



Registration of a Charge

Company Name: **VMED O2 UK HOLDCO 4 LIMITED**

Company Number: **12809596**



Received for filing in Electronic Format on the: **11/08/2021**

XAAMRHSA

Details of Charge

Date of creation: **23/07/2021**

Charge code: **1280 9596 0001**

Persons entitled: **DEUTSCHE BANK AG, LONDON BRANCH AS SECURITY TRUSTEE**

Brief description: **N/A**

Contains fixed charge(s).

Contains floating 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: 12809596

Charge code: 1280 9596 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 23rd July 2021 and created by VMED O2 UK HOLDCO 4 LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 11th August 2021 .

Given at Companies House, Cardiff on 12th August 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

23 July 2021

TELEFONICA UK LIMITED

and

VMED O2 UK HOLDCO 4 LIMITED
as the Original Chargors

and

DEUTSCHE BANK AG, LONDON BRANCH
acting as Security Trustee

DEBENTURE

ROPES & GRAY

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THIS DEBENTURE (this “**Debenture**”) is dated 23 July 2021 and is made

BETWEEN:

- (1) **TELEFONICA UK LIMITED**, a company incorporated in England and Wales with registered number 01743099;
- (2) **VMED O2 UK HOLDCO 4 LIMITED**, a company incorporated in England and Wales with registered number 12809596 (together with Telefonica UK Limited, the “**Original Chargors**”); and
- (3) **DEUTSCHE BANK AG, LONDON BRANCH** (the “**Security Trustee**”) as agent and trustee for the Secured Parties (as defined below).

BACKGROUND

- (A) The Original Chargors enter into this Debenture in connection with the Senior Facilities Agreement and the Intercreditor Agreement (each 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 Debenture on trust for itself and the other Secured Parties 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. DEFINITIONS AND INTERPRETATIONS

1.1 Definitions

“**Chargor**” means each Original Chargor and each company which grants security over its assets in favour of the Security Trustee by executing a Security Accession Deed.

“**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 relevant 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 or co-trustee 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 of 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 2006, 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;
- (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.

“LPA” means the Law of Property Act 1925.

“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 Company and the Facility Agent on or before the date of this Debenture.

“Party” means a party to this Debenture from time to time.

“Receivables” means, in respect of each Chargor, any and all present and future, actual or contingent, secured or unsecured, claims, interests, proceeds, receivables and/or rights, owing from a Relevant Company to that Chargor, arising pursuant to any Relevant Contract.

“Receiver” means an administrator, receiver, receiver and manager or administrative receiver in each case appointed under this Debenture.

“Relevant Company” means any member of the Bank Group which is a party to a Relevant Contract.

“Relevant Contract” means any agreement documenting Financial Indebtedness between a Chargor and any member of the Bank Group.

“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, the **“Secured Debt Documents”** as defined in the New Intercreditor Agreement.

“Secured Obligations” 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, the **“Secured Parties”** as defined in the New Intercreditor Agreement.

“Security Accession Deed” means a deed executed substantially in the form set out in Schedule 3 (*Form of Security Accession Deed*).

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

“Security Period” means the period beginning on the date of this Debenture and ending on the date on which all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full, or otherwise released, in accordance with, if the ICA Effective Date has not occurred, the Intercreditor Agreement or, if the ICA Effective Date has occurred, the New 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 the shares legally or beneficially owned by a Chargor and/or any nominee of that Chargor in the capital of any member of the Bank Group or any other person, in each case incorporated in England and Wales.

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 Debenture, the same meaning in this Debenture.
- (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 Debenture as though they were set out in full in this Debenture, except that references to the Intercreditor Agreement will be construed as references to this Debenture.
- (c)
 - (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 Debenture; and
 - (iii) **“assets”** includes present and future properties, revenues and rights of every description.
- (d) Any covenant of a Chargor under this Debenture (other than a payment obligation) remains in force during the Security Period.
- (e) 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 Debenture.

- (f) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of sale of that Security Asset.
- (g) A person which is not a Party (a “**third party**”) shall have no right to enforce any provisions of this Debenture 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.
- (h) The Parties may without the consent of any third party vary or rescind this Debenture.
- (i) 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.
- (j) For the avoidance of doubt, (but without prejudice to the security created, or intended to be created, by this Debenture and any actions required to create, perfect or preserve such security) the terms of this Debenture 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 any 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.
- (k) If the terms and conditions of this Debenture 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. COVENANT TO PAY

Subject to any limits on its liability specified in the Secured Debt Documents, each Chargor, as primary obligor and not only as a surety, covenants with the Security Trustee that it shall on demand pay to the Security Trustee (as Security Trustee for itself and on behalf of the Secured Parties) the Secured Obligations when they fall due for payment.

3. CREATION OF SECURITY

3.1 General

- (a) All the security created under this Debenture:
 - (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 Obligations; 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 Debenture on trust for the Secured Parties.

3.2 Investments

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

3.3 Receivables

- (a) Each Chargor assigns absolutely to the Security Trustee, subject to a proviso for re-assignment on redemption, all of its rights and interest in respect of the Receivables and the Relevant Contracts.
- (b) To the extent not effectively assigned under paragraph (a) above, each Chargor charges by way of first fixed charge all of its rights under the Receivables and the Relevant Contracts.

3.4 Floating Charge

- (a) Each Chargor charges by way of first floating charge all of its assets, undertakings and rights not effectively charged or assigned under this Clause 3.
- (b) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to the floating charge created by this Debenture.

4. CRYSTALLISATION OF FLOATING CHARGE

- (a) The Security Trustee may by written notice to any Chargor convert the floating charge created under this Debenture with immediate effect into a fixed charge as regards any property or assets specified in the notice, if:
 - (i) a Declared Default Date has occurred; or
 - (ii) the Security Agent (acting reasonably) considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.
- (b) Subject to sub-paragraph (c) below, notwithstanding any other provision of this Debenture, in respect of any floating charge created by this Debenture, the obtaining of a moratorium under Part A1 of the Insolvency Act 1986, or anything done with a view to obtaining such a moratorium (including any preliminary decision or investigation), shall not be an event causing any floating charge created by this Debenture to crystallise or causing restrictions which would not otherwise apply to be imposed on the disposal of property by any Chargor or a ground for the appointment of a Receiver.

- (c) Paragraph (b) above does not apply in respect of any floating charge referred to in subsection (4) of section A52 of Part A1 of the Insolvency Act 1986.

5. FURTHER ASSURANCE

Subject to the Agreed Security Principles, each Chargor shall promptly, at its own expense, take all such reasonable action as the Security Trustee or a Receiver may require for:

- (a) creating, perfecting, protecting or maintaining any Security intended to be created by this Debenture; 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 any Chargor to do any act or execute any document which would cause it to contravene any of the Secured Debt Documents.

6. PROTECTION OF SECURITY

6.1 Title Documents

- (a) Each Chargor shall within 20 Business Days of the date of this Debenture or its Security Accession Deed (or, in relation to any Shares which a Chargor does not own on the date of this Debenture or the date of its Security Accession Deed (as applicable), within 20 Business Days following the date on which that Chargor becomes the legal 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, each Chargor shall:

- (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.

6.2 Receivables

Each Chargor must:

- (a) serve a notice of assignment by way of security within 20 Business Days of the date of this Debenture or its Security Accession Deed (or in respect of any Relevant Contract entered into after the date of this Debenture or the date of its Security Accession Deed (as applicable), within 20 Business Days of the date of such entry), substantially in the form as set out in Schedule 2 (*Form of Notice and Acknowledgement*) on each Relevant Company; and
- (b) use its commercially reasonable endeavours to procure that each Relevant Company acknowledges that notice by countersignature within 20 Business Days of service, provided that its obligation to obtain such acknowledgement shall cease on the expiry of such 20 Business Day period.

7. UNDERTAKINGS

7.1 General

Each Chargor (for itself only) undertakes to the Security Trustee in the terms of this Clause 7 from the date of this Debenture and for so long as any of the Secured Obligations are outstanding.

7.2 Voting and Distribution Rights

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

7.3 Calls

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

8. REPRESENTATIONS AND WARRANTIES

8.1 General

Each Chargor (for itself only) represents and warrants to the Security Trustee as set out in this Clause 8 (*Representations and Warranties*) on the date of this Debenture or the date of its Security Accession Deed (as applicable).

8.2 Shares

- (a) It is the legal and beneficial owner of the Shares identified against its name in Schedule 1 (*Shares and Investments*) of this Debenture or Schedule 1 (*Shares and Investments*) of its Security Accession Deed (as applicable); and
- (b) all of those Shares are fully paid.

9. PRESERVATION OF SECURITY

9.1 Continuing security

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

9.2 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 each Chargor under this Debenture will continue or be reinstated as if the discharge, release or arrangement had not occurred.

9.3 Immediate recourse

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

9.4 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 Obligations, or apply and enforce them in such manner and order as it sees fit (whether against the Secured Obligations or otherwise) and the relevant 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 Chargors or on account of the Chargors' liability under this Debenture.

9.5 Deferral of Chargor's rights

- (a) Unless the Security Period has expired or the Security Trustee otherwise directs, no Chargor may exercise any rights which it may have by reason of performance by it of its obligations under this Debenture or by reason of any amount being payable, or liability arising under this Debenture:
 - (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 Debenture;
 - (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 a 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 Debenture.

9.6 Additional security

- (a) This Debenture 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.

9.7 Security held by Chargor

- (a) No Chargor may, without the prior consent of the Security Trustee, hold any security from any other Debtor in respect of a Chargor's liability under this Debenture. A 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 any Chargor shall be construed as one of principal and agent.

10. WHEN SECURITY BECOMES ENFORCEABLE

10.1 Declared Default Date

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

10.2 Enforcement by the Security Trustee

At any time after this Security has become enforceable, the Security Trustee may enforce all or any part of this Security in any manner it sees fit or as instructed in accordance with, if the ICA Effective Date has not occurred, the Intercreditor Agreement or, if the ICA Effective Date has occurred, the New Intercreditor Agreement.

10.3 Statutory powers

The power of sale and all or any of the other powers, authorities and discretions conferred upon mortgagees by the LPA (as varied or extended by this Debenture) and all or any of the rights and powers conferred by this Debenture on a Receiver (whether expressly or impliedly), may be exercised by the Security Trustee without further notice to any Chargor at any time after a Declared Default Date.

11. ENFORCEMENT OF SECURITY

11.1 General

- (a) For the purpose of all rights and powers implied or granted by statute, the Secured Obligations are deemed to have become due and payable on the date of this Debenture.
- (b) Section 103 of the LPA (restricting the power of sale) and section 93 of the LPA (restricting the right of consolidation) do not apply to the security constituted by this Debenture.

- (c) The statutory powers of leasing conferred on the Security Trustee are extended so as to authorise the Security Trustee to 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 the Security Trustee may think fit and without the need to comply with any provision of section 99 or section 100 of the LPA.

11.2 Protection of third parties

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

- (a) whether the Secured Obligations have become payable;
- (b) whether any power or right which the Security Trustee or a Receiver is purporting to exercise has arisen or 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.

11.3 Privileges

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

11.4 Redemption of prior mortgages

- (a) At any time on or after a 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 and any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the Chargors.
- (b) The Chargors 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.

11.5 Financial collateral

- (a) To the extent that any of the Security Assets constitute “financial collateral” and this Debenture and the obligations of the Chargors under this Debenture 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 Obligations.

- (b) Where any financial collateral is appropriated:
 - (i) if it is cash, its value will be the amount standing to the credit of the relevant account on the date of appropriation plus any accrued but uncredited interest;
 - (ii) 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
 - (iii) 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.

12. RECEIVER

12.1 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 a Declared Default Date; or
 - (ii) if the Chargors so request 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 LPA) does not apply to this Debenture.
- (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.

12.2 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.

12.3 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 LPA will not apply.

12.4 Agent of the Chargors

- (a) A Receiver will be deemed to be the agent of the Chargors for all purposes and accordingly will be deemed to be in the same position as a Receiver duly

appointed by a mortgagee under the LPA. The Chargors are 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 Chargors or to any other person) by reason of the appointment of a Receiver or for any other reason.

12.5 Relationship with Security Trustee

To the fullest extent allowed by law, any right, power or discretion conferred by this Debenture (either expressly or impliedly) or by law on a Receiver may, on or after a 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.

13. POWERS OF RECEIVER

13.1 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 LPA 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 Debenture individually and to the exclusion of any other Receiver.

13.2 Possession

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

13.3 Carry on business

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

13.4 Employees

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

13.5 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.

13.6 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.

13.7 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 a Chargor or relating in any way to any Security Asset.

13.8 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.

13.9 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.

13.10 Subsidiaries

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

13.11 Delegation

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

13.12 Lending

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

13.13 Protection of assets

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

13.14 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 Debenture 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 any Chargor for any of the above purposes.

14. 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 Debenture.
- (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.

15. APPLICATION OF PROCEEDS

Any moneys received by the Security Trustee or any Receiver on or after a 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.

16. PROTECTION OF SECURITY TRUSTEE AND RECEIVER

16.1 No Liability

Neither the Security Trustee nor any Receiver shall be liable in respect of any of the Security Assets or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers, unless caused by its or his gross negligence, wilful default or breach of any obligations under the Secured Debt Documents.

16.2 No liability as mortgagee in possession

Without prejudice to Clause 16.1 above, if the Security Trustee or the Receiver enters into possession of the Security Assets, it will not be liable to account as mortgagee in possession and may at any time at its discretion go out of such possession.

16.3 Waiver of defences

Clause 28.6 (*Waiver of Defences*) of the Senior Facilities Agreement will apply in relation to this Debenture as if incorporated in this Debenture, but on the basis that the obligations of each Guarantor arising under that clause will be deemed to be substituted by the obligations of each Chargor under this Debenture.

16.4 Cumulative Powers

The powers which this Debenture confers on the Security Trustee, the other Secured Parties and any Receiver appointed under this Debenture are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as the relevant person thinks appropriate. The Security Trustee, the other Secured Parties or any Receiver may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever. The respective powers of the Security Trustee, the other Secured Parties and any Receiver will in no circumstances be suspended, waived or otherwise prejudiced by anything other than an express consent or amendment.

17. POWER OF ATTORNEY

- (a) Until the end of the Security Period, each Chargor, by way of security, irrevocably and severally appoints the Security Trustee, each Receiver and any of their respective delegates or sub-delegates or person nominated for this purpose by the Security Trustee or any Receiver (in writing and signed by an officer of the Security Trustee or Receiver) as its attorney (with full power of substitution and delegation) in its name and on its behalf and as its act and deed to execute, deliver and otherwise perfect all deeds, assurances, agreements, instruments or other documents in its name and otherwise on its behalf and to do or cause to be done all acts and things in each case which any attorney may in its absolute discretion deem necessary for carrying out any obligation of that Chargor under or pursuant to this Debenture, provided that the power of attorney in this Clause 17, in relation to a Chargor, may only be exercised if:
 - (i) that Chargor fails to comply with a further assurance or perfection obligation under this Debenture within 10 Business Days of being notified of that failure and being requested to comply (provided that, in such case, the power of attorney may only be exercised to remedy such failure); or
 - (ii) a Declared Default Date has occurred.
- (b) Each Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 17.

18. CURRENCY CLAUSES

18.1 Conversion

All monies received or held by the Security Trustee or any Receiver under this Debenture may be converted into any other currency which the Security Trustee considers necessary to cover the obligations and liabilities comprised in the Secured Obligations in that other currency at the Security Trustee's spot rate of exchange then prevailing for purchasing that other currency with the existing currency.

18.2 No Discharge

No payment to the Security Trustee (whether under any judgment or court order or otherwise) shall discharge the obligation or liability of the relevant Chargor in respect of which it was made unless and until the Security Trustee has received payment in full

in the currency in which the obligation or liability is payable or, if the currency of payment is not specified, was incurred. To the extent that the amount of any such payment shall on actual conversion into that currency fall short of that obligation or liability expressed in that currency, the Security Trustee shall have a further separate cause of action against the relevant Chargor and shall be entitled to enforce the Security constituted by this Debenture to recover the amount of the shortfall.

19. SET-OFF

19.1 Set-off rights

At any time on or after a Declared Default Date, the Security Trustee may set off any matured obligation due from a Chargor under the Secured Debt Documents (to the extent beneficially owned by the Security Trustee) against any matured obligation owed by the Security Trustee to that Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Security Trustee may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

19.2 No Set-off

Each Chargor will pay all amounts payable under this Debenture without any set-off, counterclaim or deduction whatsoever unless required by law, in which event that Chargor will pay an additional amount to ensure that the payment recipient receives the amount which would have been payable had no deduction been required to have been made.

20. NEW ACCOUNTS

- (a) If any subsequent charge or other interest affects any Security Assets (except as permitted by the Secured Debt Documents), the Security Trustee or any other Secured Party may open a new account for the relevant Chargor in its books.
- (b) If that Secured Party does not open a new account then (unless it gives express notice to the contrary to the relevant Chargor), 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 by the relevant Chargor to that Secured Party (in the absence of any express appropriation to the contrary) will be treated as having been credited to a new account of the relevant Chargor and will not operate to reduce any Secured Obligation.

21. NOTICES

Any communication to be made under or in connection with this Debenture shall be made in accordance with clause 39 (*Notices and Delivery of Information*) of the Senior Facilities Agreement *mutatis mutandis* and as if any reference therein to the Senior Facilities Agreement was a reference to this Debenture.

22. CHANGES TO PARTIES

22.1 Assignment by the Security Trustee

The Security Trustee may assign any of its rights and transfer any of its rights or obligations under this Debenture, in the manner permitted under the Secured Debt Documents. No Chargor's consent is required for any such assignment or transfer.

22.2 Assignment by the Chargors

No Chargor may assign or transfer any of its rights or obligations under this Debenture without the prior consent of the Security Trustee, except as permitted by the Secured Debt Documents.

22.3 Consent of Chargors

Each Chargor consents to any member of the Wider Group becoming a Chargor by executing a Security Accession Deed and irrevocably appoints Virgin Media Investment Holdings Limited as its agent for the purpose of executing any Security Accession Deed on its behalf.

23. MISCELLANEOUS

23.1 Security Trust Agreement

Each Chargor and the Security Trustee hereby acknowledge that the covenants of the Chargors contained in this Debenture and the security and other rights, titles and interests constituted by this Debenture and the Security 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 Debenture) 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.

23.2 Tacking

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

23.3 Certificates Conclusive

A certificate or determination of the Security Trustee as to any amount payable under this Debenture will be *prima facie* evidence of the matters to which it relates, except in the case of manifest error.

23.4 Counterparts

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

23.5 Invalidity of any Provision

If any provision of this Debenture is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way.

23.6 Failure to Execute

Failure by one or more Parties (“**Non-Signatories**”) to execute this Debenture on the date hereof will not invalidate the provisions of this Debenture as between the other Parties who do execute this Debenture.

24. GOVERNING LAW AND JURISDICTION

- (a) This Debenture and any non-contractual obligations arising out of or in connection with it are governed by and construed in accordance with English law.
- (b) Subject to paragraph (c) below, the Parties agree that the courts of England shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Debenture, whether contractual or non-contractual (including a dispute regarding the existence, validity or termination of this Debenture) (a “**Dispute**”). The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) The Parties agree that, for the benefit of the Secured Parties only, nothing in this Debenture shall limit the right of the Secured Parties to bring any legal action against any of the Chargors in any other court of competent jurisdiction.

IN WITNESS whereof this Debenture has been duly executed as a deed on the date first above written.

**SCHEDULE 1
SHARES AND INVESTMENTS**

Shares

Name of Chargor which holds the shares	Name of company issuing shares	Number and class of shares
VMED O2 UK Holdco 4 Limited	O2 Holdings Limited	13,412,218 ordinary shares of £1 each
Telefonica UK Limited	Cellular Radio Limited	10 ordinary shares of £1 each
Telefonica UK Limited	Digital Mobile Spectrum Limited	1 ordinary share of £1
Telefonica UK Limited	Giffgaff Limited	1 ordinary share of £1
Telefonica UK Limited	O2 Redwood Limited	1 ordinary share of £1
Telefonica UK Limited	O2 Unify Limited	101 ordinary share of £1 each
Telefonica UK Limited	The Mobile Phone Store Limited	4,273,532 ordinary shares of £1 each
Telefonica UK Limited	Weve Limited	52,179,897 Telefonica A shares of £1 each 300 B Shares of £1 each
Telefonica UK Limited	Statiq Limited	25,496,055,583 ordinary shares of £0.0001 each
Telefonica UK Limited	Telefonica Cybersecurity Tech UK Limited	1 ordinary share of £1

Investments

None at the date of this Debenture.

SCHEDULE 2
FORM OF NOTICE AND ACKNOWLEDGEMENT

Date: []

From: *[insert name of Chargor]* (the “**Chargor**”)

To: *[insert name of Relevant Company]* (the “**Relevant Company**”)

Copy: *[insert name of Security Trustee]* (the “**Security Trustee**”)

This notice relates to the following agreement(s) ([the/each a] “**Relevant Contract**”): *[insert details of relevant contract(s)]*.

The Chargor hereby notifies the Relevant Company that the Relevant Contract(s) [has/have] been assigned by way of security to the Security Trustee. The Chargor confirms that it will remain liable under [the/each] Relevant Contract to perform all the obligations assumed by it under [the/each] Relevant Contract. None of the Security Trustee, its agents, any receiver or any other person will at any time be under any obligation or liability to the Relevant Company under or in respect of [the/any] Relevant Contract.

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

Please confirm your agreement to the above by returning a countersigned copy of this letter to the Security Trustee with a copy to the Chargor.

.....
(Authorised signatory)
[●]

Acknowledged by:

.....
(Authorised signatory)
[insert name of Relevant Company]

SCHEDULE 3
FORM OF SECURITY ACCESSION DEED

THIS SECURITY ACCESSION DEED is made on [●]

BETWEEN:

- (1) [●] with registered number [●] (the “**New Chargor**”); and
- (2) [●] as security trustee for itself and the other Secured Parties (the “**Security Trustee**”).

RECITAL:

This deed is supplemental to a debenture dated [●] between, amongst others, the Chargors named therein and the Security Trustee, as previously supplemented and amended by earlier Security Accession Deeds (if any) (the “**Debenture**”).

NOW THIS DEED WITNESSES as follows:

1. INTERPRETATION

1.1 Definitions

Terms defined in the Debenture shall have the same meaning when used in this deed.

1.2 Construction

Clause 1.2 (*Construction*) of the Debenture will be deemed to be set out in full in this deed, but as if references in that clause to the Debenture were references to this deed.

2. ACCESSION OF NEW CHARGOR

2.1 Accession

The New Chargor agrees to be a Chargor for the purposes of the Debenture with immediate effect and agrees to be bound by all of the terms of the Debenture as if it had originally been a party to it as a Chargor.

2.2 Covenant to pay

Subject to any limits on its liability specified in the Secured Debt Documents, the New Chargor, as primary obligor and not only as a surety, covenants with the Security Trustee that it shall on demand pay to the Security Trustee (as Security Trustee for itself and on behalf of the Secured Parties) the Secured Obligations when they fall due for payment.

3. CREATION OF SECURITY

3.1 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 Obligations; 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.

3.2 Investments

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

3.3 Receivables

- (a) The New Chargor assigns absolutely to the Security Trustee, subject to a proviso for re-assignment on redemption, all of its rights and interest in respect of the Receivables and the Relevant Contracts.
- (b) To the extent not effectively assigned under paragraph (a) above, the New Chargor charges by way of first fixed charge all of its rights under the Receivables and the Relevant Contracts.

3.4 Floating Charge

- (a) The New Chargor charges by way of first floating charge all of its assets, undertakings and rights not effectively charged or assigned under this Clause 3.
- (b) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to the floating charge created by this deed.

4. **CONSENT OF EXISTING CHARGORS**

The existing Chargors agree to the terms of this deed and agree that its execution will in no way prejudice or affect the security granted by each of them under (and covenants given by each of them in) the Debenture.

5. **CONSTRUCTION OF DEBENTURE**

The Debenture and this deed shall be read together as one instrument on the basis that references in the Debenture to “this deed” or “this Debenture” will be deemed to include this deed.

6. **GOVERNING LAW**

This deed (and any dispute, controversy, proceedings or claims of whatever nature arising out of or in any way relating to this deed or its formation) and obligations of the parties hereto and any matter, claim or dispute arising out of or in connection with this deed (including any non-contractual claims arising out of or in association with it) shall be governed by and construed in accordance with English law.

IN WITNESS whereof this deed has been duly executed on the date first above written.

SIGNATORIES TO DEED OF ACCESSION

THE NEW CHARGOR

EXECUTED as a DEED by

[Name of New Chargor] acting by:

[●] as Director: _____

Witness: _____

Name: _____

Address: _____

Occupation: _____

Notice Details

Address: [●]

Facsimile: [●]

Attention: [●]

THE SECURITY TRUSTEE

EXECUTED as a DEED by

[Name of Security Trustee] acting by:

[●] as Authorised Signatory: _____

Notice Details

Address: [●]

Facsimile: [●]

Attention: [●]

Email: [●]

SCHEDULES TO DEED OF ACCESSION

SCHEDULE 1

SHARES AND INVESTMENTS

Name of Chargor which holds the shares	Name of company issuing shares	Number and class of shares

SIGNATORIES TO DEBENTURE

THE ORIGINAL CHARGORS

EXECUTED as a **DEED** by)
TELEFONICA UK LIMITED)
 acting by)

Director: _____

Director: _____

(Signature page to Debenture)

EXECUTED as a **DEED** by
VMED O2 UK HOLDCO 4
LIMITED
acting by

)
)
)



Director: _____



Director: _____

THE SECURITY TRUSTEE

EXECUTED as a DEED by
DEUTSCHE BANK AG, LONDON BRANCH acting by:

By: _____  _____

Name: Vikki Adams

Title: Vice President

By: _____  _____

Name: Paul Gaines

Title: Assistant Vice President