



**Registration of a Charge**

Company name: **ZILCH FINANCE 1 LTD**

Company number: **13045168**



X9VPLA96

Received for Electronic Filing: **08/01/2021**

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**Details of Charge**

Date of creation: **22/12/2020**

Charge code: **1304 5168 0001**

Persons entitled: **ZILCH TECHNOLOGY LIMITED ACTING AS SECURITY TRUSTEE ON BEHALF OF THE SECURED PARTIES**

Brief description:

**Contains fixed charge(s).**

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

**Contains negative pledge.**

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**Authentication of Form**

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

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**Authentication of Instrument**

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

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

Certified by:

**SARAH RITCHEY ON BEHALF OF ZILCH FINANCE 1 LTD**



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

Company number: 13045168

Charge code: 1304 5168 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 22nd December 2020 and created by ZILCH FINANCE 1 LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 8th January 2021 .

Given at Companies House, Cardiff on 11th January 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**

22nd December **2020**

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**(1) ZILCH FINANCE 1~~LIMITED~~ LTD** *SL*

**AND**

**(2) ZILCH TECHNOLOGY LIMITED**

**DEBENTURE  
LOAN NOTE SECURITY**

**Clarion**

Clarion Solicitors Limited  
Elizabeth House  
13-19 Queen Street  
Leeds  
LS1 2TW  
Ref: ALU/413297.1

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**THIS DEBENTURE** is made on

22nd December 2020

**BETWEEN**

- (1) **ZILCH FINANCE 1 LTD**<sup>See</sup> ~~LIMITED~~ a company incorporated and registered in England and Wales with company number 13045168 whose registered office is at 123 Buckingham Palace Road, London, England SW1W 9SH (the "**Company**"); and
- (2) **ZILCH TECHNOLOGY LIMITED** a company incorporated and registered in England and Wales with company number 11488502 whose registered office is at 123 Buckingham Palace Road, London, England SW1W 9SH as trustee for the Secured Parties (the "**Security Trustee**", which expression includes any person which is for the time being a trustee (or a co-trustee) for the Secured Parties).

**BACKGROUND**

- (A) The Loan Note Holders have agreed to subscribe for the Loan Notes on the terms and subject to the conditions set out in the Loan Note Instrument.
- (B) It is a condition precedent to the subscription of the Loan Notes that the Company shall have executed and delivered this Deed.
- (C) The Security Trustee and the Company intend this Deed to take effect as a deed notwithstanding that the Security Trustee may have executed it under hand only.
- (D) The Security Trustee holds the Security and the benefit of this Deed on trust for itself and the other Secured Parties on the terms of this Deed and the Security Trust Deed.

**AGREED TERMS**

**1. Definitions and Interpretation**

**1.1 Definitions**

In this Deed the following words and expressions shall have the following meanings, unless otherwise stated:

**Account:** any account now or in the future opened or maintained by the Company with a bank or other financial institution (and any replacement account or subdivision or subaccount of that account), all amounts from time to time standing to the credit of, or accrued or accruing on, such account and all Related Rights;

**Acknowledgement:** a duly completed acknowledgement of assignment or charge in the form set out in the relevant Part of Schedule 2 being:

- (a) Part 1B in the case of Insurances;
- (b) Part 2B in the case of Charged Accounts; and
- (c) Part 3B in the case of Material Contracts,

or in such other form as may be approved by the Security Trustee.

**Authorisation:** an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;

**Business Day:** a day (other than a Saturday or Sunday) on which banks are open for general business in London;

**Charged Accounts:**

- (a) each Collateral Account;
- (b) each Account identified in Part 5 of Schedule 1; and
- (c) any other Account maintained by a Company and designated in writing as a Charged Account by the Security Trustee.

**Collateral Account:** any Account that may from time to time be opened by the Company with the Security Trustee pursuant to clause 10.1.1.1;

**Encumbrance:** a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

**Environment:** humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following media:

- (a) air (including, without limitation, air within natural or man-made structures, whether above or below ground);
- (b) water (including, without limitation, territorial, coastal and inland waters, water under or within land and water in drains and sewers); and
- (c) land (including, without limitation, land under water);

**Environmental Claim:** any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law;

**Environmental Law:** any applicable law or regulation which relates to:

- (a) the pollution or protection of the Environment;
- (b) the conditions of the workplace; or
- (c) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including, without limitation, any waste;

**Environmental Permits:** any permit and other Authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of a Company conducted on or from the properties owned or used by a Company;

**Event of Default:** an Event of Default under and as defined in the Loan Note Instrument;

**Fixtures:** in relation to any Real Property, all fixtures and fittings (including trade fixtures and fittings) and fixed plant, machinery and equipment and other items attached to the relevant Real Property whether or not constituting a fixture at law;

**Insurances:** all contracts and policies of insurance of whatever nature which are, from time to time, taken out by or on behalf of the Company or (to the extent of such interest) in which the Company has an interest;

**Intellectual Property:** all patents, trade marks, service marks, designs, design rights, utility models, business names, topographical or similar rights, copyrights, moral rights, database rights, rights in inventions, domain names, computer software, know-how, trade secrets and confidential information and other intellectual property rights and any interests (including by way of licence) subsisting anywhere in the world in any of the foregoing (in each case whether registered or not and including all applications for the same) owned by the Company;

**Investments:**

- (a) the Shares and any other shares, stocks, debentures, bonds, notes, commercial paper, certificates of deposit, interests in collective investment schemes and other securities and investments of any kind whatsoever; and
- (b) all warrants, options or other rights to subscribe for, purchase or otherwise acquire any securities and investments,

in each case whether held directly by or to the order of the Company or by any custodian, nominee, fiduciary, clearance system or other similar person on its behalf (and all rights against any such person);

**Liability:** any present or future obligation or liability for the payment of money, whether in respect of principal, interest or otherwise, whether actual or contingent, whether owed jointly or severally and whether as principal or surety or in any other capacity and including any amount which would constitute such a liability but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings;

**Loan Note Documents:**

- (a) the Loan Note Instrument;
- (b) the Loan Notes;
- (c) the Security Trust Deed;
- (d) this Deed;
- (e) any other document which creates or purports to create Security for the Secured Obligations; and
- (f) any other document designated as such by the Security Trustee.

**Loan Note Instrument:** means the loan note instrument constituting the Loan Notes made on or around the date of this Deed;

**Loan Notes:** means the Zilch Finance 1 7.5% convertible loan notes constituted by the Loan Note Instrument;

**Loan Note Holders:** the holders of any Loan Notes from time to time;

**Majority Loan Note Holders:** at any time, those Loan Note Holders who hold Loan Notes at that time in aggregate more than 50 per cent. of the total Loan Notes outstanding at that time;

**Material Adverse Effect:** in the opinion of the Security Trustee a material adverse effect on:

- (a) the business, operations, property, condition (financial or otherwise) or prospects of a Company or its group of companies taken as a whole; or
- (b) the ability of a Company to perform its obligations under the Loan Note Documents; or
- (c) the validity or enforceability of, or the effectiveness or ranking of any Security granted or purporting to be granted pursuant to any of, the Loan Note Documents or the rights or remedies of the Secured Parties under any of the Loan Note Documents;

**Material Contracts:**



- (a) the contracts (if any) detailed in Schedule 1; and
- (b) any other contract from time to time designated in writing as a Material Contract by the Security Trustee;

**Notice:** a duly completed notice of assignment or charge in the form set out in the relevant Part of Schedule 2 being:

- (a) Part 1A, in the case of Insurances;
- (b) Part 2A, in the case of Charged Accounts; and
- (c) Part 3A, in the case of Material Contracts,

or in such other form as may be approved by the Security Trustee.

**Planning Acts:** the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991, the Planning and Compulsory Purchase Act 2004 and the Highways Act 1980 and any re-enactment, variation or modification of any of them and any orders, regulations or permissions made, issued or granted under or by virtue of the foregoing Acts or any of them;

**Real Property:**

- (a) any freehold, leasehold or immovable property and all rights, easements and privileges from time to time attached thereto; and
- (b) any buildings, Fixtures from time to time situated on or forming part of that freehold, leasehold or immovable property;

**Receiver:** a receiver and manager or any other receiver (whether appointed pursuant to this Deed or any statute, by a court or otherwise) of all or any of the Secured Assets and shall, where permitted by law, include an administrative receiver;

**Registered Intellectual Property:** patents, petty patents, utility models, registered trade marks, registered designs and registered copyright, including applications for any of the same in any part of the world;

**Related Rights:** in relation to any asset:

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

**Secured Assets:** all of the assets, rights, title, interests and benefits of the Company from time to time subject to the Security;

**Secured Obligations:** all present and future Liabilities of the Company to the Secured Parties (or any of them) under or in relation to any one or more of the Loan Note Documents (including, without limitation, all Liabilities arising out of any extension, variation, modification, restatement or novation of such Loan Note Documents whatsoever);

**Secured Parties:** each of the Loan Note Holders, the Security Trustee and any Receiver;

**Secured Real Property:** all of the Real Property from time to time subject to the Security;

**Security:** the security created or intended to be created by this Deed;

**Security Period:** the period beginning on the date of this Deed and ending on the date upon which the Security Trustee is satisfied that:

- (a) none of the Secured Parties is under any obligation (whether actual or contingent) to make advances or provide other financial accommodation to the Company under any of the Loan Note Documents; and
- (b) all Secured Obligations have been unconditionally and irrevocably paid and discharged in full;

**Security Trust Deed:** the security trust deed entered into on or around the date hereof between, amongst others, the Company and the Security Trustee;

**Shares:** the shares identified in Schedule 1 (if any) and all other shares in the capital of the Company now or in the future legally or beneficially owned by the Company and/or any nominee on its behalf;

**Subsidiary:** a subsidiary within the meaning of section 1159 of the Companies Act 2006; and

**Tax:** any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

## 1.2 Defined Terms

1.2.1 Unless this Deed provides otherwise or the context otherwise requires, a term which is defined (or expressed to be subject to a particular construction) in the Loan Note Instrument or in the Security Trust Deed shall have the same meaning (or be subject to the same construction) in this Deed, provided that in the event that the Loan Note Instrument is terminated, all such defined terms contained in the Loan Note Instrument immediately prior to such termination shall be deemed to be included in this Deed as if set forth herein.

1.2.2 An Event of Default is "**continuing**" if it has not been waived by the Security Trustee acting on the instruction of the Majority Loan Note Holders.

## 1.3 Incorporation of Terms

The terms of the Loan Note Documents and any side letters between the Company and the Secured Parties are incorporated into this Deed to the extent required for any purported disposition contained in this Deed to be a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

## 1.4 Certificates

Any certification or determination by a Secured Party of a rate or amount of any Secured Obligation owed to it shall be, in the absence of manifest error, conclusive evidence of the existence and amount of such Secured Obligation.

## 1.5 Implied Covenants

In accordance with Rule 68 of the Land Registration Rules 2003:

- 1.5.1 the covenants set out in Section 3(1) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to clauses 3, 4 and 5 save for the words "other than any charges, encumbrances or rights which that person does not and could not reasonably be expected to know about";
- 1.5.2 the covenants set out in Section 3(2) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to clauses 3, 4 and 5 save for the words "except to the extent that such liabilities and rights are, by reason of:
  - 1.5.2.1 being, at the time of the disposition, only potential liabilities and rights in relation to the property; or
  - 1.5.2.2 being liabilities and rights imposed or conferred in relation to property generally, not such as to constitute defects in title"; and
- 1.5.3 the exclusions set out in Section 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 shall not extend to clauses 3, 4 and 5.

## **1.6 Nominees**

If the Security Trustee causes or requires Shares or any other asset to be registered in the name of a nominee for the Security Trustee, any reference in this Deed to the Security Trustee shall, if the context so permits or requires, be construed as a reference to each of the Security Trustee and such nominee.

## **1.7 Third Party Rights**

- 1.7.1 The terms of this Deed may be enforced only by a party to it and the operation of the Contracts (Rights of Third Parties) Act 1999 is excluded, provided that any Receiver and any other Secured Party may rely on and enforce this Deed.
- 1.7.2 The parties to this Deed may vary or rescind this Deed without the consent of any third party.

## **1.8 Clause and Schedule Headings**

- 1.8.1 Unless otherwise stated, any reference in this Deed to a clause or a Schedule shall be construed as a reference to a clause of or a schedule to this Deed.
- 1.8.2 Clause and Schedule headings are for ease of reference only and shall not affect the construction of this Deed.

## **2. Covenant to Pay**

### **2.1 Covenant to Pay**

The Company agrees, as primary obligor and not only as a surety, that it will pay and discharge the Secured Obligations as and when they fall due or, if no time for payment is specified in respect of the same, promptly on demand of the Security Trustee.

### **2.2 Interest**

Any Secured Obligation which is owed by a Company under this Deed and is not paid when due shall bear interest in accordance with the Loan Note Instrument from the due date until the date on which such Secured Obligation is unconditionally and irrevocably paid in full and such interest shall accrue from day to day (after as well as before judgment) and be payable by the relevant Company on demand of the Security Trustee.

### **3. Fixed Charges**

The Company, with full title guarantee and as continuing security for the payment and discharge of the Secured Obligations, charges in favour of the Security Trustee to hold the same on trust for the Secured Parties on the terms set out in the Security Trust Deed:

- 3.1.1 by way of first legal mortgage, all of the Real Property (if any) specified in Schedule 1 and all other Real Property now vested in that Company;
- 3.1.2 by way of first fixed charge all such Company's present and future right, title and interest in and to and the benefit of (but in the case of clause 3.1.2.5 and 3.1.2.6 only if and to the extent the rights in question have not been effectively assigned pursuant to clause 4) or such rights have been effectively assigned but such assignment has not been perfected by the service of the appropriate Notice):
  - 3.1.2.1 to the extent not effectively charged pursuant to clause 3.1.1, all estates or interests in any Real Property (whether such interests are freehold, leasehold or licences) vested in, or acquired by, it;
  - 3.1.2.2 to the extent not effectively charged pursuant to clause 3.1.1 or 3.1.2.1, all plant and machinery, equipment, computers, vehicles and other chattels (excluding any for the time being forming part of that Company's stock-in-trade or work in progress) owned by that Company or (to the extent of such interest) in which that Company has an interest and the benefit of all contracts and warranties relating to the same;
  - 3.1.2.3 all Charged Accounts;
  - 3.1.2.4 all Investments and all Related Rights;
  - 3.1.2.5 the Insurances and all Related Rights;
  - 3.1.2.6 to the extent that the same do not fall within any other sub-paragraph of this clause 3.1.2, the Material Contracts and all Related Rights;
  - 3.1.2.7 any pension fund (to the extent permitted by law);
  - 3.1.2.8 all Authorisations (statutory or otherwise) held in connection with the business of that Company or the use of any asset of that Company and the right to recover and receive all compensation which may at any time become payable to it in respect of the same;
  - 3.1.2.9 all goodwill and uncalled capital of that Company; and
  - 3.1.2.10 all of the Registered Intellectual Property (if any) specified in Schedule 1 and all other Registered Intellectual Property of that Company.

### **4. Assignments**

#### **4.1 Assignments**

Subject to clause 4.2, the Company, with full title guarantee and as continuing security for the payment and discharge of the Secured Obligations, assigns absolutely to the Security Trustee to hold the same on trust for the Secured Parties on the terms set out in the Security Trust all its present and future right, title and interest in and to and the benefit of:

- 4.1.1 the Insurances and all Related Rights;
- 4.1.2 all the Material Contracts and all Related Rights; and

- 4.1.3 to the extent not charged under the provisions of clause 3.1.2.9, all Intellectual Property.

## **4.2 Non-assignable rights**

The Company declares that to the extent that any right, title, interest or benefit in or in respect of any asset described in clause 4.1 cannot be or is not effectively assigned pursuant to clause 4.1 for whatever reason, the relevant Company shall:

- 4.2.1 promptly notify the Security Trustee of the same and the reasons therefor;
- 4.2.2 hold the benefit of the same on trust for the Security Trustee as security for the payment and discharge of the Secured Obligations; and
- 4.2.3 take such steps as the Security Trustee may require to remove such impediment to an assignment.

## **4.3 License-back of Intellectual Property**

The Security Trustee hereby grants to the Company an exclusive, royalty-free licence to use and to have used on its behalf and to sub-license all Intellectual Property assigned under this clause 4 at any time prior to the Security becoming enforceable. The grant of licence under this clause 4.3 includes the grant to the Company of the sole right to take action against, and compromise or make settlements with, any third parties infringing the Intellectual Property in satisfaction of the relevant Company's obligations under clause 13.2.2.

## **5. Floating Charges**

### **5.1 Creation of Floating Charges**

- 5.1.1 The Company, with full title guarantee and as continuing security for the payment and discharge of the Secured Obligations, charges in favour of the Security Trustee to hold the same on trust for the Secured Parties on the terms set out in the Security Trust Deed by way of a first floating charge all its undertaking and assets whatsoever and wheresoever both present and future, not effectively charged pursuant to clause 3 or effectively assigned pursuant to clause 4.
- 5.1.2 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created pursuant to this clause 5.

### **5.2 Conversion of Floating Charge**

- 5.2.1 The Security Trustee may, by notice to the relevant Company, convert the floating charge created under this Deed with immediate effect into a fixed charge if:
- 5.2.1.1 the Security becomes enforceable in accordance with clause 18;
- 5.2.1.2 the Security Trustee in good faith considers any of the Secured Assets to be in danger of being seized or sold under or pursuant to any form of distress, attachment, execution or other legal process or otherwise to be in jeopardy; or
- 5.2.1.3 the Security Trustee considers such conversion to be necessary or desirable to protect the priority of the Security,

and such fixed charge shall apply to all assets subject to the floating charge unless and to the extent that such notice otherwise specifies.

5.2.2 The floating charges created under this Deed shall (in addition to the circumstances in which the same will occur under general law) automatically be converted into a fixed charge (without notice) as regards all the assets subject to the floating charge at such time:

5.2.2.1 upon the convening of a meeting of the members of the Company to consider a resolution to wind up that Company;

5.2.2.2 upon the presentation of a petition to wind up the Company or the presentation or making of an application for a warrant of execution or a third party debt order or charging order in respect of any of the Secured Assets subject to the floating charges under this Deed;

5.2.2.3 upon the issue and notice of distraint by HM Revenue and Customs or other competent authority, or upon any steps being taken to distraint for rent against any property of the Company; or

5.2.2.4 if the Company fails to comply with its covenant in clause 9.2 of this Deed,

provided that nothing in this Deed shall cause the floating charge to crystallise by reason of the Company obtaining or of anything being done with a view to that Company obtaining a moratorium under Section 1A of and Schedule A1 to the Insolvency Act 1986.

5.2.3 The giving of notice by the Security Trustee pursuant to clause 5.2.1 in relation to any of the Secured Assets shall not be construed as a waiver or abandonment of the right of the Security Trustee to serve similar notices in respect of any other of the Secured Assets or of any other of the rights of the Secured Parties (or any of them) under any Loan Note Document.

## **6. Notice of Assignment or Charge**

Following the occurrence of an Event of Default which is continuing, the Company shall promptly upon the request of the Security Trustee, give notice of the assignments effected pursuant to clause 4.1 by sending a Notice to:

6.1.1 in relation to the Insurances, each of the insurers party to each such Insurance;

6.1.2 in relation to the Charged Accounts, each bank or other financial institution with which each such Charged Account is maintained; and

6.1.3 in relation to the Material Contracts, each debtor or obligor party to each such Material Contract (including any relevant landlord or tenant),

and the Company shall use all its reasonable endeavours to procure that within 28 days of the date of the relevant Notice the recipient thereof acknowledges the same in the form of the relevant Acknowledgement.

## **7. Continuing Security**

### **7.1 Continuing and Independent Security**

The Security shall constitute and be continuing security which shall not be released or discharged by any intermediate payment or settlement of all or any of the Secured Obligations, shall continue in full force and effect until the end of the Security Period and is in addition to and independent of, and shall not prejudice or merge with, any other security (or any right of set-off) which the Security Trustee or any other Secured Party may hold at any time for the Secured Obligations or any of them.

## **7.2 New Accounts**

7.2.1 If the Security Trustee receives notice of any Encumbrance created or arising after the date of this Deed in respect of the Secured Assets or any of them or makes demand of a Company for payment of any or all of the Secured Obligations:

7.2.1.1 the Security Trustee may open a new account or accounts in respect of any or all of the Secured Obligations (and if it does not do so it shall be treated as if it had done so at the time it received such notice or made such demand); and

7.2.1.2 thereafter any amounts paid to the Security Trustee in respect of the Secured Obligations, or realised or recovered by the Security Trustee under this Deed, shall be credited to a new account (or be treated as having been so credited) and not applied (or be treated as having been applied) in or towards payment of all or any of the Secured Obligations.

## **7.3 Avoidance of Payments**

Where any release, discharge or other arrangement in respect of any Secured Obligation or any Encumbrance which any Secured Party may hold for such Secured Obligation is given or made in reliance on any payment or other disposition which is avoided or must be repaid in an insolvency, liquidation or otherwise, and whether or not such Secured Party has conceded or compromised any claim that any such payment or other disposition will or should be avoided or repaid, this Deed and the Security shall continue as if such release, discharge or other arrangement had not been given or made.

## **7.4 Immediate Recourse**

Neither the Security Trustee nor any other Secured Party shall be obliged before exercising any of the rights conferred on it by this Deed or by law to seek to recover amounts due from the Company or to exercise or enforce any other rights or security it may have or hold in respect of the Secured Obligations or any of them.

## **7.5 Waiver of Defences**

Neither the obligations of the Company under this Deed, nor the Security and the rights, powers and remedies conferred on the Security Trustee by this Deed or by law shall be discharged, impaired or otherwise affected by:

7.5.1 the winding-up, dissolution, administration or reorganisation of the Company or any other person or any change in the status, function, control or ownership of the Company or any such person;

7.5.2 any of the Secured Obligations or any other security held by the Security Trustee or any other Secured Party in respect thereof being or becoming illegal, invalid, unenforceable or ineffective in any respect;

7.5.3 any time or other indulgence being granted or agreed to or with the Company or any other person in respect of the Secured Obligations or any of them or in respect of any other security held by the Security Trustee or any other Secured Party in respect thereof;

7.5.4 any amendment to, or any variation, waiver or release of, the Secured Obligations or any of them or any other security, guarantee or indemnity held by the Security Trustee or any other Secured Party in respect thereof;

7.5.5 any total or partial failure to take or perfect any security proposed to be taken in respect of the Secured Obligations or any of them;

- 7.5.6 any total or partial failure to realise the value of, or any release, discharge, exchange or substitution of, any other security, guarantee or indemnity held by the Security Trustee or any other Secured Party in respect of the Secured Obligations or any of them; or
- 7.5.7 any other act, event or omission which might operate to discharge, impair or otherwise affect the obligations of the Company under this Deed, the Security or any of the rights, powers and remedies conferred on the Security Trustee and the other Secured Parties by this Deed or by law.

## **7.6 No Competition**

Any right which a Company may have by way of subrogation, contribution or indemnity in relation to the Secured Obligations, or otherwise to claim or prove as a creditor of the Company or any other person or its estate in competition with the Security Trustee or any other Secured Party, shall be exercised by the relevant Company only if and to the extent that the Security Trustee so requires and in such manner and upon such terms as the Security Trustee may specify and such Company shall hold any moneys, rights or security held or received by it as a result of the exercise of any such rights on trust for the Security Trustee for application in accordance with the terms of this Deed as if such moneys, rights or security were held or received by the Security Trustee under this Deed.

## **7.7 Appropriation**

Neither the Security Trustee nor any other Secured Party shall be obliged to apply any sums held or received by it in respect of the Secured Obligations in or towards payment of the Secured Obligations and any such sum shall be held by or paid to the Security Trustee for application pursuant to the terms of this Deed provided that any such sum may be credited to a suspense or impersonal account and held in such account pending the application from time to time of such sums in or towards discharge of the Secured Obligations.

## **8. Representations and Warranties**

The Company makes the representations and warranties set out in clauses 8.1 to 8.6 to each Secured Party and acknowledges that each of the Secured Parties has entered into the Loan Note Documents to which it is party in reliance on such representations and warranties.

### **8.1 Status and Due Authorisation**

It is a limited company incorporated under the laws of England with power to enter into this Deed and to exercise its rights and perform its obligations under this Deed and all corporate and other action required to authorise its execution of this Deed and its performance of its obligations under this Deed has been duly taken.

### **8.2 Binding Obligations**

The obligations expressed to be assumed by it in this Deed are legal and valid obligations binding on and enforceable against it in accordance with the terms of this Deed and no limit on its powers will be exceeded as a result of the creation of the Security or the performance of its obligations under this Deed.

### **8.3 No Conflict**

Its execution of this Deed and the exercise of its rights and performance of its obligations under this Deed do not and will not conflict with:

- 8.3.1 any agreement, mortgage, bond or other instrument or treaty to which it is a party or which is binding upon it or any of its assets or, except as provided in this Deed or the other Transaction Security Documents, result in a requirement for the creation of any Encumbrance over any of its assets in any way;



- 8.3.2 its constitutional documents; or
- 8.3.3 any applicable law, regulation or official or judicial order.

#### **8.4 All Actions Taken**

All acts, conditions and things required to be done, fulfilled and performed in order to:

- 8.4.1 enable it lawfully to enter into, exercise its rights under and perform and comply with the obligations expressed to be assumed by it in this Deed;
  - 8.4.2 ensure that the obligations expressed to be assumed by it in this Deed are legal, valid, binding and enforceable; and
  - 8.4.3 make this Deed admissible in evidence in England,
- have been done, fulfilled and performed.

#### **8.5 Investments**

- 8.5.1 It is the sole beneficial owner of each of its Investments and any Related Rights and it and/or its nominee is the legal owner of its Investments and all such Related Rights.
- 8.5.2 Its Investments and all Related Rights are within its disposition and control and the terms of each Investment and each Related Right, if applicable, and of the memorandum and articles of association or other constitutional documents of each issuer of such Investments do not restrict or otherwise limit its ability to transfer, mortgage, charge or otherwise grant security in respect of any of its Investments and/or the Related Rights.
- 8.5.3 It will not take any action whereby the rights attaching to, or the Security over, its Investments and the Related Rights are altered, diluted or otherwise adversely affected except with the prior written consent of the Security Trustee.
- 8.5.4 As at the date of this Deed, its Investments are fully paid or credited as fully paid and no calls have been made in respect of them which remain unpaid.
- 8.5.5 Save as otherwise expressly permitted under the Loan Note Documents, it has not sold or granted any rights of pre-emption over or agreed to sell or grant any right of pre-emption over or otherwise disposed of or agreed to dispose of the benefit of all or any of its rights, title, interests or benefits in, to or in respect of all or any of its Investments or any of the Related Rights.

#### **8.6 Account Terms**

The terms on which its Accounts are maintained do not restrict or otherwise limit its right to transfer or charge such Accounts.

#### **8.7 Repetition**

The representations and warranties set out in clauses 8.1 to 8.6:

- 8.7.1 shall survive the execution of each Loan Note Document and each drawdown under the Loan Note Documents; and
- 8.7.2 are made on the date of this Deed and, save in the case of clause 8.5.4, are deemed to be repeated on each date during the Security Period upon which Loan Notes are issued or upon which interest on the Loan Notes is paid or capitalised with reference to the facts and circumstances then existing.

## **9. General Undertakings**

### **9.1 Authorisations**

The Company shall obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all Authorisations required in or by the laws of England to enable it lawfully to enter into and perform its obligations under this Deed and to ensure the legality, validity, enforceability and admissibility in evidence in England of this Deed.

### **9.2 Negative Pledge and Disposals**

The Company will not:

- 9.2.1 create or permit to subsist any Encumbrance over all or any of its present or future assets other than:
  - 9.2.1.1 Encumbrances constituted by or created pursuant to any of the Loan Note Documents; and
  - 9.2.1.2 other Encumbrances expressly permitted under the terms of the Loan Note Documents; or
- 9.2.2 dispose of any of its assets except to the extent and in the manner expressly permitted under the Loan Note Documents.

### **9.3 No Prejudicial Action and Maintenance**

- 9.3.1 The Company shall not:
  - 9.3.1.1 take any action which would cause any of the representations made in clause 8 to be untrue or incorrect in any respect at any time during the Security Period; or
  - 9.3.1.2 do or permit to be done anything which could reasonably be expected to prejudice the Security.
- 9.3.2 The Company shall:
  - 9.3.2.1 notify the Security Trustee of the occurrence of any event which results in (or could reasonably be expected to result in) any of the representations contained in clause 8 being untrue or incorrect in any respect when made or when deemed to be repeated;
  - 9.3.2.2 keep or cause to be kept all the Secured Assets in good working order and condition (fair wear and tear arising from the use of the Secured Assets in the ordinary course of its business excepted); and
  - 9.3.2.3 ensure that representatives of the Security Trustee (with or without surveyors, workmen or others) are able at all reasonable times and on reasonable notice to view the condition of any of the Secured Assets.

### **9.4 Environmental Matters**

- 9.4.1 The Company shall:
  - 9.4.1.1 comply with all Environmental Laws to which it may be subject;
  - 9.4.1.2 obtain all Environmental Permits required or desirable in connection with the business it carries on; and
  - 9.4.1.3 comply with the terms of all such Environmental Permits,

in each case where failure to do so has or could reasonably be expected to have a Material Adverse Effect.

- 9.4.2 The Company shall promptly notify the Security Trustee of any Environmental Claim pending or threatened against it which, if substantiated, has or could reasonably be expected to have a Material Adverse Effect and shall take such steps in relation thereto as the Security Trustee may reasonably request.
- 9.4.3 The Company shall not permit or allow to occur any discharge, release, leak, migration or other escape of any hazardous substance into the Environment on, under or from any Real Property owned, leased, occupied or controlled by it, where such discharge, release, leak, migration or escape has or could reasonably be expected to have a Material Adverse Effect.
- 9.4.4 The Company shall indemnify the Security Trustee, each other Secured Party and their respective officers, employees, agents and delegates (together the "Indemnified Parties") against any cost or expense suffered or incurred by any of them which:
  - 9.4.4.1 arises by virtue of any actual or alleged breach of any Environmental Law (whether by a Company, an Indemnified Party or any other person);
  - 9.4.4.2 would not have arisen if this Deed had not been executed; and
  - 9.4.4.3 was not caused by the gross negligence or wilful default of the relevant Indemnified Party.

## **10. Accounts and Receipts**

### **10.1 Accounts General**

- 10.1.1 The Company will:
  - 10.1.1.1 deliver to the Security Trustee on the date of this Deed details of each of its Accounts (and, if any change in such detail (including any renewal or redesignation of any such Account) occurs after the date of this Deed or any new Account is opened, details of such change or new Account on the date of such change or opening);
  - 10.1.1.2 not, without the prior written consent of the Security Trustee, permit or agree to any variation of the rights attaching to, or close, any such Account; and
  - 10.1.1.3 open such new accounts as Collateral Accounts as the Security Trustee shall require (whether before or after the Security has become enforceable) for the purposes of clause 10.3.
- 10.1.2 Without prejudice and in addition to clause 9.2, the Company will not assign (whether by way of sale or mortgage), charge or otherwise seek to deal with or dispose of all or any part of any Charged Account (other than pursuant to this Deed) without the prior written consent of the Security Trustee.

### **10.2 Withdrawals**

The Company shall not make any withdrawal from any Charged Account without the prior written consent of the Security Trustee.

### **10.3 Book and other debts after Security becomes enforceable**

If and to the extent that the Security Trustee so specifies, at any time after the Security has become enforceable, the Company shall pay the proceeds of payment or realisation of

such of that Company's assets comprising temporary and other investments, book and other debts, royalties, fees and income of like nature or other monies received by that Company as the Security Trustee may require into such Collateral Account(s) as the Security Trustee may from time to time specify and pending such payment shall hold all such receipts on trust for the Security Trustee.

#### **10.4 Accounts after Security becomes enforceable**

Upon the Security becoming enforceable, the Security Trustee shall be deemed to have designated in writing all Accounts as Charged Accounts and at any time thereafter, the Security Trustee may:

- 10.4.1 require each relevant Company to, and each such Company shall immediately on request, serve a Notice in the appropriate form on each bank or other financial institution with which any such Account is maintained and each such Company shall comply with its obligation under clause 6 to obtain an Acknowledgement of each such Notice; and
- 10.4.2 exercise from time to time, all rights, powers and remedies of each relevant Company in relation to any or all of its Accounts, including to demand and receive all and any monies standing to the credit of any such Accounts.

### **11. Material Contracts**

#### **11.1 Documents**

The Company will deliver to the Security Trustee promptly following execution of the same such documents relating to the Material Contracts as the Security Trustee may reasonably require.

#### **11.2 No Amendments**

The Company will not:

- 11.2.1 amend, supplement, supersede or waive any provision of any Material Contract, exercise any right to rescind, cancel or terminate any Material Contract or release any counterparty from any obligations under any Material Contract; or
- 11.2.2 waive any breach by any counterparty or consent to any act or omission which would otherwise constitute such a breach,

except as permitted by the terms of the other Loan Note Documents.

#### **11.3 Performance**

The Company will:

- 11.3.1 duly and promptly perform its obligations and, unless the Security Trustee shall otherwise require, diligently pursue its rights and remedies under each Material Contract; and
- 11.3.2 notify the Security Trustee of any material breach of or default under a Material Contract by it or any other party and any right that arises entitling it or any other party to terminate or rescind a Material Contract, promptly on becoming aware of the same.

#### **11.4 Restriction on Dealing**

Without prejudice and in addition to clause 9.2, the Company will not assign, transfer, charge or otherwise deal with or dispose of any Material Contract or any of its rights, title, interest and benefits in, to and in respect of any Material Contract.

## **12. Investments**

### **12.1 Deposit of Certificates**

The Company will:

- 12.1.1 on the date of this Deed in respect of the Shares specified in Schedule 1, and on the date of acquisition in respect of any additional Shares deliver to the Security Trustee:
  - 12.1.1.1 the share certificates; and
  - 12.1.1.2 stock transfer forms (duly executed in blank by or on behalf of the Company or its nominee as appropriate); and
- 12.1.2 on the date of this Deed, or if later, on the date of acquisition of any Investment:
  - 12.1.2.1 deposit with the Security Trustee (or as the Security Trustee may direct) all other certificates and documents of title or evidence of ownership in relation to such Investments and any Related Rights; and
  - 12.1.2.2 execute and deliver to the Security Trustee all such other transfer forms and documents as may be requested by the Security Trustee in order to enable the Security Trustee (or its nominee) to become registered as the owner, or otherwise obtain legal title to such Investments and Related Rights.

### **12.2 Not Prejudice**

Without prejudice and in addition to clause 9.3, the Company shall not, by the exercise of any voting rights or otherwise, permit or agree to:

- 12.2.1 any variation of the rights attaching to or conferred by all or any part of its Investments, or
- 12.2.2 any increase in the issued share capital of the Company whose shares are charged pursuant to this Deed; or
- 12.2.3 any other matter,

in each case which, in the opinion of the Security Trustee would, or would be reasonably likely to, impair the value of, or prejudice the ability of the Security Trustee to realise, the Security or otherwise prejudice the interests of any Secured Party under any Loan Note Document.

### **12.3 Calls and Other Payments**

The Company shall pay when due all calls or other requests for payments made in respect of any of its Investments and the Related Rights but if the Company fails to make any such payment, the Security Trustee may (but shall not be obliged to) make such payment on behalf of such Company and if the Security Trustee does so, the relevant Company shall promptly on demand of the Security Trustee pay to the Security Trustee an amount equal to such payment.

### **12.4 Notices**

The Company shall, promptly upon receipt by it, deliver to the Security Trustee copies of any notices, reports, accounts, statements, circulars or any other documents relating to any of its Investments or the Related Rights.

## **12.5 Rights before Security Enforceable**

Unless and until the Security has become enforceable, the Company shall continue to be entitled:

- 12.5.1 to receive and retain all dividends, interest and other monies arising from the Investments and the Related Rights; and
- 12.5.2 subject to clause 12.2, to exercise all voting rights in relation to the Investments.

## **12.6 Rights after Security Enforceable**

At any time after the Security has become enforceable, the Security Trustee may at its discretion (in the name of each relevant Company or otherwise and without any further consent or authority from the Company):

- 12.6.1 complete all stock transfer forms and other documents of title then held by the Security Trustee pursuant to this Deed in the name of the Security Trustee (or its nominee) and the Company shall extend the fullest co-operation to the Security Trustee to secure the prompt registration of such transfer and the prompt issue of a new certificate or certificates for the relevant Investments in the name of the Security Trustee (or its nominee);
- 12.6.2 exercise (or refrain from exercising) any voting rights in respect of the Company's Investments and all other powers and rights conferred on or exercisable by a legal or beneficial owner of the Investments;
- 12.6.3 apply all dividends, interest and other monies arising from or pursuant to the Company's Investments as if they were proceeds of sale under this Deed; and
- 12.6.4 exercise or refrain from exercising the rights of a legal owner of the Investments, including the right, in relation to the Company whose shares or other securities are included in the Investments, to concur or participate in:
  - 12.6.4.1 the reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence thereof);
  - 12.6.4.2 the realisation, modification or variation of any rights or liabilities attaching to any such shares or securities; and
  - 12.6.4.3 the exercise, renunciation or assignment of any right to subscribe for any such shares or securities,

in each case in such manner and on such terms as the Security Trustee may think fit.

## **13. Intellectual Property**

### **13.1 Notification**

The Company will promptly notify the Security Trustee of:

- 13.1.1 details of all Registered Intellectual Property (including applications for registration) granted to or filed by or on behalf of that Company that come into existence after the date of this Deed; and
- 13.1.2 any existing or future contract for it to acquire (by licence or otherwise) any Intellectual Property.

### **13.2 Protection**

The Company will:

- 13.2.1 make such applications for patents and for registration of designs, trade marks or service marks and pay such application, search, translation, registration and renewal fees, and similar amounts as are necessary fully to protect and to keep in force all of its Intellectual Property; and
- 13.2.2 take such steps as may be necessary (including, without limitation, the institution of legal proceedings) to prevent third parties infringing any of its Intellectual Property (including but not limited to the Registered Intellectual Property set out in Schedule 1 and the Intellectual Property assigned to the Security Trustee under clause 4.1.3).

### **13.3 Not Prejudice**

Without prejudice and in addition to clause 9.3, the Company will not, without the prior written consent of the Security Trustee:

- 13.3.1 sell, assign, transfer, license, mortgage or otherwise dispose of or encumber all or any part of its Intellectual Property; or
- 13.3.2 permit any such Intellectual Property to be abandoned or cancelled, to lapse or to be liable to any claim of revocation for non-use or otherwise.

### **13.4 Registration**

In respect of

- 13.4.1 the Registered Intellectual Property specified in Schedule 1; and
- 13.4.2 any future Registered Intellectual Property granted to the Company at any time after the date of this Deed, in each case, against which this Deed may be recorded, the Company shall promptly file with the patent or other intellectual property office in the jurisdiction where such Registered Intellectual Property is registered or has been applied for such form (together with the payment of any required fee) as is necessary properly to register the existence of this Deed and the rights and interests created by it within any applicable time periods. For the avoidance of doubt, all costs incurred by either a Company or the Security Trustee (including but not limited to official fees and legal fees) in connection with such registrations and recordings shall be borne by the Company.

## **14. Real Property**

The Company shall:

- 14.1.1 keep or cause to be kept in good and substantial repair, decoration and good working order all buildings and erections on its Real Property and other plant, machinery, implements and other effects for the time being owned by it and where necessary replace the same with items of similar quality and value;
- 14.1.2 ensure that the Security Trustee or any authorised representative of the Security Trustee is able at all reasonable times, and on receipt of reasonable notice, to inspect and enter into or onto (as the case may be) any of its Real Property;
- 14.1.3 not fix or permit the affixing of any property to any of its Real Property which property is not itself a Secured Asset;
- 14.1.4 duly and punctually perform and at all times observe all covenants and stipulations (restrictive or otherwise) affecting all or any part of its Real Property and indemnify each Secured Party in respect of any breach thereof (or if the

lessor and, to the extent necessary, ensure that all such matters to be complied with by any third party are so complied with) and not do or suffer to be done any act or thing whereby any lease or leases comprising such Real Property may become liable to forfeiture or otherwise be determined or agree any variation, surrender or termination thereof without the prior written consent of the Security Trustee;

- 14.1.5 promptly notify the Security Trustee in writing upon the acquisition by the Company of any Real Property after the date of this Deed and of any Encumbrance existing in respect of any Real Property acquired by it after the date of this Deed and, on demand of the Security Trustee and at the cost of the relevant Company, execute and deliver to the Security Trustee a charge by way of legal mortgage (or such other security as the Security Trustee may require) in favour of the Security Trustee of any Real Property and all Fixtures relating thereto which becomes vested in it after the date of this Deed to secure the payment or discharge of the Secured Obligations in such form as the Security Trustee may require; in the case of any leasehold property in relation to which the consent of the landlord is required in order for the relevant Company to perform any of the foregoing obligations, that Company shall use its reasonable endeavours to obtain such consent promptly and shall notify the Security Trustee in writing upon receipt of such consent;
- 14.1.6 use its Real Property only for such purpose or purposes as may for the time being be authorised as the permitted use or user thereof under or by virtue of the Planning Acts;
- 14.1.7 not without the prior written consent of the Security Trustee, carry out or permit to be carried out on any part of its Real Property any development (within the meaning of that expression in the Planning Acts and being a development in respect of which the permission of the local planning authority is required) or make any application for planning permission;
- 14.1.8 not, without the prior written consent of the Security Trustee:
  - 14.1.8.1 grant or agree to grant or otherwise suffer to be created (whether in exercise or independently of, any statutory power) any lease, tenancy, contractual licence or interest to occupy or permit to assign, underlet or part with possession of all or any part of its Real Property;
  - 14.1.8.2 accept a surrender of any lease, tenancy, contractual licence or interest to occupy;
  - 14.1.8.3 agree any reduction in the rent payable to it or release, defer, waive or vary any obligation under, or the terms of, or exercise any option or power to break, determine or extend any lease;
  - 14.1.8.4 commence any forfeiture proceedings in respect of any lease;
  - 14.1.8.5 agree to any rent review in respect of any lease;
  - 14.1.8.6 consent to any assignment of any tenant's interest under any lease; or
  - 14.1.8.7 grant any sublease or confer upon any person any contractual licence or right to occupy all or any part of its Real Property;
- 14.1.9 in respect of any Real Property which is acquired after the date of this Deed by or on behalf of the Company, the title to which is or is required to be registered at the Land Registry under the Land Registration Act 2002, promptly notify the Security Trustee of the title number(s), make the necessary application to the Land Registry for the registration of the relevant Company as the Registered Proprietor thereof, and contemporaneously with the making of such application to



the Land Registry, apply to the Chief Land Registrar to enter an agreed notice in respect of the legal mortgage referred to in clause 14.1.5 above in the charges register and to enter the restriction set out in clause 34 (as repeated in the said legal mortgage) in the Proprietorship Register in each case in respect of each such registrable title, and shall procure that each such notice and each such restriction is so entered;

14.1.10 deposit with the Security Trustee (who shall be entitled to hold the same during the Security Period):

14.1.10.1 all deeds and documents of title relating to its Real Property (whenever acquired by the Company);

14.1.10.2 all Local Land Charges, Land Charges and Land Registry Search Certificates and similar documents received by or on behalf of the relevant Company within the three months immediately prior to the date of this Deed or, in the event any Real Property is acquired after the date of this Deed, within the three months prior to the acquisition of such Real Property; and

14.1.10.3 any leases and agreements for lease granted by or to the Company from time to time;

14.1.11 grant the Security Trustee, or its lawyers on request, all facilities within the power of the relevant Company to enable such lawyers to carry out investigations of title of all or any part of the Real Property of the Company which is or may become subject to this Security, and enquiries into such matters in connection therewith as would usually be carried out by a prudent mortgagee; all such investigations and enquiries shall be at the expense of the relevant Company;

14.1.12 not, without the prior written consent of the Security Trustee, enter into any negotiations with any competent authority with regard to the compulsory acquisition of any of its Real Property or consent to the compulsory acquisition of any of its Real Property, and, if so requested by the Security Trustee, permit the Security Trustee or its authorised representatives to conduct such negotiations or to give such consent on the relevant Company's behalf; or

14.1.13 within 14 days after the receipt by any relevant Company of any application, requirement, order or notice served or given by any public, local or other authority with respect to any of the Real Property (or any part of it) deliver a copy to the Security Trustee and inform the Security Trustee of the steps taken or proposed to be taken to comply with the relevant requirement;

14.1.14 if the Company fails to observe or perform any undertaking affecting any of the Real Property (or any part of it), allow the Security Trustee or its agents and contractors to:

14.1.14.1 enter into any part of the Real Property;

14.1.14.2 comply with or object to any notice served on the Company in respect of the Real Property; and

14.1.14.3 take any action as the Security Trustee may reasonably consider necessary or desirable to prevent or remedy any breach of any such term or to comply with or object to any such notice,

and the relevant Company shall immediately on request by the Security Trustee pay the costs and expenses of the Security Trustee or its agents and contractors incurred in connection with any action taken by it under this clause 14.1.14; and

14.1.15 perform all its obligations under any law or regulation in any way related to or affecting the Real Property.

## **15. Insurances**

### **15.1 Insured Risks**

The Company shall insure and keep insured those of the Secured Assets of an insurable nature against loss or damage by fire and other risks normally insured against by persons carrying on the same class of business as that carried on by it (including insurance against business interruption, loss of profits, product liability, professional indemnity, pollution and public liability) and such other risks as the Security Trustee shall from time to time in writing reasonably require, in a sum or sums not less than the replacement value thereof if and to the extent appropriate, and otherwise for a reasonable and prudent amount in the circumstances with such reputable insurance company or underwriters as the Security Trustee shall approve.

### **15.2 Note of Interest**

The Company shall procure that a note of the interest of the Security Trustee is endorsed upon all Insurances which shall at any time during the subsistence of this Security be effected, maintained or held by that Company or any person.

### **15.3 Avoidance of Insurance and Premiums**

The Company shall:

- 15.3.1 not do or omit to do, or permit or suffer to be done or omitted to be done, anything which might render any of the Insurances void, voidable or unenforceable; and
- 15.3.2 promptly pay or procure payment of all premiums and do all other things necessary to keep all of the Insurances in force and, on demand of the Security Trustee, produce to the Security Trustee on demand the policy, certificate or cover note relating to each Insurance and related premium receipts.

## **16. Further Assurance**

The Company shall from time to time and at its own expense, give all such assurances and do all such things as the Security Trustee may require or consider desirable to enable the Security Trustee to perfect, preserve or protect the Security or the priority of the Security or to exercise any of the rights conferred on the Security Trustee or the Secured Parties by this Deed or by law and to that intent the Company shall execute all such instruments, deeds and agreements, obtain all consents, approvals and other authorisations necessary to create legally and validly, without any breach of contract or duty, the fixed charges and to effect the assignments envisaged under clauses 3 and 4 respectively, and shall give all such notices and directions as the Security Trustee may consider expedient.

## **17. Power to Remedy**

Without prejudice to the Security Trustee's rights under clause 9, if the Company fails to comply with any of its obligations in relation to any of its assets under this Deed, or the Security Trustee reasonably considers that the Company has failed to comply with any such obligations, the Security Trustee may, if it thinks fit (but without any obligation) take such steps as it deems appropriate to remedy such failure (including, without limitation, the carrying out of repairs, the putting in place of insurance or the payment of costs, charges or other expenses) and the relevant Company will co-operate with and will grant the Security Trustee or its agents or contractors such access as the Security Trustee may require to the relevant assets or otherwise in order to facilitate the taking of such steps.

## **18. Enforcement of Security**

### **18.1 Security Enforceable**

The Security shall become immediately enforceable:

- 18.1.1 if an Event of Default has occurred and is continuing;
- 18.1.2 after a proposal has been made for a voluntary arrangement (save where any moratorium under the Insolvency Act 2000 is applied for or is in force, when no demand shall be made until any application is rejected or upon the expiry of such moratorium) in respect of the Company;
- 18.1.3 if the Company requests the Security Trustee to appoint an administrator pursuant to Schedule B1 of the Insolvency Act 1986 or a Receiver;
- 18.1.4 if so requested by the Company; or
- 18.1.5 any corporate action or other steps are taken or legal proceedings are started by or in respect of in respect of the Company with a view to the appointment of an administrator pursuant to Schedule B1 of the Insolvency Act 1986.

## **18.2 Enforcement**

At any time after the Security has become enforceable, the Security Trustee may in its absolute discretion enforce all or any part of the Security and exercise any of the rights conferred on it by this Deed or by law at such times and in such manner as it thinks fit.

## **18.3 Rights of a Company on Enforcement**

Upon the Security becoming enforceable, the Company may not, without the prior written consent of the Security Trustee, withdraw any monies from any Account, compromise, compound, vary, discharge, postpone or release any of its rights to receive monies or otherwise waive any rights of action in relation thereto or do or omit to do anything which may delay or prejudice the full recovery thereof other than, save to the extent the Security Trustee otherwise instructs the relevant Company in writing:

- 18.3.1 granting extensions to normal trade credit in accordance with its reasonable; and
- 18.3.2 in the circumstances then prevailing, prudent management of its debtors on a normal commercial basis.

## **18.4 Power of Sale**

At any time after the Security has become enforceable, the Security Trustee may (without notice to the Company) sell or otherwise dispose of the Secured Assets or any of them and shall be entitled to apply the proceeds of such sale or other disposal in paying the costs of such sale or disposal and thereafter in or towards the discharge of the Secured Obligations or otherwise as provided for in this Deed.

## **18.5 Statutory Powers**

For the purposes of all powers implied by statute, the Secured Obligations shall be deemed to have become due and payable on the date of this Deed.

## **18.6 Law of Property Act**

Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Deed or to any exercise by the Security Trustee of its right to consolidate mortgages or its power of sale. The statutory powers of leasing conferred on the Security Trustee shall be extended so as to authorise the Security Trustee to lease, make agreements for leases, accept surrenders of leases and grant such options as the Agent shall think fit and without the need to comply with any of the provisions of Sections 99 and 100 of the Law of Property Act 1925, and clause 18.2 shall operate as a variation and extension of Section 101 of such Act.

## **18.7 Appropriation of Financial Collateral**

To the extent that the Secured Assets constitute "financial collateral" and this Deed constitutes a "security financial collateral arrangement" (as defined in the Financial Collateral Arrangements (No.2) Regulations 2003 (SI 2003 No. 3226)), the Security Trustee may appropriate all or any part of the Secured Assets in or towards satisfaction of the Secured Obligations, the value of the property so appropriated being the amount standing to the credit of the relevant Account (where the property is the benefit of an Account) or (in any other case) such amount as the Security Trustee shall determine in a commercially reasonable manner.

## **19. Administrators and Receivers**

### **19.1 Appointment of Administrator**

At any time after the Security has become enforceable, the Security Trustee may appoint an administrator pursuant to the power contained in paragraph 14 of Schedule B1 to the Insolvency Act 1986.

### **19.2 Appointment of Receivers**

At any time after the Security has become enforceable or if the Company requests it to do so, the Security Trustee may, by written instrument and without notice to the relevant Company, appoint any one or more persons as Receiver of such part of the Secured Assets as may be permitted by law.

### **19.3 Status of Receivers**

Each Receiver shall:

- 19.3.1 be entitled to act individually as well as jointly with any other person appointed as Receiver; and
- 19.3.2 for all purposes be deemed to be the agent of the relevant Company (and no Receiver shall at any time act as agent for the Security Trustee) and shall as such agent be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Law of Property Act 1925.

### **19.4 Powers of a Receiver**

- 19.4.1 Every Receiver appointed pursuant to clause 19.2 shall have and be entitled to exercise all of the powers set out in clause 19.4.2 in addition to:

- 19.4.1.1 all the powers conferred by the Law of Property Act 1925 (as extended by this Deed) on any receiver appointed under such Act; and
- 19.4.1.2 (whether or not such Receiver is an administrative receiver) all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986.

- 19.4.2 The powers referred to in the first sentence of clause 19.4.1 are:

- 19.4.2.1 to take immediate possession of, get in and collect all or any part of the Secured Assets over which he is appointed;
- 19.4.2.2 to carry on the business of the relevant Company insofar as it relates to the Secured Assets over which he is appointed as it may think fit, including the entering into of contracts and the repudiation, rescission or variation of any contract to which the relevant Company is a party, and the acquisition or hiring of assets;

- 19.4.2.3 to make and effect all repairs and insurances and do all other acts which the relevant Company might do in the ordinary course of its business or is obliged to do under the terms of this Deed whether for the protection or for the improvement of the Secured Assets over which he is appointed and to commence and/or complete any building operations on the relevant Company's Real Property over which he is appointed and to apply for and maintain any planning permissions, building regulation approvals and any other permissions, consents or licences, in each case as it may in his absolute discretion think fit;
- 19.4.2.4 to appoint, discharge and vary the terms of employment or other engagement of managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as it may think proper;
- 19.4.2.5 for the purpose of exercising any of the powers, authorities and discretions conferred on it by or pursuant to this Deed and/or of defraying any costs, charges, losses or expenses (including remuneration) which shall be incurred by it in the exercise thereof or for any other purpose, to raise and borrow money either unsecured or on the security of all or any part of the Secured Assets over which he is appointed either in priority to the Security or otherwise and generally on such terms and conditions as it may think fit and no person lending such money shall be concerned to enquire as to the propriety or purpose of the exercise of such power or to see to the application of any money so raised or borrowed;
- 19.4.2.6 to sell, lease, exchange, grant options or licences over, convert into money and realise or otherwise deal with, all or any part of the Secured Assets over which he is appointed by public auction or private contract and generally in such manner and on such terms as it shall think proper. Without prejudice to the generality of the foregoing, it may do any of these things for a consideration consisting 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 such period as it may think fit. Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the relevant Company;
- 19.4.2.7 to let all or any part of the Real Property over which he is appointed for such term and at such rent (with or without a premium) as it may think proper and to accept a surrender of any lease or tenancy thereof on such terms as it may think fit (including the payment of money to a lessee or tenant on a surrender);
- 19.4.2.8 to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the relevant Company or relating in any way to the Secured Assets over which he is appointed or any part thereof;
- 19.4.2.9 to bring, prosecute, enforce, defend and abandon any actions, suits and proceedings in relation to the Secured Assets over which he is appointed or any part thereof as may seem to it to be expedient;
- 19.4.2.10 to give valid receipts for all moneys and execute all assurances and things which it may think proper or desirable for realising the Secured Assets over which he is appointed;
- 19.4.2.11 to form a Subsidiary or Subsidiaries of the relevant Company (whether by acquisition or otherwise) and to supervise and manage

the same and to transfer or otherwise dispose to any such Subsidiary all or any part of the Secured Assets over which he is appointed;

- 19.4.2.12 to make or require the directors of the relevant Company to make calls upon the holders of share capital in that Company and to enforce payment of any unpaid calls as it sees fit;
- 19.4.2.13 to enter into or otherwise grant guarantees, indemnities or otherwise incur obligations in respect of the liabilities of third parties and to make payments due in relation to the same; and
- 19.4.2.14 to do all such other acts and things as it may consider desirable or necessary for realising all or any part of the Secured Assets over which he is appointed or incidental or conducive to any of the matters, powers or authorities conferred on a Receiver under or by virtue of this Deed; to exercise in relation to all or any part of the Secured Assets over which he is appointed all such powers, authorities and things as it would be capable of exercising if it were the absolute beneficial owner of the same; and to use the name of the relevant Company for all or any of such purposes.

## **19.5 Removal and Remuneration**

- 19.5.1 The Security Trustee may whenever it may deem it expedient (and so far as it is lawfully able), by written instrument:
  - 19.5.1.1 remove any Receiver appointed by it; and
  - 19.5.1.2 appoint a new Receiver in the place of any Receiver whose appointment has been terminated and may from time to time fix the remuneration of any Receiver appointed by it without the limitations imposed by Section 109 of the Law of Property Act 1925.
- 19.5.2 The relevant Company shall be solely responsible for the payment of the remuneration of any Receiver appointed pursuant to this Deed.

## **19.6 Security Trustee's Rights**

To the fullest extent permitted by law, all or any of the powers, authorities and discretions which are conferred by this Deed (either expressly or impliedly) upon a Receiver in respect of the Secured Assets may, after the Security has become enforceable, be exercised by the Security Trustee in relation to the whole or any part of the Secured Assets irrespective of whether or not a Receiver of all or any part of such Secured Assets has been appointed.

## **20. Application of Proceeds**

Any moneys held or received by the Security Trustee or by any Receiver under or pursuant to this Deed shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied by the Security Trustee or by such Receiver in accordance with the terms of the Security Trust Deed.

## **21. Power of Attorney**

### **21.1 Appointment**

By way of security for the performance of its obligations under this Deed, the Company irrevocably appoints the Security Trustee and any Receiver (and their respective delegates and sub-delegates) to be its attorney acting severally (or jointly with any other such attorney or attorneys) and on its behalf and in its name or otherwise to do any and every thing which that Company is obliged to do under the terms of this Deed or which such

attorney considers necessary or desirable in order to exercise the rights conferred on it by or pursuant to this Deed or by law.

## **21.2 Ratification**

The Company ratifies and confirms and agrees to ratify and confirm whatever any attorney appointed under this Deed shall do in its capacity as such.

## **22. Protection of Security Trustee and Receivers**

### **22.1 No liability as mortgagee in possession**

Neither the Security Trustee nor any Receiver shall, by reason of it or such Receiver entering into possession of all or any part of the Secured Assets or taking any action permitted by this Deed, be liable to account as mortgagee in possession or otherwise be liable for any loss of any kind or for any default or omission for which a mortgagee in possession might be liable.

### **22.2 Receivers and mortgagees**

Each Receiver and the Security Trustee shall be entitled to all the rights, powers, privileges and immunities conferred by the Law of Property Act 1925 (as extended by this Deed) on mortgagees and receivers when such receivers have been duly appointed thereunder and the relevant Company alone shall be responsible for the Security Trustee's and each Receiver's contracts, engagements, acts, omissions, defaults and losses and for all liabilities incurred by either of them and none of the Secured Parties shall incur any liability therefor (either to the Company or to any other person).

## **23. Protection of Third Parties**

No purchaser, mortgagee or other person or company dealing with the Security Trustee or any Receiver or the agents of any of them shall have any need to enquire whether the Secured Obligations have become due and payable, or whether any power which the Security Trustee or any Receiver is purporting to exercise has become exercisable or whether any of the Secured Obligations remains outstanding nor to have regard to the application of any money paid to the Security Trustee or to such Receiver.

## **24. Delegation by Security Trustee**

The Security Trustee may at any time and from time to time delegate by power of attorney or in any other manner to any person or persons all or any of the powers, authorities and discretions which are for the time being exercisable by the Security Trustee under this Deed in relation to all or any part of the Secured Assets. Any such delegation may be made upon such terms (including power to sub-delegate) and subject to such regulations as the Security Trustee may think fit. The Security Trustee shall not be in any way liable or responsible to the Company for any loss or damage arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate.

## **25. Redemption of Prior Mortgages**

The Security Trustee may, at any time after the Security has become enforceable, redeem any prior Encumbrance over all or any part of the Secured Assets or procure the transfer of such Encumbrance to itself and may settle and pass the accounts of the prior mortgagee, chargee or encumbrancer. Any accounts so settled and passed shall be conclusive and binding on the Company. All principal moneys, interest, costs, charges and expenses of and incidental to such redemption and transfer shall be paid by the Company to the Security Trustee on demand.

## **26. Release of the Security**

### **26.1 Release of Secured Assets**

After the end of the Security Period, the Security Trustee shall, at the request and cost of the Company, execute all such documents and do such other things as may be required to release the Secured Assets from the Security and procure the reassignment to the relevant Company of the property and assets assigned to the Security Trustee pursuant to this Deed, in each case subject to clause 32.2 and without recourse to or any representation or warranty by or from the Security Trustee.

### **26.2 Re-assignment of Intellectual Property**

All Intellectual Property assigned to the Security Trustee under paragraph 4.1.3 shall, at the end of the Security Period without recourse or warranty, be re-assigned unconditionally to the Company and this clause 26.2 shall operate as an assignment of such Intellectual Property effective as of the date of the end of the Security Period.

## **27. Payments**

### **27.1 Grossing up**

All payments by the Company under this Deed shall be made free and clear of, and without deduction for or on account of, Tax except, in the latter case, to the extent that a Company is required by law to make payment subject to Tax. If any Tax or amounts in respect of Tax must be deducted, or any other deductions must be made, from any amounts payable or paid by a Company, or paid or payable by the Security Trustee to any Secured Party, under this Deed, the relevant Company shall pay such additional amounts as may be necessary to ensure that the relevant Secured Party receives a net amount equal to the full amount which it would have received had payment not been made subject to Tax.

### **27.2 No set-off**

All payments by the Company under this Deed shall be made free and clear of and without deduction for or on account of any set-off or counterclaim.

### **27.3 Manner of payment**

Each payment made by the Company under this Deed shall be paid in the manner in which payments are to be made by the Company under Loan Note Instrument.

## **28. Costs and Expenses**

### **28.1 Transaction costs**

The Company shall from time to time within three Business Days of demand reimburse the Security Trustee on a full indemnity basis for all costs and expenses (including legal fees), incurred by, or any remuneration payable to, the Security Trustee in connection with the negotiation, preparation, execution and perfection of this Deed and the implementation of the arrangements contemplated in this Deed.

### **28.2 Preservation and enforcement costs**

The Company shall, from time to time within three Business Days of demand by the Security Trustee, reimburse each Secured Party on a full indemnity basis for all costs and expenses (including legal fees) incurred in or in connection with the preservation and/or enforcement of any of the rights of such Secured Party under this Deed.



### **28.3 Taxes**

The Company shall promptly pay all stamp, registration, documentary and other Taxes, including any penalties, fines, supplements, surcharges or interest relating to such Taxes, to which this Deed or any judgment given in connection with this Deed is or at any time may be subject and shall from time to time on demand of the Security Trustee indemnify each Secured Party against any liabilities, costs, claims and expenses (including legal fees) resulting from any failure to pay or any delay in paying any such Tax.

### **28.4 Indemnity**

The Company shall indemnify and hold harmless the Security Trustee and any and every Receiver on demand from and against any and all costs, claims, losses, expenses (including legal fees) and liabilities, and any VAT thereon, which the Security Trustee or a Receiver may incur as a result of the occurrence of any Event of Default, the enforcement of the Security or the exercise or enforcement by the Security Trustee or a Receiver of any of the rights conferred on it or them by this Deed or by law.

### **28.5 Value added tax**

28.5.1 All amounts expressed to be payable under this Deed by the Company to a Secured Party shall be exclusive of any VAT. If VAT is chargeable on any supply made by a Secured Party to a Company under this Deed (whether that supply is taxable pursuant to the exercise of an option or otherwise), that Company shall pay to that Secured Party (in addition to and at the same time as paying that consideration) an amount equal to the amount of the VAT as further consideration.

28.5.2 No payment or other consideration to be made or furnished to the Company pursuant to or in connection with this Deed may be increased or added to by reference to (or as a result of any increase in the rate of) any VAT which shall be or may become chargeable in respect of any taxable supply.

28.5.3 Where this Deed requires any party to reimburse a Secured Party for any costs or expenses, that party shall also pay any amount of those costs or expenses incurred referable to VAT charged thereon.

## **29. Assignments and transfers**

### **29.1 The Company's rights**

The Company may assign or transfer all or any of its rights and benefits under this Deed with the prior written consent of the Security Trustee (acting reasonably).

### **29.2 The Security Trustee's rights**

The Security Trustee may assign or transfer all or any of its rights and benefits under this Deed with the prior written consent of the Company (acting reasonably).

## **30. Remedies and Waivers**

No failure by the Security Trustee to exercise, nor any delay by the Security Trustee in exercising, any right or remedy under this Deed shall operate as a waiver thereof nor shall any single or partial exercise of any such right or remedy prevent any further or other exercise thereof or the exercise of any other such right or remedy.

## **31. Set-off**

### **31.1 Right to set-off**

Each Secured Party may (to the extent that the same is beneficially owned by it), but shall not be obliged to, set off its rights in respect of any matured Secured Obligation against

any matured obligation owed by such Secured Party to the Company, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, such Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of effecting such set-off.

### **31.2 Time deposits**

Without prejudice to clause 31.1, if any time deposit matures on any Account a Company has with any Secured Party at a time within the Security Period when:

31.2.1 the Security has become enforceable; and

31.2.2 no amount of the Secured Obligations is due and payable,

such time deposit shall automatically be renewed for such further period as such Secured Party in its absolute discretion considers appropriate.

## **32. Additional Provisions**

### **32.1 Partial invalidity**

If at any time any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect or any or all of the Security is or becomes ineffective in any respect under the law of any jurisdiction, such illegality, invalidity, unenforceability or ineffectiveness shall not affect:

32.1.1 the legality, validity or enforceability of the remaining provisions of this Deed or the effectiveness in any other respect of such Security; or

32.1.2 the legality, validity or enforceability of such provision or the effectiveness of such Security under the laws of any other jurisdiction.

### **32.2 Potentially avoided payments**

If the Security Trustee determines that an amount paid to a Secured Party under any Loan Note Document is capable of being avoided, reduced or otherwise set aside on the liquidation or administration of the person by whom such amount was paid, then for the purposes of this Deed, such amount shall be regarded as not having been paid and the liability of each relevant Company under this Deed and the Security shall continue.

### **32.3 Currency conversion**

In order to apply any sum held or received by the Security Trustee or a Receiver in or towards payment of the Secured Obligations, the Security Trustee or such Receiver may purchase an amount in another currency and the rate of exchange to be used shall be that at which, at such time as it considers appropriate, the Security Trustee or such Receiver is able to effect such purchase.

### **32.4 Currency indemnity**

If any sum due from a Company under this Deed or any order or judgment given or made in relation to this Deed has to be converted from the currency (the "**first currency**") in which the same is payable under this Deed or under such order or judgment into another currency (the "**second currency**") for the purpose of:

32.4.1 making or filing a claim or proof against that Company;

32.4.2 obtaining an order or judgment in any court or other tribunal; or

32.4.3 enforcing any order or judgment given or made in relation to this Deed,

the relevant Company shall indemnify and hold harmless each Secured Party from and against any loss it suffers or incurs as a result of any discrepancy between:

- 32.4.4 the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency; and
- 32.4.5 the rate or rates of exchange at which such Secured Party may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

### **32.5 Rights cumulative**

The rights and remedies provided by this Deed are cumulative and not exclusive of any rights or remedies provided by law.

### **32.6 Unfettered discretion**

Any liberty or power which may be exercised or any determination which may be made under this Deed by the Security Trustee or any Receiver may, subject to the terms and conditions of the Security Trust Deed, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

## **33. Notices**

### **33.1 Communications in writing**

Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by email or letter.

### **33.2 Addresses**

The address and email number (and the department or officer, if any, for whose attention the communication is to be made) of each party for any communication or document to be made or delivered under or in connection with this Deed is that identified with its name below or any substitute address, email address or department or officer as the party may notify to the other by not less than five Business Days' notice.

### **33.3 Delivery**

Any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective:

- 33.3.1 if by way of email, at the time of transmission; or
- 33.3.2 if by way of letter, when it has been left at the relevant address or three Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under clause 33.2, if addressed to that department or officer.

### **33.4 Delivery to Security Trustee**

Any communication or document to be made or delivered to the Security Trustee will be effective only when actually received by the Security Trustee and then only if it is expressly marked for the attention of the department or officer identified with the Security Trustee's signature below (or any substitute department or officer as the Security Trustee shall specify for this purpose).

### 33.5 Deemed receipt

Any communication or document which becomes effective, in accordance with clauses 33.1 to 33.4 above, after 5.00pm in the place of receipt shall be deemed only to become effective on the following day.

### 34. The Land Registry

In respect of the Real Property specified in Schedule 1 the title to which is registered at the Land Registry and in respect of any other registered title(s) against which this Deed may be noted, the Company hereby undertakes to make or procure that there is made a due and proper application to the Land Registry (with the Security Trustee's consent as proprietor of the relevant registered charge):

- 34.1.1 for a restriction in the following terms to be entered on the Proprietorship Register relating thereto:
- 34.1.2 "No disposition or dealing of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated {●} in favour of {insert name of Security Trustee} referred to in the charges register or their conveyancer."
- 34.1.3 to enter a note of the obligation to make further advances by the Secured Parties on the charges register of any registered land forming part of the Secured Assets; and
- 34.1.4 to note this Deed on the charges register.

### 35. Governing Law

This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, English law.

### 36. Enforcement

- 36.1.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "**Dispute**").
- 36.1.2 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.
- 36.1.3 This clause 36 is for the benefit of the Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

### 37. Counterparts and Effectiveness

#### 37.1 Counterparts

This Deed may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed. Transmission of an executed counterpart of this letter by email shall constitute effective delivery of that counterpart.

**37.2 Effectiveness**

This Deed is intended to be a deed even if any party's execution is not in accordance with the formalities required for the execution of deeds. This Deed shall take effect and be delivered as a deed on the date on which it is stated to be made.

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

**Schedule 1 - Details of Certain Assets****Part 1 - Real Property**

Intentionally left blank.

**Part 2 - Registered Intellectual Property**

Intentionally left blank.

**Part 3 - Shares**

Intentionally left blank.

**Part 4 - Material Contracts**

Intentionally left blank.

**Part 5 - Charged Accounts**

Intentionally left blank.

## Schedule 2 - Forms of Notice and Acknowledgement of Assignment

### Part 1 - Form of Notice to Insurer

To: {Insert name of Insurer}  
 {●}  
 {●}  
 {●}

{●} 20{●}

Dear Sirs

We hereby give you notice that, pursuant to a Debenture dated {●} we have charged and assigned to {●} (as security trustee for the Secured Parties referred to in the Debenture, the "**Security Trustee**") all our rights, title, interests and benefits in, to or in respect of the insurance policies with you detailed in Part A of the Schedule attached hereto (the "**Insurances**") including all claims and returns of premiums in respect thereof to which we are, or may at any future time become, entitled.

With effect from your receipt of this notice we hereby request and instruct that:

1. you immediately name the Secured Parties (details of whom are set out in Part B of the Schedule attached hereto) and the Security Trustee (in its capacity as security trustee) as loss payee in respect of each of the Insurances;
2. upon the security granted by the Debenture in respect of the Insurances becoming enforceable (as notified to you by the Security Trustee):
  - 2.1 all payments under or arising from the Insurances are to be made to the Security Trustee or to its order;
  - 2.2 all remedies provided for in the Insurances or available at law or in equity are to be exercisable by the Security Trustee;
  - 2.3 all rights to compel the performance of the Insurances are to be exercisable by the Security Trustee; and
  - 2.4 all rights, title, interests and benefits whatsoever accruing to or the benefit of ourselves arising from the Insurances shall belong to the Security Trustee; and
3. you give notice to the Security Trustee promptly in writing:
  - 3.1 if we propose to cancel or give notice of cancellation of any Insurance, at least 30 days before such cancellation is to take effect;
  - 3.2 of any material alteration or the termination or expiry of any such Insurance, at least 30 days before such alteration, termination or expiry is to take effect; and
  - 3.3 of any default in the payment of any premium or failure to renew any such Insurance and shall give the Security Trustee not less than 30 days in which to pay the defaulted premium without cancelling the policy during such 30-day period.

Please confirm your receipt of this notice and your acknowledgement of the matters and instructions set out above by signing and dating the Acknowledgement of Assignment set out on the enclosed copy of this notice, and returning the same to the Security Trustee with a copy to ourselves.

Yours faithfully

.....

(Authorised signatory)  
{COMPANY}



## Schedule

### Part A: Relevant Insurance Policies

{List All Policies in respect of which notice given}

{●}

### Part B: Secured Parties

{List Secured Parties}

{●}

### Part 2 - Form of Acknowledgment of Assignment

*{To be printed only on the copy of the Notice given}*

To: {●} (as Security Trustee)  
 {●}  
 {●}  
 {●}

Attention: {●}

Dear Sirs

We hereby acknowledge receipt of a notice in the terms set out above (the "**Notice**").

We confirm that we shall hereafter act in accordance with the Notice and that we have not received any other notice of any other third party interests whether by way of assignment or charge in respect of any of the Insurances.

We further confirm that no amendment or termination of any of the Insurances shall be effective unless we have given you 30 days' prior written notice of our intention to so amend or terminate the same.

Yours faithfully

.....

(Authorised signatory)  
 {INSURER}

Date:

**Part 3 - Form of Notice to Bank with whom Account Maintained**

To: {Account Bank}  
 {Address}  
 {Address}  
 {Address}

Dear Sirs

We hereby give you notice that pursuant to a Debenture dated {●} we have charged to {●} (as security trustee for the Secured Parties referred to in the Debenture, the "**Security Trustee**") all of our rights, title, interests and benefits in, to or in respect of account number {●}, account name {●} maintained with you (including any renewal or redesignation thereof) (the "**Account**") and all monies standing to the credit of that Account from time to time.

With effect from the date of your receipt of this notice we hereby instruct you that:

1. {any existing payment instructions affecting the Account are to be terminated and all payments and communications in respect of the Account should be made only to the Security Trustee or to its order (with a copy to ourselves)}/{insert agreed operating procedures in relation to relevant Account, which should be stated to be revocable at any time but only on notice from the Security Trustee}; and
2. all rights, interests and benefits whatsoever accruing to or arising from the Account shall be exercisable by the Security Trustee.

Please acknowledge receipt of this notice by signing and dating the acknowledgement printed on the enclosed copy of this Notice and returning it to the Security Trustee.

Yours faithfully

.....

for and on behalf of  
 {COMPANY}

**Part 4 - Form of Acknowledgement of Charge***{To be printed only on copy of the Notice given}*

To: {●} (as Security Trustee)  
 {●}  
 {●}  
 {●}

Attention:

Dear Sirs

We hereby acknowledge receipt of a notice in the terms set out above.

We confirm that:

1. no fees or periodic charges are payable in respect of the Account and there are no restrictions on (i) the payment of the credit balance on the Account {(except the expiry of the relevant notice period)} or (ii) the charging of the Account to the Security Trustee or any third party;
2. we have not received notice of any assignment of, charge over or trust or other third party interests in respect of the Account and we will not, without the Security Trustee's consent (i) exercise any right of combination, consolidation or set-off which we may have in respect of the Account or (ii) amend or vary any rights attaching to the Account; and
3. we will act only in accordance with the instructions given by the Security Trustee or persons authorised by the Security Trustee and we shall send all statements and other notices given by us relating to the Account to the Security Trustee.

Yours faithfully

.....

For and on behalf of {●}

By:

Date:

**Part 5 - Form of Notice to Material Contract Party**

To: {●}  
 {●}  
 {●}  
 {●}

Dear Sirs

We hereby give you notice that pursuant to a Debenture dated {●} we have charged and assigned to {●} (as security trustee for the Secured Parties under the Debenture (the "**Security Trustee**")), all our rights, title, interests and benefits in, to or in respect of {details of contract} (the "**Contract**") including all monies which may be payable in respect of the Contract.

With effect from your receipt of this notice we hereby give you notice that we have agreed that:

1. all payments to be made to us under or arising from the Contract should be made {to the Security Trustee or to its order as it may specify in writing from time to time}/{to {specify bank account}};
2. all remedies provided for in the Contract or available at law or in equity shall be exercisable by the Security Trustee;
3. all rights to compel performance of the Contract shall be exercisable by the Security Trustee (although the Company shall remain liable to perform all the obligations assumed by it under the Contract); and
4. all rights, title, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Contract belong to the Security Trustee and no changes may be made to the terms of the Contract nor may the Contract be terminated without the Security Trustee's consent.

You are hereby authorised and instructed, without requiring further approval from us, to provide the Security Trustee with such information relating to the Contract as it may from time to time request and to send copies of all notices issued by you under the Contract to the Security Trustee as well as to us.

These instructions may not be revoked, nor may the terms of the Contract be amended, varied or waived without the prior written consent of the Security Trustee.

Please acknowledge receipt of this notice by signing and dating the acknowledgement set out on the enclosed copy and returning it to the Security Trustee.

Yours faithfully

.....

for and on behalf of  
 {COMPANY}

**Part 6 - Form of Acknowledgement of Assignment***{To be printed only on copy of the relevant Notice given}*

To: {●} (as Security Trustee)  
 {Address}  
 {Address}  
 {Address}

Attention:

Dear Sirs

We acknowledge receipt of a notice in the terms set out above (the "**Notice**"). We confirm that we have not received notice of any previous assignments or charges of or over any of the rights, title, interests and benefits in, to or in respect of the Contract and that we will comply with the terms of the Notice.

We further agree and confirm that:

1. no amendment, waiver or release of any provision of the Contract shall be effective without the prior written consent of the Security Trustee; and
2. we will not terminate the Contract or take any action in relation to any breach thereof by the Company unless we have given the Security Trustee 30 days' prior written notice of our intention to do so specifying the action necessary by the Company or the Security Trustee to avoid such termination or action.

Yours faithfully

.....

For and on behalf of {●}

By:

Date:

**SIGNATURES****The Company**

**EXECUTED** as a **DEED** by **ZILCH FINANCE 1 LTD** acting by **PHILIP MARC BELAMANT**, a director in the presence of:



Director

Witness Signature: 

Witness Name: Serge Belamant

Witness Address: 

Witness Occupation: Chairman

**Notices**

Address: 123 Buckingham Palace Road, London, England SW1W 9SH

Attention: The Directors

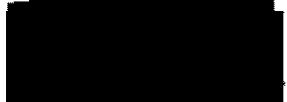
Email: hugh@payzilch.com

**The Security Trustee**

**EXECUTED** as a **DEED** by **ZILCH TECHNOLOGY LIMITED** acting by **PHILIP MARC BELAMANT**, a director in the presence of:



Director

Witness Signature: 

Witness Name: Serge Belamant

Witness Address: 

Witness Occupation: Chairman

**Notices**

Address: 123 Buckingham Palace Road, London, England SW1W 9SH

Attention: The Directors

Email: hugh@payzilch.com