



**Registration of a Charge**

Company name: **VC MP SPV 1 LTD**

Company number: **11688988**

Received for Electronic Filing: **03/04/2019**



X82LI7JS

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**Details of Charge**

Date of creation: **01/04/2019**

Charge code: **1168 8988 0001**

Persons entitled: **LEUMI ABL LIMITED**

Brief description: **N/A**

**Contains fixed charge(s).**

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

**Contains negative pledge.**

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**Authentication of Form**

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

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**Authentication of Instrument**

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

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

Certified by:

**SQUIRE PATTON BOGGS (UK) LLP**



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

Company number: 11688988

Charge code: 1168 8988 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 1st April 2019 and created by VC MP SPV 1 LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 3rd April 2019 .

Given at Companies House, Cardiff on 4th April 2019

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



**Companies House**



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

DATED 1 April 2019

**THE COMPANIES LISTED IN SCHEDULE 1 (1)**  
**(THE CHARGORS)**

**LEUMI ABL LIMITED (2)**  
**(THE SECURED PARTY)**

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**FULL FORM DEBENTURE**

Comprising Fixed and Floating Charges over the whole or substantially the whole of each Chargor's business, assets and undertaking.

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DATE OF FULL FORM DEBENTURE

1 April

2019

**PARTIES**

- (1) **THE COMPANIES** listed in Schedule 1 (*Chargors*) (the "**Chargors**" and each, a "**Chargor**")
- (2) **LEUMI ABL LIMITED** (Company Number 00620951) whose registered office is at 126 Dyke Road, Brighton, East Sussex BN1 3TE ("**Leumi**")

**INTRODUCTION**

**IT IS AGREED THAT:**

**1 DEFINITIONS**

1.1 In this deed any words whose meaning is defined in the Receivables Finance Agreement (as defined below) shall have the same meaning.

1.2 In this deed the following words shall have the meaning set out after each of them:

**"Account"** means all present and future accounts opened or maintained by the *Chargors* (and any renewal or re-designation of such account(s)), in each case, together with the debt or debts represented thereby.

**"Acquisition Agreement"** means the agreement for the sale and purchase of the entire issued share capital of Burden Group Holdings Limited dated on or about the date of this deed entered into between VC MP SPV 1 Ltd and the *Sellers* (as defined therein).

**"Administrator"** means any person appointed under Schedule B1 of the Insolvency Act 1986 to manage each *Chargor's* affairs, business and property.

**"Associated Rights"** has the same meaning as in the Receivables Finance Agreement.

**"Encumbrance"** means any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention, flawed asset agreement, preferential right, trust arrangement or other security arrangement, whether by law or agreement, or any right conferring a priority of payment.

**"Enforcement Date"** means the date on which:

- (a) Leumi receive from any person notice of intention to appoint an Administrator in respect of a *Chargor*;
- (b) a *Chargor* requests Leumi to appoint an Administrator or any Receiver;
- (c) a petition is filed for the appointment of an Administrator in respect of a *Chargor*;
- (d) an application is made for the appointment of an Administrator in respect of a *Chargor*;
- (e) an application is made for an administration order in respect of a *Chargor*;
- (f) an Administrator is appointed in relation to a *Chargor*; or
- (g) a winding up order has been made or a resolution for winding up has been passed or a provisional liquidator has been appointed in respect of a *Chargor*.

**"Environmental Laws"** – means all laws, directions and regulations and all codes of practice, circulars and guidance notes issued by any competent authority or agency (whether in the United Kingdom or elsewhere and whether or not having the force of law) concerning the protection of the environment or human health, including without limitation the conservation of natural resources, the production, storage, transportation, treatment, recycling or disposal of any waste or any noxious, offensive or dangerous substance or the liability of any person, whether civil or criminal, for any damage to or pollution of the environment or the rectification thereof or any related matters.

**"Environmental Licence"** – means any permit, licence, authorisation, consent or other approval required by any Environmental Law.

**"Equipment"** means machinery, equipment, furniture, furnishings, fittings and fixtures and other tangible personal property (other than Inventory), including, without limitation, data processing hardware and software, motor vehicles, aircraft, dies, tools, jigs and office equipment, together with all present and future additions thereto, replacements or upgrades thereof, components and auxiliary parts and supplies used or to be used in connection therewith and all substitutes for any of the foregoing, and all manuals, drawings, instructions, warranties and rights with respect thereto wherever any of the foregoing is located and any other asset which would be treated as a fixed asset under GAAP.

**"Event of Default"** means in relation to a Chargor, any of the events or occurrences set out in clause 8.1 of this deed.

**"Excluded Asset"** means James Burden Limited's rights, title and interest, both present and future and whether actual or contingent from time to time, in the SMR Compensation and the SMR Escrow Account.

**"Finance Document"** has the same meaning given to that term in the Receivables Finance Agreement.

**"Financial Indebtedness"** means any indebtedness for or in respect of:

- (a) monies borrowed and debit balances at banks or other financial institutions;
- (b) monies borrowed and debit balances with other Chargors pursuant to the Upstream Agreement;
- (c) the amount of any liability in respect of Finance Leases;
- (d) any counter indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of any liabilities of any Chargor relating to any post-retirement benefit scheme;
- (e) any amount raised by the issue of shares which are redeemable (other than at the option of the issuer) before the date on which the liabilities arising under Receivables Finance Agreement are discharged in full or are otherwise classified as borrowings under GAAP;
- (f) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under GAAP; and
- (g) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (f) above.

**"Fixtures"** means, in relation to a Property, all fixtures and fittings (including trade fixtures and fittings), fixed plant and machinery and other items attached to that property, whether or not constituting a fixture at law.

**"GAAP"** means accounting principles and practices which are for the time being generally acceptable in the United Kingdom.

**"Group"** means in relation to any company, that company, its Subsidiaries, its holding company (as defined in Section 1159 of the Companies Act 2006) and the Subsidiaries of that holding company.

**"Insolvent"** means the happening of any of the following events in relation to a Chargor:

- (a) a distress or execution being levied on or issued against any of the Mortgaged Property;
- (b) entering or seeking to enter into any formal scheme of arrangement of a Chargor's affairs or composition in satisfaction of a Chargor's debts with the relevant Chargor's creditors in accordance with Part 26 of the Companies Act 2006;
- (c) a Chargor taking any action for its winding up, dissolution or re-organisation (otherwise than for the purposes of an amalgamation or reconstruction while solvent on terms previously approved in writing by Leumi) or for the appointment of a Receiver, Administrative Receiver, Administrator, trustee or similar officer to or in respect of all or any part of the relevant Chargor's revenue or assets;
- (d) a meeting is called to pass a resolution for winding up or for a corporate voluntary arrangement or similar procedure;
- (e) a petition is presented against a Chargor for winding up save where the relevant Chargor has satisfied Leumi that any such petition is unlikely to succeed or is vexatious, groundless or an abuse of process and the relevant Chargor:
  - (i) restrains the petitioner from advertising the petition; or
  - (ii) the petitioner does not advertise the petition,and the petition is dismissed, discharged, stayed or restrained within 30 days of its presentation or initiation;
- (f) an administration order being made or applied for;
- (g) a court application being made for the appointment of a Receiver or such a Receiver being appointed;
- (h) a notice of intention to appoint an Administrator being given by any person or an Administrator being appointed;
- (i) a meeting of creditors being called for a Chargor's winding up or for any other purpose referred to in the Insolvency Act 1986;
- (j) if a Chargor is an LLP, the Partners resolving to present a petition for an administration or bankruptcy order;



- (k) a statutory demand under the Insolvency Act 1986 being served upon a Chargor and the time for payment then expiring without its being satisfied or an application being made for it to be set aside;
- (l) an encumbrancer taking possession of any part of a Chargor's undertaking or property;
- (m) entering into any informal arrangement or composition with or for the benefit of a Chargor's general body of creditors;
- (n) a Chargor being unable to pay its debts as they become due;
- (o) being deemed insolvent under the Insolvency Act 1986;
- (p) if a Chargor is an LLP, the relevant Chargor becoming the subject of any insolvency proceedings as provided for in the Limited Liability Partnerships Act 2000; or
- (q) taking any steps towards a Moratorium.

**"Intellectual Property"** means all patents (including applications, improvements, prolongations, extensions and right to apply therefor) designs (whether registered or unregistered) copyrights, design rights, trade marks and service marks (whether registered or unregistered) utility models, trade and business names, know-how, formulae, inventions, confidential information, trade secrets and computer software programs and systems (including the benefit of any licences or consents relating to any of the above) and all fees, royalties or other rights derived therefrom or incidental thereto in any part of the world.

**"Lloyd's Facilities"** means the banking facilities offered to The Burden Group Limited by Lloyds Bank plc from time to time detailed in that certain facilities letter dated 1 March 2017.

**"Moratorium"** means a moratorium coming into effect pursuant to Schedule A1 of the Insolvency Act 1986 or pursuant to paragraph 1A of Schedule 1 to the Insolvent Partnerships Order 1994.

**"Mortgaged Property"** means the subject matter of the mortgages and charges (or any part of them, if the context so allows) created by this deed and set out at clause 4.

**"Non-Monetary Event"** means in relation to an Event of Default, an event or occurrence that does not relate to the failure by a Chargor to pay the Secured Liabilities when they fall due for payment.

**"Non-Vesting Receivables"** means all or any Receivables purchased or purported to be purchased by Leumi pursuant to the Receivables Finance Agreement but which fail to vest absolutely and effectively in Leumi for any reason, together with the Associated Rights to such Receivables.

**"Other Receivables"** all sums due and owing or accruing due and owing to any Chargor whether or not on account of such Chargor's trading both present and future except for:

- (a) Non-Vesting Receivables; and
- (b) any Receivables whilst they remain absolutely and effectively vested in or held on trust for Leumi under the Receivables Finance Agreement and whether such vesting results from a legal or equitable assignment.

**"Partner"** has the same meaning as in the Agreement and **"Partners"** shall be construed accordingly.

**"Permitted Disposal"** means any sale, lease, licence, transfer or other disposal:

- (a) of any Mortgaged Property for cash where the market value and net consideration received does not exceed £50,000;
- (b) of any Mortgaged Property where the market value exceeds £50,000 subject to the consent of Leumi, such consent not to be unreasonably withheld, if the sale proceeds are used in immediate repayment of the Secured Liabilities or to be used to replace the Mortgaged Property being sold within 30 days of the date of the disposal.

**"Permitted Encumbrance"** means:

- (a) any lien arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any member of the Chargors' Group;
- (b) any Encumbrance arising in connection with any finance lease, retention of title, hire purchase or conditional sale arrangement entered into after the date of this Deed, of vehicles, plant, equipment or computers (including refrigeration equipment), provided that the aggregate capital value of all such items so leased under outstanding leases of the Group does not exceed £500,000 (or its equivalent in other currencies) at any time; or
- (c) the SMR Security.

**"Permitted Indebtedness"** means Financial Indebtedness:

- (a) arising under the Lloyds Facilities;
- (b) arising under a foreign exchange transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates where that foreign exchange exposure arises in the ordinary course of trade;
- (c) arising under the Finance Documents; or
- (d) any other Financial Indebtedness.

**"Property"** means freehold and leasehold property wherever situate (other than any heritable property in Scotland) and includes all liens, charges, options, agreements, rights and interests in or over such property or the proceeds of sale of such property and all buildings and Fixtures thereon and all rights, easements and privileges appurtenant to, or benefiting, the same and **"Properties"** means all or any of the same, as the context requires.

**"Receivables"** has the same meaning as in the Receivables Finance Agreement.

**"Receivables Finance Agreement"** means the receivables finance agreement made between Leumi and VC MP Bidco Ltd and dated on or around the date of this Deed.

**"Receiver"** includes a receiver and/or manager not being an **administrative receiver** (as defined in Section 29(2) of the Insolvency Act 1986) of the Receivership Property.

**"Receivership Property"** means such part or parts of the Mortgaged Property not being the whole or substantially the whole of a Chargor's property and assets within the meaning of section 29(2) of the Insolvency Act 1986.

**"Related Rights"** means, in relation to any asset:

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

**"Remittances"** means cash, cheques, bills of exchange, negotiable and non-negotiable instruments, letters of credit, orders, drafts, promissory notes, electronic payments and any other instruments, methods or forms of payment or engagement.

**"Secured Liabilities"** means all present and future money, obligations or liabilities due, owing or incurred to Leumi by each Chargor under any Finance Document, whether actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety, together with all interest accruing thereon and all losses incurred by Leumi in connection therewith.

**"Securities"** means all stocks, shares, bonds and securities of any kind whatsoever and whether marketable or otherwise and all other interests (including but not limited to loan capital) both present and future held by each Chargor in any person and includes all allotments, rights, benefits and advantages whatsoever at any time accruing, offered or arising in respect of or incidental to the same and all money or property offered at any time by way of dividend, conversion, redemption, bonus, preference, option or otherwise in respect thereof.

**"SMR Compensation"** has the meaning given to that term in the Acquisition Agreement.

**"SMR Escrow Account"** has the meaning given to that term in the Acquisition Agreement.

**"SMR Milestone Consideration"** has the meaning given to that term in the Acquisition Agreement.

**"SMR Security"** means the specific security agreement dated on or about the date hereof between James Burden Limited as chargor granted in favour of the Sellers (as defined in the Acquisition Agreement) relating to the SMR Compensation and the Sellers' right to receive the SMR Milestone Consideration.

**"Subsidiary"** means:

- (a) a subsidiary within the meaning of Section 1159 of the Companies Act 2006; and
- (b) unless the context otherwise requires, a subsidiary undertaking within the meaning of Section 1162 of the Companies Act 2006.

**"Upstream Agreement"** means the upstream assignment and intra-group loan agreement dated on or about the date hereof entered into among each of the Chargors.

## 2 INTERPRETATION

### 2.1 In the construction and interpretation of this deed:

- (a) the singular shall include the plural and vice versa; reference to one gender shall include a reference to any other genders;
- (b) references to persons shall be treated as including individuals, firms, partnerships, corporations, organs of government, whether local, national or supra national and any other entity recognised by law;
- (c) references to any Act of Parliament shall be treated as including each Act of Parliament as amended, modified or re-enacted from time to time and all rules, regulations, orders and subordinate legislation made in accordance with it;
- (d) references to clauses and to schedules are to those in this deed;
- (e) where a Chargor has an obligation to carry out an act then it shall be fully responsible for the costs and expenses of doing so;
- (f) where Leumi act in accordance with this deed each Chargor will indemnify Leumi against all costs and expenses incurred;
- (g) where any discretion is vested in a Receiver or Leumi it shall be treated as an absolute discretion;
- (h) each of the provisions of this deed shall be severable and distinct from one another;
- (i) references to this deed and other documents referred to in it include any supplemental or collateral document to each of them or which is entered into pursuant to each of them and any document varying, supplementing, novating or replacing the same from time to time;
- (j) references to charges shall be treated as references to mortgages and charges created by this deed;
- (k) references to this security shall be treated as reference to the security created by this deed;
- (l) any powers given in this deed to an administrator shall apply to the fullest extent permitted by the Insolvency Act 1986;
- (m) headings to clauses are for reference only and shall not affect the interpretation of this deed;
- (n) the meaning of general words introduced by the word other or the word otherwise shall not be limited by reference to any preceding word or enumeration indicating a particular class of acts, matters or things;
- (o) all and any references to "**Leumi**" shall, where the context admits include our officers, agents and representatives;

- (p) the words "**other**" and "**otherwise**" are not to be construed ejusdem generis with any foregoing words where a wider construction is possible;
- (q) the words "**including**" and "**in particular**" are to be construed as being by way of illustration or emphasis only and shall not take effect as limiting the generality of any foregoing words.

### **3 COVENANT TO PAY**

- 3.1 Each Chargor, as primary obligor covenants with Leumi that it will on demand pay the Secured Liabilities when they fall due for payment.

### **4 CHARGING PROVISIONS**

- 4.1 Each Chargor, as continuing security for the payment of the Secured Liabilities, charges in favour of Leumi with full title guarantee the following assets, both present and future, from time to time owned by it or in which it has an interest:

- (a) by way of legal mortgage all of the Properties (if any) specified in Schedule 2 to this deed;
- (b) by way of legal mortgage on all Properties (other than any Properties specified in Schedule 2) now owned by each Chargor or in which each Chargor has an interest;
- (c) by way of fixed charge:
  - (i) all other interests (not effectively charged under clause 4.1(a) and 4.1(b)) in any Properties and the benefit of all other agreements relating to land;
  - (ii) all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery in, on or attached to the property subject to the legal mortgage and fixed charge under clauses 4.1(a) and 4.1(b) and all spare parts, replacements, modifications and additions for or to the same;
  - (iii) any other freehold and leasehold property which each Chargor shall own together with all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery in, on or attached to such property and all spare parts, replacements, modifications and additions for or to the same;
  - (iv) all of its Equipment (if any) listed in Schedule 4 and the benefit of all contracts and warranties relating to the same;
  - (v) all Equipment, (other than Equipment specified in Schedule 4), and the benefit of all contracts and warranties relating to the same;
  - (vi) all of its goodwill, unpaid and/or uncalled capital;
  - (vii) all of its Intellectual Property;
  - (viii) all of its Securities;
  - (ix) all loan capital, indebtedness or liabilities on any account or in any manner owing to it from any of its Subsidiaries;

- (x) all amounts realised by an administrator or liquidator of it, upon enforcement or execution of any order of the Court under Part IV of the Insolvency Act 1986;
- (xi) all documents of title to any item of property which at any time and for any purpose has been or may be deposited with Leumi;
- (xii) the assets mentioned in the title documents referred to in the immediately preceding sub-paragraph;
- (xiii) any account in its name under Leumi's control or operated in accordance with Leumi's directions;
- (xiv) all monies from time to time standing to the credit of any Account (including any interest and other sums accruing thereon), together with all of its rights, title and interest in, and benefits and proceeds deriving from or arising in connection with, such Accounts;
- (xv) all of its Non-Vesting Receivables, present and future; and
- (xvi) if not effectively assigned by Clause 7.1 (*Assignment of Receivables*) of the Receivables Finance Agreement, all of its rights, title and interest in (and proceeds and claims under) the Receivables assigned thereunder,

and includes, in respect of each of the above charged assets (as appropriate), the benefit of all licences, consents and agreements held by each Chargor in connection with the use of the asset, any monies or income paid or payable in respect of the asset, any proceeds of the sale of the asset and any other property, rights or claims relating to, accruing to or deriving from the asset ***provided that*** the fixed charges contained in this clause 4.1 shall not apply to the Excluded Asset or any corresponding Related Rights.

- 4.2 As further continuing security for the payment of the Secured Liabilities, each Chargor charges with full title guarantee in favour of Leumi by way of first floating charge all of its present and future assets and undertakings and rights other than any property or assets from time to time effectively charged by way of legal mortgage or fixed charge or assignment pursuant to clauses 4.1 (a) to (c) above or otherwise pursuant to this deed but including (without limitation and whether or not so effectively charged) any of its property and assets situated in Scotland.
- 4.3 For the avoidance of doubt, the floating charges created by this deed shall apply to the Excluded Asset and any correspondence Related Rights.
- 4.4 The provisions of paragraph 14 of Schedule B1 to the Insolvency Act 1986 apply to the floating charge in clause 4.2 which shall be enforceable at any time on or after a Chargor failing to meet any demand made under clause 8 of this deed or, if earlier, the Enforcement Date, save that nothing in this deed shall cause any charge to become enforceable whilst a Chargor is subject to a Moratorium.
- 4.5 Leumi may, by written notice to a Chargor, convert the floating charge created under this deed into a fixed charge as regards all or any of the assets of the relevant Chargor specified in the notice if:
  - (a) an Event of Default has occurred and is continuing; or

- (b) Leumi (acting reasonably) considers any Mortgaged Property (whether or not those specified in the notice) to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

4.6 This deed shall take effect subject to the provisions of the prior Encumbrances over each of the Chargors' assets detailed in Schedule 3, except as otherwise varied by any separate deed.

4.7 So far as permitted by law and notwithstanding anything expressed or implied in this deed, if any Chargor:

- (a) creates or attempts to create any Encumbrance over all or any of the Mortgaged Property without Leumi's prior written consent, or
- (b) if any person levies or attempts to levy any distress, execution, sequestration or other process or does or attempts to do any diligence in execution against any of the Mortgaged Property,

the floating charge created by clause 4.2 over the property or asset concerned shall thereupon automatically without notice be converted into a fixed charge.

4.8 So far as permitted by law and notwithstanding anything expressed or implied in this deed, upon the occurrence of any event described at clause 8.1(e) or clause 8.1(j), the floating charges created by this deed shall, unless otherwise agreed by Leumi in writing, automatically and without notice be converted into fixed charges.

4.9 Following an Event of Default and notwithstanding anything expressed or implied in this deed but without prejudice to clauses 4.1(c)(xv) and 4.2, Leumi shall be entitled at any time by giving notice in writing to that effect to a Chargor to convert the floating charge over all or any part of the Mortgaged Property into a fixed charge as regards the assets specified in such notice

## **5 ACTIVITIES OF THE CHARGORS**

### **5.1 Restricted activities**

Each Chargor agrees that it:

- (a) (to the extent such Chargor is a Client under the Receivables Finance Agreement) will deal with the Non-Vesting Receivables and their Associated Rights as if they were Receivables and their Associated Rights purchased by Leumi under the Receivables Finance Agreement and in particular will not bank or deal with Remittances in respect of them except by dealing with them in accordance with the Receivables Finance Agreement;
- (b) (to the extent such Chargor is an Originator under the Receivables Finance Agreement) will deal with the Non-Vesting Receivables and their Associated Rights as if they were Receivables and their Associated Rights purchased by Leumi under the Receivables Finance Agreement and in particular will not bank or deal with Remittances in respect of them except by dealing with them in accordance with the Receivables Finance Agreement;

- (c) will not sell, transfer, lease, licence or dispose of the Mortgaged Property subject to the floating charges herein, except (which conduct is permitted under this deed) by way of sale at full value in the ordinary course of its business now being carried on;
- (d) will not sell, transfer, lease, license or dispose of the Mortgaged Property subject to the fixed charges herein (excluding the Receivables) without Leumi's prior written consent but such restriction shall not prohibit the disposal of an asset (other than freehold or leasehold property) for the purpose of its immediate replacement, modification, repair and/or maintenance;
- (e) in addition to any other restrictions contained in this clause 5.1, will only deal with the Equipment subject to the charge contained in clause 4.1(c)(iv) of this deed on the following terms:
  - (i) it will not dispose, lease or otherwise deal with such Equipment until it has applied for Leumi's consent in the form set out in Part 1 of Schedule 5, and received consent in the form set out in Part 2 of Schedule 5; and
  - (ii) it will pay any monies received from the disposition, leasing or other dealing permitted by Leumi in accordance with paragraph (a) above into such bank account under Leumi's control as Leumi may specify or as otherwise directed by Leumi;
- (f) will authorise its bankers from time to time to provide copy statements and full particulars of each Chargors' accounts and facilities with them as soon as reasonably practicable upon Leumi's request;
- (g) prior to an Event of Default, will provide such other information, as Leumi may reasonably request (within 5 Business Days) regarding its affairs;
- (h) will, promptly after it becomes aware of such matters, provide Leumi with the details of any present or future litigation, arbitration or administrative proceedings in progress, pending or, to its knowledge, threatened against it which might have a material adverse effect on its ability to perform its obligations under this deed;
- (i) will permit Leumi (giving no less than 5 Business Days' notice) free access to inspect and take copies of and extracts from its books, accounts and records and such other documents as Leumi may reasonably require and will provide Leumi with all information and facilities which it may reasonably require;
- (j) will grant Leumi or its solicitors on request all reasonable facilities to enable Leumi or its solicitors to carry out, at the relevant Chargor's expense, such investigation of title to the Mortgaged Property and enquiries about it as would be carried out by a prudent mortgagee;
- (k) will use its best endeavours to detect any infringement of its rights to the Intellectual Property and upon becoming aware of such infringement, it will immediately give Leumi all information available to it about such infringement and will commence and diligently prosecute (or permit Leumi on behalf of the Chargor but at the expense of the Chargor to commence and prosecute) all proceedings necessary to prevent such infringement or to recover damages;



- (l) will do everything needed to ensure that the Intellectual Property, to which it is or may become entitled, is valid and subsisting and remains owned by it and will take all such actions and proceedings as are necessary to protect such Intellectual Property, and if any such Intellectual Property shall at any time lapse or become void, it will do everything necessary to restore such Intellectual Property to it;
- (m) will comply in all material respects with all laws concerning the Mortgaged Property and every notice, order, direction, licence, consent, permission lawfully made or given in respect of it and likewise with the requirements of any competent authority;
- (n) will duly and promptly pay all monies which may become due in respect of any of the Securities (it being acknowledged by each Chargor that Leumi shall not incur any liability whatsoever for such monies);
- (o) forthwith upon the execution of this deed will deposit with Leumi all certificates or documents of title in respect of the Securities, together as appropriate with duly executed instruments of transfer or assignments thereof in blank (it being acknowledged that Leumi shall at any time be entitled to have any of the Securities registered either in Leumi's name or the name of any nominee(s) selected by Leumi);
- (p) will ensure the delivery or payment to Leumi of all stocks, shares, Securities, rights, monies or other property accruing, offered or issued at any time by way of bonus, redemption, exchange, purchase, substitution, conversion, preference, option or otherwise in respect of any Securities or the certificates or other documents of title to or representing the same, together with executed instruments of transfer or assignments in blank; (it being acknowledged that Leumi may arrange for any of them to be registered either in the name of Leumi or the name of any nominee(s) selected by Leumi);
- (q) will conduct and carry on its business and procure that each of its Subsidiaries conducts and carries on its business so that its centre of main interest for the purposes of Council Regulations (EC) No 1346/2000 of 29 May 2000 on Insolvency Proceedings including, but not limited to, its headquarter functions is located at all times within England and Wales and not move its centre of main interest to any other jurisdiction without the prior written consent of Leumi (not to be unreasonably withheld) or otherwise reduce in or divert from England and Wales the substantive management and control of its business or any of its properties;
- (r) (without prejudice to clauses 5.1(c) and 5.1(d) will not sell, transfer, lease licence, part with possession or dispose of or grant any interest in or relating to its goodwill including (without limitation) diverting or encouraging the diversion of any sales following orders from customers, to any of its Subsidiaries or its direct holding company (as defined in Section 1159 of the Companies Act 2006) or any of its associates (as defined in section 435 of the Insolvency Act 1986) or any other party;
- (s) except as permitted by the Upstream Agreement, if a Chargor is a limited company, will not reduce its issued share capital, nor write off or release any part of such capital which is uncalled;

- (t) if a Chargor is an LLP, will not allow the reduction of the investment in the relevant Chargor by its Partners; and
- (u) will, subject to Leumi providing Advances against plant and machinery, affix to any fixed plant and machinery (and/or such part of the Mortgaged Property) valued in excess of £10,000, a fire proof notice stating Leumi's interest in or to such plant and machinery or Mortgaged Property.

## 5.2 Permitted activities

Each Chargor is permitted to enter into any transaction or series of transactions that are:

- (a) Permitted Disposals;
- (b) Permitted Encumbrances;
- (c) Permitted Indebtedness;
- (d) contemplated by, or required under or in connection with the terms of the Acquisition Agreement, including, without limitation, any payment required to be made by VC MP SPV 1 Ltd pursuant to section 6.3 of the Acquisition Agreement and any payment by or among the Chargors to facilitate such payment;
- (e) conducted in the ordinary course of trading on arm's length terms; and
- (f) payments, distributions or other transactions contemplated by or permitted under the Finance Documents.

## 6 THE CHARGORS' ADDITIONAL OBLIGATIONS

6.1 Each Chargor agrees that, at all times during the continuance of this security, it:

- (a) will carry on its business in a proper and efficient manner and will not make any material alteration to its business, constituting a change, from that carried on at the date hereof;
- (b) will maintain proper and up to date books of account of its business, will keep such books of account and all other documents relating to its affairs at its registered office or at such other place where the same ought to be kept and will promptly provide copies thereof to Leumi upon request;
- (c) will deliver to Leumi the copies of its audited financial statements and any reports and notes accompanying those financial statements within 6 months of each year end;
- (d) will punctually pay all its debts and liabilities as they become due and payable and which would, on the relevant Chargor's winding up, have priority over the charges created by this deed;
- (e) will punctually pay all outgoing payments payable in respect of the Mortgaged Property and will promptly produce the receipts for them to Leumi upon reasonable request;

- (f) will keep all of its freehold property in good and substantial repair and will allow Leumi access, at all reasonable times (following receipt of not less than 5 Business Days' notice), to view the state and condition of any such property, but without Leumi becoming liable to account as a mortgagee in possession;
- (g) will observe and perform all the lessee's covenants in any lease under which any of the Mortgaged Property may be held and will take no action which might lead to such lease being surrendered or forfeited;
- (h) will allow Leumi, at that Chargor's expense, to carry out repairs or take any action which Leumi shall reasonably consider necessary should such Chargor fail to observe or perform its obligations as a lessee;
- (i) will not exercise the powers of leasing or accepting surrenders of leases, conferred on a mortgagee in possession by Sections 99 and 100 of the Law & Property Act 1925, or any other powers of leasing or accepting surrenders of leases, without Leumi's prior written consent
- (j) will insure and keep insured those parts of the Mortgaged Property as are of an insurable nature against loss or damage by fire and other risks usually insured against and such other risks that Leumi shall reasonably require to their full insurable value with insurers approved by Leumi;
- (k) will observe and perform all restrictive and other covenants and stipulations for the time being affecting the Mortgaged Property or its use or enjoyment;
- (l) will not do or allow anything to be done on its freehold or leasehold property which shall be treated as a development or a change of use within the meaning of the Town and Country Planning Acts unless Leumi's prior written consent has been obtained;
- (m) will not infringe the Town and Country Planning Acts in any way which prejudices Leumi's security over the Mortgaged Property;
- (n) will deposit with Leumi all deeds and documents of title relating to its freehold and leasehold property and the insurance policies relating to the same, (subject only to the requirements of any prior Encumbrance or of its landlord); and
- (o) will not permit any person to become entitled to any proprietary right or interest which might affect the value of the assets subject to the fixed charges herein.

6.2 If any Chargor holds property as a tenant or lessee and shall be required by the landlord either to insure or to reimburse that landlord for any insurance premium paid by him then the relevant Chargor shall be treated as having complied with its insuring obligation under this deed to the extent the relevant Chargor duly and promptly complies with such requirements. Notwithstanding the preceding sentence, this shall not affect Leumi's right to require the Chargors to produce satisfactory evidence that it has complied with the landlord's requirements.

## **7 FURTHER ASSURANCE AND POWER OF ATTORNEY**

7.1 At Leumi's request, each Chargor will at its cost immediately sign, seal, execute, deliver and perfect all deeds and instruments and do all such other acts and things as Leumi or any Receiver appointed hereunder may require in order to perfect or enforce this security

or to use the powers given to each of them in this deed or to enforce its obligations and/or Leumi's rights under this deed.

7.2 Each Chargor, by way of security, hereby irrevocably appoints Leumi and any Receiver as its attorney in its name and on its behalf:

- (a) to execute and complete any documents or instruments which Leumi or such Receiver may require for perfecting Leumi's security interest to all or any part of the Mortgaged Property or for vesting the same in Leumi, Leumi's nominees or any purchaser where Leumi is permitted to do so under this deed;
- (b) to sign, execute, seal and deliver and otherwise perfect any further security document referred to in clause 7.1; and
- (c) otherwise generally to sign, seal, execute and deliver all deeds, assurances, agreements and documents and to do all acts and things which may be required for the full exercise of all or any of the powers conferred on Leumi or a Receiver under this deed or which may be deemed expedient by Leumi or a Receiver in connection with any disposition, realisation or getting in by Leumi or a Receiver or in connection with any other exercise of any power under this deed and including, but not limited to, a power in favour of any Receiver to dispose for value of any of the Chargor's assets over which such Receiver may not have been appointed and which are located at real property over which he has been appointed, without being liable for any losses suffered by it.

## **8 EVENTS OF DEFAULT**

8.1 Leumi shall be entitled to make demand for payment of the Secured Liabilities at any time on or after the Enforcement Date or at any time after the occurrence of any of the following events (save any occurrence of a Non-Monetary Event that can be remedied (if capable) within 5 Business Days of the occurrence of the event) and if such demand is not met in full, (or on or after the Enforcement Date without any demand) Leumi shall be entitled to enforce (in whole or in part) the charges created by this deed (save where a Moratorium is applied for or is in force, when no demand shall be made until any application is rejected or upon the expiry of such moratorium):

- (a) breach by any Chargor of any of its obligations under this deed or in the Receivables Finance Agreement or any other agreement with Leumi;
- (b) default by any Chargor in paying any of the Secured Liabilities as and when they become due;
- (c) any material representation, warranty or undertaking made by a Chargor to Leumi at any time, is or was, in Leumi's reasonable opinion, incorrect or misleading in any respect or, being an undertaking, shall not be complied with by the relevant Chargor;
- (d) any Chargor disposing or attempting to dispose of its principal undertaking or a substantial part of it, without Leumi's prior written approval;
- (e) any Chargor, or if a Chargor is an LLP any of its Partners, becoming Insolvent;
- (f) any Chargor suspending or threatening to suspend a substantial part of its business or Leumi receiving information, from any Chargor or any responsible

third party, whether orally or in writing, that the relevant Chargor is contemplating or is likely to suspend a substantial part of its business;

- (g) any Chargor commencing negotiations with any of its creditors with a view to the general readjustment or rescheduling of its indebtedness;
- (h) any guarantee, indemnity or other security for any of the Secured Liabilities failing or ceasing in any respect to have full force and effect or to be continuing or is terminated or disputed or is in Leumi's opinion in jeopardy, invalid or unenforceable;
- (i) if any governmental authority permits, or procures, or threatens any reorganisation, transfer or appropriation (whether with or without compensation) of a substantial part of any Chargor's business or assets;
- (j) if without Leumi's prior written consent a Chargor changes the nature of its business or trading in any way which Leumi reasonably considers materially prejudicial to this security;
- (k) if it is unlawful for any Chargor to perform or comply with any of its obligations under this deed or under any other agreement between it and Leumi or its obligations are not or cease to be legally valid, binding and enforceable;
- (l) if, after the date of this deed, control (as defined in Section 435 of the Insolvency Act 1986) or the power to take control of a Chargor changes, without Leumi's prior written consent;
- (m) if, in Leumi's opinion acting reasonably, a material adverse change occurs in any Chargor's financial condition, results of operations, or business;
- (n) any Chargor's default under any of the following with any party:
  - (A) a trust deed;
  - (B) a loan agreement;
  - (C) an Encumbrance;
  - (D) any other agreement or obligation relating to borrowing or financing (including all liabilities in respect of accepting, endorsing or discounting any notes or bills and all liabilities under debt purchase, factoring, discounting and similar agreements);
  - (E) any guarantee or indemnity;
- (o) any borrowing or any other money payable by any Chargor:
  - (A) becoming payable or is capable of being declared payable prior to its stated date of maturity; or
  - (B) is not paid when due;
- (p) any Encumbrance created by any Chargor in favour of another party becoming enforceable,

provided that, in the case of any of the Events of Default listed in clauses 8.1(n) – (p) above, the amount of any such breach must exceed £75,000.

- 8.2 At any time after any Event of Default Leumi may exercise in the Chargor's name any voting rights attached to the Securities and all powers given to trustees by Sections 10(3) and (4) of the Trustee Act 1925 (as amended by Section 9 of the Trustee Investments Act 1961) in respect of securities, property subject to a trust and any powers or rights exercisable by the registered holder of any of the Securities or by the bearer thereof. Leumi will not then need any consent or authority from the relevant Chargor.

## **9 ENFORCEMENT POWERS**

- 9.1 At any time after this security shall become enforceable, Leumi and/ or any Receiver appointed under this deed may, in Leumi's or their discretion, enter upon and take possession of the Receivership Property or any part of it. Leumi or they may also at their discretion, when exercising the powers given in this deed, sell, call in, collect and convert into monies the Receivership Property or any part of it. By way of extension of these powers such sale, calling in and conversion may be done for such consideration required by applicable law. It is irrelevant whether the consideration shall consist of cash, shares or debentures in some other company or any other property or partly of one and partly of some other type of consideration. Such consideration may be immediately payable or payable by instalments or deferred. Instalment or deferred payments may be with or without security and on such other terms as required by law.

## **10 APPOINTMENT OF RECEIVER AND HIS POWERS**

- 10.1 Section 109 of the Law of Property Act 1925 (restricting the power to appoint a receiver) shall not apply to this deed.
- 10.2 At any time after an Event of Default, or after any other event, as a result of which this security shall become enforceable or, if any Chargor at any time so requests in writing, Leumi may without further notice to the relevant Chargor appoint any person to be a Receiver of the Receivership Property. Any such appointment may be made subject to such qualifications, limitations and/or exceptions (either generally or in relation to specific assets or classes of asset) as may be specified in the instrument effecting the appointment. A Receiver shall have the power to do or omit to do on a Chargor's behalf anything which that Chargor itself could do or omit to do if the Receiver had not been appointed, notwithstanding that Chargor's liquidation. In particular, (but without limitation) a Receiver shall have power to:
- (a) enter upon, take possession of, collect and get in the Receivership Property and have possession of all records, correspondence and other documents relating to the Receivership Property and, for that purpose, to take such proceedings as may seem to him expedient;
  - (b) do all acts which a Chargor might do for the protection or improvement of the Receivership Property or for obtaining income or returns from it;
  - (c) allow the whole or any part of the sale monies of the Receivership Property to remain outstanding on mortgage of the property sold or on any other security or even without any security and without being responsible for any loss caused and with full power to buy in and rescind or vary any contract for sale and to resell without being responsible for loss;

- (d) let or let on hire, lease or surrender and accept surrenders of the Receivership Property;
- (e) exercise or permit a Chargor or any nominee of that Chargor to exercise any powers or rights incidental to the ownership of the Receivership Property, in such manner as he may think fit;
- (f) give complete discharges in respect of all monies and other assets which may come into the hands of the Receiver in the exercise of his powers;
- (g) carry out and enforce specific performance of or obtain the benefit of all the Chargors' contracts or those entered into in exercise of the powers or authorities conferred by this deed;
- (h) demand and get in all rents and other income, whether accrued before or after the date of his appointment;
- (i) exercise the powers conferred on a landlord or a tenant under the Landlord and Tenant Acts 1927 and 1954 but without liability for powers so exercised;
- (j) do all things necessary to make sure that the Chargors perform all of their obligations to Leumi;
- (k) delegate to any person, for such time as Leumi shall approve, any of the powers conferred upon the Receiver;
- (l) have access to and make use of each Chargor's premises, plant, equipment and accounting and other records and the services of its staff in order to exercise his powers and duties;
- (m) sell or otherwise dispose of the Receivership Property for cash or on credit, in one lot or in parcels by public auction or private auction or private contract or, in Scotland, to sell, feu, hire out or otherwise dispose of the Receivership Property by public roup or private bargain;
- (n) raise or borrow money and grant security therefor over the Receivership Property;
- (o) appoint a solicitor or accountant or other professionally qualified person to assist him in the performance of his functions;
- (p) bring or defend any action or other legal proceedings in the name and on each Chargor's behalf;
- (q) refer to arbitration any question affecting a Chargor;
- (r) effect and maintain insurances in respect of a Chargor's business and properties;
- (s) use a Chargor's seal;
- (t) do all acts and to execute in each Chargor's name and on its behalf any deed, receipt or other document;

- (u) draw, accept, make and endorse any bill of exchange or promissory note in each Chargor's name and on its behalf;
- (v) appoint any agent to do any business which he is unable to do himself or which can more conveniently be done by an agent and have the power to employ and dismiss employees, agents and/or advisors at such salaries or remuneration and on such terms of service as the Receiver in his discretion may think fit;
- (w) do all such things (including the carrying out of works) as may be necessary for or incidental or conducive to the realisation of the Receivership Property;
- (x) make any payment which is necessary or incidental to the performance of his functions;
- (y) carry on or permit the carrying on of each Chargor's business;
- (z) establish Subsidiaries of each Chargor;
- (aa) transfer to each Chargor's Subsidiaries the whole or any part of the business or Receivership Property;
- (bb) grant or accept a surrender of a lease or tenancy of any of the Receivership Property, and take a lease or tenancy of any properties required or convenient for each Chargor's business;
- (cc) make any arrangement or compromise on each Chargor's behalf in respect of the Receivership Property;
- (dd) call up, or require each Chargor's directors to call up, any of the relevant Chargor's uncalled capital;
- (ee) rank and claim in the bankruptcy, insolvency, sequestration or liquidation of any person indebted to each Chargor and to receive dividends, and to accede to trust deeds for the creditors of any such person.

He shall also have all powers from time to time conferred on receivers by statute without, in the case of powers conferred by the Law of Property Act 1925, the restrictions contained in Section 103 of that Act.

- 10.3 Leumi may from time to time determine the remuneration of any Receiver and section 109(6) Law of Property Act 1925 shall be varied accordingly. A Receiver shall be entitled to remuneration appropriate to work and responsibilities involved upon the basis of charging from time to time adopted by the Receiver in accordance with the current practice of his firm.
- 10.4 Leumi may remove any Receiver. In case of such removal or the retirement or death of any Receiver, Leumi may appoint another in his place. At the time of his appointment (or at any time afterwards) Leumi may fix the remuneration of the Receiver on such basis as Leumi shall determine. This may include a fixed fee or an hourly rate or a commission.
- 10.5 Leumi may appoint more than one person to act as the Receiver. Where more than one person shall be appointed to act as Receiver, those so appointed shall carry out their duties, exercise their rights, and be subject to their obligations jointly as well as severally. References in this deed to the Receiver shall be to each and all of them as appropriate.



- 10.6 Any appointment, or fixing of the remuneration of the Receiver or any such removal shall be made in writing and be signed by any director or authorised officer of Leumi's.
- 10.7 Any Receiver appointed under this deed shall be the agent for the Chargors. He shall be in the same position as a Receiver appointed under the Law of Property Act 1925. Each Chargor shall be solely responsible for its acts, omissions, losses, misconduct, defaults and remuneration. Leumi shall not in any way be liable or responsible either to such Chargor or to any other person for any of them.
- 10.8 Leumi may at any time give up possession of any part of the Receivership Property and/or withdraw from the receivership.
- 10.9 Whether or not a Receiver shall be appointed under this deed, Leumi may at any time after this security shall have become enforceable and without giving notice, exercise all or any of the powers, authorities and discretions conferred on a Receiver as set out above.

## **11 ADDITIONAL POWERS**

- 11.1 Leumi or any Receiver may lease, make agreements for leases at a premium or otherwise, accept surrenders of leases and grant options or vary or reduce any sum payable under any leases or tenancy agreements as it thinks fit, without the need to comply with any of the provisions of sections 99 and 100 of the Law of Property Act 1925.
- 11.2 The restriction on the consolidation of mortgages and on power of sale imposed by sections 93 and 103 respectively of the Law of Property Act 1925 shall not apply to the security constituted by this deed. However the power of sale and the other powers conferred on mortgagees by that Act shall apply to this security but without the Act's restrictions as to giving notice or otherwise. Accordingly for the purposes of a sale or other exercise of any such powers the whole of the Secured Liabilities shall be treated as due and payable immediately upon the execution and delivery of this document.
- 11.3 Leumi may, at any time without discharging or in any other way affecting this security or any remedy that Leumi may have, grant to the Chargors (or to any other person) time or indulgence or abstain from perfecting or enforcing any remedies, securities, guarantees or rights which Leumi may now or afterwards have from or against the Chargors or any other person.
- 11.4 If Leumi receive or are treated as having received notice of any subsequent mortgage or charge affecting any of the Mortgaged Property then Leumi may open a new account with the Chargors. If Leumi do not open a new account, Leumi shall nevertheless be treated as if Leumi had done so at the time when Leumi received or were treated as having received such notice. From that time all payments made by the Chargors to Leumi shall be credited or be treated as having been credited to the new account. Such payments shall not operate to reduce the amount secured by this deed when Leumi received or were treated as having received such notice.

## **12 APPLICATION OF MONIES**

- 12.1 All monies received by Leumi or by the Receiver under or by virtue of this deed shall be applied in the following order:
- (a) in the discharge of all liabilities having priority to the Secured Liabilities;

- (b) in payment of all costs, charges and expenses incurred in or incidental to the exercise or performance (or attempted exercise or performance) of any of the powers or authorities conferred by or in any other way connected with this deed; and then
  - (c) in payment to the Receiver of his remuneration fixed in accordance with clause 10 of this deed; and then
  - (d) any sums due to any person under any applicable statute;
  - (e) in payment to Leumi of the Secured Liabilities due to Leumi in such order as Leumi in Leumi's absolute discretion think fit; and then
  - (f) in payment to the Chargors of any surplus.
- 12.2 Any surplus shall not carry interest. The Receiver or Leumi may pay any surplus into any of the Chargors' bank accounts including an account opened specifically for such purpose. Leumi shall then have no further liability for such surplus.
- 12.3 Following the enforcement of this security, any monies received by Leumi may be appropriated by Leumi in Leumi's discretion in or towards the payment and discharge of any part of the Secured Liabilities.
- 12.4 Leumi or the Receiver may credit any monies to a suspense account for so long and in such manner as Leumi may from time to time determine. The Receiver may retain the same for such period as the Receiver and Leumi consider expedient.
- 12.5 All monies received by any Chargor under any insurance policy on the Mortgaged Property shall be treated as part of the Mortgaged Property subject only to any rights of third parties having priority and to the requirements of any lease of the Mortgaged Property. They shall be applied at Leumi's discretion either in reducing the Secured Liabilities or towards making good the loss or damage for which the monies became payable. Any monies received by the Chargors under any insurance on the Mortgaged Property shall be held on trust for payment to Leumi pending such application.

### **13 PROTECTION OF THIRD PARTIES**

- 13.1 No person paying or handing over monies to the Receiver and obtaining a discharge shall have any responsibility or liability to see to their correct application.
- 13.2 No person dealing with Leumi or the Receiver need enquire :
- (a) whether any event has happened giving either Leumi or the Receiver the right to exercise any of his powers;
  - (b) as to the propriety or regularity of any act purporting or intending to be an exercise of such powers;
  - (c) as to the validity or regularity of the appointment of any Receiver purporting to act or to have been appointed as such; or
  - (d) whether any money remains owing upon this security.

13.3 All the protection to purchasers contained in Sections 104 and 107 of the Law of Property Act 1925 shall apply to any person purchasing from or dealing with the Receiver or Leumi as if the Secured Liabilities had become due and the statutory power of sale and appointing a receiver in relation to (to the extent permitted by law) had arisen on the date of this deed.

13.4 No person dealing with Leumi or the Receiver shall be affected by express notice that any act is unnecessary or improper.

#### **14 LAND REGISTRY**

14.1 Each Chargor will notify Leumi of any freehold or leasehold property which it now owns or which it may own after the date of this deed and will, at any time, meet any cost of registering this deed against any property which it may now, or in the future, own at the Land Registry.

- (a) Each Chargor hereby consents to Leumi's application to the Chief Land Registrar in Form RX1 for the registration of the following restriction against each of the registered titles specified in Schedule 2 (and against any title to any unregistered Property specified in Schedule 2 which is or ought to be the subject of a first registration of title at the Land Registry at the date of this deed):

##### **"RESTRICTION:**

No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [ ] in favour of Leumi ABL Limited (company number 00620951) referred to in the charges register or, if appropriate signed on such proprietor's behalf by its attorney, directors and/or secretary."

- (b) In respect of any property charged pursuant to this deed, title to which is registered at the Land Registry, each Chargor hereby represents and warrants that the security created by this deed does not contravene any of the provisions of its memorandum and articles of association or any other constitutional documents.

#### **15 CONTINUING AND ADDITIONAL SECURITY**

15.1 This security is continuing security. It shall apply to all the Secured Liabilities despite any interim settlement of account until a final discharge of this security shall be given to each Chargor by Leumi.

15.2 This security is in addition to and shall not merge or otherwise prejudice or affect any other right or remedy of Leumi's or any assignment, bill, note, guarantee, mortgage or other security now or in future in favour of Leumi or held by or available to Leumi, whether created by a Chargor or any third party.

15.3 This security shall not in any way be prejudiced or affected by:

- (a) any guarantee, mortgage or other security now or in future held by or available to Leumi or by the invalidity of any of them or by Leumi now or afterwards dealing with, exchanging, releasing, modifying or abstaining from perfecting or enforcing any of them or any rights which it may now or afterwards have; or

- (b) by Leumi giving time for payment or indulgence or compounding with a Chargor or any other persons.

## **16 CURRENCY INDEMNITY**

- 16.1 For the purpose of or pending the discharge of any of the Secured Liabilities secured by this deed Leumi or any Receiver appointed hereunder may convert any monies received, recovered or realised under this deed (including the proceeds of any previous conversion) from their existing currency into such other currency as Leumi or such Receiver may think fit. Any such conversion shall be effected at the then prevailing spot selling rate of exchange, of Leumi's bankers, for such other currency against the existing currency.
- 16.2 Each Chargor will indemnify Leumi against any shortfall between:
  - (a) any amount received or recovered by Leumi in respect of any of the Secured Liabilities which are converted in accordance with clause 16.1 into the currency in which such liability was payable; and
  - (b) the amount payable to Leumi under this deed in the currency of such liability.

## **17 DISCHARGE**

- 17.1 Upon payment and complete discharge and performance of all the Secured Liabilities and of all costs, charges and expenses incurred by Leumi under or in relation to this deed, Leumi shall, at the Chargors' request and cost, duly discharge this security and any further security given in accordance with its terms. Leumi will also transfer to the Chargors any of the Mortgaged Property which has been assigned or transferred to Leumi.
- 17.2 Leumi's right to recover the Secured Liabilities or to enforce the terms of this deed shall not be affected by any payment or any act or thing which may be avoided or adjusted under the laws relating to bankruptcy or insolvency or under Part VI of the Insolvency Act 1986. Any release or discharge given or settlement made by Leumi relying on any such payment, act or thing shall be void and of no effect.

## **18 SERVICE OF NOTICES AND PROCESS**

- 18.1 Except as stated to the contrary herein, any written notice from Leumi to any Chargor and any proceedings issued by Leumi requiring service on any Chargor may be given or served:
  - (a) by delivering it at or posting it to the relevant Chargor's registered office or to such other address advised by that Chargor to Leumi and acknowledged by Leumi as being effective for the purposes of this clause; or
  - (b) by delivering it at or posting it to any address last known to Leumi at which the relevant Chargor carried on business.
  - (c) by handing it to a Chargor's officers;
  - (d) by a fax or e-mail to the relevant Chargor's number or address advised to and acknowledged by Leumi as suitable for communication between the parties.

18.2 Any such notice or process shall be considered served:

- (a) if delivered - at the time of delivery; or
- (b) if sent by post - 48 hours from the time of posting; or
- (c) if sent by fax or e-mail - at the time of transmission; or
- (d) if handed over - at the time of handing over.

18.3 Any notice in writing by any Chargor to Leumi required hereunder shall take effect at the time it is received by Leumi at Leumi's address for service or at such other address as Leumi may advise in writing to the Chargors for this purpose.

## **19 JURISDICTION**

19.1 This deed shall be interpreted and shall be governed by the laws of England. Each Chargor will accept the non-exclusive jurisdiction of the English Courts in connection with any matter arising under this deed.

## **20 THE CHARGOR'S REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

20.1 Each Chargor certifies that the execution of this deed has been duly authorised by a resolution of its Board of Directors and that it does not break any of the provisions of its Memorandum and Articles of Association or of any other Encumbrance, security or agreement entered into prior to the date of this deed or the laws of any jurisdiction applying to it.

20.2 Each Chargor represents and warrants to Leumi that:

- (a) it is and will at all times be the sole beneficial owner with full title guarantee of all the Mortgaged Property and that no Encumbrances affect it except the Encumbrances (if any) set out in Schedule 3 and general liens in the ordinary course of business;
- (b) it is and will at all times have the necessary power to enter into and perform its obligations under this deed;
- (c) this deed constitutes its legal, valid, binding and enforceable obligations and is an effective security over all and every part of the Mortgaged Property in accordance with its terms;
- (d) all necessary authorisations and consents to enable or entitle it to enter into this deed have been obtained and these will remain in full force and effect during the existence of this security;
- (e) it has acquired, maintained and complied with all Environmental Licences (if any) needed for its use or occupation of the Mortgaged Property or for the conduct of its current business;
- (f) it has complied with all other applicable Environmental Laws and has not done or permitted any act or omission whereby its Environmental Licences (if any) could be varied or revoked;

- (g) so far as it is aware there has been no discharge, spillage, release or emission of any prescribed, dangerous, noxious or offensive substance or any controlled waste on, into or from any of the Mortgaged Property or any premises adjoining any part of it; and no such substances or any controlled waste have been stored or disposed of on or in any part of the Mortgaged Property or, so far as it is aware, in any adjoining premises except in accordance with the requirements of the applicable Environmental Laws;
- (h) it is not in breach of and has not incurred or become subject to any civil or criminal liability under any Environmental Laws or the terms of any Environmental Licence;
- (i) it has obtained and maintained all such insurance policies as would be maintained by prudent companies carrying on business of the type carried on by it at all relevant times and has complied in all material respects with the terms and conditions of such policies;
- (j) it undertakes that no Encumbrances (other than a general lien in the ordinary course of business) ranking in priority to or pari passu with the charges created by this deed will arise after the date of this deed over the Mortgaged Property.

## **21 TRANSFERS AND DISCLOSURES**

- 21.1 This deed is freely transferable by Leumi. References in this deed to Leumi shall include Leumi's successors, assignees and transferees.
- 21.2 No Chargor may assign or transfer any of its obligations under this deed. Nor may any Chargor enter into any transaction which would result in any such obligations passing to another person.
- 21.3 Leumi may disclose any information about the Chargors and any member of the Chargors' Group and any other person connected or associated with the Chargors to any member of Leumi's Group and/or to any person to whom Leumi are proposing to transfer or assign or have transferred or assigned this deed. Each Chargor represents and warrants that it has and (so far as permitted by law) will maintain any necessary authority by or on behalf of any such persons to agree to the provisions of this clause.

## **22 MISCELLANEOUS**

- 22.1 No delay or omission on Leumi's part in exercising any right or remedy under this deed shall impair that right or remedy or operate as or be taken to be a waiver of it. Any single, partial or defective exercise of any such right or remedy shall not prevent the further exercise of that or any other right or remedy.
- 22.2 Leumi's rights under this deed are cumulative. They are not exclusive of any rights provided by law. They may be exercised from time to time and as often as Leumi see fit.
- 22.3 Any waiver by Leumi of any terms of this deed or any consent or approval given by Leumi under it shall only be effective if given in writing. Such consent and approval shall then only apply for the purpose stated and be subject to any written terms and conditions imposed by Leumi.
- 22.4 If at any time any one or more of the provisions of this deed is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction then neither the

legality, validity or enforceability of the remaining provisions of this deed nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall be in any way affected or impaired as a result.

- 22.5 Any certificate signed by a director or authorised officer of Leumi's as to the amount of the Secured Liabilities at the date of such certificate shall, in the absence of manifest error, be conclusive evidence of such amount and be binding on the Chargors.
- 22.6 This deed may be executed in any number of counterparts. It will then be as effective as if all signatures on the counterparts were on a single copy of this deed.

**SCHEDULE 1**  
**CHARGOR DETAILS**

**Name:** VC MP Bidco Ltd

**Company Number:** 11302228

**Registered Office:** C/O Mofo Notices Limited Citypoint, One Ropemaker Street, London, EC2Y 9AW

**Name:** VC MP SPV 1 Ltd

**Company Number:** 11688988

**Registered Office:** C/O Mofo Notices Limited Citypoint, One Ropemaker Street, London, EC2Y 9AW

**Name:** Burden Group Holdings Limited

**Company Number:** 06804025

**Registered Office:** 40 West Market Building, London Central Markets Smithfield, London, EC1A 9PS

**Name:** The Burden Group Limited

**Company Number:** 01641959

**Registered Office:** 40 West Market Building, London Central Markets Smithfield, London, EC1A 9PS

**Name:** James Burden Limited

**Company Number:** 02702908

**Registered Office:** 40 West Market Building, London Central Markets Smithfield, London, EC1A 9PS

**Name:** Cavendish Ships Stores Limited

**Company Number:** 01433354

**Registered Office:** 40 West Market Building, London Central Markets Smithfield, London, EC1A 9PS



**SCHEDULE 2**  
**Properties**  
**(Clause 4.1(a))**

None specified

**SCHEDULE 3**  
**Encumbrances**  
**(Clauses 4.5 and 20.2(a))**

None specified

**SCHEDULE 4**  
**(Plant and machinery subject to chattel mortgage hereunder)**  
**(Clause 4.1(c)(iv))**

None specified

**SCHEDULE 5**  
**(Disposal of Charged Assets)**  
**(Clause 5.1(e))**

**Part 1**

**Form of letter of Request to dispose of Charged Assets**

To: The Directors  
Leumi ABL Limited

[date]

Dear Sirs

We refer to the debenture dated [• ] granted to Leumi by the Chargors (as defined in the Debenture) ("**Debenture**").

We hereby request your consent to dispose of [asset] being part of the Mortgaged Property (as defined in the Debenture). We wish to dispose of [asset] to [purchaser] [describe terms].

Please confirm your consent to the above disposal by signing and returning the enclosed letter.

Yours faithfully

.....  
for and on behalf of

[insert relevant Chargor name]

## **Part 2**

### **Form of letter of consent to dispose of Charged Assets**

To: [insert relevant Chargor name]

[date]

Dear Sirs

We refer to the letter of [date], a copy of which is attached.

We hereby consent to the disposal of [asset] to [purchaser] [on terms] [on the condition that [specify conditions of consent to disposal]].

Yours faithfully

.....  
for and on behalf of

Leumi ABL Limited

## **ACKNOWLEDGMENT**

The Chargors acknowledge their understanding that:

- a) this legal document imposes significant obligations on the Chargors which at all times must be complied with; a breach of any obligation by the Chargors entitles Leumi to enforce the security given in this document and to claim damages for any losses caused, particularly if the Chargors fail to perform their part; and
- (b) should the Chargors and any guarantor or indemnifier be in any doubt about any particular aspect of this and or any other documents governing the proposed facilities, then before signature, they should consider taking independent legal advice to ensure that these obligations are fully understood.

**IN WITNESS** of which the parties have executed this deed on the date set out above.

## THE CHARGORS

**EXECUTED** and delivered as a deed by  
**VC MP BIDCO LTD** acting by two directors  
or by one director and the secretary:

acting by ..... )  
..... (a Director) )

.....  
Signature of Director

and ..... )  
..... (a Director/Company Secretary) )

.....  
Signature of Director /  
Company Secretary

**EXECUTED** and delivered as a deed by  
**VC MP SPV 1 LTD** acting by two directors  
or by one director and the secretary:

acting by ..... )  
..... (a Director) )

.....  
Signature of Director

and ..... )  
..... (a Director/Company Secretary) )

.....  
Signature of Director /  
Company Secretary

**EXECUTED** and delivered as a deed by  
**BURDEN GROUP HOLDINGS LIMITED**  
acting by two directors or by one director  
and the secretary:

acting by ..... )  
..... (a Director) )

.....  
Signature of Director

and ..... )  
..... (a Director/Company Secretary) )

.....  
Signature of Director /  
Company Secretary

**EXECUTED** and delivered as a deed by  
**THE BURDEN GROUP LIMITED** acting by  
two directors or by one director and the  
secretary:

acting by ..... )  
..... (a Director) )

.....  
Signature of Director

and ..... )  
..... (a Director/Company Secretary) )

.....  
Signature of Director /  
Company Secretary

**EXECUTED** and delivered as a deed by  
**JAMES BURDEN LIMITED** acting by two  
directors or by one director and the  
secretary:

acting by ..... )  
..... (a Director) )

.....  
Signature of Director

and ..... )  
..... (a Director/Company Secretary) )

.....  
Signature of Director /  
Company Secretary

**EXECUTED** and delivered as a deed by  
**CAVENDISH SHIPS STORES LIMITED**  
acting by two directors or by one director  
and the secretary:

acting by ..... )  
..... (a Director) )

.....  
Signature of Director

and ..... )  
..... (a Director/Company Secretary) )

.....  
Signature of Director /  
Company Secretary



THE SECURED PARTY

SIGNED as a deed by



Paul Hird

Attorney for LEUMI ABL LIMITED

And



Kevin Yates

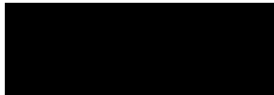
Attorney for LEUMI ABL LIMITED

as attorneys for

LEUMI ABL LIMITED

under a power of attorney dated

14th August 2012 in the presence of



Name: Celia Bibby

Address: Leumi ABL Ltd  
Pacific House  
126 Dyke Road

Occupation: Brighton  
East Sussex  
BN1 3TE

Transaction Support

## THE CHARGORS

**EXECUTED** and delivered as a deed by  
**VC MP BIDCO LTD** acting by two directors  
or by one director and the secretary:

acting by ..... )  
..... (a Director) )

and ..... )  
..... (a Director/Company Secretary) )

Signature of Director

Signature of Director /  
Company Secretary

**EXECUTED** and delivered as a deed by  
**VC MP SPV 1 LTD** acting by two directors  
or by one director and the secretary:

acting by ..... )  
..... (a Director) )

and ..... )  
..... (a Director/Company Secretary) )

Signature of Director

Signature of Director /  
Company Secretary

**EXECUTED** and delivered as a deed by  
**BURDEN GROUP HOLDINGS LIMITED**  
acting by two directors or by one director  
and the secretary:

acting by ..... )  
..... (a Director) )

and ..... )  
..... (a Director/Company Secretary) )

Signature of Director

Signature of Director /  
Company Secretary

**EXECUTED** and delivered as a deed by  
**THE BURDEN GROUP LIMITED** acting by  
two directors or by one director and the  
secretary:

acting by ..... )  
..... (a Director) )

and ..... )  
..... (a Director/Company Secretary) )

Signature of Director

Signature of Director /  
Company Secretary

**EXECUTED** and delivered as a deed by  
**JAMES BURDEN LIMITED** acting by two  
directors or by one director and the  
secretary:

acting by ..... )  
..... (a Director) )

Signature of Director

and ..... )  
..... (a Director/Company Secretary )



Signature of Director /  
Company Secretary

**EXECUTED** and delivered as a deed by  
**CAVENDISH SHIPS STORES LIMITED**  
acting by two directors or by one director  
and the secretary:

acting by ..... )  
..... (a Director )



Signature of Director

and ..... )  
..... (a Director/Company Secretary )



Signature of Director /  
Company Secretary