



Registration of a Charge

Company Name: **VMED O2 UK HOLDCO 3 LIMITED**

Company Number: **12807077**



Received for filing in Electronic Format on the: **14/06/2021**

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Details of Charge

Date of creation: **26/05/2021**

Charge code: **1280 7077 0002**

Persons entitled: **DEUTSCHE BANK AG, LONDON BRANCH AS SECURITY TRUSTEE FOR
AND ON BEHALF OF THE SECURED PARTIES**

Brief description: **N/A**

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **ALLEN & OVERY LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 12807077

Charge code: 1280 7077 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 26th May 2021 and created by VMED O2 UK HOLDCO 3 LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 14th June 2021 .

Given at Companies House, Cardiff on 16th June 2021

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



Companies House



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

DATED 26 May 2021

BETWEEN

VMED O2 UK HOLDCO 3 LIMITED
(the Chargor)

and

DEUTSCHE BANK AG, LONDON BRANCH
(the Security Trustee)

SECURITY OVER SHARES

ROPES & GRAY

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THIS DEED is dated 26 May 2021 and made

BETWEEN:

- (1) **VMED O2 UK HOLDCO 3 LIMITED**, a private limited company incorporated under the laws of England and Wales with registration number 12807077 (the “**Chargor**”); and
- (2) **DEUTSCHE BANK AG, LONDON BRANCH** (the “**Security Trustee**”) as agent and trustee for the Secured Parties (as defined below).

BACKGROUND:

- (A) The Chargor enters into this Deed in connection with the Intercreditor Agreement (as defined below).
- (B) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.
- (C) The Security Trustee holds the benefit of this Deed on trust for itself and the other Beneficiaries on the terms and subject to:
 - (a) prior to the ICA Effective Date, the Security Trust Agreement and the Intercreditor Agreement; and
 - (b) on and following the ICA Effective Date, the New Intercreditor Agreement.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Deed:

“**Act**” means the Law of Property Act 1925.

“**Consent**” means any consent, approval, release or waiver or agreement to any amendment.

“**Debtor**”:

- (a) prior to the ICA Effective Date, means each Intergroup Debtor as defined in the Intercreditor Agreement; and
- (b) on and from the ICA Effective Date, has the meaning given to the term “**Debtor**” as defined in the New Intercreditor Agreement.

“**Declared Default Date**” means the date on which, following the occurrence of an Event of Default which is continuing, either the Relevant Agent or the Security Trustee notifies the Chargor of the occurrence of that Event of Default or takes, under any one

or more of the Secured Debt Documents, any of the steps it is entitled to take by reason of the occurrence of such Event of Default.

“Delegate” means any delegate agent, attorney, co-trustee or co-agent appointed by the Security Trustee.

“Event of Default”:

- (a) prior to the ICA Effective Date, means each of:
 - (i) a Senior Default; and
 - (ii) an event or default or termination event (however described under any Hedging Agreement); and
- (b) on and from the ICA Effective Date, has the meaning given to the term **“Event of Default”** in the New Intercreditor Agreement.

“HYD Intercreditor Agreement” means the intercreditor agreement dated 13 April 2004, as amended and restated on 30 December 2009 as further amended, supplemented and/or restated from time to time) and made between, amongst others, Virgin Media Finance plc, Deutsche Bank AG, London Branch as original facility agent and the original high yield trustee.

“ICA Effective Date” means the date upon which the HYD Intercreditor Agreement, the Intercreditor Agreement and the Security Trust Agreement are amended and restated by the New Intercreditor Agreement.

“Intercreditor Agreement” means the intercreditor agreement dated 3 March 2006, as amended and restated on 13 June 2006, 10 July 2016, 31 July 2006, 15 May 2008, 30 October 2009, 8 January 2010 and 19 April 2017 (as further amended, supplemented and/or restated from time to time) and made between, amongst others, Virgin Media Investment Holdings Limited, Telewest Communications Networks Limited, VMIH Sub Limited and Virgin Media Dover LLC (each as original senior borrowers) and Deutsche Bank AG, London Branch as original facility agent and original security trustee.

“Investments” means:

- (a) the Shares;
- (b) any other stocks, debentures, bonds or other securities and investments owned by the Chargor in the Relevant Company;
- (c) any dividend or interest paid or payable in relation to any of the above; and
- (d) any right, money or property accruing or offered at any time in relation to any of the above by way of redemption, substitution, exchange, bonus or preference under option rights or otherwise.

“New Intercreditor Agreement” means the Intercreditor Agreement, the HYD Intercreditor Agreement and the Security Trust Agreement as amended and restated

into substantially the form agreed between, amongst others, the Chargor and the Facility Agent on or before the date of this Deed.

“Party” means a party to this Deed.

“Payment” means, in respect of any Liabilities (or any other liabilities or obligations), a payment, prepayment, repayment, redemption, purchase, defeasance or discharge of those Liabilities (or other liabilities or obligations).

“Receiver” means a receiver and manager or a receiver, in each case, appointed under this Deed.

“Relevant Company” means VMED O2 UK Holdco 4 Limited, a company incorporated in England & Wales with registered number 12809596.

“Secured Debt Documents” means:

- (a) prior to the ICA Effective Date, the Senior Finance Documents as defined in the Intercreditor Agreement; and
- (b) on and from the ICA Effective Date, **“Secured Debt Documents”** as defined in the New Intercreditor Agreement.

“Secured Liabilities” means:

- (a) prior to the ICA Effective Date, the Secured Obligations as defined in the Intercreditor Agreement; and
- (b) on and from the ICA Effective Date, the **“Secured Obligations”** as defined in the New Intercreditor Agreement.

“Secured Parties” means:

- (a) prior to the ICA Effective Date, the Beneficiaries as defined in the Intercreditor Agreement; and
- (b) on and from the ICA Effective Date, **“Secured Parties”** as defined in the New Intercreditor Agreement.

“Security Assets” means all assets of the Chargor that are the subject of any security created by this Deed.

“Security Period” means the period beginning on the date of this Deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full in accordance with the Intercreditor Agreement or otherwise released in accordance with the Intercreditor Agreement.

“Security Trust Agreement” means the security trust agreement originally dated 3 March 2006 (as amended and/or amended and restated from time to time) between (among others) the Security Trustee as security trustee, Virgin Media Investment Holdings Limited and the entities named therein as Original Obligors.

“Senior Facilities Agreement” means the senior facilities agreement dated 7 June 2013 as amended on 14 June 2013 and as amended and restated on 17 July 2015 and 30 July 2015, as further amended on 16 December 2016, as further amended and restated on 19 April 2017 and 22 February 2018 and as further amended and restated on 9 December 2019 (as further amended, supplemented and/or restated from time to time) and made between, amongst others, Virgin Media Finance PLC as the parent, Virgin Media Investment Holdings Limited as the company, the Bank of Nova Scotia as facility agent and Deutsche Bank AG, London Branch as the security trustee.

“Shares” means all shares owned by the Chargor (or held by any nominee on the Chargor’s behalf) in the Relevant Company from time to time.

1.2 Construction

- (a) Capitalised terms defined in the Intercreditor Agreement, the HYD Intercreditor Agreement, the Security Trust Agreement or the Senior Facilities Agreement have, unless expressly defined in this Deed, the same meaning in this Deed.
- (b) The provisions of clause 1.4 (*Construction*), clause 20 (*Notices*), clause 24 (*Partial Invalidity*), clause 29.1 (*Courts of England and Wales*) and clause 29.2 (*Waiver of Indemnity*) of the Intercreditor Agreement apply to this Deed as though they were set out in full in this Deed, except that references to the Intercreditor Agreement will be construed as references to this Deed.
 - (i) a **“Secured Debt Document”** or any other agreement or instrument includes (without prejudice to any prohibition on amendments) any amendment to that Secured Debt Document or other agreement or instrument as amended, novated, supplemented, extended, restated or replaced (however fundamentally), including any change in the purpose of, any extension of or any increase in the amount of a facility or any additional facility;
 - (ii) the term **“this Security”** means any security created by this Deed; and
 - (iii) **assets** includes present and future properties, revenues and rights of every description.
- (c) Any covenant of the Chargor under this Deed (other than a payment obligation) remains in force during the Security Period.
- (d) If the Security Trustee reasonably believes (after taking legal advice as it considers appropriate) that there is a reasonable likelihood that an amount paid to a Secured Party under a Secured Debt Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- (e) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of sale of that Security Asset.
- (f) A person which is not a Party (a **“third party”**) shall have no right to enforce any provisions of this Deed except that a third party shall have those rights it

would have had if the Contracts (Rights of Third Parties) Act 1999 had not come into effect.

- (g) The Parties may without the consent of any third party vary or rescind this Deed.
- (h) For the avoidance of doubt, the requirement to complete any further assurance obligation or take any perfection step shall be subject to the Agreed Security Principles.
- (i) For the avoidance of doubt, (but without prejudice to the security created, or intended to be created, by this Deed and any actions required to create, perfect or preserve such security) the terms of this Deed shall not operate or be construed so as to prohibit or restrict any transaction, matter or other step permitted by a Secured Debt Document and the Security Trustee shall promptly enter into such documentation and/or take such other action as is required by the Chargor (acting reasonably) in order to facilitate any such transaction, matter or other step, including by way of executing any confirmation, consent to dealing, release or other similar or equivalent document.
- (j) If the terms and conditions of this Deed are in contradiction with the terms and conditions of the Senior Facilities Agreement, the Intercreditor Agreement, the HYD Intercreditor Agreement, the Security Trust Agreement or, following the ICA Effective Date, the New Intercreditor Agreement, to the fullest extent permitted by law, the terms and conditions of the Senior Facilities Agreement (or as applicable), the Intercreditor Agreement, the HYD Intercreditor Agreement, the Security Trust Agreement or the New Intercreditor Agreement shall prevail.

2. CREATION OF SECURITY

2.1 General

- (a) All the security created under this Deed:
 - (i) is created in favour of the Security Trustee;
 - (ii) is created over present and future Security Assets;
 - (iii) is security for the payment of all the Secured Liabilities; and
 - (iv) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (b) The Security Trustee holds the benefit of this Deed on trust for the Secured Parties.

2.2 Investments

The Chargor charges, by way of a first fixed charge, the Investments.

3. RESTRICTIONS ON DEALINGS

The Chargor may not:

- (a) create or permit to subsist any Security Interest on any Security Asset; or
- (b) sell, transfer, licence, lease or otherwise dispose of any Security Asset, except as permitted or not prohibited by the Secured Debt Documents.

4. REPRESENTATIONS AND UNDERTAKINGS

The Chargor makes the representations and warranties to each Secured Party.

4.1 Shares and the Relevant Company

- (a) its Shares and, to the extent applicable, its other Investments, are fully paid;
- (b) the Relevant Company's constitutional documents do not contain any restriction on the transfer or registration of transfer of the Shares;
- (c) the Shares represent the whole of the issued share capital of the Relevant Company;
- (d) it is the sole legal and beneficial owner of its Investments; and
- (e) it has complied in all respects with its obligations under Part 21A of the Companies Act 2006 in relation to any shares in a company incorporated under the laws of England and Wales subject to this Security.

4.2 Status

- (a) It is a company duly organised or a partnership duly formed, in either case, validly existing under the laws of its jurisdiction of incorporation or establishment.
- (b) It has the power to own its assets and carry on its business substantially as it is being conducted.

4.3 Binding Obligations

- (a) This Deed constitutes its legal, valid and binding obligations enforceable, subject to any relevant reservations or qualifications as to matters of law contained in any legal opinion delivered in respect of any Secured Debt Document.
- (b) The choice of English law of this Deed, and its irrevocable submission to the jurisdiction of the courts of England in respect of any proceedings relating to this Deed, will be recognised and enforced in its jurisdiction of incorporation, subject to any relevant reservation or qualification as to matters of law contained in any legal opinion delivered in respect of any Secured Debt Document.

- (c) Any judgment obtained in England in relation to this Deed, will be recognised and enforced in its jurisdiction of incorporation, subject to any relevant reservation or qualification as to matters of law contained in any legal opinion delivered in respect of any Secured Debt Document.

4.4 Non-conflict with other obligations

The execution and delivery and performance of, and transactions contemplated by, this Deed, will not violate:

- (a) in any material respect, any law or regulation or official judgment or decree applicable to it;
- (b) in any material respect, its constitutional documents; or
- (c) any agreement or instrument to which it is a party or binding on any of its assets or binding upon any other member of the Bank Group or any other member of the Bank Group's assets, where such violation would or is reasonably likely to have a Material Adverse Effect.

4.5 Power and authority

It has the power:

- (a) to enter into and comply with all obligations expressed on its part under this Deed; and
- (b) and has taken all necessary actions to authorise the execution, delivery and performance of this Deed.

4.6 Times for making representations

- (a) The representations and warranties set out in this Deed (including in this Clause) are made on the date of this Deed.
- (b) Without prejudice to paragraph (a) above, each representation and warranty set out in clause 4.2 (*Status*), 4.3 (*Binding Obligations*) and 4.5 (*Power and authority*) under this Deed is deemed to be made by the Chargor by reference to the facts and circumstances then existing on the date of each Utilisation Request and on each Utilisation Date.

4.7 Undertaking

The Chargor must:

- (a) comply on time with any notice it receives under section 790D or 790E of the Companies Act 2006; and
- (b) as soon as reasonably practicable notify the Security Trustee if it receives a warning notice or restrictions notice under schedule 1B of the Companies Act 2006,

in each case, in relation to the Shares.

5. INVESTMENTS

5.1 Deposit

The Chargor must:

- (a) within 20 Business Days of the date of this Deed (or, in relation to any Shares which the Chargor does not own on the date of this Deed, within 20 Business Days following the date on which the Chargor becomes the owner of such Shares):
 - (i) deposit with the Security Trustee, or as the Security Trustee may direct, all certificates and other documents of title or evidence of ownership in relation to any of its Shares; and
 - (ii) execute and deliver to the Security Trustee all share transfers and other documents which may be reasonably requested by the Security Trustee in order to enable the Security Trustee or its nominees to be registered as the owner or otherwise obtain a legal title to any of its Shares.
- (b) as soon as reasonably practicable upon request of the Security Trustee:
 - (i) deposit with the Security Trustee, or as the Security Trustee may direct, all certificates and other documents of title or evidence of ownership in relation to any of its Investments; and
 - (ii) execute and deliver to the Security Trustee all share transfers and other documents which may be reasonably requested by the Security Trustee in order to enable the Security Trustee or its nominees to be registered as the owner or otherwise obtain a legal title to any of its Investments.

5.2 Changes to rights

The Chargor may not 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 shares in the Relevant Company being issued to anybody other than the Chargor, unless permitted under the Secured Debt Documents.

5.3 Calls

- (a) The Chargor must pay all calls or other payments due and payable in respect of any of its Investments.
- (b) If the Chargor fails to do so, the Security Trustee may, on no less than 10 Business Days notice to the Chargor, pay the calls or other payments on behalf of the Chargor. The Chargor must, within 10 Business Days of demand, reimburse the Security Trustee for any payment made by the Security Trustee under this Clause.

5.4 Other obligations in respect of Investments

- (a) Following a request in writing from the Security Trustee or any Receiver following a Declared Default Date, the Chargor must as soon as reasonably practicable comply with all requests for information, and copy to the Security Trustee material requests for information where and to the extent permitted by law and/or regulation, which is within its knowledge and which are made under any law or regulation or by any listing or other authority or any similar provision contained in any articles of association or other constitutional document relating to any of its Investments. If it fails to do so within 10 Business Days of notice in writing from the Security Trustee to the Chargor, the Security Trustee may elect to provide such information as it may have on behalf of the Chargor.
- (b) The Chargor must not deal with the Investments in a way which might reasonably be expected to jeopardise the existence or enforceability of any Investment and/or the value or enforceability of this Security, in each case except to the extent permitted or not prohibited the Secured Debt Documents.
- (c) The Security Trustee is not obliged to:
 - (i) perform any obligation of the Chargor;
 - (ii) make any payment, or to make any enquiry as to the nature or sufficiency of any payment received by it or the Chargor; or
 - (iii) 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 this Deed,in respect of any Investment.

5.5 Voting rights

- (a) Before the occurrence of the Declared Default Date:
 - (i) the voting rights, powers and other rights in respect of the Investments shall be exercisable by the Chargor, as permitted or not prohibited by the Secured Debt Documents, provided that the Chargor must exercise such rights and powers in a manner which does not cause an Event of Default to occur; and
 - (ii) all dividends or other income paid or payable in relation to any Investments owned by the Chargor shall be paid directly to the Chargor.
- (b) On or after the Declared Default Date, the Security Trustee may exercise (in the name of the Chargor and without any further consent or authority on the part of the Chargor) any voting rights and any powers or rights which may be exercised by the legal or beneficial owner of any Investment, any person who is the holder of any Investment or otherwise.

5.6 Financial Collateral

- (a) To the extent that the Security Assets constitute “financial collateral” and this Deed and the obligations of the Chargor under this Deed constitute a “security financial collateral arrangement” (in each case for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226)) the Security Trustee will have the right after this Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Liabilities.
- (b) Where any financial collateral is appropriated:
 - (i) if the financial collateral is listed or traded on a recognised exchange its value will be taken as the value at which it could have been sold on the exchange on the date of appropriation; or
 - (ii) in any other case, the value of the financial collateral will be the fair market price in the prevailing market conditions;

in each case, in a commercially reasonable manner (including by way of an independent valuation) and each Secured Party will give credit for the proportion of the value of the financial collateral appropriated to its use.

6. PRESERVATION OF SECURITY

6.1 Continuing security

This 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.

6.2 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Debtor or any security for those obligations or otherwise) is made by a Secured Party in whole or in part on the basis 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 the Chargor under this Deed will continue or be reinstated as if the discharge, release or arrangement had not occurred.

6.3 Immediate recourse

- (a) The Chargor waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other right or security or claim payment from any person before claiming from the Chargor under this Deed.
- (b) This waiver applies irrespective of any law or provision of a Secured Debt Document to the contrary.

6.4 Appropriations

Each Secured Party (or any trustee or agent on its behalf) may at any time during the Security Period:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Secured Party (or any trustee or agent on its behalf) in respect of the Secured Liabilities, or apply and enforce them in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and the Chargor will not be entitled to the benefit of such moneys, security or rights; and
- (b) hold in an interest-bearing suspense account any moneys received from the Chargor or on account of the Chargor's liability under this Deed.

6.5 Deferral of Chargor's rights

- (a) Unless the Security Period has expired or the Security Trustee otherwise directs, the Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under this Deed or by reason of any amount being payable, or liability arising under this Deed:
 - (i) to be indemnified by any Debtor;
 - (ii) to claim any contribution from any Debtor of any Debtor's obligations under the Secured Debt Documents;
 - (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Secured Debt Documents or of any other guarantee or security taken pursuant to, or in connection with, the Secured Debt Documents by any Secured Party;
 - (iv) to bring legal or other proceedings for an order requiring any Debtor to make any payment, or perform any obligation, in respect of which it has granted security under this Deed;
 - (v) to exercise any right of set-off against any Debtor; and/or
 - (vi) to claim or prove as a creditor of any Debtor in competition with any Secured Party.
- (b) If the Chargor receives any benefit, payment or distribution in relation to such rights it must hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Parties by the Debtors under or in connection with the Secured Debt Documents to be repaid in full on trust for the Secured Parties and must promptly pay or transfer them to the Security Trustee or as the Security Trustee may direct for application in accordance with the terms of this Deed.

6.6 Additional security

- (a) This Deed is in addition to and is not in any way prejudiced by any other security now or subsequently held by any Secured Party.
- (b) No prior security held by any Secured Party (in its capacity as such or otherwise) over any Security Asset will merge into this Security.

6.7 Security held by Chargor

- (a) The Chargor may not, without the prior consent of the Security Trustee, hold any security from any other Debtor in respect of the Chargor's liability under this Deed. The Chargor will hold any security held by it in breach of this provision on trust for the Security Trustee.
- (b) It is hereby agreed that, in relation to any jurisdiction the courts of which would not recognise or give effect to the trusts expressed to be created by this Clause, the relationship of the Secured Parties to the Chargor shall be construed as one of principal and agent.

7. WHEN SECURITY BECOMES ENFORCEABLE

7.1 Declared Default Date

This Security will become immediately enforceable if the Declared Default Date occurs.

7.2 Discretion

On and after the Declared Default Date, the Security Trustee may in its absolute discretion enforce all or any part of this Security in accordance with the Intercreditor Agreement.

7.3 Power of sale

The power of sale and other powers conferred by Section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time on or after the Declared Default Date.

8. ENFORCEMENT OF SECURITY

8.1 General

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- (b) Section 103 of the Act (restricting the power of sale) and Section 93 of the Act (restricting the right of consolidation) do not apply to this Security.

8.2 No liability as mortgagee in possession

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

8.3 Privileges

Each Receiver and the Security Trustee is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that Section 103 of the Act does not apply.

8.4 Protection of third parties

No person (including a purchaser) dealing with the Security Trustee or a Receiver or its or his agents will be concerned to enquire:

- (a) whether the Secured Liabilities have become payable;
- (b) whether any power which the Security Trustee or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
- (c) whether any money remains due under the Secured Debt Documents; or
- (d) how any money paid to the Security Trustee or to that Receiver is to be applied.

8.5 Redemption of prior mortgages

- (a) At any time on or after the Declared Default Date, the Security Trustee may:
 - (i) redeem any prior Security Interest against any Security Asset; and/or
 - (ii) procure the transfer of that Security Interest to itself; and/or
 - (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the Chargor.
- (b) The Chargor must pay to the Security Trustee the costs and expenses incurred by the Security Trustee in accordance with clause 17 (*Costs and Expenses*) of the Intercreditor Agreement.

8.6 Contingencies

If this Security is enforced at a time when no amount is due under the Secured Debt Documents but at a time when amounts may or will become due, the Security Trustee (or the Receiver) may pay the proceeds of any recoveries effected by it into a suspense account.

9. RECEIVER

9.1 Appointment of Receiver

- (a) Except as provided below, the Security Trustee may appoint any one or more persons to be a Receiver of all or any part of the Security Assets:
 - (i) on or after the Declared Default Date; or
 - (ii) if the Chargor so requests the Security Trustee in writing at any time.
- (b) Any appointment under paragraph (a) above may be by deed, under seal or in writing under its hand.
- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the Act) does not apply to this Deed.
- (d) The Security Trustee is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under section 1A of the Insolvency Act 1986.

9.2 Removal

The Security Trustee may by writing under its hand remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

9.3 Remuneration

The Security Trustee may fix the remuneration of any Receiver appointed by it and the maximum rate specified in Section 109(6) of the Act will not apply.

9.4 Agent of the Chargor

- (a) A Receiver will be deemed to be the agent of the Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. The Chargor alone is responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for liabilities incurred by a Receiver.
- (b) No Secured Party will incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

9.5 Relationship with Security Trustee

To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may, on or after the Declared Default Date be exercised by the Security Trustee in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

10. POWERS OF RECEIVER

10.1 General

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause in addition to those conferred on it by any law; this includes all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and 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.

10.2 Possession

A Receiver may take immediate possession of, get in and collect any Security Asset.

10.3 Carry on business

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

10.4 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 the Chargor.

10.5 Borrow money

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

10.6 Sale of assets

- (a) A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which he thinks fit which the Receiver believes (acting reasonably) will generate the best available price in relation to such Security Asset.
- (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.

10.7 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 the Chargor or relating in any way to any Security Asset.

10.8 Legal actions

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

10.9 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 Security Asset.

10.10 Subsidiaries

A Receiver may form a Subsidiary of the Chargor and transfer to that Subsidiary any Security Asset.

10.11 Delegation

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

10.12 Lending

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

10.13 Protection of assets

A Receiver may do any act which the Chargor might do in the ordinary conduct of its business to protect or improve any Security Asset.

10.14 Other powers

A Receiver may:

- (a) do all other acts and things which he may consider desirable or necessary for realising any Security Asset 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 Security Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Security Asset; and
- (c) use the name of the Chargor for any of the above purposes.

11. DELEGATION

- (a) The Security Trustee, any Receiver and any Delegate may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any of the rights, powers and discretions vested in it by this Deed.
- (b) That delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Security Trustee, that Receiver or that Delegate (as the case may be) may, in its discretion, think fit in the interests of the Secured Parties and it shall not be bound to supervise, or be in any way responsible for any loss incurred by reason of any misconduct or default on the part of any such delegate or sub-delegate.

12. APPLICATION OF PROCEEDS

Any moneys received by the Security Trustee or any Receiver on or after the Declared Default Date must be applied:

- (a) prior to the ICA Effective Date, in accordance with clause 8.2 (*General Application of Proceeds*) of the Intercreditor Agreement; and
- (b) on and following the ICA Effective Date, in accordance with the clause named "Application of Proceeds" in the New Intercreditor Agreement.

13. FURTHER ASSURANCES

The Chargor must, at its own expense, promptly take all such reasonable action as the Security Trustee or a Receiver may require for:

- (a) creating, perfecting or protecting any security intended to be created by this Deed; or
- (b) facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Security Trustee or any Receiver or any of its delegates or sub-delegates in respect of any Security Asset.

This includes:

- (i) the execution of any transfer or assignment of any Security Asset whether to the Security Trustee or to its nominee; or
- (ii) the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Security Trustee may (acting reasonably) think expedient, provided that the Security Trustee will not require the Chargor to do any act or execute any document which would cause it to contravene any of the Secured Debt Documents.

14. WAIVER OF DEFENCES

The provisions of this Deed will not be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice the subordination and

priorities expressed to be created by the Intercreditor Agreement including (without limitation and whether or not known to any Party):

- (a) any time, Consent granted to, or composition with, any Debtor, the Chargor or other person;
- (b) the release of any Debtor, the Chargor or any other person under the terms of any composition or arrangement with any creditor of any member of the Bank Group or the Chargor;
- (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 Debtor, the 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 any Debtor, the Chargor or other person;
- (e) any amendment, change in the purpose of, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of a Secured Debt Document or any other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Secured Debt Document or any other document or security;
- (g) any intermediate Payment of any of the Liabilities owing to the Priority Creditors in whole or in part; or
- (h) any insolvency or similar proceedings.

15. POWER OF ATTORNEY

- (a) Until the end of the Security Period, the Chargor, by way of security, irrevocably and severally appoints the Security Trustee, each Receiver and any of its delegates or sub-delegates to be its attorney to take any action which it is obliged to take under this Deed. The Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause (acting lawfully).
- (b) The Security Trustee, each Receiver and any of its delegates or sub-delegates shall only exercise the power of attorney contained in this Clause:
 - (i) on or after the Declared Default Date; or
 - (ii) if the Chargor has failed to comply with a further assurance or perfection obligation under the Secured Debt Documents within 10 Business Days of being notified of that failure and being requested to comply.

16. MISCELLANEOUS

16.1 Covenant to pay

The Chargor must pay or discharge the Secured Liabilities when they fall due in the manner provided for in the Secured Debt Documents.

16.2 Tacking

Each Lender must perform its obligations under the Secured Debt Documents, including any obligation to make available further advances.

16.3 New Accounts

- (a) If any subsequent charge or other interest affects any Security Asset, the Secured Party may open a new account with the Chargor.
- (b) If the Secured Party does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest.
- (c) As from that time all payments made to the Secured Party will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability.

16.4 Time deposits

Without prejudice to any right of set-off any Secured Party may have under any other Secured Debt Document or otherwise, if any time deposit matures on any account the Chargor has with any Secured Party within the Security Period when:

- (a) the Declared Default Date has occurred; and
- (b) no Secured Liability is due and payable,

that time deposit will automatically be renewed for any further maturity which that Secured Party considers appropriate.

16.5 Notice of assignment

This Deed constitutes notice in writing to the Chargor of any charge or assignment of a debt owed by the Chargor to any other member of the Bank Group and contained in any other Secured Debt Document.

16.6 Security Trust Agreement

The Chargor and the Security Trustee hereby acknowledge that the covenants of the Chargor contained in this Deed and the security and other rights, titles and interests constituted by this Deed and the Charged Assets (and all other moneys, property and assets paid to the Security Trustee or held by the Security Trustee or received or recovered by the Security Trustee pursuant to or in connection with this Deed) are held by the Security Trustee:

- (a) prior to the ICA Effective Date, subject to and on the terms of the trusts declared in the Security Trust Agreement; and
- (b) on and from the ICA Effective Date, subject to and on the terms of the trusts declared in the New Intercreditor Agreement.

17. LIMITED RECOURSE

The Chargor's liability to pay any amounts under this Deed may be discharged only from, and the recourse of the Security Trustee in this regard is expressly limited to, the Chargor's Security Assets under this Deed. Any claim under this Share Charge may only be made to the extent of, and is expressly limited to, amounts recovered by the Security Trustee in respect of the Security Assets. The limitations in this Clause apply notwithstanding anything else in this Deed to the contrary.

18. RELEASE

At the end of the Security Period, the Secured Parties must, at the request and cost of the Chargor, promptly take whatever action is necessary to release its Security Assets from this Security.

19. CHANGES TO PARTIES

- (a) The Chargor may not assign or transfer any of its rights or obligations under this Deed, without the prior consent of the Security Trustee, except as permitted by the Secured Debt Documents.
- (b) The Security Trustee may assign any of its rights and transfer any of its rights or obligations under this Deed, in the manner permitted under the Secured Debt Documents. The Chargor's consent is not required for any such assignment or transfer.

20. COUNTERPARTS

This Deed may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

21. GOVERNING LAW

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

THIS DEED has been entered into as a deed on the date stated at the beginning of this Deed.

SIGNATURES

THE CHARGOR

)



Executed as a **DEED** by

)

VMED O2 UK HOLDCO 3 LIMITED

)

acting by

)

)



Director:

)

)

Director:

Witness signature:

Name:

Address:

Occupation:

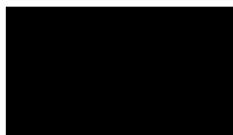
THE SECURITY TRUSTEE

Executed as a **DEED** by

DEUTSCHE BANK AG, LONDON BRANCH

acting by

Authorised Signatory:



Vikki Adams

Authorised Signatory:



Carly Pedder