any Investments in any form which the Security Trustee (acting on the instructions of the Bondholders, acting reasonably) may require; and
- (B) use reasonable endeavours to ensure that the custodian acknowledges that notice in any form which the Security Trustee (acting on the instructions of the Bondholders, acting reasonably) may require.

9. Intellectual Property

- 9.1 No breach of this Clause 9 shall occur as a result of any act or omission of any Chargor which is caused by the Senior Shareholder in its capacity as shareholder of the Issuer.

9.2 Representations

Each Chargor represents and warrants to the Security Trustee for the benefit of each Finance Party that, save as Disclosed:

- (A) all its registered Intellectual Property Rights which it owns and are material to its business are identified in Schedule 7 (*Intellectual Property*) opposite its name or in the relevant Part of the Schedule to any Deed of Accession by which it becomes a Party;

- (B) it is the sole legal and beneficial owner of or has licensed to it all the Intellectual Property Rights which are material to its business and which is required by it in order to carry on its business as it is currently being conducted at the date of this Deed (the "IP"); and
- (C) it has taken all formal or procedural actions (including payment of fees) required to maintain any registered Intellectual Property Rights owned by it.

9.3 **Preservation**

- (A) Each Chargor shall:
 - (1) take all reasonable steps to preserve and maintain the subsistence and validity of the IP necessary for its business;
 - (2) use reasonable endeavours to oppose or restrain any infringement in any material respect of its IP;
 - (3) pay all registration fees and taxes necessary to maintain its IP in full force and effect and record its interest in that IP;
 - (4) not use or permit its IP to be used in a way or take any step or omit to take any step in respect of that IP which may materially and adversely affect the existence or value of its IP or imperil its right to use such property; and
 - (5) not discontinue the use of its IP save in respect of any actions that are required to terminate or discontinue use of any IP in order to enter into or facilitate the establishment of the proposed joint venture arrangements with Mauer Installations Limited.
- (B) Each Chargor shall promptly, if reasonably requested to do so by the Security Trustee (acting on the instructions of the Bondholders), sign or procure the signature of, and comply with all reasonable instructions of the Security Trustee in respect of, any document required to make entries in any public register of Intellectual Property Rights (including the United Kingdom Trade Marks Register) which either record the existence of the Transaction Security or the restrictions on disposal imposed by the Transaction Security.

10. **Book Debts**

10.1 No breach of this Clause 10 shall occur as a result of any act or omission of any Chargor which is caused by the Senior Shareholder in its capacity as shareholder of the Issuer.

10.2

- (A) Each Chargor shall get in and realise its:
 - (1) securities to the extent held by way of temporary investment;
 - (2) book and other debts and other moneys owed to it; and
 - (3) royalties, fees and income of any nature owed to it,
 in the ordinary course of its business and hold the proceeds of the getting in and realisation (until payment in accordance with Clause 10.2(B) but subject always to

the Security created or expressed to be created by the Transaction Security) on trust for the Security Trustee.

- (B) Each Chargor shall, except to the extent that the Security Trustee (acting on the instructions of the Bondholders) otherwise agrees, pay all the proceeds of the getting in and realisation in accordance with the provisions of the Bond Subscription Deeds.

11. Bank Accounts

- 11.1 No breach of this Clause 11 shall occur as a result of any act or omission of any Chargor which is caused by the Senior Shareholder in its capacity as shareholder of the Issuer.

11.2 Restrictions on accounts

No Chargor shall have any accounts other than (A) those specified in Schedule 4 (*Bank Accounts*), (B) those permitted in accordance with the provisions of the Bond Subscription Deeds and (C) those designated in writing from time to time by the Security Trustee (acting on the instructions of the Bondholders) to that Chargor.

11.3 Withdrawals from accounts

- (A) No Chargor shall withdraw any moneys (including interest) standing to the credit of any of its accounts other than:
 - (1) with the prior consent of the Security Trustee (acting on the instructions of the Bondholders); or
 - (2) in accordance with the terms of the Bond Subscription Deeds.
- (B) The Security Trustee (or a Receiver) may withdraw amounts standing from the credit of a Chargor's accounts (and any other account specified in the relevant Part of the Schedule to the Deed of Accession by which it became a Party) in accordance with the terms of the Bond Subscription Deeds.

11.4 Notices of charge

- (A) On request by the Security Trustee (acting on the instructions of the Bondholders), each Chargor shall promptly, and in any event within 1 Business Day of request, serve a notice of charge or assignment, substantially in the applicable form as set out in Schedule 8 (*Notice to Bank Holding an Account*), on each bank or financial institution at which a Chargor maintains any of its accounts.
- (B) Each Chargor shall use reasonable endeavours to ensure that each person referred to in Clause 11.4(A) acknowledges receipt of that notice, substantially in the applicable form as set out in Schedule 8 (*Notice to Bank Holding an Account*).

12. **Contracts**

- 12.1 No breach of this Clause 12 shall occur as a result of any act or omission of any Chargor which is caused by the Senior Shareholder in its capacity as shareholder of the Issuer.

12.2 **Representations**

Each Chargor represents and warrants to the Security Trustee for the benefit of each Finance Party that its entry into and performance of the Transaction Security does not and will not conflict with:

- (A) (subject to the Legal Reservations) any law or regulation applicable to it;
- (B) its constitutional documents; or
- (C) (in any material way) any agreement or instrument binding upon it or any of its assets or (in any material way) constitute a default or termination event (however described) under any such agreement or instrument (including any term of any of its Assigned Contracts or Charged Contracts).

12.3 **Documents**

Each Chargor shall promptly on request by the Security Trustee (acting on the instructions of the Bondholders, acting reasonably), but in any event within 15 Business Days, deliver to the Security Trustee executed originals of all Transaction Documents as are then in effect and shall promptly deliver such other documents relating to the Transaction Documents as the Security Trustee (acting on the instructions of the Bondholders) reasonably requires.

12.4 **No variation etc**

No Chargor shall:

- (A) amend or terminate any Transaction Document except as expressly permitted under the Bond Subscription Deeds without first obtaining the consent in writing of the Security Trustee (acting on the instructions of the Bondholders) save that no such consent shall be required to be obtained where such amendment is technical or administrative in nature; or
- (B) waive any breach by any counterparty to Development Document or consent to any act or omission which would otherwise constitute such a breach of a Development Document without the prior consent of the Security Trustee (acting on the instructions of the Bondholders).

12.5 **Breach**

Each Chargor shall notify the Bondholders of any breach or alleged breach by it or any other party under a Development Document.

12.6 **Rights**

- (A) Subject to the rights of the Security Trustee under Clause 12.6(B), each Chargor shall exercise its rights and comply with its obligations under each Transaction Document to which it is a party (other than a Finance Document), in a manner consistent with each Chargor's obligations under the Finance Documents and in a proper and timely manner.

- (B) Following the occurrence of an Event of Default which is continuing, the Security Trustee may exercise (without any further consent or authority on the part of a Chargor and irrespective of any direction given by a Chargor) any of that Chargor's rights under its Assigned Contracts or Charged Contracts.

12.7 Notices of charge or assignment

- (A) On request by the Security Trustee (acting on the instructions of the Bondholders), each Chargor shall promptly, and in any event within 1 Business Day of request, serve a notice of charge or assignment, substantially in the applicable form as set out in Schedule 9 (*Notice to Counterparty to Assigned Contract*) on each counterparty to an Assigned Contract or Charged Contract.
- (B) Each Chargor shall use reasonable endeavours to ensure that each person referred to in Clause 12.7(A) acknowledges receipt of that notice, substantially in the applicable form as set out in Schedule 9 (*Notice to Counterparty to Assigned Contract*).

13. Plant and Machinery

- 13.1 No breach of this Clause 13 shall occur as a result of any act or omission of any Chargor which is caused by the Senior Shareholder in its capacity as shareholder of the Issuer.

13.2 Maintenance

Each Chargor shall keep its plant and machinery in good repair and in good working order and condition.

13.3 Nameplates

Each Chargor shall take any action which the Security Trustee (acting on the instructions of the Bondholders) may reasonably require to evidence the interest of the Security Trustee in its plant and machinery; this includes fixing a nameplate on its plant and machinery in a prominent position stating that:

- (A) the plant and machinery is charged in favour of the Security Trustee; and
- (B) the plant and machinery must not be disposed of unless permitted under the Bond Subscription Deeds.

14. Insurances

- 14.1 No breach of this Clause 14 shall occur as a result of any act or omission of any Chargor which is caused by the Senior Shareholder in its capacity as shareholder of the Issuer.

14.2 Rights

- (A) Subject to the rights of the Security Trustee under Clause 14.2(B), each Chargor shall diligently pursue its rights under any contract or policy of insurance taken out by it or on its behalf or in which it has an interest, but only if and to the extent that the exercise of those rights in the manner proposed would not result in a Default.
- (B) The Security Trustee may (but shall not be obligated to) exercise (without any further consent or authority on the part of a Chargor and irrespective of any

direction given by any Chargor) any of the rights of a Chargor in connection with any amounts payable to it under any of its Insurances.

- (C) Each Chargor shall take such steps (at its own cost) as the Security Trustee (acting on the instructions of the Bondholders) may require to enforce those rights; this includes initiating and pursuing legal or arbitration proceedings in the name of that Chargor.
- (D) Each Chargor shall hold any payment received by it under any contract or policy of insurance taken out by it or on its behalf or in which it has an interest on trust for the Security Trustee.

14.3 Notices of charge or assignment

- (A) On request by the Security Trustee (acting on the instructions of the Bondholders) each Chargor shall promptly, and in any event within 1 Business Day of the date of request, serve a notice of charge or assignment, substantially in the applicable form as set out in Schedule 10 (*Notice to Insurers*), on each of its insurers.
- (B) Each Chargor shall use reasonable endeavours to ensure that each person referred to in Clause 14.3(A) acknowledges receipt of that notice, substantially in the applicable form as set out in Schedule 10 (*Notice to Insurers*).

15. Representations

Each Chargor represents and warrants to the Security Trustee for the benefit of each Finance Party that, subject to the Legal Reservations and the Perfection Requirements:

- (A) the Transaction Security:
 - (1) creates (or, once entered into, will create) in favour of the Security Trustee, the Security which it is expressed to create, fully perfected and with the ranking and priority it is expressed to have;
 - (2) subject to any security interests created pursuant to the Existing Transaction Security and the Homes England Security Agreement, is not subject to any prior or pari passu ranking Security; and
 - (3) is not liable to be avoided or set aside on its liquidation, administration or otherwise; and
- (B) it is the absolute legal and beneficial owner of all the assets over which it purports to create any Security pursuant to the Transaction Security.

16. Enforcement

16.1 When enforceable

The Transaction Security shall be immediately enforceable if an Enforcement Event occurs and is continuing.

16.2 Power of sale

The statutory powers of sale, of appointing a receiver and the other powers conferred on mortgagees by Section 101 of the LPA (*Powers incident to estate or interest of mortgagee*) as varied and extended by this Deed shall arise on the date of this Deed.

16.3 Section 103 of the LPA

Section 103 of the LPA (*Regulation of exercise of power of sale*) shall not apply to this Deed.

16.4 Section 93 of the LPA

Section 93 of the LPA (*Restriction on consolidation of mortgages*) shall not apply to this Deed.

16.5 No liability as mortgagee in possession

Neither the Security Trustee nor any Receiver or Delegate shall be liable, by reason of entering into possession of any Charged Property, to account as mortgagee in possession, including for any loss on realisation of for any default or omission for which a mortgagee in possession might be liable.

16.6 Privileges

The Security Trustee, each Receiver and each Delegate is entitled to all the rights, powers and immunities conferred by the LPA on mortgagees and receivers duly appointed under the LPA except that Section 103 of the LPA (*Regulation of exercise of power of sale*) shall not apply to this Deed.

16.7 No duty to enquire

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

- (A) whether the rights conferred by or pursuant to any Finance Document are exercisable;
- (B) whether any consents, regulations, restrictions or directions relating to such rights have been obtained or complied with;
- (C) otherwise as to the propriety or regularity of acts purporting or intended to exercise any such rights; or
- (D) as to the application of any money borrowed or raised.

16.8 Protection to purchasers

All the protection to purchasers contained in Sections 104 (*Conveyance on sale*) and 107 (*Mortgagee's receipts, discharges etc.*) of the LPA, Section 42(3) of the Insolvency Act 1986 or in any other applicable legislation shall apply to any person purchasing from or dealing with the Security Trustee, any Receiver or any Delegate.

16.9 Financial collateral arrangements

- (A) To the extent that the provisions of the Financial Collateral Arrangements (No. 2) Regulations 2003 (the "Regulations") apply to any Charged Property, the Security Trustee shall have the right to appropriate any Charged Property which constitutes "financial collateral" (as defined in the Regulations) in or towards the satisfaction of the Secured Liabilities.

- (B) The value of any Charged Property appropriated in accordance with this Clause 16.9 shall be:
- (1) in the case of cash, the amount of the cash appropriated; and
 - (2) in the case of any Investments, their market value as determined by the Security Trustee (acting on the instructions of the Bondholders) by reference to a public index, independent valuation or by such other process as the Security Trustee (acting on the instructions of the Bondholders, acting reasonably) may select.
- (C) Each Chargor agrees that the method of valuation provided for in this Clause 16.9 is commercially reasonable for the purposes of the Regulations.

17. Receiver

17.1 Appointment of receiver

- (A) The Security Trustee may appoint any one or more persons to be a Receiver of all or any part of the Charged Property if:
- (1) an Event of Default occurs and is continuing; or
 - (2) requested to do so by the Chargor.
- (B) Any appointment under Clause 17.1(A) may be by deed, under seal or in writing under hand.

17.2 Removal

The Security Trustee may by writing under hand remove any Receiver appointed by it and may appoint a new Receiver in place of any Receiver whose appointment it may have terminated.

17.3 Remuneration

The Security Trustee may determine the remuneration of any Receiver appointed by it and direct payment of that remuneration out of moneys received by it as Receiver. The maximum rate specified in section 109(6) of the LPA shall not apply to this Deed.

17.4 Agent of Chargor

- (A) Any Receiver will be deemed to be the agent of the Chargor for all purposes. Each Chargor alone is responsible for all contracts, engagements, acts, omissions, defaults, remuneration and all other costs, losses and expenses of a Receiver and for liabilities incurred by a Receiver.
- (B) No Finance Party will incur any liability (either to a Chargor or any other person) by reason of its appointment of a Receiver or for any other reasons.

17.5 Security Trustee's rights

Any rights conferred by any Finance Document upon a Receiver may be exercised by the Security Trustee, whether or not the Security Trustee shall have taken possession or appointed a Receiver of the Charged Property.

18. Powers of Receiver

18.1 General

- (A) A Receiver has all of the rights, powers and discretions set out below in this Clause 18 in addition to those conferred on it by any law, including all the rights, powers and discretions conferred on a receiver under the LPA and a receiver or an administrative receiver under the Insolvency Act 1986.
- (B) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

18.2 Possession

A Receiver may take immediate possession of, get in and collect any Charged Property.

18.3 Carry on business

A Receiver may carry on the business of a Chargor in any manner he thinks fit.

18.4 Employees

- (A) A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he thinks fit.
- (B) A Receiver may discharge any person appointed by a Chargor.

18.5 Borrow money

A Receiver may raise and borrow money either unsecured or on the security of any Charged Property either in priority to the Security created by this Deed or otherwise and generally on any terms and for whatever purpose which he thinks fit.

18.6 Sale of assets

- (A) A Receiver may sell, exchange, convert into money and realise any Charged Property by public auction or private contract and generally in any manner and on any terms which he thinks fit.
- (B) The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he thinks fit.
- (C) Fixtures, other than fixtures of any landlord or of any tenant under a Lease Document, may be severed and sold separately from the property containing them without the consent of a Chargor.

18.7 Leases

A Receiver may let any Charged Property for any term and at any rent (with or without a premium) which he thinks fit and may accept a surrender of any lease or tenancy of any

Charged Property on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender).

18.8 Compromise

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

18.9 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Charged Property which he thinks fit.

18.10 Receipts

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Charged Property.

18.11 Subsidiaries

A Receiver may form a Subsidiary of a Chargor and transfer to that Subsidiary any Charged Property.

18.12 Delegation

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

18.13 Lending

A Receiver may lend money or advance credit to any customer of a Chargor.

18.14 Protection of assets

A Receiver may:

- (A) effect any repair or insurance and do any other act which a Chargor might do in the ordinary conduct of its business to protect or improve any Charged Property;
- (B) commence and/or complete any building operation; and
- (C) apply for and maintain any planning permission, building regulation approval or any other authorisation,

in each case as he thinks fit.

18.15 Other powers

A Receiver may:

- (A) do all other acts and things which he may consider desirable or necessary for realising any Charged Property or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;

(B) exercise in relation to any Charged Property all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Charged Property; and

(C) use the name of a Chargor for any of the above purposes.

19. **Further Representations**

No breach of any representation or warranty contained in this Deed shall occur as a result of any fact, matter or document which has been Disclosed.

20. **Power of Attorney**

20.1 **Appointment**

Each Chargor by way of security irrevocably appoints (without obligation) the Security Trustee, any Receiver and any Delegate severally its attorney (with full power of substitution), on its behalf and in its name or otherwise at such time and in such manner as the attorney may think fit:

(A) to do anything which that Chargor is obliged to do under any Finance Document but which they have not done within any applicable grace period; and

(B) to exercise any of the rights conferred on the Security Trustee, any Receiver or any Delegate in relation to the Charged Property or under any Finance Document, the LPA or the Insolvency Act 1986.

20.2 **Ratification**

Each Chargor ratifies and confirms and agrees to ratify and confirm whatever any such attorney does or purports to do under its appointment under this Clause 20.

21. **Tacking**

Each Finance Party shall comply with its obligations under the Finance Documents (including any obligation to make further advances).

22. **Delegation**

22.1 **Delegate and sub-delegates**

The Security Trustee or any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed.

22.2 **Terms**

Any such delegation may be made upon any terms (including power to sub-delegate) as the Security Trustee or any Receiver thinks fit.

22.3 **Liability**

Neither the Security Trustee nor any Receiver will be bound to supervise or be in any way liable or responsible for any damage, cost, loss or liability arising from any damage, cost, act, default, omission or misconduct on the part of any delegate or sub-delegate.

23. Preservation of Security

23.1 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of a Chargor or any security for those obligations or otherwise) is made by the Security Trustee in whole or in part on the faith of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Chargor under the Transaction Security will continue or be reinstated as if the discharge, release or arrangement had not occurred.

23.2 Waiver of defences

The obligations of each Chargor under the Transaction Security will not be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under the Transaction Security (and whether or not known to it or any Finance Party) including without limitation:

- (A) any time, waiver or consent granted to, or composition with, any Chargor or other person;
- (B) the release of any other Chargor or any other person under the terms of any composition or arrangement with any creditor of any other person;
- (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 Chargor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (D) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Chargor or any other person;
- (E) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature) or replacement of a Finance Document or any other document or security;
- (F) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (G) any insolvency or similar proceedings.

23.3 Immediate recourse

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

23.4 Appropriations

Until all amounts which may be or become payable by the Chargors under or in connection with the Finance Documents have been irrevocably paid in full, any Finance Party (or any trustee or agent on its behalf) may:

- (A) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Chargor shall be entitled to the benefit of the same; and
- (B) hold in an interest-bearing suspense account any moneys received from a Chargor or on account of a Chargor's liability under the Transaction Security.

23.5 Deferral of Chargor's rights

Until all amounts which may be or become payable by the Chargors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Security Trustee (acting on the instructions of the Bondholders) otherwise directs, no Chargor shall exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under the Transaction Security:

- (A) to be indemnified by a Chargor or any other person;
- (B) to claim any contribution from any other guarantor of a Chargor's obligations under the Finance Documents;
- (C) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;
- (D) to bring legal or other proceedings for an order requiring any Chargor to make any payment, or perform any obligation, in respect of which a Chargor has given a guarantee, undertaking or indemnity under any other Finance Document;
- (E) to exercise any right of set-off against any Chargor or other person; and/or
- (F) to claim or prove as a creditor of any Chargor or other person in competition with any Finance Party.

If a Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Chargors under or in connection with the Finance Documents to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same to the Security Trustee or as the Security Trustee may direct (acting on the instructions of the Bondholders) for application in accordance with the terms of the Bond Subscription Deeds.

24. **J G Chatham as Agent**

- 24.1 Each Chargor (other than J G Chatham) irrevocably appoints J G Chatham to execute on its behalf any Deed of Accession by which an Additional Chargor becomes a Party and pursuant to which the Chargor agrees to all matters provided for in the Deed of Accession.
- 24.2 Each Chargor (other than J G Chatham) agrees that any Deed of Accession executed by J G Chatham pursuant to Clause 24.1 shall be binding on the Chargor to the same extent as if the Chargor had executed such a Deed of Accession itself and agrees to do all such other acts or things, and execute all such other documents and deeds, as J G Chatham may require to evidence that fact.

25. Enforcement Expenses

25.1 Enforcement expenses

Each Chargor shall, within 3 Business Days of demand, pay to the Security Trustee the amount of all costs, losses, liabilities and expenses (including legal fees) incurred by the Security Trustee, any Finance Party, any Receiver or any Delegate in connection with the enforcement of or the preservation of any right under the Transaction Security and any proceedings instituted by or against the Security Trustee as a consequence of taking or holding the Transaction Security or enforcing those rights.

25.2 VAT

Clause 13.7 (*Value added tax*) of the Original Bond Subscription Deed shall also apply to any amount payable under a Finance Document to any Receiver or Delegate with all necessary changes.

26. Changes to the Parties

26.1 Assignments and transfer by the Chargors

No Chargor may assign any of its rights or transfer any of its rights or obligations under the Transaction Security.

26.2 Assignment and transfer by the Finance Parties

Any Finance Party may assign any of its rights or transfer any of its rights or obligations under the Transaction Security to any person to which it is permitted to assign its rights or transfer any of its rights or obligations to under the terms of the Bond Subscription Deeds.

27. Payments

27.1 Payments

All payments by a Chargor under the Transaction Security (including damages for its breach) shall be made in the currency in which the relevant amount is denominated, or if different, is payable and to such account, with such person and such other manner as the Security Trustee (acting on the instructions of the Bondholders) may direct.

27.2 Continuation of accounts

- (A) At any time if any subsequent Security affects any Charged Property or a petition is presented or resolution passed in relation to the winding-up of a Chargor, any Finance Party may open a new account in the name of that Chargor (whether or not it permits any existing account to continue).
- (B) If a Finance Party does not open such a new account, it shall nevertheless be treated as if it had done so when the relevant event occurred.
- (C) No moneys paid into any account, whether new or continuing, after that event shall discharge or reduce any Secured Liabilities.

27.3 Order of distributions

All amounts received or recovered by the Security Trustee or any Receiver or Delegate in the exercise of their rights under the Transaction Security shall be applied in the following order:

- (A) first, in or towards payment of all costs, losses, liabilities and expenses of and incidental to the appointment of any Receiver or Delegate and the exercise of any of its rights, including any remuneration and outgoings paid to it;
- (B) second, in or towards payment of any unpaid fees, costs, losses, liabilities and expenses as may have been incurred by the Security Trustee in or about or incidental to the exercise by the Security Trustee of the rights and powers specified in this Deed, the Bond Subscription Deeds, the Subordination Deed or the other Finance Documents; and
- (C) third, in or towards payment of the Secured Liabilities in accordance with clause 12.1 (*Order of application*) of the Subordination Agreement.

27.4 No set-off by Chargors

All payments to be made by a Chargor under this Deed shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

28. Release of Security

28.1 Release

At the end of the Security Period, upon written confirmation from the Bondholders (acting reasonably) that the Secured Liabilities have been irrevocably paid in full, the Security Trustee shall at the request and cost of the Chargors, take whatever action and execute such documentation (to be prepared by the Chargor in a form reasonably acceptable to the Security Trustee) as is reasonably necessary to release the Charged Property from the Security created by or expressed to be created by the Transaction Security.

28.2 Retention

If the Security Trustee reasonably considers that any amount paid or credited to it under a Finance Document is capable of being avoided or otherwise set aside, that amount shall not be considered to have been paid for the purposes of determining whether all the Secured Liabilities have been irrevocably paid.

29. Counterparts

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

30. Governing Law

This Deed and any non-contractual obligations and other matters arising from or in connection with it are governed by English law.

31. **Enforcement**

31.1 **Jurisdiction**

- (A) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or any non contractual obligations arising out of or in connection with this Deed) (a "Dispute").
- (B) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (C) This Clause 31.1 is for the benefit of the Finance Parties only. As a result, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

31.2 **Service of process**

- (A) Without prejudice to any other mode of service allowed under any relevant law, the Issuer:
 - (1) irrevocably appoints Tophat Corporate Limited as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document; and
 - (2) agrees that failure by a process agent to notify that Chargor of the process will not invalidate the proceedings concerned.
- (B) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, each Chargor shall immediately (and in any event within 5 Business Days of such event taking place) appoint another agent on terms acceptable to the Security Trustee (acting on the instructions of the Bondholders). Failing this, the Security Trustee may appoint another agent for this purpose.

32. **Security Trustee**

Wilmington Trust SP Services (London) Limited in its capacity as Security Trustee hereunder shall be afforded all of the rights, protections, immunities and indemnities set forth in the Bond Subscription Deeds as if such rights, protections, immunities and indemnities were specifically set forth herein.

THIS DEED has been executed and delivered as a deed on the date stated at the beginning of this Deed.

SCHEDULE 1 : THE ORIGINAL CHARGORS

| Name of Chargor | Jurisdiction of Incorporation or Establishment | Registration Number |
|---------------------------------------|--|---------------------|
| Tophat Technologies Limited | England and Wales | 10302325 |
| Tophat Industries Limited | England and Wales | 10136060 |
| Tophat Labs Limited | England and Wales | 10302275 |
| Tophat Corporate Limited | England and Wales | 10822829 |
| Tophat Communities Limited | England and Wales | 10302373 |
| J G Chatham Limited | England and Wales | 09036204 |
| Kitchener Barracks Management Limited | England and Wales | 11269650 |
| Tophat Enterprises LTD | Jersey | 128413 |

SCHEDULE 2 : MORTGAGED PROPERTY

| Name of Chargor | Freehold or Leasehold | Address | Title Number | Land Registry Administrative Area |
|------------------------------|----------------------------------|---|---------------------|--|
| Tophat Industries Limited | Leasehold | Plot 4b, Park Avenue, Dove Valley Park, Foston, Derbyshire, DE65 5BT | DY511070 | Land Registry Nottingham Office |
| JG Chatham Limited | Freehold | Land at Kitchener Barracks, Dock Road, Chatham and tunnels ME4 4UG | TT28776 | Land Registry Nottingham Office |

SCHEDULE 3 : CONTRACTS

PART 1 ASSIGNED CONTRACTS

| Name of Document | Date | Parties |
|------------------------|---------------|---|
| Subscription Agreement | 12 March 2021 | (1) Tophat Enterprises LTD (2) Jordan Rosenhaus (3) Christian Sweeting (4) Krishan Pattni (5) Robert Luck (6) Trafalgar Settled Estates Limited (7) Chatham Holdings Limited (8) MJ Capital Partners Limited |

PART 2 CHARGED CONTRACTS

| Name of Chargor | Date | Description | Parties |
|---------------------------|-----------------|--|---|
| | | The terms of appointment of the Professional Team | |
| TopHat Labs Ltd | 4 June 2018 | Agreement for Services for structural engineer - Milner Associates | <ul style="list-style-type: none"> Project MILNER Ltd (t/a Milner Associates) Top Hat |
| TopHat Technologies Ltd. | 12 January 2018 | Appointment document for software developers - Holistic City Ltd | <ul style="list-style-type: none"> Holistic City Ltd. TopHat Technologies Ltd. |
| Tophat Industries Limited | 8 March 2018 | Collateral warranty | <ul style="list-style-type: none"> Tophat Industries Limited J G Chatham Limited |
| Tophat Industries Limited | 8 March 2017 | Collateral warranty | <ul style="list-style-type: none"> Tophat Industries Limited Winvic Construction |

| | | | | |
|----------------|------------|--------------|---------------------|---|
| | | | | Limited |
| Tophat Limited | Industries | 8 March 2017 | Collateral warranty | <ul style="list-style-type: none"> • Tophat Limited Industries • Stride Treglown Ltd |
| Tophat Limited | Industries | 8 March 2017 | Collateral warranty | <ul style="list-style-type: none"> • Tophat Limited Industries • Cameron Darroch Associates Limited |
| Tophat Limited | Industries | 8 March 2017 | Collateral warranty | <ul style="list-style-type: none"> • Tophat Limited Industries • Tuffin Ferraby Taylor LLP |
| Tophat Limited | Industries | 8 March 2017 | Collateral warranty | <ul style="list-style-type: none"> • Tophat Limited Industries • Alucraft Systems Ltd |
| Tophat Limited | Industries | 8 March 2017 | Collateral warranty | <ul style="list-style-type: none"> • Tophat Limited Industries • ABS Brymar Floors Limited |
| Tophat Limited | Industries | 8 March 2017 | Collateral warranty | <ul style="list-style-type: none"> • Tophat Limited Industries • Compass Engineering Limited |
| Tophat Limited | Industries | 8 March 2017 | Collateral warranty | <ul style="list-style-type: none"> • Tophat Limited Industries • FP McCann Limited |
| Tophat Limited | Industries | 8 March 2017 | Collateral warranty | <ul style="list-style-type: none"> • Tophat Limited Industries • HWM Building Services Limited |
| Tophat Limited | Industries | 8 March 2017 | Collateral warranty | <ul style="list-style-type: none"> • Tophat Limited Industries |

| | | | | |
|---------------------------|---------------|---------------------------|--|---|
| | | | | <ul style="list-style-type: none"> • Sapoflow Limited |
| Tophat Industries Limited | 8 March 2017 | Collateral warranty | | <ul style="list-style-type: none"> • Tophat Industries Limited • Steril UK Limited |
| Tophat Industries Limited | 8 March 2017 | Collateral warranty | | <ul style="list-style-type: none"> • Tophat Industries Limited • Yorkshire Sheeting & Insulation Services Ltd |
| Tophat Industries Limited | 27 March 2020 | IP assignment and licence | | <ul style="list-style-type: none"> • Tophat Industries Limited • Mauer (UK) Limited • Mauer Installation Limited • BR Testing Limited |

SCHEDULE 4 : BANK ACCOUNTS

| Name of Chargor | Name of Bank | Account Number | Sort Code |
|----------------------------|-----------------|----------------|-----------|
| J G Chatham Limited | Lloyds Bank plc | ██████ | ██████ |
| J G Chatham Limited | Lloyds Bank plc | ██████ | ██████ |
| Tophat Communities Limited | Lloyds Bank plc | ██████ | ██████ |
| Tophat Corporate Limited | Lloyds Bank plc | ██████ | ██████ |
| Tophat Industries Limited | Lloyds Bank plc | ██████ | ██████ |
| Tophat Labs Limited | Lloyds Bank plc | ██████ | ██████ |
| Tophat Enterprises Ltd | Lloyds Bank plc | ██████ | ██████ |

SCHEDULE 5 : PLANT AND MACHINERY

| Name of Chorgor | Description | Asset Register Number | Location |
|---------------------------|--|-----------------------|----------|
| Tophat Industries Limited | 1600KG IC COUNTERBALANCE | FA000020 | DERBY |
| Tophat Industries Limited | Hundegger Turbo drive timber saw | FA000021 | DERBY |
| Tophat Industries Limited | Striebig Evolution Wall Saw | FA000022 | DERBY |
| Tophat Industries Limited | Vacuum Lifting Equipment for Panel Saw | FA000023 | DERBY |
| Tophat Industries Limited | Canteen Equipment DVP | FA000024 | DERBY |
| Tophat Industries Limited | Sedgwick TA450 Saw Bench | FA000025 | DERBY |
| Tophat Industries Limited | Floor and Ceiling Line | FA000030 | DERBY |
| Tophat Industries Limited | Sub Assembly Table | FA000031 | DERBY |
| Tophat Industries Limited | Mobi One floors & Ceilings | FA000032 | DERBY |
| Tophat Industries Limited | Joist Feeding Carriage | FA000033 | DERBY |
| Tophat Industries Limited | Robatech Gluing system | FA000034 | DERBY |
| Tophat Industries Limited | Robatech Gluing system | FA000035 | DERBY |
| Tophat Industries Limited | Bridge Over Squaring Table | FA000036 | DERBY |
| Tophat Industries Limited | Butterfly / tumble Table | FA000037 | DERBY |
| Tophat Industries Limited | Bridge over 2 tables | FA000038 | DERBY |
| Tophat Industries Limited | Vacuum Lifting Equipment FC1 | FA000039 | DERBY |
| Tophat Industries Limited | Vacuum Lifting Equipment FC2 | FA000040 | DERBY |
| Tophat Industries Limited | Vacuum Lifting Equipment FC/4A | FA000041 | DERBY |
| Tophat Industries Limited | Vacuum Lifting Equipment FC/4B | FA000042 | DERBY |
| Tophat Industries Limited | Floor & Ceiling Line Tooling | FA000043 | DERBY |
| Tophat Industries Limited | Floor and ceiling line rollers | FA000044 | DERBY |
| Tophat Industries Limited | Wall Line | FA000050 | DERBY |
| Tophat Industries Limited | Sub Assembly Table | FA000051 | DERBY |
| Tophat Industries Limited | Framing Station | FA000052 | DERBY |
| Tophat Industries Limited | Bridge Over Squaring Table | FA000053 | DERBY |
| Tophat Industries Limited | Butterfly / tumble Table | FA000054 | DERBY |
| Tophat Industries Limited | Bridge over 2 tables | FA000055 | DERBY |
| Tophat Industries Limited | Vacuum Lifting Equipment W/2A | FA000056 | DERBY |
| Tophat Industries Limited | Vacuum Lifting Equipment W/2B | FA000057 | DERBY |
| Tophat Industries Limited | Vacuum Lifting Equipment W4 | FA000058 | DERBY |
| Tophat Industries Limited | Wall Line Tooling | FA000059 | DERBY |
| Tophat Industries Limited | Wall Line Intermediate supports | FA000060 | DERBY |
| Tophat Industries Limited | Framing Station Compressed air supply | FA000061 | DERBY |
| Tophat Industries Limited | Third Operator Panel | FA000069 | DERBY |
| Tophat Industries Limited | Module Assembly (Main Asset) | FA000070 | DERBY |
| Tophat Industries Limited | Conveyor Bed M1 | FA000071 | DERBY |
| Tophat Industries Limited | Conveyor Bed M2 | FA000072 | DERBY |
| Tophat Industries Limited | Conveyor Bed M3 | FA000073 | DERBY |
| Tophat Industries Limited | Conveyor Bed M4 | FA000074 | DERBY |
| Tophat Industries Limited | Conveyor Bed M5 | FA000075 | DERBY |
| Tophat Industries Limited | Conveyor Bed M6 | FA000076 | DERBY |
| Tophat Industries Limited | Conveyor Bed M7 | FA000077 | DERBY |
| Tophat Industries Limited | Conveyor Bed M8 | FA000078 | DERBY |
| Tophat Industries Limited | Conveyor Bed M9 | FA000079 | DERBY |
| Tophat Industries Limited | Mod Storage Racks | FA000080 | DERBY |

| | | | |
|---------------------------|--|----------|-------|
| Tophat Industries Limited | Module Tooling | FA000081 | DERBY |
| Tophat Industries Limited | Crane Cell | FA000082 | DERBY |
| Tophat Industries Limited | Crane Modification - 8000KG Spreader beam | FA000083 | DERBY |
| Tophat Industries Limited | Roof & Ceiling conveyors | FA000084 | DERBY |
| Tophat Industries Limited | Mod Storage Racks Polyurathane rollers | FA000085 | DERBY |
| Tophat Industries Limited | Module assembly 9M racking | FA000086 | DERBY |
| Tophat Industries Limited | Crane cell E stops | FA000087 | DERBY |
| Tophat Industries Limited | CE Marking of Dodd Equipment | FA000088 | DERBY |
| Tophat Industries Limited | Finishing Line (Main Asset) | FA000090 | DERBY |
| Tophat Industries Limited | Conveyor Bed F1 | FA000091 | DERBY |
| Tophat Industries Limited | Conveyor Bed F3 | FA000092 | DERBY |
| Tophat Industries Limited | Conveyor Bed F4 | FA000093 | DERBY |
| Tophat Industries Limited | Conveyor Bed F5 | FA000094 | DERBY |
| Tophat Industries Limited | Conveyor Bed F6 | FA000095 | DERBY |
| Tophat Industries Limited | Conveyor Bed F7 | FA000096 | DERBY |
| Tophat Industries Limited | Conveyor Bed F8 | FA000097 | DERBY |
| Tophat Industries Limited | Conveyor Bed F9 | FA000098 | DERBY |
| Tophat Industries Limited | Conveyor Bed F10 | FA000099 | DERBY |
| Tophat Industries Limited | Conveyor Bed F11 | FA000100 | DERBY |
| Tophat Industries Limited | Conveyor Bed F12 | FA000101 | DERBY |
| Tophat Industries Limited | Fline storage Platform | FA000102 | DERBY |
| Tophat Industries Limited | Finishing Line Tooling | FA000103 | DERBY |
| Tophat Industries Limited | Despatch | FA000110 | DERBY |
| Tophat Industries Limited | Conveyor Bed D1 | FA000111 | DERBY |
| Tophat Industries Limited | Conveyor Bed D2 | FA000112 | DERBY |
| Tophat Industries Limited | Heating & ventilation systems | FA000130 | DERBY |
| Tophat Industries Limited | Compressors | FA000131 | DERBY |
| Tophat Industries Limited | Illuminated Signage | FA000132 | DERBY |
| Tophat Industries Limited | Racking & stillages | FA000133 | DERBY |
| Tophat Industries Limited | Wisa Spruce Special for stands in factory | FA000134 | DERBY |
| Tophat Industries Limited | Work Benches | FA000135 | DERBY |
| Tophat Industries Limited | Trolleys | FA000136 | DERBY |
| Tophat Industries Limited | Barriers | FA000137 | DERBY |
| Tophat Industries Limited | Fire Suppression system in Kitchen | FA000138 | DERBY |
| Tophat Industries Limited | spark detection & suppression in dust extraction | FA000139 | DERBY |
| Tophat Industries Limited | IT Hardware | FA000300 | DERBY |
| Tophat Industries Limited | Monitors | FA000310 | DERBY |
| Tophat Industries Limited | More Monitors | FA000311 | DERBY |
| Tophat Industries Limited | Polycom telephone System | FA000320 | DERBY |
| Tophat Industries Limited | Servers | FA000330 | DERBY |
| Tophat Industries Limited | Board Room Screen | FA000340 | DERBY |
| Tophat Industries Limited | Time & Attendance & Access Control Solutions | FA000350 | DERBY |
| Tophat Industries Limited | Desktops | FA000360 | DERBY |
| Tophat Industries Limited | Projectors | FA000370 | DERBY |
| Tophat Industries Limited | Laptops | FA000380 | DERBY |
| Tophat Industries Limited | HP Design Jet Plotter | FA000390 | DERBY |
| Tophat Industries Limited | Leasehold Improvements (Derby Start-up) | FA000400 | DERBY |
| Tophat Industries Limited | Temporary Industrial Building | FA000401 | DERBY |
| Tophat Industries Limited | DVP Legal and Professional Costs (Leasehold) | FA000410 | DERBY |
| Tophat Industries Limited | Lifts | FA000420 | DERBY |
| Tophat Industries Limited | Mezzanine Floor, Office & | FA000430 | DERBY |

| | | | |
|---------------------------|--|----------|-------|
| | Workshop | | |
| Tophat Industries Limited | Shop Floor Production Office | FA000431 | DERBY |
| Tophat Industries Limited | Electrical Power Upgrade | FA000440 | DERBY |
| Tophat Industries Limited | Rapid roller Door & Steelwork | FA000450 | DERBY |
| Tophat Industries Limited | Fencing / Gates | FA000460 | DERBY |
| Tophat Industries Limited | Alarm System | FA000461 | DERBY |
| Tophat Industries Limited | Factory floor water supply | FA000462 | DERBY |
| Tophat Industries Limited | Steel Work | FA000470 | DERBY |
| Tophat Industries Limited | Additional doorways | FA000480 | DERBY |
| Tophat Industries Limited | Thermadoor | FA000490 | DERBY |
| Tophat Industries Limited | Office Furniture (Derby Start-up) | FA000500 | DERBY |
| Tophat Industries Limited | Chairs | FA000510 | DERBY |
| Tophat Industries Limited | Desks | FA000520 | DERBY |
| Tophat Industries Limited | Furniture | FA000530 | DERBY |
| Tophat Industries Limited | Show Homes Ground works | FA000600 | DERBY |
| Tophat Industries Limited | Show Homes Landscaping | FA000601 | DERBY |
| Tophat Industries Limited | Site plans / Design | FA000610 | DERBY |
| Tophat Industries Limited | Electrical Supply | FA000620 | DERBY |
| Tophat Industries Limited | Water Supply | FA000630 | DERBY |
| Tophat Industries Limited | Fibre installation | FA000640 | DERBY |
| Tophat Industries Limited | Groundworks | FA000650 | DERBY |
| Tophat Industries Limited | Show Home Plots 1 & 2 | FA000680 | DERBY |
| Tophat Industries Limited | Manufacturing Moulds | FA000690 | DERBY |
| Tophat Industries Limited | Combi Lift C6000 | FA000700 | DERBY |
| Tophat Industries Limited | Hyster Diesel Counterbalance 3T | FA000710 | DERBY |
| Tophat Industries Limited | Hyster Diesel Counterbalance 1.6T | FA000720 | DERBY |
| Tophat Industries Limited | JLG driveable Vertical Stock Picker Lift 20MSP | FA000730 | DERBY |
| Tophat Industries Limited | JLG driveable Vertical Stock Picker Lift 20MSP | FA000740 | DERBY |
| Tophat Industries Limited | Fantuzi Reach Stacker | FA000750 | DERBY |
| Tophat Industries Limited | Deployment Lifting Equipment | FA000760 | DERBY |
| Tophat Industries Limited | Lifting frame for Fantuzi | FA000761 | DERBY |
| Tophat Industries Limited | MRT4 Dual Circuit with swing arm forklift Boom | FA000770 | DERBY |
| Tophat Industries Limited | MRT4 Dual Circuit with swing arm forklift Boom | FA000771 | DERBY |
| Tophat Industries Limited | Genie Electric Scissor Lift | FA000780 | DERBY |
| Tophat Industries Limited | Genie RJ Articulated Boom | FA000790 | DERBY |
| Tophat Industries Limited | Factory CCTV | FA000791 | DERBY |
| Tophat Industries Limited | Factory Radios - derby startup | FA000792 | DERBY |
| Tophat Industries Limited | Additional Radios | FA000793 | DERBY |
| Tophat Industries Limited | Factory Canopy CCTV | FA000794 | DERBY |
| Tophat Industries Limited | Engineering Office Block | FA000801 | DERBY |
| Tophat Industries Limited | Electrical Installation for Production Line | FA000811 | DERBY |
| Tophat Industries Limited | Module Storage Sleepers | FA000812 | DERBY |
| Tophat Industries Limited | Label Printers x5 | FA000813 | DERBY |
| Tophat Industries Limited | Deployment Lifting Gear | FA000831 | DERBY |
| Tophat Industries Limited | Deployment Stores | FA000851 | DERBY |
| Tophat Industries Limited | Bulk Fuel Storage | FA000861 | DERBY |
| Tophat Industries Limited | Versalink Printer | FA000862 | DERBY |
| Tophat Industries Limited | Android Tablets x 4 | FA000863 | DERBY |
| Tophat Industries Limited | fall restraint lines over the finishing line | FA000864 | DERBY |
| Tophat Industries Limited | Factory Line Marking and Handrailing | FA000865 | DERBY |

| | | | |
|---------------------------|--|----------|---------|
| Tophat Industries Limited | Module Rework Area | FA000871 | DERBY |
| Tophat Industries Limited | 110V Power supplies for module rework area | FA000872 | DERBY |
| Tophat Industries Limited | 3rd Ceiling & Roof Assembly Station | FA000873 | DERBY |
| Tophat Industries Limited | Roof Hoist Chain Assembly | FA000891 | DERBY |
| Tophat Industries Limited | Site Radios | FA000901 | CHATHAM |
| Tophat Industries Limited | Canteen Fire Suppression | FA000911 | DERBY |

SCHEDULE 6 : INVESTMENTS

| Name of Company | Company Registration Number | Shares |
|---------------------------------------|-----------------------------|------------------------|
| TopHat Communities Limited | 10302373 | 66,666 ordinary shares |
| TopHat Corporate Limited | 10822829 | 66,666 ordinary shares |
| TopHat Industries Limited | 10136060 | 66,666 ordinary shares |
| TopHat Labs Limited | 10302275 | 66,666 ordinary shares |
| TopHat Technologies Limited | 10302325 | 66,666 ordinary shares |
| Kitchener Barracks Management Limited | 11269650 | 100 ordinary shares |
| J G Chatham Limited | 09036204 | 100 ordinary shares |

SCHEDULE 7 : INTELLECTUAL PROPERTY

For patents:

| Name of Chargor (Proprietor) | Jurisdiction | Application Number | Patent Number | Expiry Date |
|---|----------------|--------------------|---------------------|-------------|
| TopHat Industries Limited | United Kingdom | 1721315.8 | [not yet allocated] | 19 Dec 2037 |
| Any patent rights (including patents and patent applications and rights to inventions) acquired by and transferred to TopHat Industries Limited under and pursuant to the Mauer IP Assignment and Licence Deed. | | | | |

For registered trade marks:

| Name of Chargor (Proprietor) | Jurisdiction | Registration/Applicat ion No. | Mark |
|------------------------------|---|-------------------------------|----------------------|
| TopHat Corporate Limited | United Kingdom | UK00003264436 | TOPHAT |
| TopHat Corporate Limited | United Kingdom | UK00003264439 | TH Logo |
| TopHat Corporate Limited | United Kingdom | UK00003294300 | A WORLD OF DESIGNERS |
| TopHat Corporate Limited | International (national designations not yet granted) | 1428533 | TOPHAT |
| TopHat Corporate Limited | International (national designations not yet granted) | 1445715 | TH Logo |
| TopHat Corporate Limited | International (national designations not yet granted) | 1450455 | A WORLD OF DESIGNERS |
| TopHat Corporate Limited | CANADA | 1917363 | A WORLD OF DESIGNERS |
| TopHat Corporate Limited | CANADA | 1894400 | TH Logo |
| TopHat Corporate Limited | CANADA | 1894399 | TOPHAT |
| TopHat Corporate Limited | US | 79250166 | TH Logo |

| Name of Chargor (Proprietor) | Jurisdiction | Registration/Applicat ion No. | Mark |
|------------------------------|--------------|----------------------------------|---------|
| TopHat Corporate Limited | US | 79243105 | TOPHAT |
| TopHat Corporate Limited | AU | 1984903 | TH Logo |
| TopHat Corporate Limited | AU | 1962656 | TOPHAT |

For registered designs:

None as at the date of this Deed.

For domain names:

| Name of Chargor (Proprietor) | Domain Name | Filing Date | Expiry Date |
|------------------------------|--------------------------|-------------|-------------|
| TopHat Corporate Ltd | http://www.tophat.io and | 27/10/2018 | 2/8/2021 |
| TopHat Corporate Ltd | http://www.tophat.co.uk | Not known | 2/9/2026 |

For copyright, unregistered trade marks and unregistered designs:

None as at the date of this Deed.

Additional IP:

All Intellectual Property Rights acquired by and transferred to TopHat Industries Limited under and pursuant to the Mauer IP Assignment and Licence Deed, including certain Intellectual Property Rights (including know-how, confidential information, patent rights and rights to inventions) in a specific façade system.

SCHEDULE 8 : NOTICE TO BANK HOLDING AN ACCOUNT

To: [Account Bank]

Address: [•]

[Date]

Dear Sirs,

This letter constitutes notice to you that under a security agreement dated [•] [between [•] as chargor][each of the companies listed at the end of this notice] and Wilmington Trust SP Services (London) Limited as Security Trustee (the "Security Trustee") we have charged by way of fixed charge in favour of the Security Trustee (as security trustee for the Secured Parties referred to in the Security Agreement) all of our rights in respect of any amount standing to the credit of any account maintained by us with you at any of your branches (the "Account[s]") and the debts represented by those Account[s].

We irrevocably instruct and authorise you to:

- (A) disclose to the Security Trustee any information relating to the Account[s] requested from you by the Security Trustee;
- (B) [following notification by the Security Trustee,] comply with the terms of any written notice or instruction relating to the Account[s] received by you from the Security Trustee;
- (C) [following notification by the Security Trustee,] hold all sums standing to the credit of the Account[s] to the order of the Security Trustee; and
- (D) [following notification by the Security Trustee,] pay or release any sum standing to the credit of the Account in accordance with the written instructions of the Security Trustee.

[Following notification by the Security Trustee,] We are not permitted to withdraw any amount from the Account[s] without the prior written consent of the Security Trustee.

We acknowledge that you may comply with the instructions in this letter without any further permission from each Chargor or enquiry by you.

The instructions in this notice may not be revoked or amended without the prior written consent of the Security Trustee.

This notice and any non-contractual obligations and other matters arising from or in connection with it are governed by English law.

Please acknowledge receipt of this notice, and confirm that you will pay all moneys in respect of the Account[s] as directed by or pursuant to this notice, by signing the acknowledgement on the attached copy of this notice and returning that copy to the Security Trustee at:

Wilmington Trust SP Services (London) Limited
Third Floor
1 King's Arms Yard
London
EC2R 7AF

E-mail address: transactionteam@wilmingtontrust.com
Attention: Structured Finance Team - Tophat

.....
For and on behalf of
[●]
as Chargor

.....
For and on behalf of
[●]
as Chargor

[On duplicate]

We acknowledge receipt of the notice of which this is a copy and confirm that we:

- (A) will accept the instructions contained in the notice and agree to comply with the notice;
- (B) have not received notice of the interest of any third party in the Account[s]; [and]
- (C) have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of the Account[s]; [and]
- (D) will not permit any amount to be withdrawn from the Account[s] without the prior written consent of the Security Trustee.]

.....
For and on behalf of
[Account Bank]

Date:

SCHEDULE 9 : NOTICE TO COUNTERPARTY TO ASSIGNED CONTRACT

To: [Counterparty]

Address: [•]

[Date]

Dear Sirs,

This letter constitutes notice to you that under a security agreement dated [•] (the "Security Agreement") between [[•] as chargor][each of the companies listed at the end of this notice] and Wilmington Trust SP Services (London) Limited as Security Trustee (the "Security Trustee") we have assigned to the Security Trustee (as security trustee for the Secured Parties referred to in the Security Agreement) all of our present and future right, title and interest in and to [describe agreement] (the "Agreement").

We will remain liable under the Agreement to perform all the obligations assumed by us under the Agreement. None of the Security Trustee, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Agreement.

We will be entitled to exercise all of our rights, powers and discretions under the Agreement, and you should continue to give notices under the Agreement to us, unless and until you receive notice from the Security Trustee to the contrary. In this event, all the rights, powers and discretions under the Agreement will be exercisable by, and notices must be given to, the Security Trustee or as it directs.

Please note that we have agreed not to amend, waive or vary any provision of or terminate the Agreement without the prior consent of the Security Trustee (acting on the instructions of the Bondholders).

We confirm that you may comply with the instructions in this letter without any further permission from us and without enquiry by you as to the justification for or validity of any notice, request or instructions.

This notice and any non-contractual obligations and other matters arising from or in connection with it are governed by English law.

Please acknowledge receipt of this notice, and confirm that you will pay all moneys in respect of the Agreement as directed by or pursuant to this notice, by signing the acknowledgement on the attached copy of this notice and returning that copy to the Security Trustee at:

Wilmington Trust SP Services (London) Limited
Third Floor
1 King's Arms Yard
London
EC2R 7AF

E-mail address: transactionteam@wilmingtontrust.com
Attention: Structured Finance Team - Tophat

.....

For and on behalf of
[•]
as Chargor

.....

For and on behalf of
[•]
as Chargor

[On duplicate]

We acknowledge receipt of the Notice of Assignment of which this is a copy and agree to comply with its terms. We confirm that we have not received any other notice of assignment or charge or notice that any other person claims any rights in respect of the Agreement.

.....

For and on behalf of
[Counterparty]

Date:

SCHEDULE 10 : NOTICE TO INSURERS

To: [Insurers]

Address: [●]

[Date]

Dear Sirs

This letter constitutes notice to you that under a security agreement dated (the "Security Agreement") [●] between [[●] as chargor][each of the companies listed at the end of this notice] and Wilmington Trust SP Services (London) Limited as Security Trustee (the "Security Trustee") we have assigned to the Security Trustee (as security trustee for the Secured Parties referred to in the Security Agreement) all of our present and future right, title and interest in and any contract of insurance taken out with you by or on behalf of us or under which we have a right to claim (the "Insurances").

1. All moneys payable by you to each Chargor in respect of the Insurances other than third party Insurances shall be paid as directed by each Chargor, unless and until you receive written notice from the Security Trustee to the contrary, in which event you should make all future payments as then directed by the Security Trustee.
2. Subject to any applicable legislation and despite the assignments referred to above, all sums in respect of any claim under any third party Insurance by an insured party shall be paid:
 - (A) directly to the person whose claim(s) constitute(s) the risk or liability insured against, provided that such person has executed a discharge of all claims against each insured party in respect of the risk or liability in relation to which the claim was made; or
 - (B) (despite any policy term to the contrary) to the extent that insurers accept liability to Indemnify the insured party in respect of the claims or liabilities which the insured party has settled directly with the claimant, to the relevant insured party, unless the insured party is us, in which case such sums shall be paid as directed by the Security Trustee (acting on the instructions of the Bondholders).
3. This authority and instruction is irrevocable without the prior written consent of the Security Trustee.

This notice and any non-contractual obligations and other matters arising from or in connection with it are governed by English law.

Please acknowledge receipt of this notice, and confirm that you will pay all moneys in respect of the Insurances as directed by or pursuant to this notice, by signing the acknowledgement on the attached copy of this notice and returning that copy to the Security Trustee at:

Wilmington Trust SP Services (London) Limited
Third Floor
1 King's Arms Yard
London
EC2R 7AF

E-mail address: transactionteam@wilmingtontrust.com
Attention: Structured Finance Team - Tophat

.....

For and on behalf of
[•]
as Chargor

.....

For and on behalf of
[•]
as Chargor

[On duplicate]

We acknowledge receipt of the Notice of Assignment of which this is a copy and agree to comply with its terms. We confirm that we have not received any other notice of assignment or notice that any other person claims any rights in respect of the Insurances.

.....

For and on behalf of
[Insurers]

Date:

SCHEDULE 11 : NOTICE TO TENANTS

To: [Tenant]

[Date]

Dear Sirs,

This letter constitutes notice to you that under a security agreement dated [●] (the "Security Agreement") [●] between [[●] as chargor][each of the companies listed at the end of this notice] and Wilmington Trust SP Services (London) Limited as Security Trustee (the "Security Trustee") we have assigned to the Security Trustee (as agent and trustee for the Secured Parties referred to in the Security Agreement) all of our present and future right, title and interest in and to [describe lease] (the "Lease Document").

We irrevocably instruct and authorise you to pay any rent payable by you under the Lease Document to our account at [●], Account No. [●], Sort Code [●] (the "Rent Account").

We will remain liable under the Lease Document to perform all the obligations assumed by us under the Lease Document. None of the Security Trustee, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Lease Document.

Please note that we have agreed not to amend, waive or vary any provision of or terminate the Lease Document except as expressly permitted under the Bond Subscription Deeds without the prior consent of the Security Trustee (acting on the instructions of the Bondholders).

We confirm that you may comply with the instructions in this letter without any further permission from us and without enquiry by you as to the justification for or validity of any notice, request or instructions.

The instructions in this letter apply until you receive notice from the Security Trustee to the contrary and notwithstanding any previous instructions given by us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Trustee.

This notice and any non-contractual obligations and other matters arising from or in connection with it are governed by English law.

Please acknowledge receipt of this notice, and confirm that you will pay all moneys in respect of the Insurances as directed by or pursuant to this notice, by signing the acknowledgement on the attached copy of this notice and returning that copy to the Security Trustee at:

Wilmington Trust SP Services (London) Limited
Third Floor
1 King's Arms Yard
London
EC2R 7AF

E-mail address: transactionteam@wilmingtontrust.com
Attention: Structured Finance Team - Tophat

.....

For and on behalf of
[•]
as Chargor

.....

For and on behalf of
[•]
as Chargor

[On duplicate]

We acknowledge receipt of the notice of which this is a copy and agree to comply with its terms. We confirm that we have not received any other notice of assignment or charge or notice that any other person claims any rights in respect of the Lease Document.

We accept the instructions contained in the notice.

We confirm that we:

- (A) have not received any notice that any third party has or will have any right or interest in, or has made or will be making any claim or demand or taking any action in respect of, the rights of each Chargor under or in respect of the Lease Document (as defined in the notice); and
- (B) must pay all rent and all other monies payable by us under the Lease Document into the Rent Account (as defined in the notice); and
- (C) must continue to pay those monies into the Rent Account until we receive your written instructions to the contrary.

.....

For and on behalf of
[Tenant]

Date:

SCHEDULE 12 : FORM OF DEED OF ACCESSION

THIS DEED is dated [•]

and made

BETWEEN:

- (1) [•] (registered number [•]) (the "Additional Chargor");
- (2) [•] (for itself and as agent for each of the other Chargors under and as defined in the Security Agreement referred to below) (the "Issuer"); and
- (3) **WILMINGTON TRUST SP SERVICES (LONDON) LIMITED**, in its capacity as security trustee (the "Security Trustee" which expression includes its successors and assigns as Security Trustee and security trustee for the Secured Parties).

BACKGROUND:

- (A) The Additional Chargor is a [wholly-owned] Subsidiary of the Issuer.
- (B) The Issuer has entered into a security agreement dated [•] 20[•] (the "Security Agreement") between the Issuer, the Chargors under and as defined in the Security Agreement and the Security Trustee.
- (C) The Additional Chargor has agreed to enter into this Deed and to become a Chargor under the Security Agreement. The Additional Chargor will also, by execution of a separate instrument, become a party to the Subordination Agreement as an Obligor.
- (D) It is intended that this document takes effect as a deed even though a Party may only execute it under hand.

IT IS AGREED as follows:

1. Interpretation

1.1 Definitions

Terms defined in the Security Agreement have the same meaning in this Deed unless given a different meaning in this Deed.

1.2 Construction

The other provisions of Clause 1.2 (*Construction*) of the Security Agreement apply to this Deed as if set out in full in this Deed with all necessary changes.

1.3 Designation

This Deed is a Finance Document.

2. Accession

With effect from the date of this Deed, the Additional Chargor:

- (A) will become a party to the Security Agreement as a Chargor;
- (B) will make all of the representations and warranties set out in the Security Agreement which are expressed to be made by a Chargor; and

- (C) will be bound by all the terms of the Security Agreement which are expressed to be binding on a Chargor.

3. **Creation of Security**

3.1 **Security generally**

All the Security created, or expressed to be created, under this Deed:

- (A) is created in favour of the Security Trustee;
- (B) is created over the present and future assets of the Additional Chargor;
- (C) is security for the payment of all the Secured Liabilities; and
- (D) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

3.2 **Land**

- (A) The Additional Chargor charges:
 - (1) by way of a first legal mortgage all estates or interests in any freehold or leasehold property now owned by it and all rights under any licence or other agreement or document which gives the Additional Chargor a right to occupy or use that property, including the freehold or leasehold property (if any) specified in Part 1 of the Schedule to this Deed (*Mortgaged Property*); and
 - (2) (to the extent that they are not the subject of a legal mortgage under Clause 3.2(A)(1)) by way of first fixed charge all estates or interests in any freehold or leasehold property now or in the future owned by it and all rights under any licence or other agreement or document which gives the Additional Chargor a right to occupy or use that property.
- (B) The Additional Chargor assigns absolutely to the Security Trustee all of its rights and interests (but none of its obligations) in and to each Lease Document (including all rental income and in respect of any guarantee of rental income contained in or relating to any Lease Document).
- (C) A reference in this Deed to a mortgage or charge of any freehold or leasehold property includes:
 - (1) each and every part of that property, including the buildings, structures, fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery now or in the future on that property and all easements and rights attaching to it; and
 - (2) the benefit of any covenants for title given or entered into by any predecessor in title of the Additional Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

3.3 **Investments**

- (A) The Additional Chargor charges by way of a first fixed charge all of its rights and interests in the Investments (including any specified in Part 2 of the Schedule to this Deed (*Investments*)).

- (B) A reference in this Deed to any mortgage or charge of any Investments includes:
- (1) any dividend or interest paid or payable in relation to it;
 - (2) any right, money or property accruing or offered at any time in relation to it by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;
 - (3) any right against any clearance system in relation to it[including any right against CREST];¹ and
 - (4) any right under any custodian or other agreement in relation to it [including any right which the Additional Chargor may have under any agreement with a "system-user" (as defined in the Uncertified Securities Regulations 2001) relating to the use of that system-user's account with CREST].²

3.4 Contracts

- (A) The Additional Chargor assigns absolutely all of its rights and interests (but none of its obligations) in, to and under all the agreements or documents specified in Part 3 of the Schedule to this Deed (*Assigned Contracts*).
- (B) The Additional Chargor charges by way of a first fixed charge to the Security Trustee all of its rights and interests (but none of its obligations) in, to and under all the agreements or documents specified in Part 4 of the Schedule to this Deed (*Charged Contracts*).
- (C) To the extent that any such right described in Clause 3.4(A) is not capable of assignment, the assignment of that right purported to be effected by Clause 3.4(A) shall operate as an assignment of any damages, compensation, remuneration, profit, rent or income which that Chargor may derive from that right or be awarded or entitled to in respect of that right.
- (D) To the extent that they do not fall within any other part of this Clause or are not effectively assigned under Clause[s] 3.4(A) and Clause 3.4(C), the Additional Chargor charges by way of first fixed charge all of its rights under each agreement or document to which it is a party.
- (E) If the Additional Chargor assigns an agreement or document under this Deed (or charges it) and the assignment or charge breaches a term of that agreement or document because a third party's consent has not been obtained:
- (1) the Additional Chargor must notify the Security Trustee immediately;
 - (2) unless the Security Trustee otherwise requires (acting on the instructions of the Bondholders), the Additional Chargor shall, and each other Chargor will ensure that the Additional Chargor shall, use all reasonable endeavours to obtain the consent as soon as practicable; and
 - (3) the Additional Chargor must promptly supply to the Security Trustee a copy of the consent obtained by it.

¹ Delete if no Investments are held in CREST.

² Delete if no Investments are held in CREST.

3.5 **Bank accounts**

The Additional Chargor charges by way of first fixed charge all of its rights in respect of any amount standing to the credit of any account (including any specified in Part 5 of the Schedule to this Deed (*Bank Accounts*)) it has in its name (or to which it is beneficially entitled) with any person and the debt represented by such account.

3.6 **Book debts etc.**

The Additional Chargor charges by way of first fixed charge:

- (A) all of its book and other debts;
- (B) all other moneys due and owing to it; and
- (C) the benefit of all rights, securities or guarantees of any nature enjoyed or held by it in relation to any item under Clause 3.6(A) and Clause 3.6(B).

3.7 **Insurances**

- (A) The Additional Chargor assigns absolutely to the Security Trustee:
 - (1) all of its rights (but none of its obligations) in respect of any contract or policy of insurance taken out by it or on its behalf or in which it has an interest; and
 - (2) all moneys payable and all moneys paid to it under or in respect of all such contracts and policies of insurance;
- (B) To the extent that any such right described in Clause 3.7(A) is not capable of assignment, the assignment of that right purported to be effected by Clause 3.7(A) shall operate as an assignment of any damages, compensation, remuneration, profit, rent or income which the Additional Chargor may derive from that right or be awarded or entitled to in respect of that right.
- (C) To the extent that they do not fall within any part of this Clause or are not effectively assigned under Clause 3.7(A) or Clause 3.7(B), the Additional Chargor charges by way of first fixed charge all of its rights under each agreement or document to which it is a party.

3.8 **Plant and machinery**

The Additional Chargor charges by way of first fixed charge all fixed and moveable plant and machinery owned by it (including any specified in Part 6 of the Schedule to this Deed (*Plant and Machinery*)), its interest in any plant or machinery in its possession and the benefit of (but none of the obligations under) all related Authorisations, agreements and warranties.

3.9 **Intellectual Property**

The Additional Chargor charges by way of first fixed charge all its Intellectual Property Rights including any specified in Part 7 of the Schedule to this Deed (*Intellectual Property*).

3.10 Authorisations

The Additional Chargor charges by way of first fixed charge the benefit of (but none of the obligations under) all Authorisations held by it in relation to any Charged Property, together with the right to recover and receive compensation which may be payable to it in respect of any Authorisation.

3.11 Pension fund

The Additional Chargor charges by way of first fixed charge any beneficial interest, claim or entitlement it has in any pension fund.

3.12 Goodwill

The Additional Chargor charges by way of first fixed charge its goodwill.

3.13 Uncalled capital

The Additional Chargor charges by way of first fixed charge its uncalled capital.

3.14 Floating charge

- (A) The Additional Chargor charges by way of first floating charge its undertaking and assets, both present and future not otherwise effectively mortgaged or charged under this Deed.
- (B) The floating charge created by the Additional Chargor pursuant to Clause 3.14(A) is a "qualifying floating charge" for the purposes of paragraph 14 of Schedule B1 to the Insolvency Act 1986.
- (C) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to this Deed and the Security Trustee may appoint an administrator to the Additional Chargor pursuant to that paragraph.
- (D) The Security Trustee may convert the floating charge created by this Deed over all or any of the Charged Property into a fixed charge by notice to the Additional Chargor specifying the relevant Charged Property (either specifically or generally):
 - (1) Upon the occurrence of an Event of Default which is continuing; and/or
 - (2) if the Security Trustee [(acting in good faith)] considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process.
- (E) If:
 - (1) the Additional Chargor takes any step to create any Security in breach of Clause 4.1 (*Negative Pledge*) of the Security Agreement over any of the Charged Property not subject to a mortgage or fixed charge;
 - (2) an administrator is appointed or the Security Trustee receives notice of an intention to appoint an administrator in respect of the Additional Chargor; or
 - (3) any person takes any step to effect any expropriation, attachment, sequestration, distress or execution against any of the Charged Property,

the floating charge over the relevant Charged Property shall automatically and immediately be converted into a fixed charge.

4. **Restrictions on Dealing**

4.1 No breach of this Clause 4 shall occur as a result of any act or omission of the Additional Chargor which is caused by the Senior Shareholder in its capacity as shareholder of the Issuer.

4.2 **Negative pledge**

The Additional Chargor shall not create or permit to subsist any Security over any Charged Property, nor do anything prohibited by Clause [•] (Negative pledge) of the Original Bond Subscription Deed, except as permitted by the Bond Subscription Deeds.

4.3 **Disposals**

The Additional Chargor shall not (nor agree to) enter into a single transaction or series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, licence, transfer or otherwise dispose of any Charged Property except as permitted by the Bond Subscription Deeds.

5. **Miscellaneous**

With effect from the date of this Deed:

- (A) the Security Agreement and this Deed shall be read and construed together as one deed;
- (B) the Security Agreement shall be read and construed as if the Additional Chargor had been an original party in the capacity of the Chargor (but so that the Security created on this accession will be created on the date of this Deed);
- (C) any reference in the Security Agreement to this Deed and similar phrases shall include this Deed and all references in the Security Agreement to a Schedule to that deed (or any part of it) will include a reference to the Schedule to this Deed (or relevant part of it); and
- (D) the Issuer, for itself and as agent for each of the other Chargors under the Security Agreement, agrees to all matters provided for in this Deed.

6. **Governing law**

This Deed and any non-contractual obligations and other matters arising from or in connection with it are governed by English law.

THIS DEED has been executed and delivered as a deed on the date stated at the beginning of this Deed.

SCHEDULE TO DEED OF ACCESSION

PART 1: MORTGAGED PROPERTY

| Freehold or Leasehold | Address | Title Number | Land Registry Administrative Area |
|-----------------------|---------|--------------|-----------------------------------|
| [•] | [•] | [•] | [•] |

PART 2: INVESTMENTS

| Name of Company | Company Registration Number | Shares |
|-----------------|-----------------------------|--------|
| [•] | [•] | [•] |

PART 3: ASSIGNED CONTRACTS

| Date | Description | Parties |
|------|-------------|---------|
| [•] | [•] | [•] |

PART 4: CHARGED CONTRACTS

| Date | Description | Parties |
|------|-------------|---------|
| [•] | [•] | [•] |

PART 5: BANK ACCOUNTS

| Name of Bank | Account Number | Sort Code |
|--------------|----------------|-----------|
| [•] | [•] | [•] |

PART 6: PLANT AND MACHINERY

| Description | Serial Number | Location |
|-------------|---------------|----------|
| [•] | [•] | [•] |

PART 7: INTELLECTUAL PROPERTY

For patents:

| Proprietor | Jurisdiction | Application Number | Patent Number | Expiry Date |
|------------|--------------|--------------------|---------------|-------------|
| [•] | [•] | [•] | [•] | [•] |

For registered trade marks:

| Proprietor | Jurisdiction | Application Number | TM Number | Mark |
|------------|--------------|--------------------|-----------|------|
| [•] | [•] | [•] | [•] | [•] |

For registered designs:

| Proprietor | Jurisdiction | Application Number | Registered Design Number | Expiry Date |
|------------|--------------|--------------------|--------------------------|-------------|
| [•] | [•] | [•] | [•] | [•] |

For domain names:

| Proprietor | Domain Name | Filing Date | Expiry Date |
|------------|-------------|-------------|-------------|
| [•] | [•] | [•] | [•] |

For copyright, unregistered trade marks and unregistered designs:

[Insert details as appropriate]

EXECUTION PAGE TO DEED OF ACCESSION

The Additional Chargor

EXECUTED as a DEED by)
[●])
acting by)
and)

Director:

Director/Secretary:

The Issuer

EXECUTED as a DEED by)
[●] (for itself and as agent)
for each of the other Chargors)
party to the Security Agreement)
referred to in this Deed))
acting by)
and)

Director:

Director/Secretary:

The Security Trustee

WILMINGTON TRUST SP SERVICES (LONDON) LIMITED

By:

SCHEDULE 13 : FORM OF SUPPLEMENTAL MORTGAGE

THIS DEED is dated [•]

and made

BETWEEN:

- (1) [•] (registered number [•]) (the "Chargor"); and
- (2) **WILMINGTON TRUST SP SERVICES (LONDON) LIMITED**, in its capacity as security trustee (the "Security Trustee" which expression includes its successors and assigns as Security Trustee and security trustee for the Secured Parties).

BACKGROUND:

- (A) The Chargor has entered into a security agreement dated [•] 20[•] (the "Security Agreement") between, amongst others, the Chargor and the Security Trustee.
- (B) It is intended that this document takes effect as a deed even though a Party may only execute it under hand.

IT IS AGREED as follows:

1. Interpretation

1.1 Definitions

Terms defined in the Security Agreement have the same meaning in this Deed unless given a different meaning in this Deed.

1.2 Construction

The other provisions of Clause 1.2 (*Construction*) of the Security Agreement apply to this Deed as if set out in full in this Deed with all necessary changes.

1.3 Designation

This Deed is a Finance Document.

2. Creation of Security

2.1 Security generally

All the Security created, or expressed to be created, under this Deed:

- (A) is created in favour of the Security Trustee;
- (B) is created over the present and future assets of the Chargor;
- (C) is security for the payment of all the Secured Liabilities; and
- (D) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

2.2 Land

- (A) The Chargor charges:

- (1) by way of a first legal mortgage all estates or interests in any freehold or leasehold property now owned by it and all rights under any licence or other agreement or document which gives the Chargor a right to occupy or use that property, including the freehold or leasehold property (if any) specified in Part 1 of the Schedule to this Deed (*Mortgaged Property*); and
 - (2) (to the extent that they are not the subject of a legal mortgage under Clause 2.2(A)(1)) by way of first fixed charge all estates or interests in any freehold or leasehold property now or in the future owned by it and all rights under any licence or other agreement or document which gives the Chargor a right to occupy or use that property.
- (B) The Chargor assigns absolutely to the Security Trustee all of its rights and interests (but none of its obligations) in and to each Lease Document (including all rental income and in respect of any guarantee of rental income contained in or relating to any Lease Document).
- (C) A reference in this Deed to a mortgage or charge of any freehold or leasehold property includes:
- (1) each and every part of that property, including the buildings, structures, fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery now or in the future on that property and all easements and rights attaching to it; and
 - (2) the benefit of any covenants for title given or entered into by any predecessor in title of a Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

2.3 Contracts

- (A) The Chargor assigns absolutely to the Security Trustee all of its rights (but none of its obligations) in, to and under all the agreements or documents specified in Part 2 of the Schedule to this Deed (*Assigned Contracts*).
- (B) To the extent that any such right described in Clause 2.3(A) is not capable of assignment, the assignment of that right purported to be effected by Clause 2.3(A) shall operate as an assignment of any damages, compensation, remuneration, profit, rent or income which the Chargor may derive from that right or be awarded or entitled to in respect of that right.
- (C) To the extent that they do not fall within any other part of this Clause or are not effectively assigned under Clauses 2.3(A) and 2.3(B), the Chargor charges by way of first fixed charge all of its rights under each agreement or document to which it is a party.
- (D) If the Chargor assigns an agreement or document under this Deed (or charges it) and the assignment or charge breaches a term of that agreement or document because a third party's consent has not been obtained:
- (1) the Chargor must notify the Security Trustee immediately;
 - (2) unless the Security Trustee otherwise requires (acting on the instructions of the Bondholders), the Chargor shall use all reasonable endeavours to obtain the consent as soon as practicable; and

- (3) the Chargor shall promptly supply to the Security Trustee a copy of the consent obtained by it.

2.4 **Insurances**

(A) The Chargor assigns absolutely to the Security Trustee:

- (1) all of its rights (but none of its obligations) in respect of any contract or policy of insurance taken out by it or on its behalf or in which it has an interest; and
- (2) all moneys payable and all moneys paid to it under or in respect of all such contracts and policies of insurance.

(B) To the extent that they are not effectively assigned under Clause 2.4(A), the Chargor charges by way of first fixed charge all of its rights under each agreement or document to which it is a party.

3. **Restrictions on Dealing**

3.1 No breach of this Clause 3 shall occur as a result of any act or omission of the Additional Chargor which is caused by the Senior Shareholder in its capacity as shareholder of the Issuer.

3.2 **Negative pledge**

The Chargor shall not create or permit to subsist any Security over any Charged Property, nor do anything prohibited by clause [●] (*Negative pledge*) of the Original Bond Subscription Deed, except as permitted by the Bond Subscription Deeds.

3.3 **Disposals**

The Chargor shall not (nor agree to) enter into a single transaction or series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, licence, transfer or otherwise dispose of any Charged Property except as permitted by the Bond Subscription Deeds.

4. **Miscellaneous**

With effect from the date of this Deed:

- (A) the Security Agreement and this Deed shall be read and construed together as one deed; and
- (B) any reference in the Security Agreement to this Deed and similar phrases shall include this Deed and all references in the Security Agreement to a Schedule to that Deed (or any part of it) will include a reference to the Schedule to this Deed (or relevant part of it).

5. **Governing law**

This Deed and any non-contractual obligations and other matters arising from or in connection with it are governed by English law.

THIS DEED has been executed and delivered as a deed on the date stated at the beginning of this Deed.

SCHEDULE

PART 1: MORTGAGED PROPERTY

| Freehold or Leasehold | Address | Title Number | Land Registry Administrative Area |
|-----------------------|---------|--------------|-----------------------------------|
| [•] | [•] | [•] | [•] |

PART 2: CHARGED CONTRACTS

| Date | Description | Parties |
|------|-------------|---------|
| [•] | [•] | [•] |

EXECUTION PAGE TO SUPPLEMENTAL MORTGAGE

The Chargor

EXECUTED as a DEED by)
[•])
acting by)
and)

Director:

Director/Secretary:

The Security Trustee

WILMINGTON TRUST SP SERVICES (LONDON) LIMITED

By:

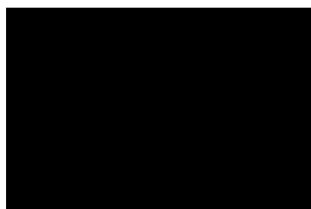
EXECUTION PAGE TO SECURITY AGREEMENT

The Original Chargors

EXECUTED as a deed by
TOPHAT TECHNOLOGIES LIMITED
acting by:

.....*John P. Smith*.....
(authorised signatory's name)

)
)
)
)
)
)



in the presence of:

Signature of Witness:



Name of Witness:

.....*David P. Smith*.....

Address of Witness:



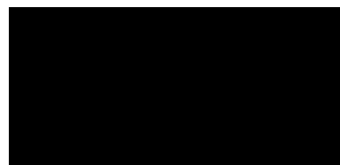
Occupation of Witness:

.....*N/A*.....

EXECUTED as a deed by
TOPHAT INDUSTRIES LIMITED
acting by:

.....*John P. Smith*.....
(authorised signatory's name)

)
)
)
)
)
)



in the presence of:

Signature of Witness:



Name of Witness:

.....*David P. Smith*.....


Address of Witness:



Occupation of Witness:

.....*N/A*.....

EXECUTED as a deed by
TOPHAT LABS LIMITED
acting by:


.....
(authorised signatory's name)

)
)
)
)
)
)
)



in the presence of:

Signature of Witness:



Name of Witness:

Don Walsh

Address of Witness:



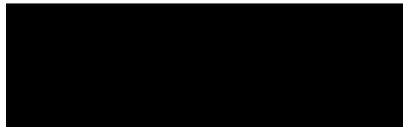
Occupation of Witness:

N/A

EXECUTED as a deed by
TOPHAT CORPORATE LIMITED
acting by:

Jordan (w)
.....
(authorised signatory's name)

)
)
)
)
)
)
)



in the presence of:

Signature of Witness:



Name of Witness:

Don Walsh

Address of Witness:



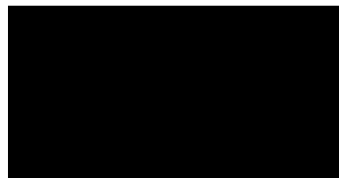
Occupation of Witness:

N/A

EXECUTED as a deed by
TOPHAT COMMUNITIES LIMITED
acting by:

Jordan Walsh
.....
(authorised signatory's name)

)
)
)
)
)
)
)



in the presence of:

Signature of Witness:



Name of Witness:

Don Walsh

Address of Witness:



Occupation of Witness:

N/A

EXECUTED as a deed by
J G CHATHAM LIMITED

acting by:

Jordan Roberts
.....
(authorised signatory's name)

in the presence of:

Signature of Witness:

Name of Witness:

Address of Witness:

Occupation of Witness:

.....
Dawn Roberts
.....
.....
N/A
.....

EXECUTED as a deed by

**KITCHENER BARRACKS MANAGEMENT
LIMITED**

acting by:

Jordan Roberts
.....
(authorised signatory's name)

in the presence of:

Signature of Witness:

Name of Witness:

Address of Witness:

Occupation of Witness:

.....
Dawn Roberts
.....
.....
N/A
.....

EXECUTED as a deed by

TOPHAT ENTERPRISES LTD

acting by:

Jordan Roberts
.....
(authorised signatory's name)

in the presence of:

Signature of Witness:

Name of Witness:

Address of Witness:

.....
Dawn Roberts
.....
.....

Occupation of Witness:

The Security Trustee

WILMINGTON TRUST SP SERVICES (LONDON) LIMITED

By:



Daniel Wynne
Director