



Registration of a Charge

Company Name: **MAYFLOWER GOLD INVESTMENTS LIMITED**

Company Number: **13072031**



Received for filing in Electronic Format on the: **27/04/2021**

XA3BJBKQ

Details of Charge

Date of creation: **26/04/2021**

Charge code: **1307 2031 0001**

Persons entitled: **GOLD MINERAL RESOURCES LIMITED**

Brief description: **N/A**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **DRUCES LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 13072031

Charge code: 1307 2031 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 26th April 2021 and created by MAYFLOWER GOLD INVESTMENTS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 27th April 2021 .

Given at Companies House, Cardiff on 28th April 2021

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



Companies House



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

Dated 26 April

2021

MAYFLOWER GOLD INVESTMENTS LIMITED

GOLD MINERAL RESOURCES LIMITED

DEBENTURE



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PARTIES

- (1) **MAYFLOWER GOLD INVESTMENTS LIMITED** incorporated and registered in England and Wales with company number 13072031 whose registered office is at 165 Fleet Street, London, United Kingdom, EC4A 2DY **(Company)**
- (2) **GOLD MINERAL RESOURCES LIMITED** incorporated and registered in Guernsey with company number 44448 whose registered office is at Trafalgar Court, 2nd Floor East Wing, Admiral Park, St Peter Port, Guernsey GY1 3EL **(Creditor)**

BACKGROUND

- (A) The Company (as buyer) and the Creditor (as seller) entered into a share purchase agreement dated 22 February 2021 for the sale and purchase of Kilimapesa Gold Pty Limited, a company registered in Kenya. The parties entered into a deed of variation in respect of the share purchase agreement on or about the date of this deed.
- (B) Under this deed, the Company provides security to the Creditor for the initial consideration payable by the Company to the Creditor under the Share Purchase Agreement.

AGREED TERMS

1. Definitions and interpretation

1.1 Definitions

The following definitions apply in this deed:

- 1.1.1 **Administrator:** an administrator appointed to manage the affairs, business and property of the Company pursuant to clause 13.8.
- 1.1.2 **Book Debts:** all present and future book and other debts, and monetary claims due or owing to the Company, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Company in relation to any of them.
- 1.1.3 **Business Day:** a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.
- 1.1.4 **Charged Property:** any freehold, leasehold or commonhold property the subject of the security constituted by this deed and references to "Charged Property" shall include references to the whole or any part or part of it.

- 1.1.5 **Delegate:** any person appointed by the Creditor or any Receiver pursuant to clause 19 and any person appointed as attorney of the Creditor or any Receiver or Delegate.
- 1.1.6 **Designated Account:** any account of the Company nominated by the Creditor as a designated account for the purposes of this deed.
- 1.1.7 **Environment:** the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media.
- 1.1.8 **Environmental Law:** all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment.
- 1.1.9 **Environmental Licence:** any authorisation, permit or licence necessary under Environmental Law in respect of any of the Secured Assets.
- 1.1.10 **Equipment:** all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property owned by the Company or in which it has an interest, including any part of it and all spare parts, replacements, modifications and additions.
- 1.1.11 **Event of Default:** any event or circumstance listed in clause 15.
- 1.1.12 **Financial Collateral:** has the meaning given to that expression in the Financial Collateral Regulations.
- 1.1.13 **Financial Collateral Regulations:** the Financial Collateral Arrangements (No 2) Regulations 2003 (*SI 2003/3226*).
- 1.1.14 **Insurance Policy:** each contract and policy of insurance effected or maintained by the Company from time to time in respect of its assets or business (including, without limitation, any contract or policy of insurance relating to the Charged Properties or the Equipment).
- 1.1.15 **Intellectual Property:** the Company's present and future patents, utility models, rights to inventions, copyright and neighbouring and related rights, moral rights, trade marks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair

competition, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets) and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.

- 1.1.16 **Investments:** all certificated shares, stock, debentures, bonds or other securities or investments (whether or not marketable) from time to time legally or beneficially owned by or on behalf of the Company
- 1.1.17 **LPA 1925:** the Law of Property Act 1925.
- 1.1.18 **Receiver:** a receiver, receiver and manager or administrative receiver appointed by the Creditor under clause 17.
- 1.1.19 **Relevant Agreement:** each agreement specified in Schedule 2.
- 1.1.20 **Secured Assets:** all the assets, property and undertaking of the Company which are, or are expressed to be, subject to the Security created by, or pursuant to, this deed (and references to the Secured Assets shall include references to any part of them).
- 1.1.21 **Secured Liabilities:** all present and future obligations and liabilities of the Company to the Creditor, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, under or in connection with clause 4 of the Share Purchase Agreement or this deed (including, without limitation, those arising under clause 31), together with all interest (including, without limitation, default interest) accruing in respect of those obligations or liabilities.
- 1.1.22 **Security Financial Collateral Arrangement:** has the meaning given to that expression in the Financial Collateral Regulations.
- 1.1.23 **Security:** any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.
- 1.1.24 **Security Period:** the period starting on the date of this deed and ending on the date on which the Creditor is satisfied that all the Secured Liabilities have been

unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.

1.1.25 **Share Purchase Agreement:** the share purchase agreement dated 22 February 2021 between the Company (as buyer), Mayflower Capital Investments Pty Limited (as guarantor) and the Creditor (as seller) in respect of the entire issued share capital of Kilimapesa Gold Pty Limited (a private company limited by shares and incorporated in Kenya with registration number C.125216), as varied by a deed of variation dated on or about the date of this deed.

1.1.26 **VAT:** value added tax or any equivalent tax chargeable in the UK or elsewhere.

1.2 Interpretation

In this deed:

1.1.27 clause, Schedule and paragraph headings shall not affect the interpretation of this deed;

1.1.28 a **person** includes an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality);

1.1.29 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;

1.1.30 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;

1.1.31 a reference to a party shall include that party's successors, permitted assigns and permitted transferees and this deed shall be binding on, and enure to the benefit of, the parties to this deed and their respective successors, permitted assigns and permitted transferees;

1.1.32 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;

1.1.33 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;

1.1.34 a reference to **writing** or **written** includes fax and email;

1.1.35 an obligation on a party not to do something includes an obligation not to allow that thing to be done;

- 1.1.36 a reference to **this deed** (or any provision of it) or to any other agreement or document referred to in this deed is a reference to this deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this deed) from time to time;
- 1.1.37 unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this deed and a reference to a paragraph is to a paragraph of the relevant Schedule;
- 1.1.38 any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- 1.1.39 a reference to an **amendment** includes a novation, supplement or variation (and **amend** and **amended** shall be construed accordingly);
- 1.1.40 a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- 1.1.41 a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration or resolution;
- 1.1.42 a reference to **continuing** in relation to an Event of Default means an Event of Default that has not been waived;
- 1.1.43 a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it; and
- 1.1.44 a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

1.3 **Clawback**

If the Creditor considers that an amount paid by the Company in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Company or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this deed.

1.4 **Nature of security over real property**

A reference in this deed to a charge or mortgage of or over any Charged Property includes:

- 1.1.45 all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) and fixed plant and machinery that are situated on or form part of that Charged Property at any time;
- 1.1.46 the proceeds of the sale of any part of that Charged Property and any other monies paid or payable in respect of or in connection with that Charged Property;
- 1.1.47 the benefit of any covenants for title given, or entered into, by any predecessor in title of the Company in respect of that Charged Property, and any monies paid or payable in respect of those covenants; and
- 1.1.48 all rights under any licence, agreement for sale or agreement for lease in respect of that Charged Property.

1.5 Nature of security over Investments

A reference in this deed to any share, stock, debenture or other security or investment includes:

- 1.1.49 any dividend, interest or other distribution paid or payable in respect of that share, stock, debenture or other security or investment;
- 1.1.50 any right, money, shares or property accruing, offered or issued at any time in relation to that share, stock, debenture or other security or investment by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise.

1.6 Law of Property (Miscellaneous Provisions) Act 1989

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Share Purchase Agreement and of any side letters between any parties in relation to the Share Purchase Agreement are incorporated into this deed.

1.7 Schedules

The Schedules form part of this deed and shall have effect as if set out in full in the body of this deed. Any reference to this deed includes the Schedules.

2. Covenant to pay

The Company shall, on demand, pay to the Creditor and discharge the Secured Liabilities when they become due.

3. Grant of security

3.1 Legal mortgage

As a continuing security for the payment and discharge of the Secured Liabilities, the Company with full title guarantee charges to the Creditor, by way of a first legal mortgage, all estates or interests in any freehold, leasehold or commonhold property now owned by it, including the real property (if any) specified in Schedule 1.

3.2 Fixed charges

As a continuing security for the payment and discharge of the Secured Liabilities, the Company with full title guarantee charges to the Creditor by way of a first fixed charge:

- 3.2.1 all present and future estates or interests of the Company in, or over, any freehold, leasehold or commonhold property (other than any such property effectively mortgaged under clause 3.1);
- 3.2.2 the benefit of all other contracts, guarantees, appointments and warranties relating to each Charged Property and other documents to which the Company is a party or which are in its favour or of which it has the benefit relating to any letting, development, sale, purchase, use or the operation of any Charged Property or otherwise relating to any Charged Property (including, in each case, but without limitation, the right to demand and receive all monies whatever payable to or for its benefit under or arising from any of them, all remedies provided for in any of them or available at law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests and benefits whatever accruing to or for its benefit arising from any of them);
- 3.2.3 all licences, consents and authorisations (statutory or otherwise) held or required in connection with its business or the use of any Secured Asset, and all rights in connection with them;
- 3.2.4 all its present and future goodwill;
- 3.2.5 all its uncalled capital;
- 3.2.6 all the Equipment;
- 3.2.7 all the Intellectual Property;
- 3.2.8 all the Book Debts;
- 3.2.9 all the Investments;
- 3.2.10 all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person (including each Designated Account),

together with all other rights and benefits accruing to or arising in connection with each account (including, but not limited to, entitlements to interest);

3.2.11 all its rights in respect of each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy, to the extent not effectively assigned under clause 3.3; and

3.2.12 all its rights in respect of each Relevant Agreement and all other agreements, instruments and rights relating to the Secured Assets, to the extent not effectively assigned under clause 3.3.

3.3 Assignment

As a continuing security for the payment and discharge of the Secured Liabilities, the Company with full title guarantee assigns to the Creditor absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities:

3.3.1 all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy; and

3.3.2 the benefit of each Relevant Agreement and the benefit of all other agreements, instruments and rights relating to the Secured Assets.

3.4 Floating charge

As a continuing security for the payment and discharge of the Secured Liabilities, the Company with full title guarantee charges to the Creditor, by way of first floating charge, all its undertaking, property, assets and rights not otherwise effectively mortgaged, charged or assigned under clause 3.1 to clause 3.3 inclusive.

3.5 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 3.4.

3.6 Automatic crystallisation of floating charge

The floating charge created by clause 3.4 shall automatically and immediately (without notice) convert into a fixed charge over the assets subject to that floating charge if:

3.6.1 the Company:

3.6.1.1 creates, or attempts to create, without the prior written consent of the Creditor, Security or a trust in favour of another person over all

or any part of the Secured Assets (except as expressly permitted by the terms of this deed or the Share Purchase Agreement); or

3.6.1.2 disposes, or attempts to dispose, of all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains uncrystallised);

3.6.2 any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets;

3.6.3 a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Company; or

3.6.4 an application is made to court, or an order is made, for the appointment of an administrator, or a notice of intention to appoint an administrator is given or an administrator is appointed

3.7 Crystallisation of floating charge by notice

Except as provided in clause ~~3.8~~, the Creditor may, in its sole discretion, at any time and by written notice to the Company, convert the floating charge created under this deed into a fixed charge as regards any part of the Secured Assets specified by the Creditor in that notice.

3.8 Part A1 moratorium

3.8.1 Subject to paragraph (b) below, the floating charge created by clause ~~3.4~~ may not be converted into a fixed charge solely by reason of obtaining a moratorium (or anything done with a view to obtaining a moratorium) under Part A1 of the Insolvency Act 1986.

3.8.2 Paragraph (a) above does not apply to any floating charge referred to in section A52(4) of Part A1 of the Insolvency Act 1986.

3.9 Assets acquired after any floating charge has crystallised

Any asset acquired by the Company after any crystallisation of the floating charge created under this deed that, but for that crystallisation, would be subject to a floating charge under this deed, shall (unless the Creditor confirms otherwise to the Company in writing) be charged to the Creditor by way of first fixed charge.

4. **Liability of the Company**

4.1 Liability not discharged

The Company's liability under this deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

- 4.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Creditor that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- 4.1.2 the Creditor renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or
- 4.1.3 any other act or omission that, but for this clause ~~4.1~~, might have discharged, or otherwise prejudiced or affected, the liability of the Company.

4.2 Immediate recourse

The Company waives any right it may have to require the Creditor to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this deed against the Company.

5. **Representations and warranties**

5.1 Times for making representations and warranties

The Company makes the representations and warranties set out in this clause ~~5~~ to the Creditor on the date of this deed and on each day of the Security Period with reference to the facts and circumstances existing at the time of repetition.

5.2 Ownership of Secured Assets

The Company is the sole legal and beneficial owner of, and has good, valid and marketable title to, the Secured Assets.

5.3 No Security

The Secured Assets are free from any Security other than the Security created by this deed.

5.4 No adverse claims

The Company has not received, or acknowledged notice of, any adverse claim by any person in respect of the Secured Assets or any interest in them.

5.5 No adverse covenants

There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever that materially and adversely affect the Secured Assets.

5.6 No breach of laws

There is no breach of any law or regulation that materially and adversely affects the Secured Assets.

5.7 No interference in enjoyment

No facility necessary for the enjoyment and use of the Secured Assets is subject to terms entitling any person to terminate or curtail its use.

5.8 No overriding interests

Nothing has arisen, has been created or is subsisting, that would be an overriding interest in any Charged Property.

5.9 Avoidance of security

No Security expressed to be created under this deed is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Company or otherwise.

5.10 No prohibitions or breaches

There is no prohibition on assignment in any Insurance Policy or Relevant Agreement and the entry into this deed by the Company does not, and will not, constitute a breach of any Insurance Policy, Relevant Agreement or any other policy, agreement, document, instrument or obligation binding on the Company or its assets.

5.11 Environmental compliance

The Company has, at all times, complied in all material respects with all applicable Environmental Law and Environmental Licences.

5.12 Enforceable security

This deed constitutes and will constitute the legal, valid, binding and enforceable obligations of the Company, and is, and will continue to be, effective security over all and every part of the Secured Assets in accordance with its terms.

5.13 Investments

5.13.1 The Investments are fully paid and are not subject to any option to purchase or similar rights.

5.13.2 No constitutional document of an issuer of an Investment, nor any other agreement:

5.13.2.1 restricts or inhibits any transfer of the Investments on creation or enforcement of the security constituted by this deed; or

5.13.2.2 contains any rights of pre-emption in relation to the Investments.

5.13.3 The Company has complied with all notices relating to all or any of the Investments received by it pursuant to sections 790D and 790E of the Companies Act 2006.

5.13.4 No warning notice has been issued under paragraph 1(2) of Schedule 1B of the Companies Act 2006, and no restrictions notice has been issued under paragraph 1(3) of Schedule 1B of the Companies Act 2006, in respect of all or any of the Investments.

6. **General covenants**

6.1 Negative pledge and disposal restrictions

The Company shall not at any time, except with the prior written consent of the Creditor:

6.1.1 create, purport to create or permit to subsist any Security on, or in relation to, any Secured Asset other than any Security created by this deed;

6.1.2 sell, assign, transfer, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Secured Assets (except, in the ordinary course of business, Secured Assets that are only subject to an uncrystallised floating charge); or

6.1.3 create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party.

6.2 Preservation of Secured Assets

The Company shall not do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Creditor, or materially diminish the value of any of the Secured Assets or the effectiveness of the security created by this deed.

6.3 Compliance with laws and regulations

6.3.1 The Company shall not, without the Creditor's prior written consent, use or permit the Secured Assets to be used in any way contrary to law.

6.3.2 The Company shall:

- 6.3.2.1 comply with the requirements of any law or regulation relating to or affecting the Secured Assets or the use of it or any part of them;
- 6.3.2.2 obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Secured Assets or their use or that are necessary to preserve, maintain or renew any Secured Asset; and
- 6.3.2.3 promptly effect any maintenance, modifications, alterations or repairs that are required by any law or regulation to be effected on or in connection with the Secured Assets.

6.4 Enforcement of rights

The Company shall use its best endeavours to:

- 6.4.1 procure the prompt observance and performance by each counterparty to any agreement or arrangement with the Company forming part of the Secured Assets (including each counterparty in respect of a Relevant Agreement and each insurer in respect of an Insurance Policy) of the covenants and other obligations imposed on that counterparty; and
- 6.4.2 enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets as the Creditor may require from time to time.

6.5 Notice of misrepresentation and breaches

The Company shall, promptly on becoming aware of any of the same, notify the Creditor in writing of:

- 6.5.1 any representation or warranty set out in this deed that is incorrect or misleading in any material respect when made or deemed to be repeated; and
- 6.5.2 any breach of any covenant set out in this deed.

6.6 Title documents

The Company shall, as so required by the Creditor, deposit with the Creditor and the Creditor shall, for the duration of this deed be entitled to hold:

- 6.6.1 all deeds and documents of title relating to the Secured Assets that are in the possession or control of the Company (and if they are not within the possession

or control of the Company, the Company undertakes to obtain possession of all those deeds and documents of title);

6.6.2 all Insurance Policies and any other insurance policies relating to any of the Secured Assets that the Company is entitled to possess;

6.6.3 all deeds and documents of title (if any) relating to the Book Debts as the Creditor may specify from time to time; and

6.6.4 a copy of each Relevant Agreement, certified to be a true copy by either a director of the Company or by the Company's solicitors.

6.7 Insurance

6.7.1 The Company shall insure and keep insured (or where, in the case of any leasehold property, insurance is the responsibility of the landlord under the terms of the lease, either procure that the landlord insures and keeps insured or, if and to the extent that the landlord does not do so, itself insure and keep insured) the Secured Assets against:

6.7.1.1 loss or damage by fire or terrorist acts, including any third party liability arising from such acts;

6.7.1.2 other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Company; and

6.7.1.3 any other risk, perils and contingencies as the Creditor may reasonably require.

6.7.2 Any such insurance must:

6.7.2.1 be with an insurance company or underwriters, and on such terms, as are reasonably acceptable to the Creditor;

6.7.2.2 include property owners' public liability and third party liability insurance;

6.7.2.3 be for not less than the replacement value of the relevant Secured Assets (meaning in the case of any premises on any Charged Property, the total cost of entirely rebuilding, reinstating or replacing the premises in the event of their being destroyed, together with architects', surveyors', engineers' and other professional fees and charges for shoring or propping up, demolition, site clearance and

reinstatement with adequate allowance for inflation) and, in the case of any Charged Property, loss of rents payable by the tenants or other occupiers of any Charged Property for a period of at least three years, including provision for increases in rent during the period of insurance.

- 6.7.3 The Company shall, if requested by the Creditor, produce to the Creditor each policy, certificate or cover note relating to any insurance as is required by clause 6.7.1 (or where, in the case of any leasehold property, that insurance is effected by the landlord, such evidence of insurance as the Company is entitled to obtain from the landlord under the terms of the relevant lease).
- 6.7.4 The Company shall, if requested by the Creditor, procure that a note of the Creditor's interest is endorsed on or the Creditor is named as composite insured in respect of its own separate insurable interest under each insurance policy (other than public liability and third party liability insurances) effected or maintained by it or any person on its behalf in accordance with clause 6.7.1 but without the Creditor having any liability for any premium in relation to those insurance policies unless it has expressly and specifically requested to be made liable in respect of any increase in premium or unpaid premium in respect of any Insurance Policy.
- 6.7.5 The Company shall ensure that each insurance policy effected or maintained by it or any person on its behalf in accordance with clause 6.7.1 contains:
- 6.7.5.1 a loss payee clause under which the Creditor is named as first loss payee (other than in respect of any claim under any public liability and third party liability insurances);
 - 6.7.5.2 terms ensuring that it cannot be avoided or vitiated as against the Creditor by reason of the act or default of any other insured party or any misrepresentation, non-disclosure or failure to make a fair presentation of risk by any other insured party;
 - 6.7.5.3 a waiver of each insurer's rights of subrogation against the Company, the Creditor and the tenants of any Charged Property other than any such rights arising in connection with any fraud or criminal offence committed by any of those persons in respect of any Charged Property or any insurance policy; and
 - 6.7.5.4 terms ensuring that no insurer can repudiate, rescind or cancel it, treat it as avoided in whole or in part nor treat it as expired due to

non-payment of premium without giving at least 30 days' prior written notice to the Creditor.

6.8 Insurance premiums

The Company shall:

6.8.1 promptly pay all premiums in respect of each insurance policy as is required by clause 6.7.1 and do all other things necessary to keep that policy in full force and effect; and

6.8.2 (if the Creditor so requires) give to the Creditor copies of the receipts for all premiums and other payments necessary for effecting and keeping up each insurance policy as is required by clause 6.7.1 (or where, in the case of leasehold property, insurance is effected by the landlord, such evidence of the payment of premiums as the Company is entitled to obtain from the landlord under the terms of the relevant lease).

6.9 No invalidation of insurance

The Company shall not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any insurance policy as is required by clause 6.7.1.

6.10 Proceeds from insurance policies

All monies payable under any insurance policy maintained by the Company in accordance with clause 6.7.1 at any time (whether or not the security constituted by this deed has become enforceable) shall:

6.10.1 be paid immediately to the Creditor;

6.10.2 if they are not paid directly to the Creditor by the insurers, be held, pending such payment, by the Company as trustee of the same for the benefit of the Creditor; and

6.10.3 at the option of the Creditor, be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received or in, or towards, discharge or reduction of the Secured Liabilities.

6.11 Notices to be given by the Company

The Company shall on the execution of this deed and as so requested by the Creditor from time to time:

- 6.11.1 give notice to each counterparty to a Relevant Agreement in the form set out in Schedule 3 , and procure that each counterparty provides to the Creditor within five Business Days an acknowledgement of the notice in the form set out in Schedule 3Part 2 -
- 6.11.2 give notice to each insurer under an Insurance Policy in the form set out in Schedule 4 , and procure that each insurer provides to the Creditor within five Business Days an acknowledgement of the notice in the form set out in Schedule 4Part 2 - .
- 6.11.3 give notice to each bank, financial institution or other person (other than the Creditor) with whom the Company holds an account (including each Designated Account) in the form set out in Schedule 5 , and procure that each such bank, financial institution or other person provides to the Creditor within five Business Days an acknowledgement of the notice in the form of Schedule 5Part 2 -.

6.12 Information

The Company shall:

- 6.12.1 give the Creditor such information concerning the location, condition, use and operation of the Secured Assets as the Creditor may require;
- 6.12.2 permit any persons designated by the Creditor and any Receiver to enter on its premises and inspect and examine any Secured Asset, and the records relating to that Secured Asset, at all reasonable times and on reasonable prior notice; and
- 6.12.3 promptly notify the Creditor in writing of any action, claim, notice or demand made by or against it in connection with all or any part of a Secured Asset or of any fact, matter or circumstance which may, with the passage of time, give rise to such an action, claim, notice or demand, together with, in each case, the Company's proposals for settling, liquidating, compounding or contesting any such action, claim, notice or demand and shall, subject to the Creditor's prior approval, implement those proposals at its own expense.

6.13 Payment of outgoings

The Company shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Secured Assets and, on demand, produce evidence of payment to the Creditor.

6.14 Appointment of accountants

6.14.1 The Company shall:

6.14.1.1 at its own cost, if at any time so required by the Creditor, appoint an accountant or firm of accountants nominated by the Creditor to investigate the financial affairs of the Company and those of its subsidiaries and report to the Creditor; and

6.14.1.2 co-operate fully with any accountants so appointed and immediately provide those accountants with all information requested.

6.14.2 The Company authorises the Creditor to make an appointment as it shall think fit at any time, without further authority from the Company. In every case, the Company shall pay, or reimburse the Creditor for, the fees and expenses of those accountants.

7. **Property covenants**

7.1 Repair and maintenance

The Company shall keep all premises and fixtures and fittings on each Charged Property:

7.1.1 In good and substantial repair and condition and shall keep all premises adequately and properly painted and decorated and replace any fixtures and fittings which have become worn out or otherwise unfit for use with others of a like nature and equal value; and

7.1.2 in such repair and condition as to enable each Charged Property to be let in accordance with all applicable laws and regulations.

7.2 No alterations

The Company shall not, without the prior written consent of the Creditor:

7.2.1 pull down or remove the whole, or any part of, any building forming part of any Charged Property or permit the same to occur;

7.2.2 make or permit to be made any material alterations to any Charged Property, or sever or remove or permit to be severed or removed, any of its fixtures or fittings (except to make any necessary repairs or renew or replace the same in accordance with clause 7.1); or

7.2.3 remove or make any material alterations to any of the Equipment belonging to, or in use by, the Company on any Charged Property (except to effect necessary repairs or replace them with new or improved models or substitutes).

7.3 Conduct of business on Charged Properties

The Company shall carry on its trade and business on those parts (if any) of the Charged Properties as are used for the purposes of trade or business in accordance with the standards of good management from time to time current in that trade or business.

7.4 Notices or claims relating to the property

7.4.1 The Company shall:

7.4.1.1 give full particulars to the Creditor of any notice, order, direction, designation, resolution, application, requirement or proposal given or made by any public or local body or authority (a **Notice**) that specifically applies to any Charged Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Notice; and

7.4.1.2 (if the Creditor so requires) immediately, and at the cost of the Company, take all reasonable and necessary steps to comply with any Notice, and make, or join with the Creditor in making, any objections or representations in respect of that Notice that the Creditor thinks fit.

7.4.2 The Company shall give full particulars to the Creditor of any claim, notice or other communication served on it in respect of any modification, suspension or revocation of any Environmental Licence or any alleged breach of any Environmental Law, in each case relating to any Charged Property.

7.5 Compliance with and enforcement of covenants

The Company shall:

7.5.1 observe and perform all covenants, stipulations and conditions to which each Charged Property, or the use of it, is or may be subject, and (if the Creditor so requires) produce to the Creditor evidence sufficient to satisfy the Creditor that those covenants, stipulations and conditions have been observed and performed; and

7.5.2 diligently enforce all covenants, stipulations and conditions benefiting each Charged Property and shall not (and shall not agree to) waive, release or vary any of the same.

7.6 Payment of rent and outgoings

The Company shall:

- 7.6.1 where a Charged Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time; and
- 7.6.2 pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed on each Charged Property or on its occupier.

7.7 Leases and licences affecting the Charged Properties

The Company shall not, without the prior written consent of the Creditor:

- 7.7.1 grant any licence or tenancy affecting the whole or any part of any Charged Property, or exercise the statutory powers of leasing or of accepting surrenders under sections 99 or 100 of the LPA 1925 (or agree to grant any such licence or tenancy, or agree to exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925);
- 7.7.2 in any other way dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of any Charged Property (or agree to dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of any Charged Property);
- 7.7.3 let any person into occupation of or share occupation of the whole or any part of any Charged Property; or
- 7.7.4 grant any consent or licence under any lease or licence affecting any Charged Property.

7.8 Registration restrictions and cautions against first registration and notices

- 7.8.1 If the title to any Charged Property is not registered at the Land Registry, the Company shall procure that no person (other than itself) shall be registered under the Land Registration Act 2002 as proprietor of all or any part of any Charged Property, without the prior written consent of the Creditor.
- 7.8.2 Whether or not title to any Charged Property is registered at the Land Registry, if any caution against first registration or any notice (whether agreed or unilateral) is registered against the Company's title to any Charged Property, the Company shall immediately provide the Creditor with full particulars of the circumstances relating to such caution or notice. If such caution or notice was registered to protect a purported interest the creation of which is not permitted under this deed,

the Company shall immediately, and at its own expense, take such steps as the Creditor may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.

7.8.3 The Company shall be liable for the costs and expenses of the Creditor in lodging cautions against the registration of the title to the whole or any part of any Charged Property from time to time.

7.9 Development restrictions

The Company shall not, without the prior written consent of the Creditor:

7.9.1 make or, insofar as it is able, permit others to make any application for planning permission or development consent in respect of any Charged Property; or

7.9.2 carry out or permit or suffer to be carried out on any Charged Property any development (as defined in each of the Town and Country Planning Act 1990 and the Planning Act 2008) or change or permit or suffer to be changed the use of any Charged Property.

7.10 Environment

The Company shall in respect of each Charged Property:

7.10.1 comply in all material respects with all the requirements of Environmental Law; and

7.10.2 obtain and comply in all material respects with all Environmental Licences.

7.11 No restrictive obligations

The Company shall not, without the prior written consent of the Creditor, enter into any onerous or restrictive obligations affecting the whole or any part of any Charged Property, or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of any Charged Property.

7.12 Proprietary rights

The Company shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of any Charged Property without the prior written consent of the Creditor.

7.13 Inspection

The Company shall permit the Creditor, any Receiver and any person appointed by either of them to enter on and inspect any Charged Property on reasonable prior notice.

7.14 Property information

The Company shall inform the Creditor promptly of any acquisition by the Company of, or contract made by the Company to acquire, any freehold, leasehold or other interest in any property.

7.15 VAT option to tax

The Company shall not, without the prior written consent of the Creditor:

7.15.1 exercise any VAT option to tax in relation to any Charged Property; or

7.15.2 revoke any VAT option to tax exercised, and disclosed to the Creditor, before the date of this deed.

7.16 Registration of legal mortgage at the Land Registry

The Company consents to an application being made by the Creditor to the Land Registrar for the following restriction in Form P to be registered against its title to each Charged Property over which the Creditor has a legal mortgage:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [DATE] in favour of [CREDITOR] referred to in the charges register or their conveyancer."

8. **Investments covenants**

8.1 Deposit of title documents

8.1.1 The Company shall:

8.1.1.1 on the execution of this deed, deposit with the Creditor, or as the Creditor may direct, all stock or share certificates and other documents of title or evidence of ownership relating to any Investments owned by the Company at that time; and

8.1.1.2 on the purchase or acquisition by it of Investments after the date of this deed, deposit with the Creditor, or as the Creditor may direct, all stock or share certificates and other documents of title or evidence of ownership relating to those Investments.

8.1.2 At the same time as depositing documents with the Creditor, or as the Creditor may direct, in accordance with clause **8.1.1**, the Company shall also deposit with the Creditor, or as the Creditor may direct:

8.1.2.1 all stock transfer forms relating to the relevant Investments duly completed and executed by or on behalf of the Company, but with the name of the transferee, the consideration and the date left blank; and

8.1.2.2 any other documents (in each case duly completed and executed by or on behalf of the Company) that the Creditor may request to enable it or any of its nominees, or any purchaser or transferee, to be registered as the owner of, or otherwise obtain a legal title to, or to perfect its security interest in any of the relevant Investments,

so that the Creditor may, at any time and without notice to the Company, complete and present those stock transfer forms and other documents to the issuer of the Investments for registration.

8.2 Nominations

8.2.1 The Company shall terminate with immediate effect all nominations it may have made (including, without limitation, any nomination made under section 145 or section 146 of the Companies Act 2006) in respect of any Investments and, pending that termination, procure that any person so nominated:

8.2.1.1 does not exercise any rights in respect of any Investments without the prior written approval of the Creditor; and

8.2.1.2 immediately on receipt by it, forward to the Creditor all communications or other information received by it in respect of any Investments for which it has been so nominated.

8.2.2 The Company shall not, during the Security Period, exercise any rights (including, without limitation, any rights under sections 145 and 146 of the Companies Act 2006) to nominate any person in respect of any of the Investments.

8.3 Pre-emption rights and restrictions on transfer

The Company shall:

8.3.1 obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of an issuer of any Investments,

for the transfer of the Investments to the Creditor or its nominee, or to a purchaser on enforcement of the security constituted by this deed; and

- 8.3.2 procure the amendment of the share transfer provisions (including, but not limited to, deletion of any pre-emption provisions) under the articles of association, other constitutional document or otherwise of each issuer of the Investments in any manner that the Creditor may require in order to permit the transfer of the Investments to the Creditor or its nominee, or to a purchaser on enforcement of the security constituted by this deed.

8.4 Dividends and voting rights before enforcement

- 8.4.1 Before the security constituted by this deed becomes enforceable, the Company may retain and apply for its own use all dividends, interest and other monies paid or payable in respect of the Investments and, if any are paid or payable to the Creditor or any of its nominees, the Creditor will hold all those dividends, interest and other monies received by it for the Company and will pay them to the Company promptly on request.

- 8.4.2 Before the security constituted by this deed becomes enforceable, the Company may exercise all voting and other rights and powers in respect of the Investments or, if any of the same are exercisable by the Creditor or any of its nominees, to direct in writing the exercise of those voting and other rights and powers provided that:

- 8.4.2.1 it shall not do so in any way that would breach any provision of the Share Purchase Agreement or this deed or for any purpose inconsistent with the Share Purchase Agreement or this deed; and

- 8.4.2.2 the exercise of, or the failure to exercise, those voting rights or other rights and powers would not, in the Creditor's opinion, have an adverse effect on the value of the Investments or otherwise prejudice the Creditor's security under this deed.

- 8.4.3 The Company shall indemnify the Creditor against any loss or liability incurred by the Creditor (or its nominee) as a consequence of the Creditor (or its nominee) acting in respect of the Investments at the direction of the Company.

- 8.4.4 The Creditor shall not, by exercising or not exercising any voting rights or otherwise, be construed as permitting or agreeing to any variation or other change in the rights attaching to, or conferred by, any of the Investments that the Creditor considers prejudicial to, or impairing the value of, the security created by this deed.

8.5 Dividends and voting rights after enforcement

After the security constituted by this deed has become enforceable:

8.5.1 all dividends and other distributions paid in respect of the Investments and received by the Company shall be held by the Company on trust for the Creditor and immediately paid into a Designated Account or, if received by the Creditor, may be applied by the Creditor in accordance with clause 20.1; and

8.5.2 all voting and other rights and powers attaching to the Investments may be exercised by, or at the direction of, the Creditor and the Company shall, and shall procure that its nominees shall, comply with any directions the Creditor may give, in its absolute discretion, concerning the exercise of those rights and powers.

8.6 Calls on Investments

Notwithstanding the security created by this deed, the Company shall promptly pay all calls, instalments and other payments that may be or become due and payable in respect of all or any of the Investments. The Company acknowledges that the Creditor shall not be under any liability in respect of any such calls, instalments or other payments.

8.7 No alteration of constitutional documents or rights attaching to Investments

The Company shall not, without the prior written consent of the Creditor, amend, or agree to the amendment of:

8.7.1 the memorandum or articles of association, or any other constitutional documents, of any issuer of the Investments that is not a public company; or

8.7.2 the rights or liabilities attaching to, or conferred by, all or any of the Investments.

8.8 Preservation of Investments

The Company shall ensure (as far as it is able to by the exercise of all voting rights, powers of control and other means available to it) that any issuer of any of the Investments (that is not a public company) shall not:

8.8.1 consolidate or subdivide any of the Investments, or re-organise, exchange, repay or reduce its share capital in any way;

8.8.2 issue any new shares or stock; or

8.8.3 refuse to register any transfer of any of the Investments that may be lodged with it for registration by, or on behalf of, the Creditor or the Company in accordance with this deed.

8.9 Investments information

The Company shall, promptly following receipt, send to the Creditor copies of any notice, circular, report, accounts and any other document received by it that relates to the Investments.

8.10 Compliance with requests for information

The Company shall promptly send a copy to the Creditor of, and comply with, all requests for information which is within its knowledge and which are made under any law or regulation or any similar provision in any articles of association or other constitutional document, or by any listing or other authority, relating to any of the Investments. If it fails to do so, the Creditor may elect to provide such information as it may have on behalf of the Company.

9. **Equipment covenants**

9.1 Maintenance of Equipment

The Company shall:

9.1.1 maintain the Equipment in good and serviceable condition (except for expected fair wear and tear) in compliance with all relevant manuals, handbooks, manufacturer's instructions and recommendations and maintenance or servicing schedules;

9.1.2 at its own expense, renew and replace any parts of the Equipment when they become obsolete, worn out or damaged with parts of a similar quality and of equal or greater value; and

9.1.3 not permit any Equipment to be:

9.1.3.1 used or handled other than by properly qualified and trained persons; or

9.1.3.2 overloaded or used for any purpose for which it is not designed or reasonably suitable.

9.2 Payment of Equipment taxes

The Company shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Equipment and, on demand, produce evidence of such payment to the Creditor.

9.3 Notice of charge

- 9.3.1 The Company shall, if so requested by the Creditor, affix to and maintain on each item of Equipment in a conspicuous place, a clearly legible identification plate containing the following wording:

"NOTICE OF CHARGE

This [DESCRIBE ITEM] and all additions to it and ancillary equipment are subject to a fixed charge dated [DATE] in favour of [CREDITOR]."

- 9.3.2 The Company shall not, and shall not permit any person to, conceal, obscure, alter or remove any plate affixed in accordance with clause 9.3.1.

10. **Book Debts covenants**

10.1 Realising Book Debts

- 10.1.1 The Company shall as an agent for the Creditor, collect in and realise all Book Debts, pay the proceeds into a Designated Account immediately on receipt and, pending that payment, hold those proceeds in trust for the Creditor;
- 10.1.2 The Company shall not, without the prior written consent of the Creditor, withdraw any amounts standing to the credit of any Designated Account.
- 10.1.3 The Company shall, if called on to do so by the Creditor, execute a legal assignment of the Book Debts to the Creditor on such terms as the Creditor may require and give notice of that assignment to the debtors from whom the Book Debts are due, owing or incurred.

10.2 Preservation of Book Debts

The Company shall not (except as permitted under clause 10.1 or with the prior written consent of the Creditor) release, exchange, compound, set off, grant time or indulgence in respect of, or in any other manner deal with, all or any of the Book Debts.

11. **Relevant Agreements covenants**

11.1 Relevant Agreements

- 11.1.1 The Company shall, unless the Creditor agrees otherwise in writing, comply with the terms of each Relevant Agreement and any other document, agreement or arrangement comprising the Secured Assets.
- 11.1.2 The Company shall not, unless the Creditor agrees otherwise in writing:

- 11.1.2.1 amend or vary or agree to any change in, or waive any requirement of or its rights under;
- 11.1.2.2 settle, compromise, terminate, rescind or discharge (except by performance); or
- 11.1.2.3 abandon, waive, dismiss, release or discharge any action, claim or proceedings against any counterparty to a Relevant Agreement or other person in connection with,

any Relevant Agreement or any other document, agreement or arrangement comprising the Secured Assets.

12. **Intellectual Property covenants**

12.1 Preservation of rights

The Company shall take all necessary action to safeguard and maintain present and future rights in, or relating to, the Intellectual Property including (without limitation) by observing all covenants and stipulations relating to those rights, and by paying all applicable renewal fees, licence fees and other outgoings.

12.2 Registration of Intellectual Property

The Company shall use all reasonable efforts to register applications for the registration of any Intellectual Property, and shall keep the Creditor informed of all matters relating to each such registration.

12.3 Maintenance of Intellectual Property

The Company shall not permit any Intellectual Property to be abandoned, cancelled or to lapse.

13. **Powers of the Creditor**

13.1 Power to remedy

- 13.1.1 The Creditor shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Company of any of its obligations contained in this deed.
- 13.1.2 The Company irrevocably authorises the Creditor and its agents to do all things that are necessary or desirable for that purpose.
- 13.1.3 The Company shall reimburse the Creditor, on a full indemnity basis, for any monies the Creditor expends in remedying a breach by the Company of its

obligations contained in this deed, and such monies shall carry interest in accordance with clause 21.1.

13.2 Exercise of rights

13.2.1 The rights of the Creditor under clause 13.1 are without prejudice to any other rights of the Creditor under this deed.

13.2.2 The exercise of any rights of the Creditor under this deed shall not make the Creditor liable to account as a mortgagee in possession.

13.3 Power to dispose of chattels

13.3.1 At any time after the security constituted by this deed has become enforceable, the Creditor or any Receiver may, as agent for the Company, dispose of any chattels or produce found on any Charged Property.

13.3.2 Without prejudice to any obligation to account for the proceeds of any disposal made under clause 13.3.1, the Company shall indemnify the Creditor and any Receiver against any liability arising from any disposal made under clause 13.3.1.

13.4 Creditor has Receiver's powers

To the extent permitted by law, any right, power or discretion conferred by this deed (either expressly or impliedly) or by law on a Receiver may, after the security constituted by this deed has become enforceable, be exercised by the Creditor in relation to any of the Secured Assets whether or not it has taken possession of any Secured Assets and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

13.5 Conversion of currency

13.5.1 For the purpose of, or pending the discharge of, any of the Secured Liabilities, the Creditor may convert any monies received, recovered or realised by it under this deed (including the proceeds of any previous conversion under this clause 13.5) from their existing currencies of denomination into any other currencies of denomination that the Creditor may think fit.

13.5.2 Any such conversion shall be effected at the prevailing spot selling rate of exchange of such bank as the Creditor may reasonably select for such other currency against the existing currency.

13.5.3 Each reference in this clause 13.5 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

13.6 New accounts

13.6.1 If the Creditor receives, or is deemed to have received, notice of any subsequent Security, or other interest, affecting all or part of the Secured Assets, the Creditor may open a new account for the Company in the Creditor's books. Without prejudice to the Creditor's right to combine accounts, no money paid to the credit of the Company in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.

13.6.2 If the Creditor does not open a new account immediately on receipt of the notice, or deemed notice, under clause 13.6.1, then, unless the Creditor gives express written notice to the contrary to the Company, all payments made by the Company to the Creditor shall be treated as having been credited to a new account of the Company and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt or deemed receipt of the relevant notice by the Creditor.

13.7 Indulgence

The Creditor may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this deed (whether or not any such person is jointly liable with the Company) in respect of any of the Secured Liabilities, or of any other security for them without prejudice either to this deed or to the liability of the Company for the Secured Liabilities.

13.8 Appointment of an Administrator

13.8.1 The Creditor may, without notice to the Company, appoint any one or more persons to be an Administrator of the Company pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this deed becomes enforceable.

13.8.2 Any appointment under this clause 13.8 shall:

13.8.2.1 be in writing signed by a duly authorised signatory of the Creditor;
and

13.8.2.2 take effect in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.

13.8.3 The Creditor may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this clause 13.8 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

14. When security becomes enforceable

14.1 Security becomes enforceable on Event of Default

The security constituted by this deed shall become immediately enforceable if an Event of Default occurs.

14.2 Discretion

After the security constituted by this deed has become enforceable, the Creditor may, in its absolute discretion, enforce all or any part of that security at the times, in the manner and on the terms it thinks fit, and take possession of and hold or dispose of all or any part of the Secured Assets.

15. Events of Default

15.1 Each of the events or circumstances set out in clause 15.1 to clause 15.7 is an Event of Default.

15.2 Non-payment

The Company fails to pay any sum payable by it pursuant to the Share Purchase Agreement when due, unless its failure to pay is caused solely by an administrative error or technical problem and payment is made within three Business Days of its due date.

15.3 Non-compliance

The Company fails (other than a failure to pay) to comply with any provision of the Share Purchase Agreement and (if the Creditor considers, acting reasonably, that the default is capable of remedy) such default is not remedied within 14 days of the earlier of:

15.3.1 the Creditor notifying the Company of the default and the remedy required; and

15.3.2 the Company becoming aware of the default.

15.4 Misrepresentation

Any representation, warranty or statement made, repeated or deemed made by the Company in, or pursuant to, this deed is (or proves to have been) incomplete, untrue, incorrect or misleading in any material respect when made, repeated or deemed made.

15.5 Insolvency

15.5.1 The Company commences negotiations, or enters into any composition, compromise, assignment or arrangement, with one or more of its creditors with a view to rescheduling any of its book debts (because of actual or anticipated financial difficulties);

15.5.2 Any action, proceedings, procedure or step is taken in relation to:

15.5.2.1 the suspension of payments, a moratorium of any of the debts, winding up, dissolution, administration or reorganisation (using a voluntary arrangement, scheme of arrangement or otherwise) of the Company; or

15.5.2.2 a composition, compromise, assignment or arrangement with any creditor of the Company; or

15.5.2.3 the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Company or over any of its assets.

15.5.2.4 the Company is adjudged bankrupt or is otherwise subject to the appointment of a trustee in bankruptcy or other similar officer is appointed over or in respect of the Company.

15.6 Enforcement of security

Any Security on or over the assets of the Company becomes enforceable.

15.7 Illegality

All or any part of the Share Purchase Agreement becomes invalid, unlawful, unenforceable, terminated, disputed or ceases to be effective or to have full force and effect.

16. **Enforcement of security**

16.1 General

16.1.1 For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this deed.

16.1.2 The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this deed) shall be immediately exercisable at any time after the security constituted by this deed has become enforceable under clause **14.1**.

16.1.3 Section 103 of the LPA 1925 does not apply to the security constituted by this deed.

16.2 Extension of statutory powers of leasing

The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the Creditor and any Receiver, at any time after the security constituted by this deed has become enforceable, whether in its own name or in that of the Company, to:

16.2.1 grant a lease or agreement for lease;

16.2.2 accept surrenders of leases; or

16.2.3 grant any option in respect of the whole or any part of the Secured Assets with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of the Company, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Creditor or Receiver thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

16.3 Access on enforcement

16.3.1 At any time after the Creditor has demanded payment of the Secured Liabilities or if the Company defaults in the performance of its obligations under this deed or the Share Purchase Agreement, the Company will allow the Creditor or its Receiver, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Secured Asset and for that purpose to enter on any premises where a Secured Asset is situated (or where the Creditor or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to the Company for, or by any reason of, that entry.

16.3.2 At all times, the Company must use its best endeavours to allow the Creditor or its Receiver access to any premises for the purpose of clause 16.3.1 (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

16.4 Redemption of prior Security

16.4.1 At any time after the security constituted by this deed has become enforceable, or after any powers conferred by any Security having priority to this deed shall have become exercisable, the Creditor may:

- 16.4.1.1 redeem any prior Security over any Secured Asset;
- 16.4.1.2 procure the transfer of that Security to itself; and
- 16.4.1.3 settle and pass the accounts of the holder of any prior Security (and any accounts so settled and passed shall, in the absence of any manifest error, be conclusive and binding on the Company).

16.4.2 The Company shall pay to the Creditor immediately on demand all principal, interest, costs, charges and expenses of, and incidental to, any such redemption or transfer, and such amounts shall be secured by this deed as part of the Secured Liabilities.

16.5 Protection of third parties

No purchaser, mortgagee or other person dealing with the Creditor, any Receiver or any Delegate shall be concerned to enquire:

- 16.5.1 whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
- 16.5.2 whether any power the Creditor, a Receiver or Delegate is purporting to exercise has become exercisable or is being properly exercised; or
- 16.5.3 how any money paid to the Creditor, any Receiver or any Delegate is to be applied.

16.6 Privileges

Each Receiver and the Creditor is entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers.

16.7 Exclusion of liability

Neither the Creditor, nor any Receiver or Delegate, shall be liable to the Company or any other person:

- 16.7.1 (by reason of entering into possession of a Secured Asset, or for any other reason) to account as mortgagee in possession in respect of all or any of the Secured Assets;
- 16.7.2 for any loss on realisation, or for any act, default or omission for which a mortgagee in possession might be liable; or
- 16.7.3 for any expense, loss or liability:

- 16.7.3.1 relating to the enforcement of, or any failure to enforce or delay in enforcing, any security constituted by or pursuant to this deed;
- 16.7.3.2 relating to an exercise of rights, or by any failure to exercise or delay in exercising, rights under this deed; or
- 16.7.3.3 arising in any other way in connection with this deed,

except that this does not exempt the Creditor or any Receiver or Delegate from liability for losses caused by the gross negligence, fraud or wilful misconduct of the Creditor or the relevant Receiver or Delegate.

16.8 Conclusive discharge to purchasers

The receipt of the Creditor, or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Secured Assets or in making any acquisition in the exercise of their respective powers, the Creditor, and every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it thinks fit.

16.9 Right of appropriation

16.9.1 To the extent that:

- 16.9.1.1 the Secured Assets constitute Financial Collateral; and
- 16.9.1.2 this deed and the obligations of the Company under it constitute a Security Financial Collateral Arrangement,

the Creditor shall have the right, at any time after the security constituted by this deed has become enforceable, to appropriate all or any of those Secured Assets in or towards the payment or discharge of the Secured Liabilities in any order that the Creditor may, in its absolute discretion, determine.

16.9.2 The value of any Secured Assets appropriated in accordance with this clause shall be:

- 16.9.2.1 in the case of cash, the amount standing to the credit of each of the Company's accounts with any bank, financial institution or other person, together with any accrued but unpaid interest, at the time the right of appropriation is exercised; and
- 16.9.2.2 in the case of Investments, the market price of those Investments at the time the right of appropriation is exercised determined by the

Creditor by reference to a recognised market index or by any other method that the Creditor may select (including independent valuation).

16.9.3 The Company agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

17. **Receiver**

17.1 Appointment

17.1.1 At any time after the security constituted by this deed has become enforceable, or at the request of the Company, the Creditor may, without further notice, appoint by way of deed, or otherwise in writing, any one or more persons to be a Receiver of all or any part of the Secured Assets.

17.1.2 The Creditor may not appoint a Receiver solely as a result of the obtaining of a moratorium (or as a result of anything done with a view to obtaining a moratorium) under Part A1 of the Insolvency Act 1986 other than in respect of a floating charge referred to in section A52(4) of Part A1 of the Insolvency Act 1986.

17.2 Removal

The Creditor may, without further notice (subject to section 45 of the Insolvency Act 1986 in the case of an administrative receiver), from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

17.3 Remuneration

The Creditor may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925, and the remuneration of the Receiver shall be a debt secured by this deed, to the extent not otherwise discharged.

17.4 Power of appointment additional to statutory powers

The power to appoint a Receiver conferred by this deed shall be in addition to all statutory and other powers of the Creditor under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

17.5 Power of appointment exercisable despite prior appointments

The power to appoint a Receiver (whether conferred by this deed or by statute) shall be, and remain, exercisable by the Creditor despite any prior appointment in respect of all or any part of the Secured Assets.

17.6 Agent of the Company

Any Receiver appointed by the Creditor under this deed shall be the agent of the Company and the Company shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each Receiver shall continue until the Company goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Creditor.

18. **Powers of Receiver**

18.1 General

18.1.1 Any Receiver appointed by the Creditor under this deed shall, in addition to the powers conferred on it by statute, have the rights, powers and discretions set out in clause 18.2 to clause 18.23.

18.1.2 A Receiver has all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the LPA 1925, and shall have those rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986 whether it is an administrative receiver or not.

18.1.3 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing it states otherwise) exercise all of the powers conferred on a Receiver under this deed individually and to the exclusion of any other Receiver.

18.1.4 Any exercise by a Receiver of any of the powers given by clause 18 may be on behalf of the Company, the directors of the Company (in the case of the power contained in clause 18.16) or itself.

18.2 Repair and develop Charged Properties

A Receiver may undertake or complete any works of repair, alteration, building or development on the Charged Properties and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

18.3 Grant or accept surrenders of leases

A Receiver may grant, or accept, surrenders of any leases or tenancies affecting any Secured Asset on any terms, and subject to any conditions, that it thinks fit.

18.4 Employ personnel and advisers

18.4.1 A Receiver may provide services and employ or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that it thinks fit.

18.4.2 A Receiver may discharge any such person or any such person appointed by the Company.

18.5 Make and revoke VAT options to tax

A Receiver may make, exercise or revoke any VAT option to tax as it thinks fit.

18.6 Remuneration

A Receiver may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by it) that the Creditor may prescribe or agree with it.

18.7 Possession

A Receiver may take immediate possession of, get in and realise any Secured Asset.

18.8 Manage or reconstruct the Company's business

A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Company.

18.9 Dispose of Secured Assets

A Receiver may sell, exchange, convert into money and realise all or any of the Secured Assets in respect of which it is appointed in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as it thinks fit. Any sale may be for any consideration that the Receiver thinks fit and a Receiver may promote, or concur in promoting, a company to purchase the Secured Assets to be sold.

18.10 Sever fixtures and fittings

A Receiver may sever and sell separately any fixtures or fittings from any Charged Property without the consent of the Company.

18.11 Sell Book Debts

A Receiver may sell and assign all or any of the Book Debts in respect of which it is appointed in any manner, and generally on any terms and conditions, that it thinks fit.

18.12 Valid receipts

A Receiver may give a valid receipt for all monies and execute all assurances and things that may be proper or desirable for realising any of the Secured Assets.

18.13 Make settlements

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

18.14 Legal action

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Secured Assets as it thinks fit.

18.15 Improve the Equipment

A Receiver may make substitutions of, or improvements to, the Equipment as it may think expedient.

18.16 Make calls on Company members

A Receiver may make calls conditionally or unconditionally on the members of the Company in respect of uncalled capital with (for that purpose and for the purpose of enforcing payments of any calls so made) the same powers as are conferred by the articles of association of the Company on its directors in respect of calls authorised to be made by them.

18.17 Insure

A Receiver may, if it thinks fit, but without prejudice to the indemnity in clause 21, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Company under this deed.

18.18 Subsidiaries

A Receiver may form a subsidiary of the Company and transfer to that subsidiary any Secured Asset.

18.19 Borrow

A Receiver may, for whatever purpose it thinks fit, raise and borrow money either unsecured or on the security of all or any of the Secured Assets in respect of which it is appointed on any terms that it thinks fit (including, if the Creditor consents, terms under which that security ranks in priority to this deed).

18.20 Redeem prior Security

A Receiver may redeem any prior Security and settle and pass the accounts to which the Security relates. Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Company, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

18.21 Delegation

A Receiver may delegate its powers in accordance with this deed.

18.22 Absolute beneficial owner

A Receiver may, in relation to any of the Secured Assets, exercise all powers, authorisations and rights it would be capable of exercising as, and do all those acts and things, an absolute beneficial owner could exercise or do, in the ownership and management of the Secured Assets or any part of the Secured Assets.

18.23 Incidental powers

A Receiver may do any other acts and things that it:

18.23.1 may consider desirable or necessary for realising any of the Secured Assets;

18.23.2 may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this deed or law; or

18.23.3 lawfully may or can do as agent for the Company.

19. **Delegation**

19.1 Delegation

The Creditor or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this deed (including the power of attorney granted under clause 23.1).

19.2 Terms

The Creditor and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that it thinks fit.

19.3 Liability

Neither the Creditor nor any Receiver shall be in any way liable or responsible to the Company for any loss or liability of any nature arising from any act, default, omission or misconduct on the part of any Delegate.

20. **Application of proceeds**

20.1 Order of application of proceeds

All monies received or recovered by the Creditor, a Receiver or a Delegate under this deed or in connection with the realisation or enforcement of all or part of the security constituted by this deed (other than sums received under any Insurance Policy), shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority (but without prejudice to the Creditor's right to recover any shortfall from the Company):

20.1.1 in or towards payment of all costs, liabilities, charges and expenses incurred by or on behalf of the Creditor (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this deed, and of all remuneration due to any Receiver under or in connection with this deed;

20.1.2 in or towards payment of the Secured Liabilities in any order and manner that the Creditor determines; and

20.1.3 in payment of the surplus (if any) to the Company or other person entitled to it.

20.2 Appropriation

Neither the Creditor, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

20.3 Suspense account

All monies received by the Creditor, a Receiver or a Delegate under this deed (other than sums received under any Insurance Policy that are not going to be applied in or towards discharge of the Secured Liabilities):

- 20.3.1 may, at the discretion of the Creditor, Receiver or Delegate, be credited to a suspense account;
- 20.3.2 shall bear interest, if any, at the rate agreed in writing between the Creditor and the Company; and
- 20.3.3 may be held in that account for so long as the Creditor, Receiver or Delegate thinks fit.

21. **Costs and indemnity**

21.1 Costs

The Company shall, within five Business Days of demand, pay to, or reimburse, the Creditor and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Creditor, any Receiver or any Delegate in connection with:

- 21.1.1 the negotiation, preparation, execution and delivery of this deed;
- 21.1.2 the Secured Assets;
- 21.1.3 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Creditor's, a Receiver's or a Delegate's rights under this deed;
- 21.1.4 any amendment, extension, waiver, consent or suspension of rights (or any proposal for any of these) under or in connection with this deed;
- 21.1.5 any release of any security constituted by this deed; or
- 21.1.6 taking proceedings for, or recovering, any of the Secured Liabilities,

together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost, charge, expense, tax or liability arose until full discharge of that cost, charge, expense, tax or liability (whether before or after judgment) at the rate and in the manner specified in the Share Purchase Agreement.

21.2 Indemnity

- 21.2.1 The Company shall, within three Business Days of demand, indemnify the Creditor, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full

indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:

21.2.1.1 the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this deed or by law in respect of the Secured Assets;

21.2.1.2 taking, holding, protecting, perfecting, preserving, releasing or enforcing (or attempting to do so) the security constituted by this deed; or

21.2.1.3 any default or delay by the Company in performing any of its obligations under this deed.

21.2.2 Any past or present employee or agent may enforce the terms of this clause ~~21.2~~ subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

22. **Further assurance**

22.1 Further assurance

The Company shall promptly, at its own expense, take whatever action the Creditor or any Receiver may reasonably require for:

22.1.1 creating, perfecting or protecting the security created or intended to be created by this deed;

22.1.2 facilitating the realisation of any Secured Asset; or

22.1.3 facilitating the exercise of any right, power, authority or discretion exercisable by the Creditor or any Receiver in respect of any Secured Asset,

including, without limitation the execution of any mortgage, transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Secured Assets (whether to the Creditor or to its nominee) and the giving of any notice, order or direction and the making of any filing or registration which, in any such case, the Creditor may consider necessary or desirable.

23. **Power of attorney**

23.1 Appointment of attorneys

By way of security, the Company irrevocably appoints the Creditor, every Receiver and every Delegate separately to be the attorney of the Company and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things that:

23.1.1 the Company is required to execute and do under this deed; or

23.1.2 any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this deed or by law on the Creditor, any Receiver or any Delegate.

23.2 Ratification of acts of attorneys

The Company ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 23.1

24. **Release**

Subject to clause 31.3, at the end of the Security Period, the Creditor shall, at the request and cost of the Company, take whatever action is necessary to:

24.1.1 release the Secured Assets from the security constituted by this deed; and

24.1.2 reassign the Secured Assets to the Company.

25. **Assignment and transfer**

25.1 Assignment by Creditor

25.1.1 At any time, without the consent of the Company, the Creditor may assign any of its rights or transfer any of its rights and obligations under this deed.

25.1.2 The Creditor may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Company, the Secured Assets and this deed that the Creditor considers appropriate.

25.2 Assignment by Company

The Company may not assign any of its rights, or transfer any of its rights or obligations, under this deed or enter into any transaction which would result in any of those rights or obligations passing to another person.

26. **Set-off**

26.1 Creditor's right of set-off

The Creditor may at any time set off any liability of the Company to the Creditor against any liability of the Creditor to the Company, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this deed. If the liabilities to be set off are expressed in different currencies, the Creditor may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Creditor of its rights under this clause ~~26~~ shall not limit or affect any other rights or remedies available to it under this deed or otherwise.

26.2 No obligation to set off

The Creditor is not obliged to exercise its rights under clause ~~26.1~~. If it does exercise those rights it must promptly notify the Company of the set-off that has been made.

26.3 Exclusion of Company's right of set-off

All payments made by the Company to the Creditor under this deed shall be made in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

27. **Amendments, waivers and consents**

27.1 Amendments

No amendment of this deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

27.2 Waivers and consents

27.2.1 A waiver of any right or remedy under this deed or by law, or any consent given under this deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any subsequent right or remedy. It only applies to the circumstances in relation to which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.

27.2.2 A failure by the Creditor to exercise, or delay by it in exercising any right or remedy provided under this deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this deed. No single or partial exercise of any right or remedy provided under this deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this deed by the Creditor shall be effective unless it is in writing.

27.3 Rights and remedies

The rights and remedies provided under this deed are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

28. **Partial invalidity**

28.1 Partial invalidity

If, at any time, any provision of this deed is or becomes invalid, illegal or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

29. **Counterparts**

29.1 Counterparts

29.1.1 This deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.

29.1.2 Transmission of an executed counterpart of this deed (but for the avoidance of doubt not just a signature page) by fax or email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this deed. If either method of delivery is adopted, without prejudice to the validity of the deed thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.

29.1.3 No counterpart shall be effective until each party has executed and delivered at least one counterpart.

30. **Third party rights**

30.1 Third party rights

30.1.1 Except as expressly provided in clause ~~21.2~~ or elsewhere in this deed, a person who is not a party to this deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this deed.

30.1.2 Notwithstanding any term of this deed, the consent of any person who is not a party to this deed is not required to rescind or vary this deed at any time.

31. **Further provisions**

31.1 Independent security

The security constituted by this deed shall be in addition to, and independent of, any other security or guarantee that the Creditor may hold for any of the Secured Liabilities at any time. No prior security held by the Creditor over the whole or any part of the Secured Assets shall merge in the security created by this deed.

31.2 Continuing security

The security constituted by this deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Creditor discharges this deed in writing.

31.3 Discharge conditional

Any release, discharge or settlement between the Company and the Creditor shall be conditional on no payment or security received by the Creditor in respect of the Secured Liabilities being avoided, reduced, set aside or ordered to be refunded under any law relating to insolvency, bankruptcy, winding-up, administration, receivership or for any other reason. Despite any such release, discharge or settlement:

31.3.1 the Creditor or its nominee may retain this deed and the security created by or under it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Creditor deems necessary to provide the Creditor with security against any such avoidance, reduction or order for refund; and

31.3.2 the Creditor may recover the value or amount of such security or payment from the Company subsequently as if the release, discharge or settlement had not occurred.

31.4 Certificates

Any certification or determination by the Creditor of any rate or amount under this deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

31.5 Consolidation

The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this deed.

32. **Notices**

32.1 Delivery

Any notice or other communication given to a party under or in connection with this deed shall be:

32.1.1 in writing;

32.1.2 delivered by hand, by pre-paid first-class post or other next working day delivery service or sent by email; and

32.1.3 sent to:

32.1.3.1 the Company at:

(i) address: Trafalgar Court, 2nd Floor East Wing, Admiral Park,
St Peter Port, Guernsey GY1 3EL

(ii) for the attention of: Mr. Werner Klingenberg

(iii) email address: wklingenberg@goldplat.com

31.1.3.2 the Creditor at:

(i) address: 165 Fleet Street, London, EC2A 2DY

(ii) for the attention of: Mr. Jason Brewer

(iii) email address: jason@mayflowercapinvest.com

or to any other address or email address as is notified in writing by one party to the other from time to time.

32.2 Receipt by Company

Any notice or other communication that the Creditor gives to the Company shall be deemed to have been received:

32.2.1 if delivered by hand, at the time it is left at the relevant address;

32.2.2 if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting; and

32.2.3 if sent by email, at the time of transmission.

A notice or other communication given as described in clause ~~32.2.1~~ or clause ~~32.2.3~~ on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

32.3 Receipt by Creditor

Any notice or other communication given to the Creditor shall be deemed to have been received only on actual receipt.

32.4 Service of proceedings

This clause ~~32~~ does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

33. **Governing law and jurisdiction**

33.1 Governing law

This deed and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.

33.2 Jurisdiction

Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this deed or its subject matter or formation. Nothing in this clause shall limit the right of the Creditor to take proceedings against the Company in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

33.3 Other service

The Company irrevocably consents to any process in any legal action or proceedings under clause ~~33.2~~ being served on it in accordance with the provisions of this deed relating to service of notices. Nothing contained in this deed shall affect the right to serve process in any other manner permitted by law.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

SCHEDULE 1
- REAL PROPERTY
Part 1 - Registered Property

N/A

Part 2 - Unregistered Property

N/A

SCHEDULE 2
- RELEVANT AGREEMENTS

Type of contract: N/A

Date: N/A

Parties: N/A

SCHEDULE 3
- NOTICE AND ACKNOWLEDGEMENT - RELEVANT AGREEMENT
Part 1 - Form of notice

[On headed notepaper of the Company]

[NAME OF COUNTERPARTY]

[ADDRESS LINE 1]

[ADDRESS LINE 2]

[POSTCODE]

[DATE]

Dear [NAME OF COUNTERPARTY],

Debenture dated [DATE] between [COMPANY] and [CREDITOR] (Creditor) (Debenture)

We refer to the [DESCRIBE RELEVANT AGREEMENT] (Contract).

This letter constitutes notice to you that under the Debenture [(a copy of which is attached)] we have assigned, by way of security, to [CREDITOR] (Creditor) the benefit of the Contract.

We confirm that:

- We will remain liable under the Contract to perform all the obligations assumed by us under the Contract.
- Neither the Creditor nor any receiver or delegate appointed by the Creditor will at any time be under any obligation or liability to you under or in respect of the Contract.
- Neither the Debenture nor this notice releases, discharges or otherwise affects your liability and obligations in respect of the Contract.

Subject to the above, we will remain entitled to exercise all our rights, powers and discretions under the Contract and you may continue to deal with us in relation to the Contract and give notices under the Contract to us unless and until you receive written notice to the contrary from the Creditor. Thereafter, all such rights, powers and discretions shall be exercisable by, and you must give notice to, the Creditor or as it directs and we will cease to have any right to deal with you in relation to the Contract and you must deal only with the Creditor.

Please note that we have agreed that we will not amend or waive any provision of or terminate the Contract without the prior written consent of the Creditor.

The instructions in this notice may only be revoked or amended with the prior written consent of the Creditor.

Please confirm that you agree to the terms of this notice, and to act in accordance with its provisions, by sending the attached acknowledgement to the Creditor at [ADDRESS OF CREDITOR], with a copy to us.

This notice, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

Yours sincerely,

.....

[NAME OF COMPANY]

Part 2 - Form of acknowledgement

[On headed notepaper of the counterparty]

[NAME OF CREDITOR]

[ADDRESS LINE 1]

[ADDRESS LINE 2]

[POSTCODE]

[DATE]

Dear [NAME OF CREDITOR],

**Debenture dated [DATE] between [COMPANY] (Company) and [CREDITOR] (Creditor)
(Debenture)**

We confirm receipt from the Company of a notice (Notice) dated [DATE] of an assignment, by way of security, of all the Company's rights under [DESCRIBE RELEVANT AGREEMENT] (Contract).

Terms defined in the Notice shall have the same meaning when used in this acknowledgement.

We confirm that:

- We accept the confirmations and instructions contained in the Notice and agree to comply with the Notice.
- There has been no amendment, waiver or release of any rights or interests in the Contract since the date of the Contract.
- We will not cancel, avoid, release or otherwise allow the Contract to lapse without giving the Creditor at least 30 days' prior written notice.
- We have not, as at the date of this acknowledgement, received notice that the Company has assigned its rights under the Contract to a third party, or created any other interest (whether by way of security or otherwise) in the Contract in favour of a third party.
- The Creditor will not in any circumstances have any liability in relation to the Contract.
- The Contract shall not be rendered void, voidable or unenforceable by reason of any non-disclosure by the Creditor.

This letter, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

Yours sincerely,

.....

[COUNTERPARTY]

SCHEDULE 4
- NOTICE AND ACKNOWLEDGEMENT - INSURANCE POLICY
Part 1 - Form of notice

[On headed notepaper of the Company]

[NAME OF INSURER]

[ADDRESS LINE 1]

[ADDRESS LINE 2]

[POSTCODE]

[DATE]

Dear [NAME OF INSURER],

Debenture dated [DATE] between [COMPANY] and [CREDITOR] (Creditor) (Debenture)

We refer to the [DESCRIBE INSURANCE POLICY AND SPECIFY ITS POLICY NUMBER] (Policy).

This letter constitutes notice to you that under the Debenture [(a copy of which is attached)] we have assigned to the Creditor, absolutely, subject to a proviso for reassignment, all our rights in the Policy, including all claims, the proceeds of all claims and all returns of premium in connection with the Policy.

We irrevocably instruct and authorise you to:

- [Note the Creditor's interest on the Policy as [DESCRIBE NOTATION REQUIRED BY CREDITOR TO BE ENDORSED ON POLICY, FOR EXAMPLE, "FIRST MORTGAGEE"]
OR Name the Creditor as composite insured in respect of its own separate insurable interest under the Policy] (except in relation to public liability and third party liability insurance).
- Name the Creditor as first loss payee (other than in respect of any claim under any public liability and third party liability insurances).
- Comply with the terms of any written instructions received by you from the Creditor relating to the Policy, without notice or reference to, or further authority from, us and without enquiring as to the justification or the validity of those instructions.
- Hold all sums from time to time due and payable by you to us under the Policy to the order of the Creditor.
- Pay, or release, all monies to which we are entitled under the Policy to the Creditor, or to such persons as the Creditor may direct.

- Disclose information in relation to the Policy to the Creditor on request by the Creditor.
Neither the Debenture nor this notice releases, discharges or otherwise affects your liability and obligations in respect of the Policy.

Subject to the foregoing, you may continue to deal with us in relation to the Policy until you receive written notice to the contrary from the Creditor. Thereafter, we will cease to have any right to deal with you in relation to the Policy and you must deal only with the Creditor.

The instructions in this notice may only be revoked or amended with the prior written consent of the Creditor.

Please confirm that you agree to the terms of this notice and to act in accordance with its provisions by sending the attached acknowledgement to the Creditor at [ADDRESS OF CREDITOR], with a copy to us.

This notice, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

Yours sincerely,

.....

[NAME OF COMPANY]

Part 2 - Form of acknowledgement

[On headed notepaper of the insurer]

[NAME OF CREDITOR]

[ADDRESS LINE 1]

[ADDRESS LINE 2]

[POSTCODE]

[DATE]

Dear [NAME OF CREDITOR],

**Debenture dated [DATE] between [COMPANY] (Company) and [CREDITOR] (Creditor)
(Debenture)**

We confirm receipt from the Company of a notice (Notice) dated [DATE] of an assignment to the Creditor, subject to a proviso for reassignment of all the Company's rights in [DESCRIBE INSURANCE POLICY AND ITS NUMBER] (Policy), including all claims, the proceeds of all claims and all returns of premiums in connection with the Policy.

Terms defined in the Notice shall have the same meaning when used in this acknowledgement.

We confirm that:

- We accept the instructions and authorisations contained in the Notice and agree to comply with the Notice.
- We have [noted the Creditor's interest on the Policy as [DESCRIBE NOTATION REQUIRED BY CREDITOR TO BE ENDORSED ON POLICY, FOR EXAMPLE, FIRST MORTGAGEE] **OR** named the Creditor as composite insured in respect of its own separate insurable interest under the Policy] (except in relation to public liability and third party liability insurances).
- There has been no amendment, waiver or release of any rights or interests in the Policy since the date the Policy was issued.
- We have not, as at the date of this acknowledgement, received notice that the Company has assigned its rights under the Policy to a third party, or created any other interest (whether by way of security or otherwise) in the Policy in favour of a third party.
- The Policy shall not be avoided or vitiated as against the Creditor by reason of the act or default of any [other] insured party or any misrepresentation, non-disclosure or failure to make a fair presentation of risk by any [other] insured party.
- We waive our rights of subrogation against the Company, the Creditor and the tenants of any property mortgaged or charge under the Debenture) other than any such rights arising in connection with any fraud or criminal offence committed by any of those persons in respect of any such property or the Policy.
- We will not repudiate, rescind or cancel the Policy, treat it as avoided in whole or in part nor treat it as expired due to non-payment of premium without giving at least 30 days' prior written notice to the Creditor.
- The Creditor will not have any liability for any premium in relation to the Policy unless it has expressly and specifically requested to be made liable in respect of any increase in premium or unpaid premium in respect of the Policy.

This letter, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation), shall be governed by and construed in accordance with the law of England and Wales.

Yours sincerely,

.....

[NAME OF INSURER]

SCHEDULE 5
- NOTICE AND ACKNOWLEDGEMENT - BANK ACCOUNT
Part 1 - Form of notice

[On headed notepaper of the Company]

[BANK, FINANCIAL INSTITUTION OR OTHER PERSON]

[ADDRESS LINE 1]

[ADDRESS LINE 2]

[POSTCODE]

[DATE]

Dear [NAME OF ADDRESSEE],

Debenture dated [DATE] between [COMPANY] and [CREDITOR] (Creditor) (Debenture)

This letter constitutes notice to you that under the Debenture [(a copy of which is attached)] we have charged, by way of first fixed charge, in favour of the Creditor all monies from time to time standing to the credit of the account held with you and detailed below (the Account), together with all other rights and benefits accruing to or arising in connection with the Account (including, but not limited to, entitlements to interest):

Name of Account: [NAME OF ACCOUNT]

Sort code: [SORT CODE]

Account number: [ACCOUNT NUMBER]

We irrevocably instruct and authorise you to:

- Disclose to the Creditor any information relating to the Account requested from you by the Creditor.
- Comply with the terms of any written notice or instructions relating to the Account received by you from the Creditor.
- Hold all sums from time to time standing to the credit of the Account to the order of the Creditor.
- Pay or release all or any part of the monies standing to the credit of the Account in accordance with the written instructions of the Creditor.

We acknowledge that you may comply with the instructions in this notice without any further permission from us.

We are not permitted to withdraw any amount from the Account without the prior written consent of the Creditor.

The instructions in this notice may only be revoked or amended with the prior written consent of the Creditor.

This notice, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

Please confirm that you agree to the terms of this notice and to act in accordance with its provisions by sending the attached acknowledgement to the Creditor at [ADDRESS OF CREDITOR], with a copy to us.

Yours sincerely,

Signed.....

[NAME OF COMPANY]

Part 2 - Form of acknowledgement

[On headed notepaper of the bank, financial institution or other person]

[CREDITOR]

[ADDRESS LINE 1]

[ADDRESS LINE 2]

[POSTCODE]

[DATE]

Dear [NAME OF CREDITOR],

**Debenture dated [DATE] between [COMPANY] (Company) and [CREDITOR] (Creditor)
(Debenture)**

We confirm receipt from the Company of a notice (the Notice) dated [DATE] of a charge (on the terms of the Debenture) over all monies from time to time standing to the credit of the account detailed below (the Account), together with all other rights and benefits accruing to or arising in connection with the Account (including, but not limited to, entitlements to interest).

We confirm that we:

- Accept the instructions contained in the Notice and agree to comply with the Notice.
- Will not permit any amount to be withdrawn from the Account without your prior written consent.
- Have not received notice of the interest of any third party in the Account.
- Have neither claimed nor exercised, nor will claim or exercise any security interest, set-off, counter-claim or other right in respect of the Account.

The Account is:

Name of Account: [NAME OF ACCOUNT]

Sort code: [SORT CODE]

Account number: [ACCOUNT NUMBER]

This letter, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

Yours sincerely,

Signed.....

[NAME OF BANK, FINANCIAL INSTITUTION OR OTHER PERSON]

