



Registration of a Charge

Company Name: **MENTER MON MORLAIS HOLDINGS LIMITED**

Company Number: **13986996**



Received for filing in Electronic Format on the: **05/12/2023**

XCHQAWWY

Details of Charge

Date of creation: **01/12/2023**

Charge code: **1398 6996 0002**

Persons entitled: **THE WELSH MINISTERS**

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

Certified by: **BROWNE JACOBSON LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 13986996

Charge code: 1398 6996 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 1st December 2023 and created by MENTER MON MORLAIS HOLDINGS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 5th December 2023 .

Given at Companies House, Cardiff on 8th December 2023

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**

**Browne
Jacobson**

Dated 1 December **2023**

(1) Menter Môn Morlais Holdings Limited

(2) The Welsh Ministers

Debenture

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THIS DEED is made the 1 day of December 2023

BETWEEN

- (1) **MENTER MÔN MORLAIS HOLDINGS LIMITED** a company incorporated in England and Wales (company number 13986996) whose registered office is at Neuadd Y Dref, Bulkeley Square, Llangefni, United Kingdom, LL77 7LR (the “**Chargor**”); and
- (2) **THE WELSH MINISTERS** of Cathays Park, Cardiff, CF10 3NQ (the “**Lender**”).

BACKGROUND

It is intended that this document take effect as a deed notwithstanding the fact that a Party may only execute it under hand.

The Parties agree as follows:

1 INTERPRETATION

1.1 Definitions

In this Deed the following definitions apply:

Account	<p>(a) the accounts (if any) with the details listed under the heading “Accounts” in Schedule 1 and (with effect from the date of the relevant Supplemental Deed) each account specified as an Additional Account in a Supplemental Deed or such other account or accounts as the Lender may from time to time designate in writing; and</p> <p>(b) all Related Rights.</p>
Authorisation	an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.
Borrower	Menter Môn Morlais Limited (company number 10747114) whose registered office is at Neuadd Y Dref, Bulkley Square, Llangefni, Gwynedd, LL77 7LR.
Business Day	a day (other than a Saturday or Sunday) on which banks are open for general business in London.
Charged Property	all the assets of the Chargor which from time to time are the subject of the security created or expressed to be created in favour of the Lender by or pursuant to this Deed or a Supplemental Deed.
EU Regulation	the Council of the European Union Regulation 1346/2000/EC on insolvency proceedings.

Event of Default	has the meaning given to it in the Facility Agreement.
Floating Charge Property	has the meaning given in clause 3.1.14.
Finance Document	has the meaning given to it in the Facility Agreement.
Facility Agreement	means the £4,460,000 term loan facility dated on or about the date of this Deed and made between the Lender and the Borrower.
Insurance Policy	any policy of insurance and cover note in which the Chargor may from time to time have an interest.
Intellectual Property Rights	<p>(a) all present and future patents, trademarks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests, whether registered or unregistered (including any specified under the heading “Intellectual Property” in Schedule 1) and (with effect from the date of the relevant Supplemental Deed) any intellectual property rights specified as Additional Intellectual Property Rights in a Supplemental Deed;</p> <p>(b) the benefit of all applications and rights to use such assets; and</p> <p>(c) all Related Rights.</p>
Intercompany Debt	means all monies, obligations and liabilities (whether actual or contingent, whether incurred solely or jointly with any other person and whether incurred as principal or surety) now or in the future due, owing or incurred by or on behalf of the Borrower to the Chargor in any currency, together with all interest on any of the same and all costs, charges and expenses incurred in connection with any of the same.
Intercompany Debt Documents	means any agreements and/or security evidencing or recording the terms of the Intercompany Debt from time to time.
Investment Derivative Rights	all dividends, interest or distributions and all other rights and benefits of an income nature accruing at any time in respect of any Investment.
Investments	<p>(a) any stocks, shares, debentures, bonds, warrants or other securities, whether held</p>

directly by or to the order of the Chargor or by any trustee, fiduciary or clearance system on its behalf (including any specified under the heading “Shares” in Schedule 1) and (with effect from the date of the relevant Supplemental Deed) any investments specified as Additional Investments in a Supplemental Deed; and

- (b) all Related Rights (including all rights against any trustee, fiduciary or clearance system).

Issuer

the issuer of any Investment.

LPA 1925

the Law of Property Act 1925.

Material Adverse Effect

means in the opinion of the Lender a material adverse effect on:

- (a) the business, operations, property, condition (financial or otherwise) or prospects of the Chargor;
- (b) the ability of the Chargor to perform its obligations under this Deed or any other Finance Document; or
- (c) the validity or enforceability of, or the effectiveness or ranking of any security granted or purporting to be granted pursuant to this Deed or the rights or remedies of the Lender under this Deed.

Material Contracts

- (a) the agreements (if any) listed under the heading “Material Contracts” in Schedule 1 and (with effect from the date of the relevant Supplemental Deed) any contracts specified as an Additional Material Contract in a Supplemental Deed;
- (b) any other contract entered into by the Chargor that may from time to time be identified in writing by the Lender as a Material Contract (including any contract designated as a Key Project Contract (as defined in the Facility Agreement); and
- (c) all Related Rights.

Party

a party to this Deed.

Plant and Machinery

- (a) all equipment, machinery, plant, computers, office equipment, vehicles

and all other assets of a similar nature which are now, or at any time after the date of this Deed become, the property of the Chargor; and

(b) all Related Rights.

Real Property

(a) any freehold, leasehold or other immovable property (including the property (if any) specified in Schedule 1) and (with effect from the date of the relevant Supplemental Deed) any property specified as Additional Real Property in a Supplemental Deed; and

(b) any buildings, erections, fixtures or fittings from time to time situated on or forming part of such property (including any trade fixtures and fittings); and

(c) all Related Rights.

Receivables

(a) all present and future book and other debts and monetary claims owing to the Chargor; and

(b) all Related Rights.

Receiver

a receiver, manager, administrator or administrative receiver appointed pursuant to the provisions of this Deed or any applicable law.

Related Rights

in relation to any asset,

(a) the proceeds of sale of any part of that asset;

(b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;

(c) all rights, benefits, claims, contracts, warranties, remedies, security, indemnities or covenants for title in respect of that asset; and

(d) any income, moneys and proceeds paid or payable in respect of that asset.

Relevant Jurisdiction

means, in relation to the Chargor and/or the Borrower:

(a) England and Wales;

(b) any jurisdiction where any asset subject

to or intended to be subject to the security created by this Deed is situated;

- (c) any jurisdiction where it conducts business; and
- (d) the jurisdiction whose laws govern the perfection of the security entered into under this Deed.

Secured Obligations

all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally, as principal or surety and/or in any other capacity whatsoever) owed by the Chargor and/or the Borrower to the Lender together with all costs, charges and expenses incurred by the Lender in connection with the protection, preservation or enforcement of its respective rights.

Security Period

the period beginning on the date of this Deed and ending on the date on which the Lender confirms to the Chargor that all outstanding obligations and liabilities owed by the Borrower to the Lender have been repaid and cancelled in full.

Supplemental Deed

means a supplemental deed to this Deed substantially in the form in Schedule 5 (*Supplemental Deed*) (or in such other form which is satisfactory to the Lender) further mortgages or charges over the assets of the Chargor.

Termination Date

has the meaning given to it in the Facility Agreement.

Welsh Government

means the Welsh Government established under section 45 of the Government of Wales Act 2006 as amended by section 4 of the Wales Act 2014 and is the executive branch of the devolved government in Wales.

Welsh Ministers

means the Welsh Ministers appointed under section 48 of the Government of Wales Act 2006 as amended by the Senedd and Elections (Wales) Act 2020 and the First Minister appointed under section 46 of the Government of Wales Act 2006 as amended by the Wales Act 2014 and by the Senedd and Elections (Wales) Act 2020.

1.2 Interpretation

1.2.1 In this Deed:

- (a) clause and schedule headings are for convenience of reference only and shall not affect the construction of this Deed;
- (b) references to clauses and schedules are references to the clauses of and schedules to this Deed;
- (c) references to this Deed or any other agreement or instrument shall be construed as references to this Deed, that agreement or instrument as amended, novated, supplemented, extended or restated;
- (d) references to a person shall be construed to include that person's permitted assigns, permitted transferees or successors in title and shall be construed as including any individual, firm, trust, partnership, joint venture, company, corporation, unincorporated body of persons or any state or agency thereof, whether or not having separate legal personality;
- (e) references to a provision of law are references to that provision as amended or re-enacted;
- (f) words importing the singular shall include the plural and vice versa and words denoting any gender shall include all genders;
- (g) an Event of Default is "**continuing**" if it has not been remedied to the Lender's satisfaction (in its absolute discretion) or waived;
- (h) the words "**including**" shall not be construed as limiting the generality of the words preceding it;
- (i) "clearance system" means a person whose business is or includes the provision of clearance services or security accounts or any nominee or depositary for that person;
- (j) "**assets**" includes present and future properties, revenues and rights of every description;
- (k) "**rights**" in respect of an asset include all amounts and proceeds paid or payable, all rights to make any demand or claim, and all powers, remedies, causes of action, security, guarantees and indemnities, in each case, in respect of or derived from that asset; and
- (l) unless the context otherwise requires, any reference to "**Charged Property**" includes any part of that Charged Property, any proceeds of that Charged Property and any present and future assets of that type and includes any property charged pursuant to any Supplemental Deed.

1.2.2 Any covenant by the Chargor under this Deed remains in force during the Security Period and is given for the benefit of the Lender.

1.2.3 The terms of any finance arrangements between the parties to this Deed are incorporated in this Deed to the extent required to ensure that any disposition of Real Property contained in this Deed is a valid disposition

in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

- 1.2.4 The terms of any Supplemental Deed are incorporated in this Deed.
- 1.2.5 Unless expressly provided to the contrary in this Deed, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.
- 1.2.6 Notwithstanding any terms of this Deed, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.

1.3 General

- 1.3.1 The fact that no or incomplete details of any Charged Property are inserted in Schedule 1 (*Charged Property*) does not affect the validity or enforceability of the security created by this Deed.
- 1.3.2 If the Chargor assigns an agreement under this Deed and the assignment or charge breaches a term of that agreement because a third party's consent has not been obtained:
 - (a) the Chargor must notify the Lender immediately;
 - (b) the assignment or charge will not take effect until that consent is obtained;
 - (c) unless the Lender otherwise requires, the Chargor must use all reasonable endeavours to obtain the consent as soon as practicable; and
 - (d) the Chargor must promptly supply the Lender with a copy of the consent obtained by it.

2 COVENANT TO PAY

The Chargor covenants that it will pay and discharge the Secured Obligations to the Lender as and when the same are due.

3 GRANT OF SECURITY

3.1 Charges

The Chargor with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994 charges in favour of the Lender as continuing security for the payment and discharge of the Secured Obligations:

- 3.1.1 by way of legal mortgage, the Real Property now or at any time after the date of this Deed belonging to the Chargor;
- 3.1.2 by way of fixed charge, any Real Property now or at any time after the date of this Deed belonging to the Chargor (other than property charged under clause 3.1.1 above);
- 3.1.3 by way of fixed charge, all Plant and Machinery owned by it and its interest in any Plant and Machinery in its possession;

- 3.1.4 by way of fixed charge, all present and future Receivables, other than those validly and effectively assigned under clause 3.3;
- 3.1.5 by way of fixed charge, other than those validly and effectively assigned under clause 3.3,
 - (a) all present and future Investments;
 - (b) all Investment Derivative Rights;
 - (c) where any Investment is held in a system for the deposit and settlement of transactions in investments, all rights against the operator of such system or any participant in respect of such Investment;
- 3.1.6 by way of fixed charge, all present and future Intellectual Property Rights;
- 3.1.7 by way of fixed charge all of its rights in respect of any amount standing to the credit of any Accounts and the debt represented by those Accounts;
- 3.1.8 by way of fixed charge, the goodwill of the Chargor;
- 3.1.9 by way of fixed charge, the uncalled capital of the Chargor;
- 3.1.10 by way of fixed charge, all rights, interests and claims in the Insurance Policies, other than those validly and effectively assigned under clause 3.3;
- 3.1.11 by way of fixed charge, all rights, interests and claims in the Material Contracts, other than those validly and effectively assigned under clause 3.3;
- 3.1.12 by way of fixed charge, the benefits of all licences, consents and authorisations held in connection with its business or the use of any Charged Property, and the right to any compensation in respect of any of them;
- 3.1.13 by way of fixed charge, all rights, interests and claims in any pension fund now or in the future; and
- 3.1.14 by way of floating charge, the whole of its undertaking and assets, present and future other than any assets validly and effectively mortgaged, charged or assigned by way of security (whether at law or in equity) by this Deed (the “**Floating Charge Property**”).

3.2 Qualifying Floating Charge

Paragraph 14 of Schedule B1 of the Insolvency Act 1986 shall apply to any floating charge created by this Deed and the floating charge created under this Deed is a “qualifying floating charge” for these purposes.

3.3 Security Assignment

- 3.3.1 The Chargor with full title guarantee assigns to the Lender absolutely, subject to a proviso for re-assignment on redemption to the Lender as

continuing security for the payment and discharge of the Secured Obligations all of its rights, title, interest and benefit from time to time in and to the:

- (a) Material Contracts;
- (b) Insurance Policies;
- (c) Investments; and
- (d) Receivables.

3.3.2 To the extent that any right described in clause 3.3.1 is not assignable or capable of assignment, the assignment purported to be effected by clause 3.3.1 shall operate as an assignment of any damages, compensation, remuneration, profit, rent or income which the Chargor may derive from that right or be entitled to in respect of that right.

4 CRYSTALLISATION OF FLOATING CHARGE

4.1 The Lender may at any time by notice in writing to the Chargor immediately convert the floating charge created by clause 3.1.14 into a fixed charge as regards any property or assets specified in the notice if:

- 4.1.1 an Event of Default has occurred and is continuing; or
- 4.1.2 the Lender becomes aware of any intention or proposal to appoint a liquidator, administrative receiver, receiver, administrator or other similar officer in respect of the Chargor or any of its assets; or
- 4.1.3 the Lender considers that any of the Charged Property may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process; or
- 4.1.4 the Lender considers that it is desirable in order to protect the priority of the security created under this Deed.

4.2 If, without the prior written consent of the Lender:

- 4.2.1 any steps are taken for any of the Charged Property to become subject to any security in favour of any other person other than as expressly permitted in the Facility Agreement; or
- 4.2.2 any person levies or attempts to levy any distress, execution or other process or exercises any enforcement power against any of the Charged Property; or
- 4.2.3 a resolution is passed or an order is made for the winding-up, dissolution, or re- organisation of or any steps are taken for the appointment of an administrator in respect of the Chargor,

the floating charge created under clause 3.1.14 by the Chargor will automatically be converted (without notice) with immediate effect into a fixed charge in respect of the relevant Floating Charge Property.

- 4.3 The floating charge created under this Deed shall not convert into a fixed charge solely by reason of a moratorium being obtained under the Insolvency Act 1986 (or anything done with a view to obtaining such a moratorium) in respect of the Chargor.

5 NEGATIVE PLEDGE / RESTRICTION ON DEALING

- 5.1 The Chargor shall not create or permit to subsist any security over any of the Charged Property, other than any lien arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by the Chargor or as expressly permitted in the Facility Agreement.
- 5.2 The Chargor shall not enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, discount, factor, transfer, assign, lease, lend or otherwise dispose of any of the Charged Property other than as expressly permitted under the Facility Agreement.

6 PERFECTION OF SECURITY

6.1 Deposit of Title Documents

Promptly upon request by the Lender at any time, the Chargor shall deposit with the Lender:

- 6.1.1 all deeds, certificates and documents of title or other evidence of ownership relating to the Charged Property;
- 6.1.2 all Insurance Policies to which the Chargor is entitled to possession;
- 6.1.3 all certificates relating to the Investments together with stock transfer forms executed in blank: and
- 6.1.4 all other documents as the Lender (acting reasonably) may from time to time require for perfecting its title to the Investments or for vesting or enabling it to vest the Investments in itself or its nominees or in any purchaser.

6.2 Notices of Assignment

The Chargor shall, on the date of this Deed (and within five Business Days of obtaining any Insurance Policy, opening of any bank account or executing any Material Contract after the date of this Deed):

- 6.2.1 sign and deliver to the Lender, a notice in the form set out in Schedule 2 (*Form of Notice of Assignment to Contract Counterparty*) addressed to each person with whom the Chargor has entered into a Material Contract, such notice to be held by the Lender and only dated and served by the Lender following the occurrence of an Event of Default, and upon such service the Chargor shall use all reasonable endeavours to procure that each addressee of such notice promptly provides an acknowledgement to the Lender in the form set out in Schedule 2 (*Form of Acknowledgement from Contract Counterparty*);
- 6.2.2 sign and deliver a notice in the form set out in Schedule 3 (*Form of Notice of Assignment to Insurers*) addressed to each insurer with whom the Chargor has an Insurance Policy of the assignment, such notice to be

held by the Lender and only dated and served by the Lender following the occurrence of an Event of Default, and upon such service the Chargor shall use all reasonable endeavours to procure that each addressee of such notice will promptly provide an acknowledgement to the Lender in the form set out in Schedule 3 (*Acknowledgement and Undertaking*); and

- 6.2.3 sign and deliver a notice in the form set out in Schedule 4 (*Form of Notice of Assignment to Account Bank*) addressed to each bank at which an Account is held, such notice to be held by the Lender and only dated and served by the Lender following the occurrence of an Event of Default, and upon such service the Chargor shall and shall use all reasonable endeavours to procure that each such bank will promptly provide an acknowledgement to the Lender in the form set out in Schedule 4 (*Form of Notice of Assignment to Account Bank*).

6.3 Registration of Intellectual Property Rights

The Chargor shall, if requested by the Lender, execute all such documents and do all acts that the Lender may reasonably require, including the execution of a Supplemental Deed, to record the interest of the Lender in any registers relating to any registered Intellectual Property Rights.

6.4 Land Registry disposal restriction

In respect of any Real Property or part of or interest in any Real Property title to which is registered at the Land Registry (or any unregistered land subject to first registration), the Chargor shall apply or consent to an application being made to the Chief Land Registrar to enter the following restriction on the Register of Title for such Real Property:

“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 Deed dated [●] in favour of [●] referred to in the charges register.”

6.5 Plant and Machinery

The Chargor shall, promptly on request by the Lender, affix to any item of Plant and Machinery a durable notice of this Deed in such form as the Lender may require.

6.6 Tacking

The obligation on the part of the Lender to make further advances to the Chargor is deemed to be incorporated in this Deed and the Chargor shall apply to the Chief Land Registrar for the following to be entered on the Register of Title in relation to any Real Property the title to which is registered at the Land Registry:

“[the Lender] under a facility agreement dated [●] between, among others, [the Chargor] and [the Lender] is under an obligation (subject to the terms of that facility agreement) to the [Chargor] to make further advances and the security agreement referred to in the charges register dated [●] in favour of [the Lender] secures those further advances.”

7 FURTHER ASSURANCE

7.1 The Chargor shall, at its own expense, promptly take whatever action the Lender may require for:

- 7.1.1 creating, perfecting or protecting the security intended to be created by this Deed;
- 7.1.2 facilitating the realisation of any of the Charged Property; or
- 7.1.3 facilitating the exercise of any right, power or discretion exercisable by the Lender or any Receiver (or any delegates or sub-delegates) in respect of any of the Charged Property,

including the execution of any Supplemental Deed, security or other document (in such form as the Lender may reasonably require), the giving of any notice, order or direction and the making of any registration which the Lender may think expedient.

8 REPRESENTATIONS

The Chargor makes the declarations set out in this clause 8 to the Lender.

8.1 Status

It is a limited liability corporation, duly and validly existing under the law of England and Wales.

8.2 Binding obligations

8.2.1 The obligations expressed to be assumed by it in this Deed are legal, valid, binding and enforceable obligations; and

8.2.2 Without limiting the generality of clause 8.2.1 above, this Deed creates the security interests which it purports to create and those security interests are valid and effective.

8.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, this Deed, and the granting of the security under this Deed do not and will not conflict with:

- 8.3.1 any law or regulation applicable to it;
- 8.3.2 its constitutional documents; or
- 8.3.3 any agreement or instrument binding upon it or any of its assets.

8.4 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Deed and the transactions contemplated by this Deed.

8.5 Validity and admissibility in evidence

All Authorisations required or desirable:

- 8.5.1 to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Deed; and
- 8.5.2 to make this Deed admissible in evidence in its Relevant Jurisdiction, have been obtained or effected and are in full force and effect.
- 8.5.3 All Authorisations necessary for the conduct of the business, trade and ordinary activities of the Chargor have been obtained or effected and are in full force and effect.

8.6 Governing law and enforcement

- 8.6.1 The choice of English law as the governing law of this Deed will be recognised and enforced in its Relevant Jurisdiction.
- 8.6.2 Any judgment obtained in relation to this Deed in England will be recognised and enforced in its Relevant Jurisdictions.

8.7 No filing or stamp Taxes

Under the laws of its Relevant Jurisdiction, it is not necessary that this Deed be filed, registered, recorded, notarised or enrolled with any court or other authority in any of those jurisdictions or that any stamp, registration, notarial or similar tax or fee be paid on or in relation to this Deed or the transactions contemplated by this Deed except:

- 8.7.1 registration of particulars of this Deed at Companies House in England and Wales under section 859A of the Companies Act 2006 and payment of associated fees; and
- 8.7.2 registration of this Deed at the HM Land Registry or the Land Charges Register in England and Wales and payment of associated fees,

which registrations, filings and fees will be made and paid promptly after the date of this Deed.

8.8 Times for making representations

- 8.8.1 The representations and warranties in this Deed (including in this Clause 8) are made by the Chargor on the date of this Deed.
- 8.8.2 The representations and warranties under this Deed are deemed to be made by the Chargor by reference to the facts and circumstances then existing on each date during the Security Period.

9 UNDERTAKINGS

The Chargor covenants and agrees with the Lender that it will, during the Security Period:

9.1 Charged Property generally

- 9.1.1 provide the Lender with all information which it may reasonably request in relation to the Charged Property;
- 9.1.2 comply in all material respects with all obligations in relation to the Charged Property under any present or future law, regulation, order or

instrument of any competent authority or other approvals, licences or consents;

- 9.1.3 notify the Lender within 14 days of receipt of every application, requirement, notice, order or proposal given, or made in relation to, the Charged Property by any competent authority and (if required by the Lender) immediately provide it with a copy of the same and either (i) comply with such notice, order or proposal or (ii) make such objections to the same as the Lender may require or approve;
- 9.1.4 duly and punctually pay all rates, rents, taxes and other outgoings owed by it in respect of the Charged Property;
- 9.1.5 comply in all respects with any covenant, stipulation or obligation (restrictive or otherwise) at any time affecting the Charged Property;
- 9.1.6 not, except with the prior written consent of the Lender, enter into any onerous or restrictive obligation affecting any of the Charged Property or agree to any amendment, supplement, waiver, surrender or release of any covenant, stipulation or obligation (restrictive or otherwise) at any time affecting the Charged Property; and
- 9.1.7 not do, cause or permit to be done or omit to do anything which may in any way depreciate, jeopardise or otherwise prejudice the value or marketability of any of the Charged Property;

9.2 Intellectual Property Rights

- 9.2.1 preserve and maintain the subsistence and validity of the Intellectual Property Rights necessary for its business;
 - 9.2.2 use reasonable endeavours to prevent any infringement in any material respect of the Intellectual Property Rights;
 - 9.2.3 make registrations and pay all registration fees and taxes necessary to maintain the Intellectual Property Rights in full force and effect and record its interest in those Intellectual Property Rights;
 - 9.2.4 not use or permit the Intellectual Property Rights to be used in a way or take any step or omit to take any step in respect of any Intellectual Property Rights which may materially and adversely affect the existence or value of the Intellectual Property Rights or imperil its right to use such property;
 - 9.2.5 not discontinue the use of the Intellectual Property Rights;
- where failure to do so, in the case of paragraphs 9.2.1 and 9.2.2 above, or, in the case of paragraphs 9.2.4 and 9.2.5 above, such use, permission to use, omission or discontinuation, is reasonably likely to have a Material Adverse Effect.
- 9.2.6 maintain a comprehensive, detailed and up-to-date centralised record of all its Intellectual Property Rights (including details of agents engaged in relation to registrations of it) and, when reasonably requested by the Lender, immediately provide to the Lender a copy of such record and/or a

summary of all its Intellectual Property Rights created or acquired since the date of this Deed or the date of last notification;

9.3 Receivables

- 9.3.1 deal with the Receivables in accordance with any directions given in writing from time to time by the Lender and, in the absence of such directions, hold the Receivables on trust for the benefit of the Lender;
- 9.3.2 after the security created under this Deed becomes enforceable, comply with any notice served by the Lender on the Chargor prohibiting the Chargor from withdrawing all or any monies from time to time standing to the credit of its accounts with any bank, financial institution or other person, except with the prior written consent of the Lender;
- 9.3.3 if called upon so to do by the Lender, execute a legal assignment of the Receivables to the Lender in such terms as the Lender may require and give notice thereof to the debtors from whom the Receivables are due, owing or incurred;
- 9.3.4 deliver to the Lender such information as to the amount and nature of its Receivables as the Lender may from time to time reasonably require;

9.4 Investments

- 9.4.1 promptly pay all calls or other payments which may become due in respect of the Investments;
- 9.4.2 promptly send to the Lender copies of all notices, circulars, reports, accounts and other documents which are sent to the holders of any Investments;
- 9.4.3 at the request of the Lender, procure all consents, waivers and approvals which are necessary, under the articles of association of any Issuer or otherwise, for the transfer of the Investments to the Lender or its nominee or to a purchaser upon the enforcement of this Deed and to procure the amendment of the share transfer provisions of each Issuer's articles of association in such manner as the Lender may require in order to permit such a transfer;
- 9.4.4 if so requested by the Lender:
 - (a) instruct any clearance system to transfer any investment held by it for the Chargor or its nominee to an account of the Lender or its nominee with that clearance system; and
 - (b) take whatever action the Lender may request for the dematerialisation or re-materialisation of any Investment held in a clearance system;
- 9.4.5 without prejudice to the above, permit the Lender, at the expense of the Chargor, to take whatever action it deems necessary for the dematerialisation or re-materialisation of any Investment;

- 9.4.6 until the security created under this Deed becomes enforceable, be entitled to:
- (a) receive and retain all dividends, distributions and other moneys paid on or derived from the Investments; and
 - (b) exercise all voting and other rights and powers attaching to the Investments provided that it must not do so in a manner which is prejudicial to the interests of the Lender under this Deed;
- 9.4.7 after the security created under this Deed becomes enforceable:
- (a) hold all dividends, distributions and other moneys paid on or derived from the Investments on trust for the Lender and pay the same immediately upon receipt into the Account; and
 - (b) (if the Lender so elects to provide any directions) comply and procure that its nominees comply with any directions from the Lender concerning the exercise of all voting and other rights and powers attaching to the Investments;
- 9.4.8 at any time after the security created under this Deed becomes enforceable, permit the Lender to complete the instrument(s) of transfer for the Investments on behalf of the Chargor in favour of itself or such other person as it may select.

10 ENFORCEMENT OF SECURITY

10.1 Enforcement

The security created under this Deed shall become immediately enforceable if an Event of Default is continuing.

10.2 Powers on enforcement

At any time after the security created under this Deed becomes enforceable, the Lender may, without notice to the Chargor and whether or not it has appointed a Receiver, exercise:

- 10.2.1 all or any of the powers, authorities and discretions conferred on mortgagees by the LPA 1925 (as varied or extended by this Deed);
- 10.2.2 all of the powers conferred on the holder of a qualifying floating charge (as defined in the Insolvency Act 1986) by the Insolvency Act 1986; and
- 10.2.3 all or any of the powers conferred by this Deed.

10.3 No Liability as Mortgagee in Possession

Neither the Lender nor any Receiver shall be liable to account as a mortgagee in possession in respect of all or any part of the Charged Property or be liable for any loss upon realisation or for any neglect, default or omission for which a mortgagee in possession might otherwise be liable.

11 POWERS OF THE LENDER

11.1 Extension of Powers

The power of sale conferred on the Lender and on any Receiver by this Deed shall operate as a variation and extension of the statutory power of sale under section 101 of the LPA 1925 and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Deed.

11.2 Restrictions

Sections 93 and 103 of the LPA 1925 shall not apply to this Deed.

11.3 Power of Leasing

At any time after the security created by this Deed becomes enforceable, the Lender may lease or make arrangements to lease, at a premium or otherwise, and accept surrenders of leases without any restriction and in particular without the need to comply with any restrictions imposed by sections 99 and 100 of the LPA 1925.

11.4 Discretion

Any liberty or power which may be exercised or any determination which may be made hereunder by the Lender or any Receiver may be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

11.5 Delegation

Each of the Lender and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Deed (including the power of attorney) on such terms and conditions as it shall see fit which delegation shall not preclude either the subsequent exercise of such power, authority or discretion by the Lender or the Receiver itself or any subsequent delegation or revocation thereof.

11.6 Investigations

Following the occurrence of an Event of Default which is continuing the Lender may initiate an investigation of, and/or instruct any report (accounting, legal, valuation or other) on the business and affairs of the Chargor which it considers necessary to ascertain the financial position of the Chargor. All fees and expenses incurred by the Lender in connection with such investigations shall be payable by the Chargor and the Chargor consents to the provision by the Lender of all information in relation to the Chargor which the Lender provides to any person in relation to the preparation of any such report.

11.7 Power to Remedy

If at any time the Chargor does not comply with any of its obligations under this Deed, the Lender may (but shall not be obliged to) rectify such default and the Chargor irrevocably authorises the Lender, its employees and agents, at the Chargor's expense, to do all such things as are necessary or desirable to rectify such default.

12 APPOINTMENT OF RECEIVER

12.1 Appointment and Removal

At any time after the security created under this Deed becomes enforceable, or if requested to do so by the Chargor, the Lender may (by deed or otherwise and acting through its authorised officer):

- 12.1.1 appoint one or more persons jointly or severally to be a Receiver of the whole or any part of the Charged Property;
- 12.1.2 remove (so far as it is lawfully able) any Receiver so appointed; and
- 12.1.3 appoint another person as an additional or replacement Receiver.

12.2 Restrictions on appointment

- 12.2.1 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 1925) does not apply to this Deed.
- 12.2.2 The Lender is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under section 1A to the Insolvency Act 1986.
- 12.2.3 The Lender may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Charged Property if the Lender is prohibited from doing so by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

12.3 Capacity of Receivers

Each Receiver shall be:

- 12.3.1 an agent of the Chargor. The Chargor shall be solely responsible for the Receiver's Contracts, engagements, acts, omissions, defaults, losses and liabilities and for the payment of the Receiver's remuneration; and
- 12.3.2 entitled to remuneration for his services at a rate to be fixed by the Lender from time to time (without being limited to the maximum rate specified in section 109(6) of the LPA 1925).

13 POWERS OF RECEIVER

13.1 General Powers

Every Receiver shall have all the powers:

- 13.1.1 conferred by the LPA 1925 on mortgagors and on mortgagees in possession and receivers appointed under that Act;
- 13.1.2 set out in Schedule 1 to the Insolvency Act 1986 and, in the case of an administrator, Schedule B1 to the Insolvency Act 1986; and
- 13.1.3 conferred from time to time on receivers by statute.

13.2 Additional Powers

In addition to the powers referred to in clause 13.1 (*General Powers*) a Receiver shall have the power, at the cost of the Chargor and either in his own name or in the name of the Chargor or (with the written approval of the Lender) in the name of the Lender:

- 13.2.1 to take possession of, collect and get in all or any part of the Charged Property;
- 13.2.2 to carry on, manage or concur in carrying on and managing all or any part of the business of the Chargor in any manner he thinks fit;
- 13.2.3 to borrow or raise money and secure the payment of any money in priority to the charges created by this Deed for the purpose of exercising his powers and/or defraying any costs or expenses incurred by him in such exercise;
- 13.2.4 to sell, let, lease or concur in selling, letting or leasing and to vary the terms or determine, surrender and to accept surrenders of leases or tenancies of or grant options or licences over all or any part of the Charged Property in any manner and on such terms as he thinks fit. The consideration for any such transaction may consist of cash or of shares or securities or other obligations (and the amount of such consideration may be dependent on profit or turnover or be determined by a third party) and may be payable in a lump sum or in instalments;
- 13.2.5 to sever any fixtures (including trade and tenants fixtures) from the property of which they form part, without the consent of the Chargor;
- 13.2.6 to exercise all powers, rights and/or obligations under any contract or agreement forming part of the Charged Property, including, without limitation, all voting and other rights attaching to the Investments;
- 13.2.7 to make and effect all repairs, renewals, improvements, and insurances, commence and/or complete any building operation and/or apply for and maintain any planning permission, building regulation approval or other authorisation in each case as he thinks fit;
- 13.2.8 to redeem any prior security in respect of all or any of the Charged Property and to settle and pass the accounts of the holder of such prior security and any accounts so settled and passed will, in the absence of manifest error, be conclusive and binding on the Chargor. All moneys paid to the holder of such security in accordance with such accounts shall form part of the Secured Obligations;
- 13.2.9 to promote the formation of subsidiaries of the Chargor for the purpose of purchasing, leasing, licensing or otherwise acquiring interests in all or any of the assets of the Chargor and to arrange for any such subsidiaries to trade or cease to trade on such terms as the Receiver thinks fit;
- 13.2.10 to take such proceedings and to settle, adjust, refer to arbitration, compromise and/or arrange any claim, account or demand which the Lender or the Receiver may think fit;

- 13.2.11 to appoint managers, officers, agents, accountants and workmen at such salaries and for such periods as the Receiver may determine and to discharge any person appointed by the Chargor;
- 13.2.12 to exercise in relation to all or any part of the Charged Property all such powers and rights as he would be capable of exercising if he were the absolute beneficial owner of the Charged Property;
- 13.2.13 lend money or advance credit to any customer of the Chargor;
- 13.2.14 give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Charged Property;
- 13.2.15 let any Charged Property for any term and at any rent (with or without a premium) which he thinks fit and may accept a surrender of any lease or tenancy of any Charged Property on any terms which he thinks fit; and/or
- 13.2.16 to do all other acts and things as may be considered by the Receiver to be incidental or conducive to the above or otherwise expedient for or incidental or conducive to the preservation, improvement or realisation of the Charged Property.

14 APPLICATION OF MONEYS

- 14.1 All moneys received or recovered by the Lender or any Receiver pursuant to this Deed shall be applied in the following order:
 - 14.1.1 first, in satisfaction of, or provision for, all costs, charges and expenses incurred by the Lender or any Receiver and the payment of the remuneration of any Receiver;
 - 14.1.2 second, in or towards satisfaction of the Secured Obligations; and
 - 14.1.3 third, any surplus shall be paid to the Chargor or any other person entitled thereto.

This clause is subject to the payment of any claims having priority over the security created under this Deed. This clause does not prejudice the right of the Lender to recover any shortfall from the Chargor.

- 14.2 Only money actually paid by the Receiver to the Lender shall be capable of being applied in or towards the satisfaction of the Secured Obligations and the Chargor shall have no rights in respect of the application by the Lender of any sums received, recovered or realised by the Lender under this Deed.

15 PROTECTION OF PURCHASERS

15.1 Receipts

The receipt of the Lender or its delegate or any Receiver shall be conclusive discharge to a purchaser in any sale or disposal of any of the Charged Property.

15.2 Protection of Purchasers

No purchaser or other person dealing with the Lender or its delegate or any Receiver shall be bound to enquire whether the right of the Lender or such Receiver to exercise

any of its powers has arisen or become exercisable or be concerned with any notice to the contrary, or be concerned to see whether any such delegation by the Lender shall have lapsed for any reason or have been revoked.

16 POWER OF ATTORNEY

16.1 Appointment

The Chargor, by way of security, irrevocably appoints the Lender, each person to whom the Lender shall from time to time have delegated the exercise of the power of attorney conferred by this clause and any Receiver jointly and severally to be its attorney and in its name and on its behalf to execute, deliver and perfect all documents and to do all things which the attorney may consider to be required or desirable for:

16.1.1 carrying out any obligation imposed on the Chargor by this Deed (including the execution and delivery of any deeds, charges, assignments or other security and any transfers of the Charged Property); and

16.1.2 enabling the Lender and any Receiver to exercise any of the powers conferred on them by or pursuant to this Deed or by law.

16.2 Ratification

The Chargor ratifies and confirms to agree to ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers.

17 PRESERVATION OF SECURITY

17.1 Continuing Security

The security created under this Deed will be a continuing security for the ultimate balance of the Secured Obligations notwithstanding any intermediate payment or settlement of all or any part of the Secured Obligations.

17.2 Waiver of defences

The obligations of the Chargor under this Deed will not be affected by any act, omission or thing which, but for this provision would reduce, release or prejudice any of its obligations under this Deed (whether or not known to it or the Lender). This includes:

17.2.1 any time or waiver granted to, or composition with, any person;

17.2.2 any release of any person under the terms of any composition or arrangement;

17.2.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce any rights against, or security over assets of, any person;

17.2.4 any non-presentation, non-observance of any formality or other requirements in respect of any instrument or any failure to realise the full value of any security;

- 17.2.5 any incapacity, lack of power, authority or legal personality of or dissolution or change in the members or status of any person;
- 17.2.6 any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any document or security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any document or security;
- 17.2.7 any unenforceability, illegality, invalidity or non-provability of any obligation of any person under any document or security or the failure by any person to enter into or be bound by any document or security; or
- 17.2.8 any insolvency or similar proceedings.

17.3 Chargor intent

Without prejudice to the generality of clause 17.2 (*Waiver of defences*), the Chargor expressly confirms that it intends that the security under this Deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any document creating a Secured Obligation and/or any facility or amount made available under such document.

17.4 Immediate recourse

The Chargor waives any rights it may have of first requiring the Lender (or any trustee or agent on its behalf) to proceed against or enforce any other right or security or claim payment from any person or file any proof or claim in any insolvency, administration, winding-up or liquidation proceedings relative to any other person before claiming from the Chargor under this Deed.

17.5 Financial collateral

- 17.5.1 For the purposes of this clause, the expressions “financial collateral arrangement”, “financial collateral” and “financial instrument” have the meaning given to them by the Financial Collateral Arrangements (No.2) Regulations 2003 (Amendment) Regulations 2009.
- 17.5.2 This Deed constitutes a financial collateral arrangement. Any part of the Charged Property that constitutes financial collateral may be appropriated by the Lender at any time after an Event of Default occurs and is continuing.
- 17.5.3 If the Lender exercises its power of appropriation:
 - (a) any Charged Property that consists of a financial instrument shall be valued as the cash payment which the Lender would have received on a disposal of that Charged Property for immediate payment; and
 - (b) any Charged Property that consists of a balance on an account shall be valued as the amount standing to the credit of that account, together with any accrued interest not credited to the account at the time of the appropriation.

- 17.5.4 The exercise of any right of appropriation shall not prejudice or affect any other right or remedy available in respect of the remainder of the Charged Property or any Secured Obligations that remain unpaid.

17.6 Appropriations

Until all amounts which may be or become payable by the Chargor to the Lender have been irrevocably paid in full, the Lender (or any trustee or agent on its behalf) may without affecting the liability of the Chargor under this Deed:

- 17.6.1 refrain from applying or enforcing any other monies, security or rights held or received by the Lender (or any trustee or agent on its behalf) against those accounts; or apply and enforce them in such manner and order as it sees fit (whether against those amounts or otherwise); and
- 17.6.2 hold in an interest-bearing suspense account any moneys received from the Chargor or on account of the Chargor's liability under this Deed.

17.7 Additional security

- 17.7.1 This Deed is in addition to and is not in any way prejudiced by any other security now or subsequently held by the Lender.
- 17.7.2 No prior security held by the Lender (in its capacity as such or otherwise) over any Charged Property will merge into the security created under this Deed.

17.8 Non-competition

Unless:

- 17.8.1 all amounts which may be or become payable by the Chargor to the Lender have been irrevocably paid in full; or
- 17.8.2 the Lender otherwise directs,

the Chargor will not, after a claim has been made or by virtue of any payment or performance by it under this Deed:

- (a) be subrogated to any rights, security or moneys held, received or receivable by the Lender (or any trustee or agent on its behalf); or
- (b) be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of the Chargor's liability under this clause,

The Chargor must hold in trust for and must immediately pay or transfer to the Lender for the Lender any payment or distribution or benefit of security received by it contrary to this clause or in accordance with any directions given by the Lender under this clause.

17.9 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of the Chargor, the Borrower or any security for those obligations or otherwise) is made by

a Secured Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Chargor under this Deed will continue or be reinstated as if the discharge, release or arrangement had not occurred.

17.10 Deferral of Chargor's rights

Unless the Security Period has expired or the Lender otherwise directs, the Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under this Deed or by reason of any amount being payable, or liability arising, under this Deed:

- 17.10.1 to be indemnified by the Borrower;
- 17.10.2 to claim any contribution from any other person who has provided security or a guarantee in respect of any of the Borrower's obligations under the Finance Documents;
- 17.10.3 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by the Lender;
- 17.10.4 to bring legal or other proceedings for an order requiring the Borrower to make any payment, or perform any obligation, in respect of which the Chargor has granted security under this Deed;
- 17.10.5 to exercise any right of set-off against the Borrower; and/or
- 17.10.6 to claim or prove as a creditor of the Borrower in competition with the Lender.

If the Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Lender by the Borrower under or in connection with the Finance Documents to be repaid in full on trust for the Lender and shall promptly pay or transfer the same to the Lender or as the Lender may direct for application in accordance with the terms of this Deed.

17.11 Security held by Chargor

The Chargor shall not, without the prior consent of the Lender, hold any security from the Borrower in respect of the Chargor's liability under this Deed. The Chargor shall hold any security held by it in breach of this provision on trust for the Lender.

18 SET-OFF AND CURRENCY

18.1 Consolidation of accounts and set off

In addition to any general lien or similar rights to which it may be entitled by operation of law, the Lender may at any time and without notice to the Chargor combine or consolidate all or any of the Chargor's then existing accounts with any liabilities to the Lender and set off or transfer any sum or sums standing to the credit

of anyone or more of such accounts in or towards satisfaction of the Secured Obligations.

18.2 Currency

For the purpose of or pending the discharge of the Secured Obligations, the Lender may, in its sole discretion, convert any moneys received, recovered or realised in any currency under this Deed (including the proceeds of any previous conversion under this clause) from their existing currency into any other currency at such rate or rates of exchange and at such time as the Lender thinks fit.

19 NEW ACCOUNTS

- 19.1 If the Lender at any time receives or is deemed to have received notice of any subsequent security affecting all or any part of the Charged Property it may open a new account or accounts with the Chargor.
- 19.2 If the Lender does not open a new account or accounts it shall nevertheless be treated as if it had done so as at the time when it received or was deemed to have received such notice.
- 19.3 As from such time all payments made to the Lender shall be credited or be treated as having been credited to such new account or accounts and shall not operate to reduce the amount of the Secured Obligations.

20 EXPENSES AND INDEMNITY

20.1 Expenses

The Chargor shall, from time to time on demand of the Lender, pay or reimburse the Lender on a full indemnity basis for all costs and expenses (including legal fees) together with any VAT or similar taxes thereon incurred by it in connection with the preparation, execution, perfection, amendment, enforcement, discharge and/or assignment of this Deed. Such costs and expenses shall form part of the Secured Obligations and shall carry interest from the date of such demand until so paid or reimbursed at the rate determined by the Lender.

20.2 Indemnity

The Chargor shall, notwithstanding any release or discharge of all or any part of the security created under this Deed, indemnify the Lender, its agents, attorneys and any Receiver against any action, proceeding, claim, loss, liability and cost which it may sustain:

- 20.2.1 in the exercise (or purported exercise) of any of the rights, powers or discretions vested in them by this Deed (or by law): and/or
- 20.2.2 in connection with or otherwise relating to this Deed or the Charged Property.

21 MISCELLANEOUS

21.1 No Deductions

All payments to be made to the Lender under this Deed shall be made in freely available funds and shall be made clear of and without deduction for or on account of tax. If the Chargor is required by law to make a tax deduction, the sum payable by the Chargor shall be increased to the extent necessary to ensure that, after the making of such deduction, the recipient of such sum receives and retains a net sum equal to the sum which it would have received and retained had no such deduction been made or required to be made.

21.2 Assignment and disclosure of information

The Lender may assign and transfer all or any of its rights and obligations under this Deed. The Lender shall be entitled to disclose such information concerning the Chargor and this Deed as the Lender considers appropriate to any actual or proposed direct or indirect successor or to any person to whom information may be required to be disclosed by any applicable law.

21.3 Perpetuity Period

The perpetuity period under the rule against perpetuities, if applicable to this Deed, shall be the period of 125 years from the date of this Deed.

21.4 No Liability

21.4.1 None of the Lender, its delegate(s) nominee(s) or any Receiver shall be liable for any loss by reason of (a) taking any action permitted by this Deed or (b) any neglect or default in connection with the Charged Property or (c) taking possession of or realising all or any part of the Charged Property, except in the case of gross negligence or wilful default upon its part.

21.4.2 The Lender will not be required in any manner to perform or fulfil any obligation of the Chargor, make any payment, make any enquiry as to the nature or sufficiency of any payment received by it or present or file any claim or take any action to collect or enforce the payment of any amount.

21.4.3 The Lender shall not be liable either to the Chargor or to any other person by reason of the appointment of a Receiver or for any other reason.

21.4.4 Neither the Lender nor the Receiver will be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.

21.5 Partial Invalidity

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Deed nor the legality, validity or enforceability of such provision under the laws of any other jurisdiction shall in any way be affected or impaired. If any part of the security intended to be

created by or pursuant to this Deed is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security.

21.6 Certificates

Any certificate of the Lender specifying any amount due from the Chargor is, in the absence of manifest error, conclusive evidence of such amount.

21.7 Release

At the end of the Security Period, the Lender must, at the request and cost of the Chargor, take whatever action is reasonably necessary to release the Charged Property from the security created under this Deed and re-assign any Charged Property assigned under this Deed.

22 SUBORDINATION OF INTERCOMPANY DEBT

22.1 The Chargor agrees that the Intercompany Debt is postponed and subordinated to the Secured Liabilities.

22.2 The Chargor shall not take any enforcement action in respect of any Intercompany Debt prior to the expiry of the Security Period.

22.3 The Chargor shall not take, accept or receive the benefit of any security, guarantee, indemnity or other assurance against loss in respect of any Intercompany Debt prior to the expiry of the Security Period.

22.4 Prior to the expiry of the Security Period, the Chargor shall procure that the Borrower will not make any payment of any Intercompany Debt unless that payment is expressly permitted under the Facility Agreement.

22.5 If at any time the Chargor receives a payment in breach of Clause 22.4 above, it will repay such amount to the Borrower. Until it makes such payment, the Chargor will hold the relevant amount on trust for the Borrower. No liabilities of the Borrower will be deemed to be reduced or discharged in any way or to any extent by any payment paid to, or held on trust for, the Borrower as a result of this Clause.

22.6 The Chargor must, if it receives any payment in respect of an Intercompany Debt Document on or following an Event of Default, hold that payment on trust for the Lender.

22.7 After the security created by this deed has become enforceable the Lender may exercise its rights hereunder, without any further consent or authority on the part of the Chargor.

23 NOTICES

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

23.2 The address and email address (and the department or officer, if any, for whose attention the communication is to be made) for any communication or document to be made or delivered under or in connection with this Deed is:

23.2.1 in the case of the Chargor:

Address: Llangefni Town Hall, Llangefni, Anglesey, LL77 7LR

Email: andy@mentormon.com

Attention: Andy Billecliff

23.2.2 in the case of the Lender:

Address: The Welsh Minsters, Cathays, Park 2, Cardiff, CF10 3NQ

Email: John.Howells@gov.wales

Attention: John Howells

or in each case any substituted address or email address or department or officer as one party may notify to the other party by not less than five Business Days' notice.

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

23.3.1 If by way of email, when received in legible form; or

23.3.2 If by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post in a postage prepaid in an envelope addressed to it at that address.

23.4 Any communication or document to be made or delivered to the Lender will be effective only when actually received by the Lender.

23.5 Any notice given under or in connection with this Deed must be in English or Welsh.

24 SAVING PROVISIONS

24.1 Reinstatement

If, at any time, there has been a release, settlement or discharge of the Chargor's obligations under this Deed and, as a consequence of any insolvency (or analogous) proceedings or for any other reason:

24.1.1 any payment made to any person in respect of any of the Secured Obligations is required to be repaid; and

24.1.2 any security (or other right) held by the Lender in respect of any of the Secured Obligations (whether under this Deed or otherwise) is declared void, is set aside or is otherwise affected,

then the Chargor's obligations under this Deed will continue in effect as if there had been no such release, settlement or discharge and as if the relevant payment had not been made and (as applicable) the relevant obligation or security (or other right) had not been so affected; and accordingly (but without limiting the Lender's other rights under this Deed) the Lender will be entitled to recover from the Chargor the value which the Lender has placed upon such security (or other right) or the amount of any such payment as if such release, settlement or discharge had not occurred.

24.2 Avoidance of Payments

If the Lender reasonably considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of the Chargor under this Deed and the security created under this Deed shall continue and such amount shall not be considered to have been irrevocably paid.

25 COUNTERPARTS

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

26 GOVERNING LAW

This Deed and any non-contractual obligation arising in connection with it are governed by English and Welsh law.

27 JURISDICTION

27.1 English and Welsh Courts

The courts of England and Wales have exclusive jurisdiction to settle any disputes (a “Dispute”) arising out of, or connected with this Deed (including a Dispute regarding the existence, validity or termination of this Deed) or any non-contractual obligation arising out of or in connection with it.

27.2 Convenient Forum

The Parties agree that the courts of England and Wales are the most appropriate and convenient courts to settle Disputes and accordingly, no Party will argue to the contrary.

27.3 Exclusive Jurisdiction

This clause 27 is for the benefit of the Lender only. As a result the Lender shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Lender may take concurrent proceedings in any number of jurisdictions.

THIS DEED has been signed on behalf of the Lender and EXECUTED AS A DEED by the Chargor and is delivered by them on the date specified at the beginning of this Deed.

Schedule 1 Assets

Part 1. Accounts

Intentionally blank

Part 2. Real Property - Registered Land

Intentionally blank

Part 3. Real Property - Unregistered Land

Intentionally blank

Part 4. Intellectual Property Rights

Intentionally blank

Part 5. Shares

Intentionally blank

Part 6. Material Contracts

Each Key Project Contract (as such term is defined in the Facility Agreement)

The Intercompany Debt Documents

Schedule 2 Form of Notice of Assignment to Contract Counterparty

To: [Counterparty to Material Contract]

Date: [●]

Dear Sirs

We give notice that pursuant to a debenture dated [●] we have assigned to [] (the “**Lender**”) all our right, title and interest in and to [details of Material Contract] (the “**Contract**”) including all moneys which may be payable in respect of the Contract.

With effect from your receipt of this notice:

- 1 all payments by you to us under or arising from the Contract should be made to us unless and until the Lender notifies you to the contrary stating that the security has become enforceable;
- 2 all remedies provided for in the Contract or available at law or in equity are exercisable by the Lender;
- 3 all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Contract and all rights to compel performance of the Contract are exercisable by the Lender although we shall remain liable to perform all the obligations assumed by us under the Contract;
- 4 you are authorised and instructed, without requiring further approval from us, to disclose to the Lender such information relating to the Contract as it may from time to time request and to send it copies of all notices issued by you under the Contract to the Lender at [address] marked for the attention of [addressee] as well as to us;
- 5 we may not initiate or agree to any amendment to, waive any obligation under or agree to any termination of the Contract without the prior written consent of the Lender.

These instructions may not be revoked or amended without the prior written consent of the Lender.

For the avoidance of doubt, the Lender, its agents, any receiver or any person will not be under any obligation or liability to you under or in respect of the Contract.

This notice is governed by English and Welsh law

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning it to the Lender at the address set out in paragraph 4 of this notice.

Yours faithfully

Authorised Signatory for and on behalf of [Chargor]

Form of Acknowledgement from Contract Counterparty

To: [] (the “**Lender**”)

Date: [●]

Dear Sirs

[CHARGOR]

We acknowledge receipt of a notice dated [●] (the “**Notice**”) relating to the [*details of Material Contract*] (the “**Contract**”).

We:

- 1 agree to the terms set out in the Notice and to act in accordance with its terms;
- 2 confirm that we have not received any prior notice that [Chargor] has assigned its rights under the Contract or created any other interest (whether by way of security or otherwise) in favour of a third party; and
- 3 agree not to [exercise any right to terminate the Contract or] take any action to amend or supplement the Contract without the prior written consent of the Lender.

This letter is governed by English and Welsh law.

Yours faithfully

For and on behalf of

[Counterparty to Material Contract]

Schedule 3 Form of Notice of Assignment to Insurers

To: [Insurer]

Date: [●]

Dear Sirs

We refer to the [*insert details of relevant Insurance Policy and policy number*] (the “**Policy**”).

We give notice that pursuant to a debenture dated [●] we have assigned to [] (the “**Lender**”) all our right, title and interest in and to the proceeds of the Policy.

With effect from your receipt of this notice we instruct you to:

- 1 note the interest of the Lender on the Policy as loss payee and as first priority assignee of the amounts and rights; and
- 2 disclose to the Lender, without further approval from us, such information regarding the Policy as the Lender may from time to time request and to send it copies of all notices issued by you under the Policy.

We will remain entitled to exercise all of our rights under the Policy and you should continue to give notices under the Policy to us unless and until you receive notice from the Lender to the contrary. In this event, unless the Lender agrees otherwise in writing:

- 1 all amounts payable to us under the Policy must be paid to the Lender; and
- 2 any of our rights in connection with those amounts will be exercisable by and notices must be given to the Lender or as it directs.

We confirm that we will remain liable under the Policy to perform all the obligations assumed by us under the Policy and the Lender, its agents, any receiver or any other person will not at any time be under any obligation or liability to you under or in respect of the Policy.

This letter is governed by English and Welsh law.

Please acknowledge receipt of this notice and give the confirmations set out in the attached acknowledgement by signing the acknowledgement and giving the undertakings in the enclosed copy letter and returning the same to the Lender at [*Address*] marked for the attention of [*addressee*].

Yours faithfully

Authorised signatory for and on behalf of [*Chargor*]

Acknowledgement and Undertaking

To: [Lender]

Copy: [Chargor]

Date: [●]

Dear Sirs,

[CHARGOR]

We confirm receipt from [Chargor] (the “**Chargor**”) of a notice dated [●] of an assignment by the Chargor of all amounts payable to it in connection with the Policy and all of its rights under the Policy (as defined in that notice).

In consideration of your agreeing to the Chargor continuing its insurance arrangements with us we:

- 1 accept the instructions contained in the notice and agree to comply with the notice;
- 2 confirm that we have not received notice of any third party in those amounts and rights;
- 3 undertake to note on the Policy your interest as loss payee and as first priority assignee of those amounts and rights;
- 4 undertake to disclose to you without any reference or further authority to the Chargor any information relating to those contracts which you may at any time request; and
- 5 undertake to notify you of:
 - 5.1 any cancellation, alteration, termination or expiry of any such insurance at least 30 days before it is due to take effect;
 - 5.2 any default in any payment of premium or failure to renew at least 30 days before the renewal date; and
 - 5.3 any act or omission that we are aware of which may make the Policy void, voidable or unenforceable (in whole or in part).

This letter is governed by English and Welsh law.

Yours faithfully

For and on behalf of [Insurer]

Schedule 4 Form of Notice of Assignment to Account Bank

To: [Account Bank]

Date: [●]

Dear Sirs

We give notice that by a debenture dated [●], we have assigned and charged to [] (the “**Lender**”) all our right, title and interest in and to all sums which are now or may from time to time in the future stand to the credit of:

Account Number [●]

Account Holder [●]

together with all interest accrued or accruing thereto and the debts represented by those sums (the “**Account**”).

We hereby irrevocably instruct and authorise you to:

- 1 credit to the Account all interest from time to time earned on the sums of money held in the Account;
- 2 disclose to the Lender such information relating to the Account and the sums in the Account as the Lender may, at any time and from time to time, request;
- 3 hold all sums from time to time standing to the credit of the Account to the order of the Lender;
- 4 pay or release all or any part of the sums from time to time standing to the credit of the Account in accordance with the written instructions of the Lender; and
- 5 comply with the terms of any written notice or instructions relating to the Account or the sums standing to the credit of the Account from time to time which you may receive at any time from the Lender.

Please note we are not permitted to withdraw any amount from the Account without the prior written consent of the Lender.

These instructions cannot be revoked or varied without the prior written consent of the Lender.

This letter is governed by English and Welsh law.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning the same to the Lender at [Address] marked for the attention of [addressee].

Yours faithfully

Authorised Signatory for and on behalf of [Chargor]

Form of Account Bank Acknowledgement

To: [Lender]

Date: [●]

Dear Sirs

[CHARGOR]

We acknowledge receipt of a notice (the “**Notice**”) in the terms set out above and confirm that we:

- 1 have not previously received notice of any previous assignments of, charges over or trusts in respect of the Account;
- 2 have noted the restrictions imposed upon the Chargor and the authority of the Lender in respect of the Account and will not act in such a way as to breach those restrictions or to ignore the authority of the Lender;
- 3 will act in accordance with the terms of the Notice; and
- 4 waive all rights of set-off, combination or consolidation which we may have at any time in respect of the Account.

This letter is governed by English and Welsh law.

Yours faithfully,

(Authorised signatory)

[Account Bank]

Schedule 5 Supplemental Deed

THIS DEED is made the day of 20[●]

BETWEEN

- (1) [●] a company incorporated in [England and Wales] (company number [●]) whose registered office is at [●] (the “**Chargor**”); and
- (2) [●](the “**Lender**”).

BACKGROUND

Since the date of the Debenture (as defined below) the Chargor has [acquired/entered into/opened] the Additional [Real Property/ Material Contract/ Account/ Asset] and enters into this Supplemental Deed to supplement the security granted by it pursuant to the Debenture.

It is intended that this document take effect as a deed notwithstanding the fact that a Party may only execute it under hand.

The Parties agree as follows:

1 Interpretation

- 1.1 Terms defined in the Debenture have the same meaning in this Deed unless given a different meaning in this Deed.
- 1.2 The provisions of clause 1 (*Interpretation*) of the Debenture apply to this Deed as though they were set out in full in this Deed, except that references to the Debenture will be construed as references to this Deed.
- 1.3 References within the Debenture to “Charged Property” shall be construed so as to extend to and include the Additional [Account/Material Contract/Real Property].
- 1.4 In this Supplemental Deed the following definitions apply:

[Additional Account]	[The account at [bank], account number [●], sort code [●] in the name of the [Chargor] and all Related Rights;]
[Additional Asset]	[●];]
[Additional Intellectual Property]	[●] together with the benefit of all applications and rights to use such assets and all Related Rights;]
[Additional Investments]	[●] together with all Related Rights (including all rights against any trustee, fiduciary or clearance system);]
[Additional Material Contract]	[●] and all Related Rights;]
[Additional Real Property]	the [freehold][leasehold] property known as [●] with HM Land Registry Title Number [●] including, without limitation, all buildings, erections, fixtures or fittings from time to time

situated on or forming part of such property (including any trade fixtures and fittings), and the benefit of all covenants given in respect of such property and all Related Rights;]

Debenture

the debenture dated [●] granted by the Chargor in favour of the Lender as continuing security for the Secured Obligations [and registered with charge code [●]; and

Secured Obligations

[●].

- 1.5 The Debenture continues and remains in full force and effect and this Supplemental Deed shall be read and construed as one with the Debenture so that all references to 'this Deed' in the Debenture shall include reference to this Supplemental Deed.
- 1.6 Unless expressly provided to the contrary in this Deed, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.
- 1.7 Notwithstanding any terms of this Deed, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.
- 1.8 [This Deed is a Finance Document.]

2 Covenant to Pay

The Chargor covenants that it will pay and discharge the Secured Obligations to the Lender as and when the same are due.

3 Grant of Security

- 3.1 Supplemental to clause 3 (*Grant of Security*) of the Debenture, the Chargor with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994 charges in favour of the Lender as continuing security for the payment and discharge of the Secured Obligations:
 - 3.1.1 [by way of first fixed charge all of its rights in respect of any amount standing to the credit of the Additional Account and the debt represented by the Additional Account;]
 - 3.1.2 [by way of first fixed charge, the Additional Asset;]
 - 3.1.3 [all rights, interests and claims in the Additional Material Contract other than those validly and effectively assigned under clause 3.2 below;]
 - 3.1.4 [by way of legal mortgage the Additional Real Property.]
- 3.2 [The Chargor with full title guarantee assigns to the Lender absolutely, subject to a proviso for re-assignment on redemption to the Lender as continuing security for the payment and discharge of the Secured Obligations all of its rights, title, interest and benefit from time to time in and to the Additional Material Contract.]

4 Perfecting Security

The Chargor shall take such action in accordance with clause 6 (*Perfection of Security*) of the Debenture in respect of the Additional [Asset/Account/Material Contract/Real Property] as if the Additional [Asset/Account/Material Contract/Real Property] had been Charged Property on the date of the Debenture.

5 Representations

The Chargor represents and warrants to the Lender as at the date of this Supplemental Deed that all of the representations and warranties set out in clause 8 (*Representations*) of the Debenture are true and accurate on the date of this Supplemental Deed by reference to the facts and circumstances existing on the date of this Supplemental Deed and as if references in those clauses to “this Deed” were to this Deed.

6 **Miscellaneous**

6.1 The provisions of clauses 21.5 (*Partial invalidity*), 23 (*Saving provisions*), 24 (*Counterparts*) and 27 (*Jurisdiction*) of the Debenture apply to this Deed as if set out in full in this letter but as though references to the Debenture were references to this Deed.

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

THIS DEED has been signed on behalf of the Lender and **EXECUTED AS A DEED** by the Chargor and is delivered by them on the date specified at the beginning of this Deed

EXECUTED as a **DEED** by

)

)

**MENTER MÔN MORLAIS
HOLDINGS LIMITED**

)

acting by a director in the presence of:

)

Director

)

Print name: John Idris Jones

Signature of witness

Print name (in BLOCK CAPITALS)

Mair Eleri Jones

Address:

Occupation:

Retired

EXECUTED AS A DEED by applying the seal of
the Welsh Ministers

The application of the seal of the
Welsh Ministers is **AUTHENTICATED**
By

who is duly authorised for that purpose
by the Director of Legal Services by authority
of the Welsh Ministers under section 90(2) of
the Government of Wales Act 2006.

Signature: _____

Name: _____

Job Title: _____

EXECUTED as a DEED by

)

MENTER MÔN MORLAIS
HOLDINGS LIMITED

)

)

acting by a director in the presence of:

)

Director:

)

Print name:

Signature of witness:

Print name (in BLOCK CAPITALS):

Address:

Occupation:

EXECUTED AS A DEED by applying the seal of
the Welsh Ministers

The application of the seal of the
Welsh Ministers is AUTHENTICATED

By

MAIR HUGHES - SENIOR LAWYER

who is duly authorised for that purpose
by the Director of Legal Services by authority
of the Welsh Ministers under section 90(2) of
the Government of Wales Act 2006.

Signature:

Name:

MAIR HUGHES

Job Title:

SENIOR LAWYER