



Registration of a Charge

Company Name: **IONA (SHAWTON) LIMITED**

Company Number: **13627108**



Received for filing in Electronic Format on the: **24/12/2021**

XAK0W4YJ

Details of Charge

Date of creation: **16/12/2021**

Charge code: **1362 7108 0001**

Persons entitled: **IONA RESOURCE AND ENERGY EFFICIENCY (STRATHCLYDE) LP**

Brief description:

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 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **GRAHAM MACKENZIE**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 13627108

Charge code: 1362 7108 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 16th December 2021 and created by IONA (SHAWTON) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 24th December 2021 .

Given at Companies House, Cardiff on 31st December 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: 16 December 2021

Debenture

Iona (Shawton) Limited ⁽¹⁾ and
Iona Resource and Energy Efficiency (Strathclyde) LP ⁽²⁾

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DATE

2021

PARTIES

- (1) **Iona (Shawton) Limited**, a company incorporated in England with company no. 13627108 whose registered office is at 123 Pall Mall, London, England, SW1Y 5EA (**Chargor**).
- (2) **Iona Resource and Energy Efficiency (Strathclyde) LP**, a limited partnership incorporated in England with no. LP021949 whose registered office is at 123 Pall Mall, London, England, SW1Y 5EA acting through its general partner **Iona EI (General Partner) 3 LLP**, a limited liability partnership incorporated in England with company number OC418294 whose registered office is at 123 Pall Mall, London, England, SW1Y 5EA (**Lender**).

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

Except where this Deed expressly states otherwise, each term used in this Deed which is defined in the Loan Note Instrument has the same meaning as in the Loan Note Instrument. In addition, the following definitions apply in this Deed:

Accounts	all present and future bank accounts of the Chargor held at any financial institution and includes any addition, renewal, replacement, resignation, subdivision, substitution or sub-account of those accounts.
Assigned Asset	the assets expressed to be assigned pursuant to Clause 3.2 (<i>Assignment by way of security</i>).
Authorisation	an authorisation, consent, approval, resolution, license, exemption, filing, notarisation or registration.
Business Day	a day, other than a Saturday or a Sunday, on which banks are open for general business in London or, for the purpose of Clause 18 (<i>Communications</i>), in the principal financial centre in the jurisdiction in which the relevant communication is delivered.
Charged Debts	all book and other debts and all other rights and claims charged to the Lender under this Deed.
Chargor's Intellectual Property	the Intellectual Property owned or used by the Chargor from time to time.
Companies Act	the Companies Act 2006.
Debenture Security	the Security created or evidenced by or pursuant to this Deed.
Delegate	any delegate, agent, attorney or trustee appointed by the Lender.
Default Rate	3 per cent per annum above the highest rate of interest ordinarily applicable to the Secured Obligations from time to time.
Delegate	any delegate, agent, attorney or trustee appointed by the Lender.
Discharge Date	the date with effect from which all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full.
Distribution Rights	means:

- (a) all dividends, distributions, interest and other income paid or payable on the relevant Investment or Shares;
- (b) all shares or other property derived from the relevant Investment or Shares (whether by way of conversion, consolidation, subdivision, substitution, redemption, bonus, preference, option or otherwise); and
- (c) all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to the relevant Investment or Shares.

Enforcement Party

any of the Lender, a Receiver or a Delegate.

Event of Default

the occurrence of any of the events or circumstances set out in Paragraph 3 of Schedule 2 (Conditions) of the Loan Note Instrument but shall also include any breach by the Chargor of or non-compliance by the Chargor with the provisions of this Deed.

Expenses

(without double counting) all fees, discounts, commissions and other banking or service charges, legal and other professional fees, premiums, costs or expenses, in each case calculated on a full indemnity basis and together with VAT, incurred by any Enforcement Party in connection with the preparation, negotiation and creation of this Deed, taking, perfecting (limited to reasonable fees, costs and expenses in the case of such preparation, negotiation and creation of this Deed and taking and perfecting any power under this Deed), enforcing or exercising any power under this Deed, the appointment of any Receiver or Delegate, the breach of any provision of this Deed and / or the protection, realisation or enforcement of this Deed, and includes any payments made under Clause 6.13 (*Power to remedy*), the costs of transferring to the Lender or the Receiver any security ranking in priority to the security constituted by this Deed, or the amount required to be paid to secure the unconditional and irrevocable discharge of such security, or any of the foregoing as the context shall require.

Loan Note Instrument

the loan note instrument dated on or about the date of this Deed constituting secured loan notes of the Chargor, as the same may be varied, amended, restated, substituted, modified, supplemented or replaced from time to time.

Finance Documents

the Loan Note Instrument, the Notes and this Deed.

Financial Collateral

has the meaning given to that expression in the Financial Collateral Regulations.

Financial Collateral Regulations

the Financial Collateral Arrangements (No 2) Regulations 2003 (SI 2003/3226).

Fixtures

any fixtures (but excluding landlord's fixtures), fittings, fixed plant or machinery from time to time situated on or forming part of the Property.

Insolvency Act

the Insolvency Act 1986.

Insurances

all contracts or policies of insurance of whatever nature which from time to time are taken out or maintained by or on behalf of the Chargor or (to the extent of its relevant interest) in which the Chargor has an

interest but excluding contracts or policies of insurance to the extent they relate to the Chargor's liabilities to third parties.

Insurance Proceeds	the proceeds of any insurance claim received by the Chargor, after deduction of any reasonable expenses incurred in relation to the relevant claim and payable by the Chargor to any person together with the benefit of all bonuses, profits, returns of premium and other benefits of whatever nature arising by virtue of the Chargor's ownership of any Insurances and all interest on any of the foregoing.
Intellectual Property	all rights in confidential information, copyright and like rights, database rights, design rights, rights in design, knowhow, rights in inventions, patents, service marks, trademarks and all other intellectual property rights and interests, whether registered (or the subject of an application for registration) or un-registered, owned by the Chargor or in which the Chargor has an interest from time to time, and the benefit of the Chargor's applications and rights to use such assets, throughout the world now and in the future.
Interest	interest at the rate calculated and compounded as agreed between the Lender and the Chargor from time to time, and if not so agreed, in accordance with the practice of the Lender from time to time both before and after judgment.
Investment	any negotiable instrument, certificate of deposit, debenture, share or other investment (as specified for the purposes of section 22 Financial Services and Markets Act 2000 as at the date of this Deed) now or in the future owned by the Chargor including (save where the context otherwise requires) the Shares.
LPA	Law of Property Act 1925.
Material Contract	has the meaning given to it in Clause 3.3.2 of this Deed.
Notes	has the meaning given to such term in the Loan Note Instrument.
Party	a party to this Deed.
Property	all present and future Real Property from time to time owned by the Chargor or in which the Chargor has an interest together with (in every case) all proceeds of sale deriving from any such Real Property, the benefit of all covenants given in respect of such Real Property and any monies paid or payable in respect of such covenants.
Real Property	any freehold, leasehold or immovable property and any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of any such property.
Receiver	any one or more receivers and managers or (if the Lender so specifies in the relevant appointment) receivers appointed by the Lender pursuant to this Deed in respect of the Chargor or in respect of any Secured Assets.
Secured Assets	the assets charged, assigned or otherwise the subject of any security created by or pursuant to this Deed and includes any part or parts of such assets.
Secured Obligations	all indebtedness and all obligations or liabilities of any kind which may now or at any time in the future be due, owing or incurred by the Chargor to the Lender under the Finance Documents whatever their

nature or basis, in any currency or currencies and however they are described together with Interest and Expenses.

Security	a mortgage, charge, pledge, lien or other security interest in any jurisdiction securing any obligation of any person or any other agreement or arrangement having a similar effect.
Security Financial Collateral Arrangement	has the meaning given to that expression in the Financial Collateral Regulations.
Security Period	the period beginning on the date of this Deed and ending on the Discharge Date.
Shares	all stocks, shares, debentures, bonds, warrants, coupons or other securities now or in the future owned by the Chargor from time to time or any in which it has an interest.
Subsidiary	an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership and "control" for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.
Third Parties Act	the Contracts (Rights of Third Parties) Act 1999.
VAT	means: <ul style="list-style-type: none">(a) any value added tax imposed by the Value Added Tax Act 1994;(b) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and(c) any other tax of a similar nature, whether imposed in the United Kingdom or in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in Paragraphs (a) or (b) above, or imposed elsewhere.

1.1 Construction

In this Deed:

1.1.1 any reference to:

- (a) the word **assets** includes present and future property, revenue, rights and interests of every kind;
- (b) the word **dispose** includes charging, selling, leasing, assigning or transferring or agreeing to do any of the same, granting an option or similar right, creating a trust or other equitable interest or sharing or parting with possession or occupation;
- (c) the word **guarantee** includes any guarantee or indemnity and any other financial support (including any participation or other assurance against loss and any deposit or payment) in respect of any person's indebtedness;
- (d) the word **indebtedness** includes any obligation for the payment or repayment of money, whatever the nature or basis of the relevant obligation (and whether present or future, actual or contingent);

- (e) the word **law** includes law established by or under statute, constitution, treaty, decree, regulation or judgment, common law and customary law, and the word **lawful** and similar words and phrases are to be construed accordingly;
 - (f) the word **person** includes any individual, company, corporation, firm, government, state or any agency of a state and any association, partnership, limited partnership, limited liability partnership or trust (in each case, whether or not it has separate legal personality);
 - (g) the word **regulation** includes all guidelines, official directives, regulations, requests and rules (in each case, whether or not having the force of law) of any governmental, inter-governmental or supranational agency, body or department or of any regulatory or other authority or organisation (whether statutory or non-statutory, governmental or non-governmental);
 - (h) the word **security** includes any assignment by way of security, charge, lien, mortgage, pledge or other security interest securing any obligation of any person and any other agreement or arrangement having a similar effect;
 - (i) the word **set-off** includes analogous rights and obligations in other jurisdictions; and
 - (j) the word **tax** includes any tax, duty, impost or levy and any other charge or withholding of a similar nature (including any interest or penalty for late payment or non-payment);
- 1.1.2 where something (or a list of things) is introduced by the word **including**, or by the phrase **in particular**, or is followed by the phrase **or otherwise**, the intention is to state an example (or examples) and not to be exhaustive (and the same applies when other similar words or phrases are used);
- 1.1.3 each reference to any **Chargor**, the **Lender** or any **Party** includes its successors in title, and its permitted assignees or permitted transferees;
- 1.1.4 unless this Deed expressly states otherwise or the context requires otherwise, (a) each reference in this Deed to any provision of any statute or of any subordinate legislation means, at any time, the relevant provision as in force at that time (even if it has been amended or re-enacted since the date of this Deed) and (b) each reference in this Deed to any provision of any statute at any time includes any subordinate legislation made pursuant to or in respect of such provisions as in force at such time (whether made before or after the date of this Deed and whether amended or re-enacted since the date of this Deed);
- 1.1.5 each reference to this Deed (or to any other agreement or deed) means, at any time, this Deed (or as applicable such other agreement or deed) as amended, novated, supplemented, extended, restated (however fundamentally) or replaced at that time;
- 1.1.6 each reference to the singular includes the plural and vice versa, as the context permits or requires;
- 1.1.7 the index and each heading in this Deed is for convenience only and does not affect the meaning of the words which follow it;
- 1.1.8 each reference to a Clause or Schedule is (unless expressly provided to the contrary) to be construed as a reference to the relevant clause of or schedule to this Deed;
- 1.1.9 wherever this Deed states that the Chargor must not take a particular step without the consent of the Lender, the Lender has discretion whether to give its consent and can impose conditions on any such consent it gives unless a contrary intention appears; and

1.1.10 an Event of Default is **continuing** if it has not been waived in writing by the Lender.

1.2 Third Party Rights

1.2.1 A person who is not an Enforcement Party has no right under the Third Parties Act to enforce or enjoy the benefit of any term of this Deed except to the extent that this Deed or any of the other Finance Documents expressly provides for it to do so.

1.2.2 No consent of any person who is not a Party is required to rescind or vary this Deed at any time.

1.2.3 This Clause 1.2 does not affect any right or remedy of any person which exists, or is available, otherwise than pursuant to the Third Parties Act.

1.3 Incorporation of other terms

1.3.1 The terms of the other Finance Documents and any other document under which the Secured Obligations arise and of any side letters between the Chargor and the Lender relating to the Secured Obligations are incorporated in this Deed to the extent required for any purported disposition of the Secured Assets contained in this Deed to be a valid disposition in accordance with section 2(1) Law of Property (Miscellaneous Provisions) Act 1989.

1.3.2 This Deed is a Finance Document.

2 COVENANT TO PAY

2.1 Covenant

The Chargor hereby, as primary obligor and not merely as surety, covenants with the Lender that it will pay, discharge and perform the Secured Obligations on demand and in the manner provided in the Finance Documents.

2.2 Default interest

Any amount which is not paid under this Deed on the due date shall bear interest (as well after as before judgment) payable on demand on a daily basis from the due date until the date of actual unconditional and irrevocable payment and discharge of such amount in full:

2.2.1 at the rate and in the manner agreed in the Finance Document under which such amount is payable; or

2.2.2 in the absence of such agreement, at the Default Rate from time to time.

3 CHARGING CLAUSE

3.1 Grant of security

The Chargor, as a continuing security for the payment, discharge and performance of the Secured Obligations, charges as security in favour of the Lender the following assets:

3.1.1 First fixed charge on other land and buildings

by way of first fixed charge, all its Property, all other interests in its Property, and any rights under any licence or other agreement or document which gives the Chargor a right to enter upon or use land wherever situated;

3.1.2 First fixed charge on plant and machinery

by way of first fixed charge, all plant and machinery, now or in the future owned by it (but not including plant and machinery made subject to a valid fixed charge under Clause 3.1.1 above nor any chattels mentioned in Clause 3.1.3 below) and the benefit of all contracts, licences and warranties relating to the same;

3.1.3 First fixed charge on other chattels

by way of first fixed charge, all vehicles, computers, now or in the future owned by the Chargor and its interest in any vehicles and/or computers in its possession (but not including any such chattels for the time being forming part of the Chargor's stock in trade or work in progress) and the benefit of all contracts, licences and warranties relating to the same;

3.1.4 First fixed charge on Investments

by way of first fixed charge, all Investments together with all Distribution Rights from time to time accruing to or on such Investments;

3.1.5 First fixed charge on Book Debts etc.

- (a) by way of first fixed charge, all present and future book and other debts, revenues and monetary claims owing to it;
- (b) by way of first fixed charge all other moneys due and owing to it; and
- (c) by way of first fixed charge the benefit of all rights in relation to any item under paragraphs (a) to (b) above.

3.1.6 First fixed charge on account balances

- (a) by way of first fixed charge, all of its rights in respect of any Account, any amount standing to the credit of any Account and the debt represented by it; and
- (b) by way of first fixed charge, all of its rights in respect of any account now or at any time (and from time to time) opened, owned, operated, held or maintained by the Chargor (or in which the Chargor has an interest) with any person (other than the accounts referred to in Paragraph **Error! Reference source not found.** above) and includes any addition, renewal, replacement, resignation, subdivision, substitution or sub-account of any such account, any amount standing to the credit of any such account and the debt represented by it,

in each case, together with all interest from time to time accrued or accruing on such monies, any investment made out of such monies or account and all rights to repayment of any of the foregoing;

3.1.7 First fixed charge on contracts

(to the extent not effectively assigned under Clause 3.2) by way of first fixed charge all of its rights under any document, agreement or instrument to which it is party except to the extent that it is subject to any fixed security created under any other term of this Clause 3 (including, without limitation, all rights to damages, compensation, remuneration, profit, royalties, fees, rent or income which the Chargor may derive therefrom);

3.1.8 First fixed charge on Insurances and Insurance Proceeds

(to the extent not effectively assigned under Clause 3.2.2) by way of first fixed charge the Insurances and the benefit of all Insurance Proceeds;

3.1.9 First fixed charge on Intellectual Property

by way of first fixed charge the Intellectual Property (if any) together with all damages, compensation, remuneration, profit, royalties, fees, rent or income which the Chargor may derive from or be awarded or entitled to in respect of such Intellectual Property;

3.1.10 First fixed charge on Authorisations, compensation etc.

by way of first fixed charge, the benefit of all Authorisations held or utilised by the Chargor in connection with its business or the use of any of its assets (to the extent that such Authorisations are capable of being effectively charged) and the right to recover and receive all compensation which may at any time become payable to it in respect of such Authorisations to the extent permitted by the terms of such Authorisations and save in so far as any such Authorisations are effectively subject to any valid assignment to the Lender pursuant to this Deed; and

3.1.11 First fixed charge on goodwill and uncalled capital

by way of first fixed charge, all the goodwill and uncalled capital of the Chargor;

3.2 Assignment by way of security

As further continuing security for the payment of the Secured Obligations the Chargor assigns and agrees to assign absolutely (subject to a proviso for reassignment on redemption) to the Lender all its rights, title and interest in the following assets:

3.2.1 any document, agreement or instrument to which it is party except to the extent that it is subject to any fixed security created under any other term of this Clause 3 (including, without limitation, all rights to damages, compensation, remuneration, profit, royalties, fees, rent or income which the Chargor may derive therefrom); and

3.2.2 the Insurances and the benefit of all Insurance Proceeds;

3.3 Notice of assignment or charge

The Chargor shall, promptly following a request by the Lender to do so, give notice of each such assignment of and/or charge over its right, title and interest (if any) in and to:

3.3.1 the Insurances and Insurance Proceeds by sending a notice in the form of Schedule 1 (*Form of notice to insurer*) (with such amendments as the Lender may agree in writing) duly completed to each of the other parties to the Insurances;

3.3.2 such contracts, documents and/or agreements which are designated by the Lender (in its sole discretion) as material to the business of the Chargor (each a "**Material Contract**") by sending a notice in the form of Schedule 2 (*Form of notice to counterparties of Material Contracts*) (with such amendments as the Lender may agree in writing) duly completed to each of the other parties to such contracts, documents and/or agreements; and

3.3.3 the account balances expressed to be charged pursuant to Clause 3.1.6 by sending a notice in the form of Schedule 3 (*Form of notice to bank operating secured account*) (with such amendments as the Lender may agree in writing) duly completed to any bank, financial institution or other person with whom such account balance is held,

and the Chargor shall use its reasonable endeavours to procure that within 14 days of the date of its giving each such notice (or such other period agreed in writing by the Lender), each such other party delivers an acknowledgement to the Lender in the form of the acknowledgement of notice contained in the relevant notice, in each case with such amendments as the Lender may agree in writing. Nothing in this Clause 3.3 shall prevent the Lender from giving any notice it considers necessary in relation to the Security created over any Secured Asset.

3.4 Exercise of rights under Material Contracts

Whilst an Event of Default is continuing the Chargor shall exercise its rights under any of the Material Contracts in accordance with the instructions of the Lender.

3.5 Floating charge

3.5.1 As further continuing security for the payment to the Lender of the Secured Obligations the Chargor hereby charges in favour of the Lender, by way of first floating charge, all its assets and undertakings whatsoever and whosoever both present and future not effectively charged by way of fixed charge pursuant to the provisions of Clause 3.1 (*Grant of security*) or effectively assigned by way of security pursuant to Clause 3.2 (*Assignment by way of security*).

3.5.2 The floating charge created by the Chargor pursuant to Clause 3.5.1 is a "qualifying floating charge" for the purposes of Paragraph 14 of Schedule B1 to the Insolvency Act.

3.5.3 Paragraph 14 of Schedule B1 to the Insolvency Act shall apply to this Deed and the Lender may appoint an administrator of the Chargor pursuant to that paragraph.

3.6 Conversion of floating charge

3.6.1 The Lender may at any time by notice in writing to the Chargor convert the floating charge created pursuant to Clause 3.5 (*Floating Charge*) into a fixed charge as regards such assets as it shall specify in the notice in the event that:

- (a) an Event of Default is continuing; or
- (b) the Lender considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

and by way of further assurance the Chargor shall promptly execute a fixed charge over such assets in such form as the Lender shall reasonably require.

3.6.2 Subject to Clause 3.6.3 below, the floating charge created by Clause 3.5 (*Floating charge*) may not be converted into a fixed charge solely by reason of:

- (a) the obtaining of a moratorium; or
- (b) anything done with a view to obtaining a moratorium.

under Part A1 of the Insolvency Act 1986.

3.6.3 Clause 3.6.2 above does not apply in respect of any floating charge referred to in subsection (4) of section A52 of Part A1 of the Insolvency Act 1986.

3.7 Automatic conversion of floating charge

The floating charge created under this Deed will (in addition to the circumstances in which the same will occur under general law) automatically convert into a fixed charge if:

- 3.7.1 the Chargor creates (or attempts or purports to create) any Security or a trust over all or any part of the Secured Assets without the prior written consent of the Lender; or
- 3.7.2 the Chargor 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); or

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

3.7.4 an administrator is appointed in respect of the Chargor or the Lender receives notice of intention to appoint such an administrator.

3.8 Continuing security

All the security granted or created by this Deed is to be a continuing security which shall remain in full force and effect notwithstanding any intermediate payment or settlement of account or other matter or thing whatsoever and in particular the intermediate satisfaction by the Chargor or any other person of the whole or any part of the Secured Obligations.

3.9 Full title guarantee and implied covenants

All the security created or given under this Deed is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

3.10 Release

On the Discharge Date (but subject to Clause 17.7 (*Avoidance of settlements and other matters*)) the Lender shall at the request and cost of the Chargor execute and do all deeds, acts and things as may be reasonably necessary to release the Secured Assets from the security constituted hereby or pursuant hereto.

3.11 Miscellaneous

The fact that no or incomplete details of any particular Secured Assets are included or inserted in any relevant schedule shall not affect the validity or enforceability of the security created by this Deed.

3.12 Contractual arrangements containing prohibitions on securing

3.12.1 If the rights of the Chargor under any document cannot be secured without the consent of any party or the satisfaction of any condition:

- (a) the Chargor must notify the Lender promptly; and
- (b) the Security created by Clauses 3.1 (*Grant of security*) and 3.2 (*Assignment by way of security*) over the Chargor's rights under the relevant document will constitute security over all proceeds and other amounts which the Chargor may receive, or has received under the relevant document but will exclude the Chargor's other rights under that document.

3.12.2 The Chargor undertakes:

- (a) to hold any assets excluded from Clauses 3.1 (*Grant of security*) and 3.2 (*Assignment by way of security*) by virtue of Clause 3.12.1(b) on trust for the Lender as security for the payment and discharge of the Secured Obligations;
- (b) to use its best endeavours to obtain the required consent or satisfy the relevant condition as soon as possible;
- (c) to keep the Lender informed of the progress of its negotiations with the relevant party to obtain the required consent or satisfy the relevant condition; and
- (d) to notify the Lender immediately that such consent is given or the relevant condition satisfied.

- 3.12.3 At any time after receipt of the relevant consent or the satisfaction of the relevant condition, all of the Chargor's rights under the relevant document will be immediately secured in accordance with Clause 3.1 (*Grant of security*) and/or Clause 3.2 (*Assignment by way of security*) (as appropriate) and the trust referred to in Clause 3.12.2(a) shall terminate.

4. FURTHER ASSURANCE

4.1 General

- 4.1.1 The Chargor must at its own expense promptly do all such acts and things and execute such documents (including deeds, assignments, transfers, mortgages, charges, notices, instructions, assurances, agreements and instruments) as the Lender may reasonably require in favour of the Lender or its nominee(s):

- (a) to perfect, protect and maintain (including against any change in or revised interpretation of any law or regulation) the security created (or intended to be created) under or evidenced by this Deed or for the exercise of any rights, powers and remedies of the Lender provided by or pursuant to the Finance Documents or by law; or
- (b) to confer on the Lender security over any property or assets of the Chargor located in any jurisdiction equivalent or similar to the security intended to be conferred by or pursuant to this Deed; or
- (c) (in its absolute discretion) to facilitate the realisation of the assets which are, or are intended to be, the subject of this Deed; or
- (d) otherwise for enforcing the same or exercising any of the Lender's rights, powers, authorities or discretions under this Deed,

and the Chargor shall take all such action (including the making of all filings and registrations and the payment of all fees and taxes) as may be necessary for the creation, perfection, protection, maintenance or enhancement of any security conferred or intended to be conferred on the Lender pursuant to this Deed.

- 4.1.2 Any document required to be executed by the Chargor pursuant to Clause 4.1.1 will be prepared at the cost of the Chargor, and will be in such form and will contain such provisions as the Lender may reasonably require.

4.2 Land Registry - application for restriction

- 4.2.1 In relation to all present and future registered Property (and any other unregistered Property subject to compulsory first registration at the date of this Deed) the Chargor shall apply to the Land Registrar to enter on the register against the title number of or to be allocated to the relevant Property:

- (a) on the Land Registry form RX1, a restriction in the following terms:

"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 of this Deed]* in favour of *[Lender]* referred to in the charges register or their conveyancer."; and

- (b) where applicable upon receipt of the Land Registry form CH2 duly completed by the Lender, notice of an obligation to make further advances.

- 4.2.2 The Chargor must submit the relevant applications no later than the date of submission of the application for registration of security created by this Deed and pay the Expenses incurred in connection with the applications.

- 4.2.3 The Lender, in its absolute discretion, may make any of the applications referred to in Clause 4.2.1 in place of the Chargor. In such a case, such Chargor consents to the entry of the relevant restriction and will pay the Expenses incurred in connection with the application.

4.3 Exempt information document

- 4.3.1 The Chargor must at its own expense do whatever the Lender may reasonably require in connection with:

- (a) any application by the Lender to have this Deed or any Finance Document designated an exempt information document under Land Registration Rules 2003 rule 136; and
- (b) any person's application under Land Registration Rules 2003 rule 137 for disclosure of this Deed or any Finance Document following its designation as an exempt information document.

- 4.3.2 The Chargor must notify the Lender in writing:

- (a) before making any application to have this Deed or any Finance Document designated an exempt information document under Land Registration Rules 2003 rule 136;
- (b) as soon as it receives notice of any person's application under Land Registration Rules 2003 rule 137 for disclosure of this Deed or any Finance Document following its designation as an exempt information document; and
- (c) before making any application under Land Registration Rules 2003 rule 138 for removal of any such designation.

4.4 Delivery of deed to Land Registry

The Chargor submitting this Deed or any counterpart to the Land Registry must on each occasion also submit a certified copy of this Deed and request the return of the original and upon the return of the original it must deliver such original to the Lender.

4.5 Registration of security over Intellectual Property

- 4.5.1 The Chargor must, at the request of the Lender and at its own cost, prepare, execute and lodge for registration, recording and/or filing (as the case may require) all documents and forms necessary for this Deed, the Lender's interest in the Chargor's Intellectual Property (present and future), any licences or other interests affecting the Chargor's Intellectual Property and any pending or future patents, registered designs, registered trademarks, registered service marks or applications to register any of the same in the name of the Chargor to be registered, recorded or filed (as the case may be) on the relevant register maintained by any relevant patent office or registry whether in the United Kingdom or elsewhere and shall do all acts and things necessary, including payment of fees, to give effect to such registration, recording or filing or to such future grant of patent.

- 4.5.2 The Chargor hereby appoints the Lender to act as its agent, at the Chargor's expense, to prepare all such documents and do all things necessary, in the event that the Chargor fails to comply with its obligations under this Clause 4.5.

5. NEGATIVE PLEDGE AND DISPOSAL RESTRICTIONS

5.1 Negative pledge

Save with the prior written consent of the Lender, during the Security Period, the Chargor shall not create, extend or permit to subsist any Security over any of the Secured Assets.

5.2 Restrictions on disposal

Save with the prior written consent of the Lender or in the ordinary course of business, during the Security Period the Chargor shall not sell, transfer or otherwise dispose of its interest (whether legal or beneficial) in any of the Secured Assets.

6. GENERAL UNDERTAKINGS

The Chargor undertakes to the Lender in the terms of the following provisions of this Clause 6, all such undertakings to commence on the date of this Deed and to continue throughout the Security Period.

6.1 Perform

The Chargor will at all times comply with the terms (express or implied) of this Deed and of all documents and agreements relating to the Secured Obligations.

6.2 Not to jeopardise security

The Chargor will not do anything or allow anything to be done which may in any way depreciate, jeopardise or otherwise prejudice in any material respect the value to the Lender of the security constituted by this Deed or the priority of its ranking as expressed in this Deed.

6.3 Maintenance

The Chargor will keep the Property and such other Secured Assets which are material to its business in a good and substantial state of repair, working order and condition.

6.4 Insurance

6.4.1 The Chargor will obtain, maintain and renew (all at its own expense) insurance cover with reputable insurance companies or underwriters in respect of its business and assets against such risks and to the extent as is usual for companies carrying on the same or substantially similar business;

6.4.2 the Chargor will procure and promptly produce to the Lender evidence satisfactory to the Lender that the Insurances are in the names of the Chargor and the Lender as composite insured; and

6.4.3 the Chargor will promptly pay all premiums and other sums necessary to effect and maintain the Insurances required by this Deed and will on demand produce to the Lender the Insurances and evidence that the premiums and other sums have been paid.

6.5 Chattels - notice of charge

If so requested by the Lender, the Chargor will place and maintain on each chattel which is subject to a fixed charge under this Deed, in a conspicuous place, an identification marking as appears below and not conceal, alter or remove such marking or permit it to be concealed, altered or removed:

"Notice of Charge"

This *[specify the chattel]* and additions and ancillary equipment are subject to a first fixed charge in favour of *[insert name of Lender]*".

6.6 Maintain Intellectual Property

- 6.6.1 The Chargor will observe and perform all covenants and stipulations from time to time affecting the Intellectual Property or the mode of use or the enjoyment of the same, make all payments, carry out all registrations or renewals and generally take all such steps as may be necessary to preserve, maintain and renew when necessary all Intellectual Property; and
- 6.6.2 the Chargor will not do (or fail to do) anything or permit anything to be done, if that might infringe any Intellectual Property owned or used by it or affect the existence or value of any such Intellectual Property or its right or ability to use it.

6.7 Collection of book debts, etc.

The Chargor will:

- 6.7.1 collect (as agent for the Lender) all damages, compensation, remuneration, profit, royalties, fees, rent or income which the Chargor may derive from or be awarded or entitled to in respect of the Material Contracts and, if so directed by the Lender when an Event of Default is continuing, pay into such specially designated account with the Lender (or such other account with such other bank as the Lender may from time to time direct) all money which it shall receive in respect of such Material Contracts forthwith on receipt and pending such payment it will hold all such money upon trust for the Lender;
- 6.7.2 collect (as agent for the Lender) all other Charged Debts and, if so directed by the Lender when an Event of Default is continuing, pay into such specially designated account with the Lender (or such other account with such other bank as the Lender may from time to time direct) all money which it shall receive in respect of such Charged Debts forthwith on receipt and pending such payment it will hold all such money upon trust for the Lender;
- 6.7.3 if so directed by the Lender while an Event of Default is continuing, not, without the prior consent of the Lender, withdraw all or any monies from time to time standing to the credit of any Account, or permit or agree to any variation of the rights attaching to such account or close such accounts; and
- 6.7.4 if so directed by the Lender while an Event of Default is continuing not, without the prior consent of the Lender, withdraw all or any monies from time to time standing to the credit of any other bank account, or permit or agree to any variation of the rights attaching to such accounts or close such accounts.

6.8 Shares and other Investments

- 6.8.1 The Chargor will (if requested by the Lender) immediately upon receipt of the same deliver to the Lender copies of all notices, circulars, letters, reports, accounts and other communications with shareholders relating to its holding of the Shares.
- 6.8.2 The Chargor will pay all calls or other payments due and payable in respect of any of the Shares and if it fails to do so the Lender may pay the calls or other payments on its behalf.
- 6.8.3 Save with the prior written consent of the Lender, the Chargor will not:

- (a) take any action whereby or as a consequence of which the rights attaching to the Shares are altered or diluted or the issued capital of any of the companies whose Shares are charged by this Deed is increased;
- (b) participate in any rights issue relating to the Investments; nor
- (c) apply for, or consent to, the conversion of any Investments held in certificated form into uncertificated form.

6.8.4 Forthwith upon execution of this Deed or upon any subsequent acquisition by it of Shares which are held within CREST or otherwise in uncertificated form, the Chargor will provide to the Lender particulars of such Shares in which it is interested and will give such instructions and enter into such documents as the Lender may reasonably require to perfect the security over such Shares created by this Deed.

6.8.5 On the date of execution of this Deed or upon any subsequent acquisition by it the Chargor will deliver to the Lender (or as it shall direct) all bearer instruments, share certificates and other documents of title to or evidence of ownership of the Investments and/or the Distribution Rights owned by it or in which it has an interest together with (in the case of Shares, other than bearer instruments, held in certificated form) instruments of transfer in respect of each of the same executed in blank (except for the number and class of Shares and the name of the transferee) and left undated.

6.8.6 The Lender may at any time following the occurrence of an Event of Default which is continuing complete the instruments of transfer in respect of any or all Investments on behalf of the Chargor in favour of itself or such other person as it shall select, and the Chargor shall procure that such instruments of transfer are forthwith registered and that share certificates in the name of the Lender and/or its nominee(s) in respect of the Investments to which such instrument of transfer relates are promptly delivered to the Lender as soon as reasonably practicable, but in any event no later than two days after the date upon which the Lender has delivered the relevant instrument of transfer.

6.8.7 Subject to clause 6.8.8 and 6.8.9, the Chargor:

- (a) will be entitled to receive and retain all dividends, distributions, interest and other monies paid on or derived from the Investments;
- (b) will be entitled to exercise all voting and other rights and powers attaching to the Shares, provided that it will not exercise any such voting rights or powers in a manner which would prejudice the value of, or the ability of the Lender to realise, the security created by this Deed and/or otherwise impact upon the rights of the Lender under this Deed; and
- (c) shall give to the Lender reasonable notice in writing of the manner in which it proposes to exercise the rights and powers referred to in Clause 6.8.7(b).

6.8.8 Whilst an Event of Default is continuing the Lender may exercise or refrain from exercising such voting or other rights and powers attaching to the Shares as it thinks fit and may retain any such dividends, payments or other distributions paid on or derived from the Investments, but the Lender will not be under any duty to ensure that any dividend, distributions or other monies payable in respect of those Investments are duly and promptly paid or received by it or its nominee or to verify that the correct amounts are paid or received by it or its nominee or to take any action in connection with the taking up of any (or any offer of any) stocks, shares, rights, monies or other property paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus, rights, preference, option, warrant or otherwise on or in respect of or in substitution for, any of those Investments.

6.8.9 Upon the occurrence of an Event of Default and while it is continuing, and/or in the event that any Shares are registered in the name of the Chargor or its nominee, the Chargor shall and shall procure that its nominee shall:

- (a) comply with the directions of any Enforcement Party in respect of (i) all dividends, distributions, interest and other monies paid on or derived from the Investments and (ii) the exercise of the voting and other rights and powers attaching to the Shares and shall deliver to such Enforcement Party as directed such forms of proxy or other Authorisation as may be required by any Enforcement Party to allow any Enforcement Party to exercise such rights and powers; and
- (b) hold on trust for and promptly pay or deliver to the Lender any Distribution Rights received by it.

6.9 Material Contracts

The Chargor will:

- 6.9.1 perform all its obligations under the Material Contracts in a diligent and timely manner;
- 6.9.2 not make or agree to make any amendments or modifications to the Material Contracts or waive any of its rights under the Material Contracts or exercise any right to terminate any of the Material Contracts except with the prior written consent of the Lender;
- 6.9.3 promptly inform the Lender of any material disputes relating to the Material Contracts.

6.10 Access

The Chargor will permit the Lender and its professional advisers, agents and contractors free access at all reasonable times and on reasonable notice (at the risk and cost of the Chargor) to the premises, assets, books, accounts and records of such Chargor.

6.11 Deposit of documents

The Chargor will promptly at the Lender's request deposit with the Lender (or as the Lender directs):

- 6.11.1 all deeds and documents of title relating to the Property including official copies of Land Registry entries, counterpart leases, licences, and any other deeds or documents necessary to assist the Lender to enforce the security created by this Deed;
- 6.11.2 policies of insurance in respect of which the proceeds of any claims are assigned or charged pursuant to this Deed; and
- 6.11.3 all such other documents relating to the Secured Assets as the Lender may from time to time reasonably require.

6.12 Retention of documents

The Lender may retain any document delivered to it pursuant to this Deed until the Discharge Date and if, for any reason it ceases to hold any such document before such time, it may by notice to the Chargor require that the relevant document be redelivered to it and the Chargor must immediately comply (or procure compliance) with such notice.

6.13 Power to remedy

If the Chargor fails to comply with any of the covenants and undertakings set out or referred to in Clauses 6.1 to 6.12 inclusive and Clause 7 (*Property Undertakings*) it will allow (and hereby irrevocably authorises) the Lender and/or such persons as the Lender nominates to take such

action (including the making of payments) on behalf of the Chargor as is necessary to ensure that such covenants are complied with.

6.14 Expenses

The Chargor will pay all Expenses on demand. If it does not do so, the Expenses will bear interest at the Default Rate from and including the date of demand to and including the date of actual payment.

6.15 Indemnity

The Chargor will indemnify the Lender and will keep the Lender indemnified against all losses, liabilities and Expenses incurred by the Lender as a result of a breach by the Chargor of its obligations under Clauses 6.1 to 6.14 inclusive and Clause 7 (*Property Undertakings*) and in connection with the exercise by the Lender of its rights contained in Clause 6.13 (*Power to remedy*). All sums the subject of this indemnity will be payable by the Chargor to the Lender on demand and if not so paid will bear interest at the Default Rate.

7. PROPERTY UNDERTAKINGS

7.1 Title

7.1.1 The Chargor must exercise its rights and comply in all respects with any covenant, stipulation or obligation (restrictive or otherwise) at any time affecting its Property.

7.1.2 The Chargor may not agree to any amendment, supplement, waiver, surrender or release of any covenant, stipulation or obligation (restrictive or otherwise) at any time affecting its Property.

7.1.3 The Chargor must promptly take all such steps as may be necessary to enable the Security created by the Finance Documents to be registered, where appropriate, at the applicable Land Registry.

8. WHEN SECURITY BECOMES ENFORCEABLE

8.1 This Debenture Security shall become immediately enforceable upon the earlier of:

8.1.1 the occurrence of an Event of Default and for so long as it is continuing;

8.1.2 the date the Lender demands repayment of any of the Secured Obligations in accordance with the Finance Documents; or

8.1.3 the Chargor's request.

8.2 After this Debenture Security has become enforceable, the Lender may in its absolute discretion enforce all or any part of the Debenture Security in such manner as it thinks fit including, but not limited to, the appointment of an administrator of the Chargor.

8.3 The power of sale and other powers conferred by section 101 of the LPA (as amended or extended by this Deed) shall be immediately exercisable at any time after this Debenture Security has become enforceable.

9. ENFORCEMENT OF SECURITY

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

9.2 Sections 93 and 103 of the LPA shall not apply to the Debenture Security.

- 9.3 The statutory powers of leasing conferred on the Lender are extended so as to authorise the Lender to lease, make arrangements for leases, accept surrenders of leases and grant options as the Lender may think fit and without the need to comply with any provision of section 99 or section 100 of the LPA.
- 9.4 At any time after the Debenture Security has become enforceable or if so requested by the Chargor at any time, the Lender may without further notice appoint by way of deed, under seal or in writing under its hand one or more than one Receiver in respect of all or any part of the Secured Assets or any of them and if more than one Receiver is appointed each Receiver may act jointly and severally or individually.
- 9.5 Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the LPA) does not apply to this Deed.
- 9.6 The Lender is not entitled to appoint a Receiver solely as a result of obtaining a moratorium (or anything done with a view to obtaining a moratorium) under Part A1 of the Insolvency Act other than in respect of a floating charge referred to in section A52(4) of Part A1 of the Insolvency Act.
- 9.7 The Lender may by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver and appoint another Receiver and the Lender may also appoint an alternative or additional Receiver.
- 9.8 The Receiver will, so far as the law permits, be the agent of the Chargor and the Chargor alone will be responsible for the acts or defaults of the Receiver and will be liable on any contracts or obligations made or entered into by the Receiver. The Lender will not be responsible for any misconduct, negligence or default of the Receiver.
- 9.9 The Lender shall not incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.
- 9.10 The powers of the Receiver will continue in full force and effect following the liquidation of the Chargor.
- 9.11 The remuneration of the Receiver may be fixed by the Lender (without the restrictions contained in section 109 of the LPA) but will be payable by the relevant Chargor. The amount of the remuneration will form part of the Secured Obligations.
- 9.12 The power to appoint a Receiver conferred by this Deed shall be in addition to all statutory and other powers of the Lender under the Insolvency Act, the LPA or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA or otherwise.
- 9.13 The Receiver will have the power on behalf and at the cost of the Chargor:
- 9.13.1 to do or omit to do anything which the Receiver considers appropriate in relation to the Secured Assets; and
 - 9.13.2 to exercise all or any of the powers conferred on the Receiver or the Lender under this Deed or conferred upon administrative receivers by the Insolvency Act (even if the Receiver is not an administrative receiver), or upon receivers by the LPA or any other statutory provision (even if the Receiver is not appointed under the LPA or such other statutory provision).
- 9.14 Without prejudice to the general powers set out in Clause 9.13 a Receiver will also have following powers and discretions:
- 9.14.1 to enter upon and take possession of the Secured Assets;
 - 9.14.2 to collect and get in all rents, fees, charges or other income of the Secured Assets;

- 9.14.3 generally to manage the Secured Assets and to manage or carry on, reconstruct, amalgamate, diversify or concur in carrying on the business of the Chargor or any part of it as the Receiver may think fit;
- 9.14.4 without restriction, to sell, charge, grant, vary the terms or accept surrenders of, leases or tenancies of, licences to occupy, or options or franchises over or otherwise deal with and dispose of the Secured Assets or any property acquired in exercise of its powers under this Deed;
- 9.14.5 to purchase or acquire any land and purchase, acquire or grant any interest in or right over land;
- 9.14.6 to take a lease or tenancy of any property required or convenient for the business of the Chargor or the exercise of the Receiver's powers under this Deed;
- 9.14.7 to exercise on behalf of the Chargor and without the consent of or notice to the Chargor all the powers conferred on a landlord or a tenant by any legislation from time to time in force in any relevant jurisdiction relating to leasehold property, landlord and tenant, rents, housing or agriculture in respect of the Property;
- 9.14.8 for the purpose of exercising any of the rights, powers, authorities and discretions conferred on the Receiver by or pursuant to this Deed and/or for defraying any losses or Expenses which may be incurred by the Receiver in their exercise or for any other purpose, to raise or borrow moneys from the Lender or others or incur any other liability on such terms, whether secured or unsecured, as the Receiver may think fit, and whether to rank in priority to this security or not;
- 9.14.9 to appoint and discharge employees, officers, consultants, advisers, managers, agents, solicitors, accountants or other professionally qualified persons, workmen and others for any of the purposes of this Deed or to guard or protect the Secured Assets upon such terms as to remuneration or otherwise as the Receiver may think fit and to discharge any such persons appointed by the Chargor prior to the Receiver's appointment;
- 9.14.10 in the name of the Chargor, to bring, prosecute, enforce, defend and discontinue all such actions, suits and proceedings, in relation to the Chargor, the business of the Chargor or the Secured Assets as in any case the Receiver shall think fit;
- 9.14.11 to settle, adjust, refer to arbitration or expert determination, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person or body who is or claims to be a creditor of the Chargor or relating in any way to the Secured Assets;
- 9.14.12 to give valid receipts for all moneys and execute all assurances and things which may be proper for realising the Secured Assets;
- 9.14.13 to obtain Authorisations for and to carry out on the Property any new works or complete any unfinished works of development, building, reconstruction, maintenance, repair, renewal, improvement, furnishing or equipment;
- 9.14.14 to enter into, vary, cancel or waive any of the provisions of any contracts which the Receiver shall in any case think expedient in the interests of the Chargor or the Lender;
- 9.14.15 to purchase materials, tools, equipment, goods or supplies on such terms and at such price as the Receiver in the Receiver's absolute determination thinks fit;
- 9.14.16 to insure the Secured Assets, any assets acquired by the Receiver in exercise of his powers, and any business or works, and effect indemnity insurance or other similar insurance, in every case in such amounts, against such risks and with such offices as the Receiver shall think fit, and obtain bonds and give indemnities and security to any bondsmen;

- 9.14.17 to sever fixed plant, machinery or other Fixtures and store, sell or otherwise deal with them separately from the Property to which they may be annexed;
 - 9.14.18 to remove, store, sell or otherwise deal with any chattels located at the Property;
 - 9.14.19 to promote or establish any company or to acquire shares in any company (whether as a subsidiary of the Chargor or otherwise) to facilitate the exercise of the Receiver's powers under this Deed;
 - 9.14.20 to transfer to any such company all or any of the Secured Assets or other assets acquired by the Receiver in exercise of the Receiver's powers;
 - 9.14.21 to exercise or cause to be exercised all voting and other rights attaching to, and to charge, sell or otherwise transfer any shares in any such company;
 - 9.14.22 to exercise all voting and other rights attaching to the Investments and all other stocks, shares and securities owned by the Chargor and comprised in the Secured Assets in such manner as the Receiver may think fit;
 - 9.14.23 to make, or require the directors of the Chargor to make, calls conditionally or unconditionally on the members of Chargor in respect of uncalled capital; and take action to enforce payment of unpaid calls;
 - 9.14.24 to carry into effect and complete any transaction;
 - 9.14.25 to redeem any prior security (or procure the transfer of such security to an Enforcement Party) and settle and pass the accounts of the person entitled to the prior security so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor and the money so paid shall be deemed to be an expense properly incurred by the Receiver;
 - 9.14.26 either in the name of the Chargor or in the name of the Receiver to execute documents and do all other acts or things which the Receiver may consider to be incidental or conducive to any of the Receiver's powers or to the realisation or use of the Secured Assets.
- 9.15 If (notwithstanding any representation or warranty to the contrary contained in this Deed) there shall be any security affecting the Secured Assets or any of them which ranks in priority to the security created by this Deed and the holder of such prior security takes any steps to enforce such security, the Lender or any Receiver may, at its option, take a transfer of, or repay the indebtedness secured by, such security.
- 9.16 The Lender may, at any time after this Deed has become enforceable pursuant to Clause 7 (*When security becomes enforceable*), exercise, to the fullest extent permitted by law, all or any of the powers, authorities and discretions conferred on a Receiver by this Deed (either expressly or impliedly) or by law, whether as attorney of the Chargor or otherwise and whether or not a Receiver has been appointed.
- 9.17 The Lender may, in writing, either in its appointment of a Receiver or by subsequent notice to that Receiver, restrict the right of such Receiver to exercise all or any of the powers conferred on Receivers by this Deed.
- 9.18 The Lender and any Receiver shall also have and enjoy all the other powers, privileges, rights and protections conferred by the LPA on mortgagees and receivers duly appointed under the LPA, except that section 103 of the LPA does not apply.

10. FINANCIAL COLLATERAL

- 10.1 To the extent that:

10.1.1 the Secured Assets constitute Financial Collateral; and

10.1.2 this Deed and the obligations of the Chargor under it constitute a Security Financial Collateral Arrangement,

the Lender 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 Obligations in any order that the Lender may, in its absolute discretion, determine.

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

10.2.1 in the case of cash, the amount standing to the credit of each of the Chargor's accounts with any bank, financial institution or other person, together with all interest accrued but unposted, at the time the right of appropriation is exercised; and

10.2.2 in the case of Investments, the price of those Investments at the time the right of appropriation is exercised as listed on any recognised market index or determined by any other method that the Lender may select (including independent valuation).

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

11. APPLICATION OF PROCEEDS

11.1 Recoveries by the Lender and/or the Receiver

The proceeds arising from the exercise of the powers of the Lender and/or the Receiver will, subject to any claims ranking in priority to the Secured Obligations, be applied by or at the direction of the Lender and/or the Receiver in or towards discharging or satisfying, in the following order of priority:

11.1.1 the costs, charges and expenses of and incidental to the Receiver's appointment and the payment of the Receiver's remuneration;

11.1.2 any costs, charges, expenses, losses and liabilities of or incurred by any Enforcement Party in the exercise of any of its powers including all rents, taxes, rates and outgoings whatever affecting the Secured Assets, all premiums on Insurances properly payable under this Deed or any applicable statute, the cost of executing necessary or proper repairs to the Secured Assets, and the payment of annual sums or other payments, and the interest on all principal sums, having priority to the Secured Obligations;

11.1.3 the Secured Obligations, in accordance with the provisions of the Finance Documents and otherwise in such order as the Lender may determine; and

11.1.4 the claims of those persons entitled to any surplus.

11.2 Right of appropriation

Subject to Clause 11.1, the Lender is entitled to appropriate money and/or assets to Secured Obligations in such manner or order as it thinks fit and any such appropriation shall override any appropriation by any Chargor.

11.3 Insurances

All monies received by virtue of any Insurances maintained or effected in respect of the Secured Assets shall be paid to the Lender (or if not paid by the insurers directly to the Lender shall be held on trust for the Lender) and shall (subject as otherwise provided in the Finance Documents), at the option of the Lender be applied in replacing or reinstating the property or assets destroyed, damaged or lost (any deficiency being made good by the Chargor) or in reduction of the Secured Obligations.

11.4 Suspense account

The Lender may place (for such time as it thinks prudent) any money received by it pursuant to this Deed to the credit of a separate or suspense account (without liability to account for interest thereon) for so long and in such manner as the Lender may from time to time determine without having any obligation to apply that money or any part of it in or towards discharge of the Secured Obligations.

12. PROTECTION OF THIRD PARTIES

12.1 No duty to enquire

No person (including a purchaser) dealing with any Enforcement Party or its or his/her agents will be concerned to enquire:

- 12.1.1 whether the Secured Obligations have become payable;
- 12.1.2 whether any power which any Enforcement Party is purporting to exercise has become exercisable or is being properly exercised;
- 12.1.3 whether any money remains due to any Enforcement Party; or
- 12.1.4 how any money paid to any Enforcement Party is to be applied.

12.2 Receipt conclusive

Receipt by the Lender or any Receiver shall be an absolute and a conclusive discharge to a purchaser of the Secured Assets and shall relieve such purchaser of any obligation to see to the application of any monies paid to or by the direction of the Lender or any Receiver.

13. REDEMPTION OF PRIOR MORTGAGES

13.1 At any time after this Debenture Security has become enforceable, the Lender may:

- 13.1.1 redeem any prior Security against any Secured Asset; and/or
- 13.1.2 procure the transfer of that Security to itself; and/or
- 13.1.3 settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the Chargor.

13.2 The Chargor must pay to the Lender, immediately on demand, the costs and expenses incurred by the Lender in connection with any such redemption and/or transfer, including the payment of any principal or interest.

14. PROTECTION OF LENDER

14.1 Lender's receipts

The Lender shall not be obliged to account to the Chargor, nor to any other person, for anything other than its own actual receipts which have not been distributed or paid to the person entitled (or who the Lender, acting reasonably, believes to be entitled) in accordance with the requirements of this Deed.

14.2 Exclusion of liability

- 14.2.1 No Enforcement Party will be liable to the Chargor for any expense, loss, liability or damage incurred by the Chargor arising out of the exercise of its rights or powers or any

attempt or failure to exercise those rights or powers, except for any expense, loss, liability or damage arising from its gross negligence, fraud or wilful misconduct.

14.2.2 The Chargor may not take any proceedings against any officer, employee or agent of any Enforcement Party in respect of any claim it might have against such Enforcement Party or in respect of any act or omission of any kind by that officer, employee or agent in relation to this Deed.

14.2.3 Any officer, employee or agent of any Enforcement Party may rely on this Clause 14 under the Third Parties Act.

14.3 Effect of possession

If the Lender or any Receiver enters into possession of the Secured Assets or any of them, this will not oblige either the Lender or the Receiver to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable, and if the Lender enters into possession at any time of the Secured Assets or any of them it may at any time at its discretion go out of such possession.

14.4 Chargor's indemnity

The Chargor agrees with the Lender to indemnify the Lender and any Receiver or Delegate on demand against any costs, expenses, fees, claims, damages, demands, proceedings, losses or liabilities incurred by any of them in respect of:

14.4.1 a breach by any Chargor of any of the terms of the Finance Documents;

14.4.2 any exercise of the powers of the Lender or the Receiver or any attempt or failure to exercise those powers (including pursuant to Clause 15 (*Power of Attorney*)), and

14.4.3 anything done or omitted to be done in the exercise or purported exercise of the powers under this Deed or under any appointment duly made under the provisions of this Deed.

15. POWER OF ATTORNEY

15.1 Grant of power

The Chargor irrevocably and by way of security appoints the Lender and each Receiver and any person nominated for the purpose by the Lender or the Receiver (in writing, under hand, signed by an officer of the Lender or by the Receiver) severally to be the attorney of such Chargor (with full power of substitution and delegation) for the purposes set out in Clause 15.2 below.

15.2 Extent of power

The power of attorney granted in Clause 15.1 above allows the Lender, the Receiver or such nominee, in the name of the Chargor, on its behalf and at its expense and as its act and deed to:

15.2.1 perfect, protect and maintain the security given by the Chargor under this Deed; and

15.2.2 execute, seal and deliver (using the Chargor's seal where appropriate) any document or do any act or thing which the Chargor has agreed to execute or do under this Deed or which the Lender, the Receiver, or such nominee may in their absolute discretion consider appropriate in connection with the exercise of any of the rights, powers, authorities or discretions of the Lender or the Receiver under, or otherwise for the purposes of, this Deed.

15.3 Ratification

The Chargor covenants with the Lender to ratify and confirm all acts or things made, done or executed by any attorney exercising or purporting to exercise the powers conferred in accordance with this Clause 15.

16. APPLICATION, VARIATION AND EXTENSION OF STATUTORY PROVISIONS

16.1 Application of statutory covenants

The covenants set out in sections 2 to 5 Law of Property (Miscellaneous Provisions) Act 1994 shall extend to bind the Chargor only if, in any case, the relevant covenant imposes upon the Chargor a burden, liability or obligation that would not otherwise arise under this Deed.

16.2 Consolidation of mortgages

The restriction on the consolidation of mortgages in section 93 LPA does not apply to this Deed nor to any security given to the Lender pursuant to this Deed.

16.3 Powers of leasing, etc. - Chargor

The statutory and other powers of leasing, letting, entering into agreements for leases or lettings and accepting or agreeing to accept surrenders of leases or tenancies shall not be exercisable by the Chargor in relation to the Secured Assets or any part thereof.

16.4 Application of proceeds

Sections 105, 107(2), 109(6) and 109(8) LPA will not apply to the Lender nor to a Receiver appointed under this Deed.

17. PROTECTION OF SECURITY

17.1 Powers, rights and remedies cumulative

The powers, rights and remedies provided in this Deed are in addition to (and not instead of) powers, rights and remedies under law.

17.2 Exercise of powers, rights and remedies

If an Enforcement Party fails to exercise any power, right or remedy under this Deed or delays its exercise of any power, right or remedy, this does not mean that it waives that power, right or remedy. If an Enforcement Party exercises, or partly exercises, a power, right or remedy once, this does not mean that it cannot exercise such power right or remedy again, fully or in part.

17.3 Discretion

17.3.1 The Lender may decide:

- (a) whether and, if so, when, how and to what extent (i) to exercise its rights under this Deed and (ii) to exercise any other right it might have in respect of the Chargor (or otherwise); and
- (b) when and how to apply any payments and distributions received for its own account under this Deed.

and the Chargor has no right to control or restrict the Lender's exercise of this discretion.

- 17.3.2 No provision of this Deed will interfere with the Lender's right to arrange its affairs as it may in its absolute discretion decide (nor oblige it to disclose any information relating to its affairs), except as expressly stated.

17.4 Set-off and combination of accounts

- 17.4.1 No right of set-off or counterclaim may be exercised by the Chargor in respect of any payment due to the Lender under this Deed.
- 17.4.2 The Lender may at any time after this Deed has become enforceable and without notice to the Chargor:
- (a) combine or consolidate all or any of the Chargor's then existing accounts with, and liabilities to, the Lender;
 - (b) set off or transfer any sums standing to the credit of any one or more of such accounts, and/or set off any other obligation owed by the Lender to the Chargor (whether or not matured at such time), in or towards satisfaction of any of the Secured Obligations.
- 17.4.3 If any amount is in a different currency from the amount against which it is to be set off, the Lender may convert either amount (or both) at any reasonable time and at any reasonable rate.

17.5 Power to open new account

If the Lender receives notice of a subsequent mortgage, assignment or charge relating to the Secured Assets, it will be entitled to close any account and to open a new account in respect of the closed account. If the Lender does not open such new account, it will in any event be treated as if it had done so at the time when it received such notice.

17.6 Information

The Chargor authorises the holder of any prior or subsequent security to provide to the Lender, and the Lender to receive from such holder, details of the state of account between such holder and the Chargor.

17.7 Avoidance of settlements and other matters

- 17.7.1 Any payment made by the Chargor, or settlement or discharge between the Chargor and the Lender, is conditional upon no security or payment to the Lender by the Chargor or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency, administration or liquidation for the time being in force and accordingly (but without limiting the Lender's other rights under this Deed) the Lender shall be entitled to recover from the Chargor the value which the Lender has placed upon such security or the amount of any such payment as if such payment, settlement or discharge had not occurred.
- 17.7.2 If the Lender considers that any amount paid by the Chargor in respect of the Secured Obligations is capable of being avoided or ordered to be refunded or reduced for the reasons set out in Clause 17.7.1, then for the purposes of this Deed such amount shall not be considered to have been irrevocably paid.

17.8 Further advances

The Lender shall perform its obligations to the extent arising under the Finance Documents to make further advances. The security constituted by this Deed has been made for securing such further advances.

17.9 Waiver of immunity

To the extent that the Chargor may be entitled in any jurisdiction to claim for itself or its assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process of any kind wherever it might originate or to the extent that in any such jurisdiction there may be attributed to the Chargor or its assets such immunity (whether or not claimed), it hereby irrevocably agrees not to claim and hereby irrevocably waives such immunity to the fullest extent permitted by the laws of such jurisdiction.

17.10 Time Deposits

Without prejudice to the provisions of Clause 17.4 (*Set-off and combination of accounts*), if during the Security Period a time deposit matures on any account which the Chargor holds with the Lender and an Event of Default has arisen which is continuing but no amount of Secured Obligations has fallen due and payable such time deposit shall be renewed for such further maturity as the Lender may in its absolute discretion determine.

17.11 Perpetuity Period

The perpetuity period applicable to the trusts created by this Deed is 125 years.

17.12 Additional currency provisions

17.12.1 All monies received or held by the Lender or any Receiver under this Deed may be converted into such other currency as the Lender considers necessary to cover the obligations and liabilities comprised in the Secured Obligations in that other currency at the Lender's set rate of exchange then prevailing for purchasing that other currency with the existing currency.

17.12.2 No payment to the Lender (whether under any judgment or court order or otherwise) shall discharge the obligation or liability of the Chargor in respect of which it was made unless and until the Lender shall have received payment in full in the currency in which the obligation or liability was incurred and to the extent that the amount of any such payment shall on actual conversion into such currency fall short of such obligation or liability expressed in that currency the Lender shall have a further separate cause of action against the Chargor and shall be entitled to enforce the security constituted by this Deed to recover the amount of the shortfall.

18. COMMUNICATIONS

18.1 Each notice, consent and other communication in respect of this Deed will be effective only if made by letter or email, delivered to the relevant address or email address specified on the execution page(s) of this Deed (or to any substitute address or email address notified in writing by the relevant Party for this purpose) and marked for the attention of the specified department/individual, if applicable. Each communication by letter will be effective only if delivered by hand, sent by first class post (if sent from and to an address in the UK) or sent by airmail (if sent from or to an address elsewhere).

18.2 Each communication will become effective as follows (references to times are to times in the place of delivery of the communication):

18.2.1 a hand-delivered letter will be effective as soon as it is delivered (or, if it is delivered after 5pm or on a day that is not a Business Day, it will be effective at 9am on the next Business Day);

18.2.2 a letter sent by post from and to an address in the UK will be effective at 9am on the second Business Day after it is posted and a letter sent by airmail from or to an address elsewhere will be effective at 9am on the tenth Business Day after it is posted;

- 18.2.3 notices by email will be deemed received at the time of sending (provided that is a Business Day, or otherwise on the next following Business Day, and provided also that no automated bounce-back or delivery failure notice is received).

19. ASSIGNMENT AND TRANSFER

19.1 No assignment by the Chargor

The Chargor shall not assign, novate, transfer or otherwise deal with its rights or obligations under or interests in this Deed, except with the prior written consent of the Lender.

19.2 Transfer by Lender

- 19.2.1 Save as otherwise provided in the Finance Documents, the Lender may at any time assign, novate, transfer or otherwise deal with any rights or obligations under or interests in this Deed to any person to whom any Notes have been transferred in accordance with the terms of the Loan Note Instrument.
- 19.2.2 The Lender may disclose any information about the Chargor, the Secured Assets and/or this Deed to any person to whom it proposes to assign, novate or transfer (or has assigned, novated or transferred) any rights or obligations under or interests in this Deed in accordance with clause 19.2.1 above, or with whom it proposes to enter into (or has entered into) any other dealings in relation to any such rights, obligations or interests.
- 19.2.3 Any person to whom the benefit of all such rights has been transferred, subject to such obligations, may enforce this Deed in the same way as if it had been a Party instead of the Lender.
- 19.2.4 If the Lender transfers part only of its rights in respect of the Secured Obligations to any person to whom any Notes have been transferred in accordance with the terms of the Loan Note Instrument, then this Deed shall thereupon be deemed to have been entered into by the Lender and such other person.

20. GOVERNING LAW AND JURISDICTION

20.1 Governing law

This Deed is governed by English law.

20.2 Jurisdiction

The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed) (a **Dispute**). Each Party agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and accordingly neither Party will argue to the contrary. This Clause 20.2 is for the benefit of the Enforcement Parties only. As a result, no Enforcement Party will be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, each Enforcement Party may take concurrent proceedings in any number of jurisdictions.

21. THIS DEED

21.1 Consideration

The Chargor has entered into this Deed in consideration of the Lender agreeing to provide (or to continue to provide) finance facilities to it on the terms agreed between them.

21.2 Execution of this Deed - counterparts

If the Parties execute this Deed in separate counterparts, this Deed will take effect as if they had all executed a single copy.

21.3 Execution of this Deed - formalities

This Deed is intended to be a deed even if any Party's execution is not in accordance with the formalities required for the execution of deeds.

21.4 Amendments and waivers

Any provision of this Deed may be amended only if the Lender and the Chargor so agree in writing and any breach of this Deed may be waived before or after it occurs only if the Lender so agrees in writing. A waiver given or consent granted by the Lender under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

21.5 Partial invalidity

21.5.1 If, at any time, any provision of this Deed is or is found to have been illegal, invalid or unenforceable in any respect under the law of any jurisdiction, this does not affect the legality, validity or enforceability of the other provisions of this Deed, nor the legality, validity or enforceability of the affected provision under the law of any other jurisdiction.

21.5.2 If any Party is not bound by this Deed (or any part of it) for any reason, this does not affect the obligations of each other Party under this Deed (or under the relevant part).

21.6 Other security

This Deed is in addition to, and does not operate so as in any way to prejudice or affect, or be prejudiced or affected by, any other security or guarantee which the Lender may now or at any time after the date of this Deed hold for or in respect of the Secured Obligations.

21.7 Ownership of this Deed

This Deed and every counterpart of this Deed is the property of the Lender.

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

Form of notice to insurer

To: [name and address of insurer]

Re: The policies of insurance referred to in the schedule below (Policies)

We, [Chargor] (**Chargor**), hereby give you notice that, by a debenture dated [date] (**Debenture**) and made by the Chargor in favour of [Lender] (**Lender**), the Chargor has assigned to the Lender, as first priority assignee all of the respective Policies taken out by the Chargor or on its behalf with you as are assignable or as are capable of being assigned by law, and all their right, title and interest under and in respect of the Policies (including, but not limited to, the benefit of all sums assured by the Policies and all bonuses, profits, returns of premium and other benefits of whatever nature arising by virtue of the Chargor's ownership of the Policies and all interest on any of the foregoing) as security for certain obligations now or hereafter owed by the Chargor to the Lender.

We hereby irrevocably and unconditionally authorise you:

1. To note the Lender's interest as first assignee and sole loss payee of the proceeds of such Policies.
2. To issue a letter of undertaking, in the form attached, to the Lender and to act on the instructions of the Lender in the manner provided in that letter without any further reference to or authorisation from us.

Please sign and return the enclosed copy of this notice to the Lender (with a copy to the Chargor) by way of acknowledgement of this notice and confirmation that you agree:

- (A) To the terms set out in this notice and to act in accordance with its provisions.
- (B) To disclose to us without any reference to or further authority from the Chargor such information relating to the Policies as we may at any time reasonably request.
- (C) Not to cancel or decline renewal of any of the Policies without giving us 30 days prior written notice.
- (D) Not to cancel the Policies, nor allow the Policies to lapse, at the request of the Chargor, without first obtaining our consent.

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

For and on behalf of: [Chargor]

By:

The Policies*

	Policy number	Name and address of insurer	Name and address of broker	Brief description of assets insured	Date of expiry of policy
1	[number]				
2	[number]				
3	[number]				
4	[number]				
5	[number]				

*To be completed by the Chargor and approved by the Lender and to include all relevant policies with the named Insurer

Dated [date]

[to be endorsed on copy notice]

To: [name and address of Lender]

Copy to: [name and address of Chargor]

We hereby acknowledge receipt of the above notice and confirm our agreement to the matters set out in Paragraphs A to D (inclusive) above.

Signed:

for and on behalf of [name of insurer]

Dated: [date]

SCHEDULE 2

Form of notice to counterparties of Material Contracts

To: [name and address of counterparty]

Dated: [date]

[here identify relevant Material Contract] [Contract] made between (1) [Chargor] (**Chargor**) and (2) [here insert name of counterparty]

We [Chargor] hereby notify you that by a debenture dated [date] (**Debenture**) made by the Chargor in favour of [Lender] (**Lender**), the Chargor has charged [or assigned absolutely (subject to a proviso for reassignment on redemption)] to the Lender all of the Chargor's rights, title and interest in the Contract as security for certain obligations now or hereafter owed by the Chargor to the Lender.

We further notify and irrevocably and unconditionally instruct and authorise you that:

1. you may continue to deal with the Chargor in relation to the Contract until you receive written notice to the contrary from the Lender, thereafter the Chargor will cease to have any right to deal with you in relation to the Contract and therefore from that time you should deal only with the Lender;
2. you are authorised to disclose information in relation to the Contract to the Lender on request without any enquiry by you as to the justification for such disclosure or reference to or further authority from the Chargor;
3. you must pay or release all monies to which the Chargor is entitled under the Contract into the following account unless the Lender otherwise agrees in writing:
 - account number:
 - sort code:
 - account name:
4. you must supply copies of all notices and other information under the Contract to the Lender; and
5. the provisions of this notice may only be revoked with the written consent of the Lender.

Please sign and return the enclosed copy of this notice to the Lender (with a copy to the Chargor) by way of confirmation that:

- (a) you agree to the terms set out in this notice and to act in accordance with its provisions; and
- (b) you have not received notice that the Chargor has charged or assigned its rights under the Contract to a third party or created any other interest (whether by way or security or otherwise) in the Contract in favour of a third party.

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

Yours faithfully, for and on behalf of [Chargor]

[to be endorsed on copy notice]

To: [name and address of Lender]

Copy to: [name and addresses of Chargor]

We hereby acknowledge receipt of the above notice and confirm our agreement to the matters set out in paragraphs (a) and (b) above.

Signed:

for and on behalf of [name of counterparty]

Dated: [date]

SCHEDULE 3

Form of notice to bank operating secured account

To: [name and address of account bank] (Account Bank)

Dated: [date]

Re: Account No: [insert account number] (Account)

Account Branch: [insert branch name and address]

Account Holder: [name of Chargor] (Chargor)

We hereby notify you that by a debenture dated [date] (Debenture) made by the Chargor in favour of [Lender] (Lender) the Chargor has charged to the Lender, all its right, title and interest in the monies from time to time standing to the credit of the Account [and of any other accounts from time to time maintained with you by the Chargor] (Charged Account[s]) and to all interest (if any) accruing on the Charged Account[s].

We hereby irrevocably and unconditionally authorise and instruct you to:

1. hold all monies from time to time standing to the credit of the Charged Account[s] to the order of the Lender and accordingly to pay all or any part of those monies to the Lender (or as it may direct) promptly following receipt of written instructions from the Lender to that effect;
2. disclose to the Lender such information relating to the Chargor and the Charged Account[s] as the Lender may from time to time request you to provide;
3. comply with the terms of any written notice or instruction relating to the Charged Accounts received by you from the Lender.

We also advise you that:

- 3.1 following receipt of written instructions from the Lender that an Event of Default is continuing, the Chargor may not receive, withdraw or otherwise transfer any credit balance from time to time on the Charged Account[s] without first having produced to you the prior written consent of the Lender to such withdrawal; and
- 3.2 the provisions of this notice may only be revoked or varied with the prior written consent of the Lender.

Please sign and return the enclosed copy of this notice to the Lender (with a copy to the Chargor) by way of your confirmation that:

- 3.2.1 you agree to act in accordance with the provisions of this notice;
- 3.2.2 you have not received notice that the Chargor has assigned its rights to the monies standing to the credit of the Charged Account[s] or otherwise granted any security or other interest over those monies in favour of any third party; and
- 3.2.3 you will not exercise any right to combine accounts or any rights of set-off or lien or any similar rights in relation to the monies standing to the credit of the Charged Account[s].

By counter-signing this notice the Lender confirms that the Chargor may make withdrawals from the Charged Account[s] until such time as the Lender shall notify you (with a copy to the Chargor) in writing that such permission is withdrawn. Such permission may be withdrawn or modified by the Lender in its absolute discretion at any time.

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

Yours faithfully

for and on behalf of *[Chargor]*

Countersigned by

and on behalf of

.....
[Lender]

To: *[name and address of Lender]*

Copy to: *[name and address of Chargor]*

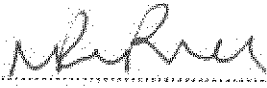
We hereby acknowledge receipt of the above notice and confirm the matters set out in Paragraphs 3.2.1, 3.2.2 and 3.2.3 above.

for and on behalf of

[name and address of Account Bank]

Dated: *[date]*

Executed as a deed by Iona (Shawton) Limited
acting by a director, in the presence of the
following witness:

Signature (Witness) 

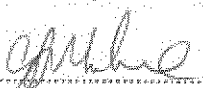
Print Name NICK ROSS

Address 123 Pall Mall London

SW1Y 5EA

Occupation DIRECTOR

Executed as a deed by Iona Resource and
Energy Efficiency (Strathclyde) LP acting by its
general partner Iona EI (General Partner) 3 LLP,
in the presence of the following witness:

Signature (Witness) 

Print Name GRAHAM MACKENZIE

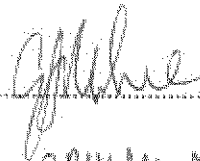
Address 123 Pall Mall London

SW1Y 5EA

Occupation SOLICITOR

Director

Name:



GRAHAM MACKENZIE

Name:

NICK ROSS

