



## Registration of a Charge

LLP name: **BADGER PROPERTY PARTNERS LLP**

LLP number: **OC313362**

Received for Electronic Filing: **17/10/2013**



X2J62CH7

## Details of Charge

Date of creation: **10/10/2013**

Charge code: **OC31 3362 0006**

Persons entitled: **SGH COLLECTIVES FUND PCC TRANSACTING IN RESPECT OF ITS PROTECTED CELL SGH COLLECTIVES FUND CELL 34 PC**

Brief description: **LAND ADJOINING LOWER THAMES STREET, LONDON, REGISTERED AT THE LAND REGISTRY UNDER FREEHOLD TITLE NUMBER NGL460042 AND LEASEHOLD TITLE NUMBER NGL465678. ALL PRESENT AND FUTURE FREEHOLD AND LEASEHOLD PROPERTY SITUATED IN ENGLAND AND WALES AND ALL LIENS, CHARGES, OPTIONS, AGREEMENTS, RIGHTS AND INTERESTS IN OR OVER LAND OR THE PROCEEDS OF SALE OF LAND SITUATED IN ENGLAND AND WALES AND ALL BUILDINGS, FIXTURES (INCLUDING TRADE AND TENANT'S FIXTURES) AND FIXED PLANT AND MACHINERY FROM TIME TO TIME ON SUCH PROPERTY OR LAND TOGETHER WITH ALL RIGHTS, EASEMENTS AND PRIVILEGES APPURTENANT TO, OR BENEFITTING, THE SAME INCLUDING, WITHOUT LIMITATION, ALL OPTIONS, AGREEMENTS, LIENS, MORTGAGES AND CHARGES IN RELATION THERETO AND THE PROCEEDS OF SALE OR DISPOSAL THEREOF. ANY REGISTERED INTELLECTUAL PROPERTY RIGHT IN ANY TERRITORY OR JURISDICTION INCLUDING WITHOUT LIMITATION PATENTS, TRADE MARKS, SERVICE MARKS, REGISTERED DESIGNS AND ANY SIMILAR RIGHT IN ANY TERRITORY OR JURISDICTION AND ANY APPLICATIONS OR RIGHT TO APPLY FOR ANY OF THE ABOVE, ANY INVENTION, COPY-RIGHT, DESIGN RIGHT OR PERFORMANCE RIGHT, ANY TRADE SECRETS, KNOW-HOW AND CONFIDENTIAL INFORMATION AND THE BENEFIT OF ANY AGREEMENT OR LICENCE FOR THE USE OF ANY SUCH RIGHT. FOR MORE DETAILS PLEASE REFER TO THE INSTRUMENT.**

**Contains fixed charge(s).**

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

**Notification of addition to or amendment of charge.**

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## Authentication of Form

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

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## Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 AS APPLIED BY THE LIMITED LIABILITY PARTNERSHIPS (APPLICATION OF COMPANIES ACT 2006) REGULATIONS 2009 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **NORTON ROSE FULBRIGHT LLP**



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

LLP number: OC313362

Charge code: OC31 3362 0006

The Registrar of Companies for England and Wales hereby certifies that a charge dated 10th October 2013 and created by BADGER PROPERTY PARTNERS LLP was delivered pursuant to Part 25 of the Companies Act 2006 as applied by The Limited Liability Partnerships (Application of Companies Act 2006) (Amendment) Regulations 2013 on 17th October 2013 .

Given at Companies House, Cardiff on 17th October 2013



**Companies House**



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

DATED 10 OCTOBER 2013

**BADGER PROPERTY PARTNERS LLP**

(as Chargor)

and

**SGH COLLECTIVES FUND PCC**

acting in respect of SGH Collectives Fund Cell 34 PC

(as Security Trustee)

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**DEBENTURE**

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I certify that, save for material  
redacted pursuant to s.859G  
of the Companies Act 2006,  
this copy instrument is a correct copy  
of the original instrument.

Sign & Dated

*Notary Public*  
17/10/13

**ROSENBLATTSOLICITORS**

9-13 St Andrew Street  
London EC4A 3AF  
Tel: 020 7955 0880  
Fax: 020 7955 0888  
Ref: DASA/BAD2-7

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THIS DEED is made on

10 OCTOBER

2013

**BETWEEN**

- (1) **BADGER PROPERTY PARTNERS LLP** a limited liability partnership registered in England and Wales with registered number OC 313362 whose registered office is at The Northern and Shell Building, Number 10 Lower Thames Street, London EC3R 6EN (the “**Chargor**”); and
- (2) **SGH COLLECTIVES FUND PCC** a Jersey protected cell company incorporated in Jersey with registered number 95847 and having its registered office at 18 Esplanade, St Helier, Jersey JE4 8RT transacting in respect of its protected cell SGH Collectives Fund Cell 34 PC recognised under the Companies (Jersey) Law 1991, as amended, with registered number 113868 and having its registered office at 18 Esplanade, St Helier, Jersey JE4 8RT as trustee for each of the Bondholders (as defined below) (the “**Security Trustee**”).

**IT IS INTENDED THAT THIS DEBENTURE SHALL TAKE EFFECT AS A DEED.**

**1. INTERPRETATION**

**1.1 Definitions**

|                           |   |
|---------------------------|---|
| <b>“Account Bank”</b>     | means Bank of Scotland plc and/or Lloyds Bank plc;  |
| <b>“Authorisation”</b>    | means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;  |
| <b>“Bond Documents”</b>   | means this Deed, the Bond Instrument, the Security Trust Deed, the Subscription Agreement and any other document designated as a Bond Document by the Chargor and the Security Trustee;               |
| <b>“Bondholder”</b>       | means the person or persons for the time being entered in the Register as the holders of the Bonds;   |
| <b>“Bond Instrument”</b>  | means the instrument creating the Bonds to be dated on or about the date of this Deed;  |
| <b>“Bonds”</b>            | means the secured discounted bonds issued by the Chargor and constituted by the Bond Instrument;  |
| <b>“Business Day”</b>     | means a day (other than a Saturday or a Sunday) on which banks are open for business in London and Jersey;  |
| <b>“Charged Property”</b> | means all the assets and undertaking of the Chargor which from time to time are, or purport to be, the subject of the security created in favour of the Security Trustee by or pursuant to this Deed; |

|                                  |   |
|----------------------------------|---|
| <b>“Declared Default”</b>        | means an Event of Default in respect of which any notice has been served by the Security Trustee in accordance with the Bond Instrument;  |
| <b>“Event of Default”</b>        | means an event of default under the Bond Instrument;  |
| <b>“Insurances”</b>              | means any present and future contract or policy of insurance or assurance in which the Chargor has an interest and all claims and rebates of premium under any such policy;   |
| <b>“Intellectual Property”</b>   | <p>means any of the following in which the Chargor has an interest:</p> <ul style="list-style-type: none"> <li>(a) any registered intellectual property right in any territory or jurisdiction including without limitation, patents, trade marks, service marks, registered designs, and any similar right in any territory or jurisdiction and any applications or right to apply for any of the above;</li> <li>(b) any invention, copyright, design right or performance right;</li> <li>(c) any trade secrets, know-how and confidential information; and</li> <li>(d) the benefit of any agreement or licence for the use of any such right;</li> </ul> |
| <b>“Intercreditor Agreement”</b> | means the intercreditor agreement to be entered into on or about the date of this Instrument between (amongst others) the Issuer, the Security Trustee and Lloyds Bank plc;   |
| <b>“LPA”</b>                     | means the Law of Property Act 1925;   |
| <b>“Monetary Claims”</b>         | means all book and other debts and monetary claims now or in the future owing to the Chargor (whether alone or jointly with any other person), whenever payable and whether liquidated or unliquidated, certain or contingent including, without limitation, credit balances on any Account, and together with all cheques, bills of exchange, negotiable instruments, credits and securities at any time given in relation to, or to secure payment of, any such debt;   |
| <b>“Property”</b>                | means the property described in Schedule 1 hereto and any part or parts thereof and all buildings, structures and fixtures (including trade fixtures, fixed plant and machinery) now or hereafter to be erected thereon or to   |



|                              |   |
|------------------------------|---|
|                              | form part thereof;  |
| <b>“Receiver”</b>            | means any receiver, receiver and manager or administrative receiver of the whole or any part of the Charged Property;   |
| <b>“Register”</b>            | has the meaning given to it in the Instrument;  |
| <b>“Related Rights”</b>      | means in relation to any Charged Property: <ul style="list-style-type: none"> <li>(a) the proceeds of sale of any part of that Charged Property;</li> <li>(b) all rights under any licence, agreement for sale or agreement for lease in respect of that Charged Property;</li> <li>(c) all rights, benefits, claims, contracts, warranties, remedies, security, indemnities or covenants for title in respect of that Charged Property; and</li> <li>(d) any moneys and proceeds paid or payable in respect of that Property;</li> </ul> |
| <b>“Secured Liabilities”</b> | means all present and future liabilities and obligations of the Chargor to the Secured Parties under the Bond Documents (whether actual or contingent and whether owed jointly or severally or as principal or as surety or in any other capacity whatsoever and whether or not a Secured Party, was the original creditor in respect thereof), including, without limitation, any interest, commission, costs, charges and expenses charged by the Secured Parties at rates agreed by them and the Chargor;                              |
| <b>“Secured Parties”</b>     | means the Security Trustee and the Bondholders and any successors thereto and any assigns, transferees or substitutes thereof;  |
| <b>“Securities”</b>          | means all the right, title and interest of the Chargor, now or in the future, in any: <ul style="list-style-type: none"> <li>(a) stock, shares, bonds, debentures, loan stocks, or other securities issued by any person;</li> <li>(b) warrants, options or other rights to subscribe, purchase or otherwise acquire any stocks, shares, bonds, debentures, loan stocks or other securities or investments issued by any person; and</li> <li>(c) units or other interests in any unit trust or collective investment scheme;</li> </ul>  |

|                                   |   |
|-----------------------------------|---|
| <b>“Security”</b>                 | means a mortgage, charge, pledge, lien or any other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;  |
| <b>“Security Trust Deed”</b>      | means the Security Trust Deed to be entered into on or before the date of this Deed between the Security Trustee, the Chargor and the Bondholders;  |
| <b>“Senior Finance Documents”</b> | has the meaning given to it in the Intercreditor Agreement;   |
| <b>“Specified Accounts”</b>       | means the accounts held with the Account Bank referred to as the “General Account”, the “Rent Account”, the Deposit Account” and the “Reserve Account” whose details appear in Schedule 2 and any other account held with the Account Bank which the Chargor and the Security Trustee have designated as a Specified Account; and |
| <b>“Subscription Agreement”</b>   | means the subscription agreement to be dated on or about the date of this Instrument and made between the Chargor (as Issuer) and SGH Collectives Fund PCC transacting in respect of its protected cell, SGH Collectives Fund Cell 34 PC (as Original Subscriber) (each such term as defined therein).                            |

## 1.2 **Incorporation of terms**

Unless the context otherwise requires or unless defined in this Deed, all words and expressions defined or whose interpretation is provided for in the Bond Instrument shall have the same meanings in this Deed.

## 1.3 **Interpretation**

In this Deed unless the context otherwise requires:-

- 1.3.1 words importing the singular shall include the plural and vice versa and reference to any gender includes the other gender;
- 1.3.2 the term “assets” includes all property, rights and revenues whatsoever, and wheresoever, present and future;
- 1.3.3 an Event of Default is “continuing” if it has not been remedied;
- 1.3.4 all references to documents include all variations and replacements of such documents and supplements to such documents;
- 1.3.5 all references to a party include references to its personal representatives, permitted assigns and transferees and its successors in title;

- 1.3.6 references to persons include bodies corporate, unincorporated associations and partnerships;
- 1.3.7 words and phrases defined in the Companies Act 2006 have the same meanings in this Deed but the word “company” includes any body corporate.
- 1.3.8 any reference to any statute or statutory instrument includes any enactment replacing or amending it or any instrument, order or regulation made under it and also includes any past statutory provisions (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced;
- 1.3.9 headings are for reference purposes only and shall not affect the construction of anything in this Deed; and
- 1.3.10 references to “Clauses” are to the clauses or sub-clauses of this Deed and references to the “Schedule” are to the schedule to this Deed.

## **2. COVENANT TO PAY**

The Chargor covenants with the Security Trustee (as security trustee for the Bondholders) that it will pay perform and discharge the Secured Liabilities as and when the same fall due for payment, performance or discharge in accordance with the terms of the Bond Documents.

## **3. INTEREST**

The Chargor covenants with the Security Trustee to pay interest on any amounts due but unpaid under Clause 2 from day to day until full discharge of the Secured Liabilities (whether before or after judgment, liquidation, winding-up or administration of the Chargor) at the rate and in the manner specified in Condition 3 of the Second Schedule of the Bond Instrument.

## **4. CHARGES**

### **4.1 Mortgages and Fixed Charges**

As a continuing security for payment of the Secured Liabilities, the Chargor with full title guarantee charges to the Security Trustee (as security trustee for the Bondholders) by way of first fixed charge (and, as applicable, as regards all those parts of the freehold and leasehold property in England and Wales now vested in the Chargor by way of first legal mortgage) as a continuing security for the payment and discharge of the Secured Liabilities, the following assets from time to time owned by the Chargor or in which the Chargor may from time to time have an interest (beneficial or otherwise and the proceeds of sale or realisation thereof):

- (a) all present and future freehold and leasehold property of the Chargor situate in England and Wales and all liens, charges, options, agreements, rights and interests in or over land or the proceeds of sale of land situate in England and Wales and all buildings, fixtures (including trade and tenant’s fixtures) and fixed plant and machinery from time to time on such property or land together with all rights, easements and privileges appurtenant to, or benefiting, the same including, without limitation, all options, agreements, liens, mortgages and charges in

relation thereto and the proceeds of sale or disposal thereof and shall include the Property details of which are set out in Schedule 1;

- (b) all licences held by it to enter upon or use land and/or to carry on the business carried on upon that land and all agreements relating to land to which it is a party or otherwise entitled;
- (c) all amounts owing to it by way of rent, licence fee, service charge, dilapidations, ground rent and/or rent charge in respect of any freehold and leasehold property;
- (d) the Securities;
- (e) the Intellectual Property;
- (f) the Monetary Claims;
- (g) all moneys from time to time deposited in or standing to the credit of the Specified Accounts or on any other account of the Chargor with the Account Bank or any other bank or financial institution;
- (h) the Insurances;
- (i) all Authorisations (statutory or otherwise) held in connection with its business or the use of any Charged Property and the right to recover and receive all compensation which may be payable in respect of them;
- (j) the Related Rights under or in connection with the Securities, the Accounts, the Insurances, the Intellectual Property, the Monetary Claims and the Authorisations;
- (k) all contracts, guarantees, appointments, warranties and other documents to which it is a party or in its favour or of which it has the benefit relating to any letting, development, sale, purchase or the operation of any freehold and leasehold property including the Related Rights arising from any of them; and
- (l) any currency or interest swap or any other interest or currency protection, hedging or financial futures transaction or arrangement entered into by it or of which it has the benefit, including the Related Rights arising from any of them.

#### **4.2 Floating Charge**

As continuing security for payment of the Secured Liabilities, the Chargor with full title guarantee charges to the Security Trustee by way of first floating charge the whole of the Chargor's undertaking and assets, present and future and wherever situated, which are not for any reason effectively charged (whether in law or equity) by way of fixed security by this Deed.

#### **4.3 Trust**

If or to the extent that for any reason the assignment or charging of any Charged Property is prohibited, the Chargor shall hold it on trust for the Security Trustee.

#### **4.4 Qualifying floating charge**

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 will apply to any floating charge created by this Deed.

#### **4.5 Financial Collateral**

To the extent that the Charged Assets constitute “financial collateral” and this Deed and the obligations of the Chargor hereunder constitute a “security financial collateral arrangement” (in each case for the purpose of and as defined in the Financial Collateral Arrangements (No.2) Regulations 2003 (SI 2003 No. 3226)) the Security Trustee shall have the right to appropriate all or any part of such financial collateral in or towards the satisfaction of the Secured Liabilities. For this purpose, the value of such financial collateral so appropriated shall be such amount as the Security Trustee reasonably determines.

### **5. CRYSTALLISATION OF FLOATING CHARGE**

#### **5.1 Crystallisation: By Notice**

The Security Trustee may at any time by notice in writing to the Chargor convert the floating charge created by Clause 4.2 with immediate effect into a fixed charge as regards any property or assets specified in the notice if:

5.1.1 An Event of Default is continuing; or

5.1.2 the Security Trustee (acting reasonably) considers that it is necessary in order to protect the priority of the Security created by or pursuant to this Deed.

#### **5.2 Crystallisation: Automatic**

The floating charge created by Clause 4.2 will automatically be converted (without notice) with immediate effect into a fixed charge as regards all of the undertaking and assets subject to the floating charge if:

- (a) the Chargor creates or attempts to create any Security (other than as permitted pursuant to the terms of the Bond Documents and any Senior Finance Document) over any of the Charged Property; or
- (b) any person levies or attempts to levy any distress, execution or other process against any of the Charged Property; or
- (c) any step is taken (including the presentation of a petition, the passing of a resolution or the making of an application) to appoint a liquidator, provisional liquidator, administrator or Receiver in respect of the Chargor, over all or any part of its assets, or if such person is appointed (provided that such petition, resolution or application is not frivolous or vexatious and/or is otherwise discharged within 14 days (or, if earlier, prior to it being advertised or published)).

### **6. PERFECTION OF SECURITY**

#### **6.1 Notice of tenants**

The Chargor shall immediately at the direction of the Security Trustee give notice to the tenant of the Property and any guarantor thereof substantially in the form specified in Schedule 3 Part 1 and shall use its reasonable endeavours to procure that each recipient acknowledges that notice in the form specified in Schedule 3 Part 2.

#### **6.2 Notice to the Account Bank**

The Chargor shall immediately at the direction of the Security Trustee give notice to the Account Bank substantially in the form specified in Schedule 4 Part 1 and shall use reasonable endeavours to procure that the Account Bank promptly acknowledges that notice in the form specified in Schedule 4 Part 2.

#### **6.3 Notice to Insurers**

The Chargor shall, at the direction of the Security Trustee, give notice to the relevant insurers in such form as the Security Trustee shall reasonably require, providing the Insurances that the Chargor has charged its Insurances by way of security and shall use reasonable endeavours to procure that the relevant insurers promptly acknowledges that notice.

#### **6.4 Delivery of Documents of Title**

Subject to the terms of the Senior Finance Documents, the Chargor shall upon the request of the Security Trustee, deposit with the Security Trustee, and the Security Trustee during the continuance of this security shall be entitled to hold, all deeds, certificates and other documents of title relating to the Property and the Securities.

#### **6.5 HM Land Registry**

- (a) For the purposes of panel 8 of each Form RX1 that may be required to be completed by the Mortgagee in relation to the Property registered or required to be registered at HM Land Registry, the Chargor hereby consents to an application being made by the Security Trustee to the Chief Land Registrar to enter the following restriction in Form P against the Chargor's title to the Property:

“No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge not being a charge registered before the entry of this restriction is to be registered without a written consent signed by the proprietor for the time being of the charge dated [ ] in favour of SGH Collectives Fund PCC transacting in respect of its protected cell, SGH Collectives Fund Cell 34 PC ”.

- (b) If the title to the Property of the Chargor is not registered at HM Land Registry, the Chargor shall ensure that no person (other than itself) shall be registered under the Land Registration Act 2002 as the proprietor of all or any part of the Property without the prior consent in writing of the Security Trustee.
- (c) Whether or not the title to any of the Property is registered at HM Land Registry, in the event that any caution against first registration or any notice (whether

agreed or unilateral) is registered against the Mortgagor's title to any Property, the Chargor shall immediately provide the Security Trustee with full particulars of the circumstances relating to such registration or notice and, if such caution or notice shall have been registered in order to protect a purported interest the creation of which is not permitted under this Charge, the Chargor shall immediately and at its own expense take such steps as the Charge may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.

## **7. FURTHER ASSURANCE**

### **7.1 General**

The Chargor shall, at its own expense, at any time when required by the Security Trustee, execute and deliver to the Security Trustee:

- 7.1.1 a valid legal mortgage of any real or leasehold property now or in the future owned by the Chargor;
- 7.1.2 a fixed charge over any interest, not capable of being charged by way of legal mortgage, in any real or leasehold property now or in the future belonging to the Chargor;
- 7.1.3 fixed Security (or a legal assignment) over all or any of the Charged Property;
- 7.1.4 where any of its assets are situated outside England and Wales, such fixed security (or such security in that jurisdiction most closely akin to fixed security) under the law of the place where the asset is situated as the Security Trustee may require; and
- 7.1.5 a notice to any third party of any of the charges or assignments created by or pursuant to this Deed;

in each case, to the Security Trustee and in such form as the Security Trustee may reasonably require.

### **7.2 Other acts**

Without prejudice to Clause 7.1, the Chargor shall at its own expense, at any time when required by the Security Trustee, do and concur in all acts or things as the Security Trustee may deem necessary for the purpose of the perfection, protection or maintenance of any of the Security intended to be created by this Deed over all or any of the Charged Property or to facilitate the enforcement of that Security, or the exercise of any powers or discretions intended to be vested in the Security Trustee or any Receiver by this Deed.

## **8. RESTRICTIONS ON DEALING**

### **8.1 Negative Pledge**

The Chargor undertakes that it shall not, without the prior consent of the Security Trustee, at any time during the subsistence of this Deed, create or permit to subsist any Security over all or any part of the Charged Property, except as permitted under the terms

of the Bond Documents and the Senior Finance Documents.

## **8.2 Disposals**

The Chargor undertakes that it shall not, without the prior consent of the Security Trustee, at any time during the subsistence of this Deed sell, transfer, assign, lease or hire out, factor, discount, licence, lend, part with its interest in or otherwise dispose of any of the Charged Property or permit the same to occur, or agree to do any of the foregoing, except as permitted under the terms of the Bond Documents and the Senior Finance Documents and provided further that, until:

8.2.1 the floating charge created by Clause 4.2 is converted into a fixed charge; or

8.2.2 the occurrence of an Event of Default,

the Chargor may hold, enjoy and deal with the Charged Property which is not at the relevant time expressed to be subject to a fixed charge or mortgage.

## **9. SECURITIES**

### **9.1 Securities: Before the occurrence of a Declared Default**

Prior to the occurrence of a Declared Default, the Chargor shall:

9.1.1 pay all dividends, interest and other monies arising from the Securities (if any) into an Account; and

9.1.2 exercise all voting rights in relation to the Securities for any purpose provided such purpose is consistent with the Bond Documents.

### **9.2 Securities: After the occurrence of a Declared Default**

After the occurrence of a Declared Default, the Security Trustee may in its discretion (in the name of the Chargor or otherwise and without any further consent or authority from the Chargor):

9.2.1 exercise (or refrain from exercising) any voting rights in respect of the Securities;

9.2.2 apply all dividends, interest and other monies arising from the Securities in accordance with Clause 16 (Application of Moneys);

9.2.3 transfer the Securities into the name of such nominee(s) of the Security Trustee as it shall require; and

9.2.4 exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Securities,

in each case, in such manner and on such terms as the Security Trustee may think fit, and the proceeds of any such action shall form part of the Charged Property.



## **10. SPECIFIED ACCOUNTS**

### **10.1 Representation**

The Chargor represents and warrants that it is and will be the sole beneficial owner of its Specified Accounts, free from any Security (other than that created by this Deed and under any Senior Finance Document).

### **10.2 Undertakings**

The Chargor undertakes that it will not assign, transfer, create, attempt to create or permit to subsist any Security on the Specified Accounts other than in favour of the Security Trustee or pursuant to any Senior Finance Document.

### **10.3 Dealings with the Specified Account**

Subject to the provisions of the Intercreditor Agreement, the Chargor shall not be entitled to withdraw any amount standing to the credit of any Specified Account during the continuance of this Deed. The provisions of this Deed shall take priority, in the event of any inconsistency, over the terms on which any amounts standing to the credit of the Specified Accounts have been deposited.

## **11. INSURANCES**

### **11.1 Insurances: Undertakings**

The Chargor shall at all times during the subsistence of this Deed, keep the Charged Property insured with those insurances normally maintained by prudent companies carrying on a similar business and with an insurance office or underwriters and promptly pay all premiums and other moneys payable under all its Insurances.

### **11.2 Application of Insurance Proceeds**

Subject to the terms of the Senior Finance Documents, all moneys received under any Insurance relating to the Charged Property shall, prior to the occurrence of an Event of Default, be applied towards replacing, restoring or reinstating the Charged Property. Subject to the terms of the Intercreditor Agreement, after the occurrence of an Event of Default and expiry of any applicable grace period contained in any Bond Document during which the Chargor has failed to remedy such Event of Default to the satisfaction of the Security Trustee, the Chargor shall hold such moneys upon trust for the Security Trustee pending payment to the Security Trustee for application in accordance with Clause 16 and the Chargor waives any right it may have to require that any such moneys are applied in reinstatement of any part of the Charged Property.

## **12. PROPERTY COVENANTS**

The Chargor shall (with the intent that this Clause 12 shall apply in relation to all Property now vested in the Chargor or acquired by the Chargor after the date of this Deed):

- 12.1 keep or cause to be kept all buildings and fixtures from time to time on or in any of its

Property and all other plant, machinery and equipment belonging to it in good and substantial repair and good working order (fair wear and tear excepted);

- 12.2 not, without the prior written consent of the Security Trustee, make or permit the making of any material structural alteration or addition to any of its freehold or leasehold property;
- 12.3 comply in all material respects with the provisions of all statutes and the requirements of any competent authority affecting any of its freehold or leasehold property;
- 12.4 ensure that all material consents and approvals under all statutes and the regulations and codes of practice of any competent authority affecting any of its freehold or leasehold property have been obtained and are complied with;
- 12.5 pay the rents and observe and perform all material covenants, conditions, agreements or obligations on its part to be observed and performed contained in any lease under which any of its freehold or leasehold property is held and under any licence, consent or approval given under any lease, and use its reasonable endeavours to enforce observance and performance of the lessor's covenants in any lease;
- 12.6 not without the prior written consent of the Security Trustee, enter into any negotiations with any competent authority with regard to the compulsory acquisition of any of its freehold or leasehold property or consent to the compulsory acquisition of any of its freehold or leasehold property;
- 12.7 pay as and when the same become due all rates, taxes, duties, charges, assessments and other outgoings payable in respect of its Property; and
- 12.8 not, except with the prior written consent of the Security Trustee (not to be unreasonably withheld or delayed) implement any planning permission until it has been acknowledged by the Security Trustee to be acceptable to it.

### **13. DEMAND AND ENFORCEMENT**

#### **13.1 Enforcement**

*This Deed shall become immediately enforceable in respect of and against the Chargor upon the occurrence of a Declared Default and the expiry of any applicable grace period contained in any Bond Document (or as otherwise agreed with the Security Trustee) during which time the Chargor has failed to remedy such Event of Default to the satisfaction of the Security Trustee.*

#### **13.2 Demand for payment**

Any demand for payment, and any other notice to be given by the Security Trustee under this Deed, shall be in writing and may be signed by any authorised signatory on behalf of the Security Trustee, and may be made or given to the Chargor at any place of business of the Chargor, or the registered office of the Chargor:

- 14.2.1 by delivering it to any such place; or

14.2.2 by sending it by first class post to any such place (in which case it shall be deemed received at 10.00am on the next Business Day after posting, and proof of posting shall be proof of delivery); or

14.2.3 by sending it by fax to any fax number of the Chargor (in which case it shall be deemed received when sent, and proof of sending shall be proof of receipt).

### **13.3 Powers on enforcement**

At any time after this Deed has become enforceable, the Security Trustee may (without prejudice to any other rights and remedies and without notice to the Chargor) do all or any of the following:

14.3.1 exercise the power of sale under section 101 of the LPA together with all other powers and rights conferred on mortgagees by the LPA, as varied and extended by this Deed, without the restrictions contained in sections 103 or 109(1) of the LPA; and

14.3.2 exercise the power of leasing, letting, entering into agreements for leases or lettings or accepting or agreeing to accept surrenders of leases in relation to any charge property, without the restrictions imposed by sections 99 and 100 of the LPA.

## **14. RECEIVERS**

### **14.1 Appointment**

At any time after this Deed has become enforceable in respect of and against the Chargor, the Security Trustee may appoint any person or persons to be a Receiver or Receivers of all or any part of the Charged Property of the Chargor charged under this Deed or an administrator of the Chargor. An appointment over part only of such Charged Property shall not preclude the Security Trustee from making any subsequent appointment over any other part of such Charged Property.

### **14.2 Appointment in writing**

The appointment of a Receiver shall be in writing, and may be signed by any authorised signatory on behalf of the Security Trustee. Where more than one person is acting at any time as Receiver, they shall have power to act severally as well as jointly.

### **14.3 Remuneration**

The Security Trustee may from time to time determine the remuneration of the Receiver (which shall not be subject to the limit in section 109(6) of the LPA) and may (subject to the application of section 45 of the Insolvency Act 1986) remove any person from office in relation to all or any part of the Charged Property of which he is the Receiver and at any time appoint a further or other Receiver or Receivers over all or any part of such Charged Property.

#### **14.4 Powers**

The Receiver shall be the agent of the Chargor (which shall be solely liable for his acts, defaults and remuneration) unless and until the Chargor goes into liquidation from which time he shall act as principal and shall not become the agent of the Security Trustee, and the Receiver shall have and be entitled to exercise in relation to the Charged Property:

- 15.4.1 all the powers conferred by the LPA on mortgagees in possession and on receivers appointed under the LPA;
- 15.4.2 all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986, whether or not the Receiver is an administrative receiver;
- 15.4.3 all the powers and rights that an absolute owner would have in relation to any Charged Property; and
- 15.4.4 the power to do all things incidental or conducive to any functions, powers, authorities or discretions conferred or vested in the Receiver.

#### **15. POWER OF ATTORNEY**

##### **15.1 Appointment**

Following a Declared Default, the Chargor hereby irrevocably and by way of security appoints the Security Trustee (whether or not a Receiver has been appointed) and also (as a separate appointment) each Receiver severally as the attorney and attorneys of the Grant or with power to do any act, and execute and deliver any deed or other document, on behalf of and in the name of the Chargor, which the Chargor could be required to do or execute under any provision of this Deed, or which the Security Trustee in its sole opinion may consider necessary or desirable for perfecting the Security Trustee's title to any of the Charged Property of the Chargor or enabling the Security Trustee or the Receiver to exercise any of its or his rights or powers under this Deed.

#### **16. APPLICATION OF MONEYS**

##### **16.1 Application of moneys**

All sums received by virtue of this Deed by the Security Trustee or the Receiver shall be paid or applied in the following order of priority:

- (a) in or towards satisfaction of all costs, charges and expenses incurred and payments made by the Receiver (including, without limitation, legal expenses) and of the remuneration of the Receiver;
- (b) in or towards satisfaction of all costs, charges and expenses incurred and payments made by the Security Trustee (including, without limitation, legal expenses);
- (c) in or towards payment of the Secured Liabilities to the Security Trustee;
- (d) as to the surplus (if any), to the person or persons entitled to such surplus,

and section 109(8) of the LPA shall not apply.

## **17. PROTECTION OF THIRD PARTIES**

### **17.1 Statutory powers**

In favour of any purchaser, the statutory powers of sale and of appointing a Receiver which are conferred upon the Security Trustee, as varied and extended by this Deed, and all other powers of the Security Trustee, shall be deemed to arise (and the Secured Liabilities shall be deemed due and payable for that purpose) immediately after the execution of this Deed but the Security Trustee shall not be entitled to exercise such power of sale or other powers until the security constituted by this Deed has become enforceable under Clause 13.

### **17.2 Purchasers**

No purchaser from or other person dealing with the Security Trustee, any person to whom it has delegated any of its powers, or the Receiver shall be concerned to enquire whether any of the powers which they have exercised has arisen or become exercisable, or whether the Secured Liabilities remain outstanding or whether any event has happened to authorise the Receiver to act or as to the propriety or validity of the exercise of any such power, and the title and position of a purchaser or such person shall not be impeachable by reference to any of those matters.

### **17.3 Receipts**

The receipt of the Security Trustee or the Receiver shall be an absolute and conclusive discharge to a purchaser or any other person dealing with the Security Trustee.

## **18. PROTECTION OF THE SECURITY TRUSTEE AND ANY RECEIVER**

### **18.1 No liability**

No Receiver shall be liable in respect of any loss or damage which arises out of the exercise, or attempted or purported exercise of, or the failure to exercise any of his powers under this Deed.

### **18.2 Not mortgagee in possession**

Without prejudice to any other provision of this Deed, entry into possession of any Charged Property shall not render any Receiver liable to account as mortgagee in possession or to be liable for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable and if and whenever any Receiver enters into possession of any Charged Property it shall be entitled at any time it or he thinks fit to go out of such possession.

### **18.3 Indemnity**

The Chargor shall indemnify and keep indemnified, every Receiver, and any person who acts as the servant, agent, delegate or attorney of any of them, against all claims, costs,

expenses and liabilities which they may suffer or incur arising in any way out of the taking or holding of this Deed, the exercise or purported exercise of any right, power, authority or discretion given by it, or any other act or omission in relation to this Deed or the Charged Property.

#### **18.4 Currency protection**

If any amount due to be paid to the Security Trustee is, for any reason, paid in a currency (the “currency of payment”) other than the currency in which it was expressed to be payable (the “contractual currency”), the Security Trustee may wherever it thinks fit apply the amount of the currency of payment received by it in the purchase, in accordance with its normal practice, of the contractual currency, and if this results in any shortfall below the amount due in the contractual currency, after deducting all taxes, costs and commissions payable in connection with that purchase, the Chargor shall indemnify the Security Trustee against the amount of the shortfall.

#### **18.5 Continuing protection**

The provisions of this Clause 18 shall continue in full force and effect notwithstanding any release or discharge of this Deed, or the discharge of any Receiver from office.

### **19. EFFECTIVENESS OF SECURITY**

- 19.1 The security constituted by this Deed shall remain in full force and effect as a continuing security, unless and until discharged by the Security Trustee, and will extend to the ultimate balance of all the Secured Liabilities, regardless of any intermediate payment or discharge in whole or in part.

### **20. CUMULATIVE RIGHTS**

- 20.1 The security constituted by this Deed and all rights, powers and remedies of the Security Trustee provided by or pursuant to this Deed or by law shall be cumulative, in addition to and independent of any other guarantee or security which the Security Trustee may at any time hold for the Secured Liabilities or any other obligations or any rights, powers and remedies provided by law.

### **21. REINSTATEMENT**

- 21.1 Where any discharge, whether in respect of the obligations of the Chargor or any security for those obligations or otherwise, is given or any arrangement is made in whole or in part on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise, the liability of the Chargor under this Deed shall continue as if the discharge or arrangement had not occurred.
- 21.2 The Security Trustee may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

### **22. WAIVER OF DEFENCES**

- 22.1 Neither the obligations of the Chargor under this Deed nor the security constituted by this Deed nor the rights, powers and remedies of the Security Trustee provided by or pursuant

to this Deed or by law will be affected by an act, omission, matter or thing which, but for this Clause 22.1, would reduce, release or prejudice any of its obligations under this Deed, any of that security or any of those rights, powers and remedies (without limitation and whether or not known to it or the Security Trustee) including:

- (a) any time, waiver or consent granted to, or composition with, any person;
- (b) the release of any person under the terms of any composition or arrangement with any creditor of the Chargor;
- (c) 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 or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of, or dissolution or change in the members or status of, any person;
- (e) any amendment (however fundamental) or replacement of a Bond Document or any other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Bond Document or any other document or security; or
- (g) any insolvency or similar proceedings.

## **23. IMMEDIATE RECOURSE**

- 23.1 The Chargor waives any right it may have of first requiring the Security Trustee to proceed against or enforce any other rights or security or claim payment from any person or file any proof or claim in any insolvency, administration, winding up or liquidation proceedings relating to the Chargor or any other person before claiming from it under this Deed. This waiver applies irrespective of any law or any provision of any Bond Document to the contrary.

## **24. NON-COMPETITION**

- 24.1 Until the Secured Liabilities, and all amounts which may be or become due and payable in respect of the Secured Liabilities, have been irrevocably paid, performed or discharged in full, the Chargor shall not, after a claim has been made against it under this Deed or by virtue of any payment, performance or discharge by it of its obligations under this Deed:
- (a) be entitled to any right of contribution or indemnity from any person in respect of any payment made or moneys received on account of its liability under this Deed;
  - (b) be subrogated to any rights, security or moneys held, received or receivable by the Security Trustee or any other guarantee or security taken pursuant to, or in connection with, the Bond Documents by the Security Trustee;

- (c) claim, rank, prove or vote as a creditor of the Chargor or any other member of the Group or in their respective estates in competition with the Security Trustee unless the Security Trustee so directs in which case it shall; or
- (d) receive, claim or have the benefit of any payment, right, distribution or security from or on account of, or exercise any right of set-off as against, the Chargor, unless the Security Trustee so directs in which case it shall.

24.2 The Chargor shall hold in trust for and promptly pay or transfer to the Security Trustee any payment or distribution or security received by it either contrary to Clause 24.1 above or as a result of a direction of the Security Trustee given under that Clause. If the Chargor exercises any right of set-off contrary to Clause 24.1, it will immediately pay an amount equal to the amount set off to the Security Trustee.

## **25. NEW ACCOUNTS**

If the Security Trustee receives notice of any subsequent charge or other Security affecting any of the Charged Property, the Security Trustee shall be entitled to close the Chargor's then current account or accounts and to open a new account or accounts for the Chargor. If the Security Trustee does not open a new account or accounts immediately on receipt of such notice it shall nevertheless be treated as if it had done so at the time when it received such notice, and as from that time all payments made for the credit of the Chargor shall be credited or be treated as having been credited to such new account or accounts and shall not operate to reduce the amount due from the Chargor to the Security Trustee at the time when it received such notice.

## **26. MISCELLANEOUS PROVISIONS**

### **26.1 Severability**

If any provision of this Deed is illegal, invalid or unenforceable in any jurisdiction, that shall not affect:

- (a) the validity or enforceability of any other provision, in any jurisdiction; or
- (b) the validity or enforceability of that particular provision, in any other jurisdiction.

### **26.2 Costs, charges and expenses**

All reasonable and proper costs, charges and expenses incurred or paid by the Security Trustee or by the Receiver in the exercise of any power or right given by this Deed or in relation to any consent requested by the Chargor, or in perfecting or otherwise in connection with this Deed, the other Bond Documents or the Charged Property together with all sums recoverable under Clause 18 and all costs of the Security Trustee (on an indemnity basis) of all proceedings for the enforcement of this Deed or for obtaining payment of moneys by this Deed secured, shall be recoverable from the Chargor as debts, may be debited by the Security Trustee at any time to any account of the Chargor.

### **26.3 Contracts (Rights of Third Parties) Act 1999**

The Security Trustee and any Receiver and their respective officers, employees and agents may enforce any term of this Deed which purports to confer a benefit on that



person, but no other person who is not a party to this Deed has any right under the Contracts (Rights of Third Parties) Act 1999 (the “**Third Parties Act**”) to enforce or to enjoy the benefit of any term of this Deed.

#### **26.4 Consolidation of mortgages**

Section 93 of the LPA dealing with the consolidation of mortgages shall not apply to this Deed.

#### **26.5 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.

### **27. NOTICES**

#### **27.1 Communications in Writing**

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

#### **27.2 Addresses**

The 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:

- (a) in the case of the Chargor, that identified with its name above; and
- (b) subject to clause 27.5, in the case of the Security Trustee, that identified with its name above,

or any substitute address or department or officer as the Chargor may notify to the Security Trustee (or the Security Trustee may notify to the Chargor, if a change is made by the Security Trustee) by not less than five Business Days’ notice.

#### **27.3 Delivery**

- (a) Any notice to be given by any party to another party shall be in writing and shall be deemed to have been duly served if delivered personally or by pre-paid first class post (or prepaid airmail or air courier in the case of an address for service outside the country from which service is made) to the addressee at its address for the receipt thereof.
- (b) A notice shall be deemed to have been duly served as follows:
  - (i) where personally delivered, upon such delivery;
  - (ii) where sent by pre-paid first class post to an address in the country from which service is made, 48 hours after posting;

- (iii) where sent by prepaid airmail to an address outside the country from which service is made, five Business Days after posting; and
- (iv) where sent by air courier two Business Days after delivery to a representative of the courier.

Any notice served or deemed to have been served after 17.00 on any Business Day or at any time on a day which is not a Business Day shall be deemed to have been given at 09.00 on the next Business Day.

- (c) In proving the service of any notice it shall be sufficient to prove:
  - (i) in the case of a notice sent by post that such notice was properly addressed, stamped and placed in the post;
  - (ii) in the case of a notice personally delivered that it was delivered or left at the specified address; and
  - (iii) in the case of a notice sent by air courier that it was delivered to a representative of the courier.

#### **27.4 English language**

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

27.6.2 All other documents provided under or in connection with this Deed must be:

- (a) in English; or
- (b) if not in English, and if so required by the Security Trustee, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

#### **27.5 Service of process**

- (a) Without prejudice to any other mode of service allowed under any relevant law, the Security Trustee irrevocably appoints SG Hambros Trust Company Limited, Norfolk House, 31 St James's Square, London SW1Y 4JR, Attention: Rachel Iles, Institutional Fiduciary Services, as its agent for service of process in relation to any proceedings before the English courts in connection with this Deed and the Security Trustee agrees that failure by an agent for service of process to notify any other party of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, an alternative must be appointed immediately.

### **28. GOVERNING LAW**

This Deed is governed by, and construed in accordance with, English law and is **EXECUTED AND DELIVERED AS A DEED** by the Chargor and executed by the Security Trustee on the date set out at the beginning of this Deed.

## **SCHEDULE 1**

### **DETAILS OF PROPERTY**

Land adjoining Lower Thames Street, London and registered at the Land Registry under freehold title number NGL460042 and leasehold title number NGL465678

## **SCHEDULE 2**

### **THE SPECIFIED ACCOUNTS**

The Specified Accounts as set out below with the Account Bank in the name of the Chargor:

#### **General Account**

|                 |                      |
|-----------------|----------------------|
| Bank            | Bank of Scotland plc |
| Account Number: | [REDACTED]           |
| Sort Code:      | [REDACTED]           |

#### **Rent Account**

|                 |                      |
|-----------------|----------------------|
| Bank            | Bank of Scotland plc |
| Account Number: | [REDACTED]           |
| Sort Code:      | [REDACTED]           |

#### **Deposit Account**

|                 |                      |
|-----------------|----------------------|
| Bank            | Bank of Scotland plc |
| Account Number: | [REDACTED]           |
| Sort Code:      | [REDACTED]           |

#### **Reserve Account**

|                 |                      |
|-----------------|----------------------|
| Bank            | Bank of Scotland plc |
| Account Number: | [REDACTED]           |
| Sort Code:      | [REDACTED]           |

### SCHEDULE 3

#### Part 1 - Form of Notice to Occupational Tenants/Guarantors

##### [On Headed Notepaper of the Chargor]

##### Notice to Occupational Tenant/Guarantor

To: Express Newspapers, The Northern & Shell Building, Number 10 Lower Thames Street, London, EC3R 6EN; and

Northern & Shell Network Limited, The Northern & Shell Building, Number 10 Lower Thames Street, London, EC3R 6EN

Copy to: SGH Collectives Fund PCC transacting in respect of its protected cell, SGH Collectives Fund Cell 34 PC, 18 Esplanade, St Helier, Jersey, JE4 8RT

2013

Dear Sirs

Re: **10 Lower Thames Street, London, EC3R 6EN** (the “**Property**”)

- (1) We refer to the lease dated October 2013 and made between Badger Property Partners LLP (1), Express Newspapers (2) and Northern & Shell Network Limited (3) (the “**Lease**”)
- (2) We, Badger Property Partners LLP (the “**Chargor**”), give you notice that by a debenture (the “**Debenture**”) dated October 2013 between the Chargor (1) and SGH Collectives Fund PCC transacting in respect of its protected cell, SGH Collectives Fund Cell 34 PC (the “**Security Trustee**”) as security trustee for the Bondholders (as defined in the Debenture) (2) we charged (by way of security) all our right, title and interest in and to the moneys from time to time due to the Chargor arising from the Lease to the Security Trustee upon the terms set out in the Debenture.
- (3) This notice is subject to the terms of any notice given to you under and in respect of the Senior Finance Documents (as defined in the Debenture).
- (4) This letter is governed by English Law.

Please acknowledge receipt of this letter by signing the attached form of acknowledgement and returning it to the Security Trustee.

Yours faithfully

For and on behalf of  
**Badger Property Partners LLP**

**Part 2 - Form of Acknowledgement from Occupational Tenant/Guarantor**

**Acknowledgment from Occupational Tenant/Guarantor**

To: SGH Collectives Fund PCC transacting in respect of its protected cell, SGH Collectives Fund Cell 34 PC in its capacity as Security Trustee, 18 Esplanade, St Helier, Jersey JE4 8RT

For the attention of:

Dear Sirs

Re: **10 Lower Thames Street, London. EC3R 6EN**

We acknowledge receipt of a Notice dated October 2013 and addressed to each of us by Badger Property Partners LLP (the “**Chargor**”) regarding the Lease (as defined in the Notice) mentioned in such Notice and we accept the instructions and authorisations contained in such Notice.

We acknowledge and confirm that the Chargor may not agree to amend, surrender or waive any material term of, or assign its interest in, or give any licence, consent or approval under, the Lease without your consent.

This letter is governed by English Law.

Yours faithfully

For and on behalf of  
**Express Newspapers**

For and on behalf of  
**Northern & Shell Network Limited**

## SCHEDULE 4

### Part 1 - Form of Notice to Account Bank

[On Headed Notepaper of the Chargor]

#### Notice to Account Bank

To: Bank of Scotland plc (the “**Bank**”)

Copy to: SGH Collectives Fund PCC transacting in respect of its protected cell, SGH Collectives Fund Cell 34 PC, as security trustee of the Bondholders (as defined in the Debenture below) (the “**Security Trustee**”) 18 Esplanade, St Helier, Jersey JE4 8RT

October 2013

Dear Sirs

Specified Accounts of Badger Property Partners LLP with Bank of Scotland plc – General (Sort Code: 12-01-03 Account No: [REDACTED] Rent (Sort Code: [REDACTED] Account No: [REDACTED] Deposit (Sort Code: [REDACTED] Account No: [REDACTED] and Reserve (Sort Code: [REDACTED] Account No: [REDACTED] (the “Specified Accounts”)

We hereby give you notice that, by a debenture dated October 2013 (the “**Debenture**”), made between Badger Property Partners LLP (the “**Chargor**”) (1) and the Security Trustee (2) we charged (by way of fixed charge) to the Security Trustee all our respective rights and interests in and to all moneys (including interest) from time to time standing to the credit of the Specified Accounts and the debt or debts represented by them.

On behalf of the Chargor, we hereby irrevocably instruct you:

- (a) not to permit any withdrawal of any amount to be made from any Specified Account unless authorised by the Security Trustee or permitted by the Senior Finance Documents and the Intercreditor Agreement (each as defined in the Debenture);
- (b) to disclose to the Security Trustee, without any reference to or further authority from the Chargor and without any enquiry by you as to the justification for such disclosure, such information relating to the Specified Accounts as the Security Trustee may at any time and from time to time request;
- (c) not to permit any Specified Account to be overdrawn at any time and, in the event that any is overdrawn, the Bank will promptly notify the Security Trustee;
- (d) in your capacity as Account Bank, not to claim or exercise any security right, right of set-off, counter-claim, netting, consolidation or other right in respect of any Specified Account; and



- (e) subject to the terms of the Intercreditor Agreement, to comply with the terms of any written notice or instruction relating to any Specified Account received by you from the Security Trustee.

We acknowledge that you may comply with the instructions in this notice without any further permission from us and without any enquiry by you as to the justification for or validity of any request, notice or instruction.

Please also note that these instructions are not to be revoked or amended without the prior written consent of the Security Trustee.

This notice is subject to the terms of any notice given to you under and in respect of the Senior Finance Documents (as defined in the Debenture).

This notice shall be governed by and construed in accordance with English Law.

Please confirm your agreement to the above by sending the attached acknowledgement to the Security Trustee with a copy to us.

Yours faithfully

For and on behalf of  
**Badger Property Partners LLP**

## **Part 2 - Form of Acknowledgement of Account Bank**

### **Acknowledgment of Account Bank**

To: SGH Collectives Fund PCC transacting in respect of its protected cell, SGH Collectives Fund Cell 34 PC, in its capacity as a Security Trustee, 18 Esplanade, St Helier, Jersey JE4 8RT

Copy to: Badger Property Partners LLP

2013

Dear Sirs,

**Specified Accounts of Badger Property Partners LLP with Bank of Scotland plc – General (Sort Code: [REDACTED] Account No: [REDACTED] Rent (Sort Code: [REDACTED] Account No: [REDACTED] Deposit (Sort Code: [REDACTED] Account No: [REDACTED] and Reserve (Sort Code: [REDACTED] Account No: [REDACTED] (the “Specified Accounts”)**

We confirm receipt from the Chargor of a notice (the “Notice”) dated [REDACTED] October 2013 of a charge upon the terms of the Debenture (as defined in the Notice) over all of the Chargor’s rights and interests in and to all moneys (including interest) from time to time standing to the credit of the Specified Accounts with us and the debt or debts represented by them.

We confirm that:

- (f) we accept the instructions and authorisations contained in the Notice and we undertake to act in accordance with and comply with the terms of the Notice;
- (g) we will not permit any Specified Account to be overdrawn at any time and, in the event that any is overdrawn, we will promptly notify the Security Trustee; and
- (h) in our capacity as Account Bank, we have neither claimed nor exercised, nor will claim or exercise any security right, right of set-off, counter-claim, netting, consolidation or other right in respect of any Specified Account.

This letter shall be governed by and construed in accordance with English Law.

Yours faithfully

On behalf of  
**Bank of Scotland plc**

**CHARGOR**

EXECUTED AND DELIVERED AS A DEED )  
BY )  
**BADGER PROPERTY PARTNERS LLP** )  
ACTING BY *RICHARD DESMOND* )  
A MEMBER )  
IN THE PRESENCE OF: )

[REDACTED]

[REDACTED]

WITNESS NAME:  
WITNESS SIGNATURE:  
WITNESS ADDRESS:

*DAVID SACHS* .....

[REDACTED] .....

[REDACTED] .....

OCCUPATION:

*SOLICITOR* .....

**SECURITY TRUSTEE**

SIGNED AND DELIVERED AS A DEED BY )  
**SGH Collectives Fund PCC** )  
acting in respect of its cell,  
**SGH Collectives Fund Cell 34 PC**  
ACTING BY )  
A DIRECTOR )  
IN THE PRESENCE OF: )

WITNESS NAME:  
WITNESS SIGNATURE:  
WITNESS ADDRESS:

.....

.....

.....

OCCUPATION:

.....

.....

**DATED** 10 OCTOBER 2013

**BADGER PROPERTY PARTNERS LLP**  
(as Chargor)

and

**SGH COLLECTIVES FUND PCC**  
acting in respect of SGH Collectives Fund Cell 34 PC  
(as Security Trustee)

---

**DEBENTURE**

---

**ROSENBLATTSOLICITORS**  
9-13 St Andrew Street  
London EC4A 3AF  
Tel: 020 7955 0880  
Fax: 020 7955 0888  
Ref: DASA/BAD2-7

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THIS DEED is made on

10 OCTOBER

2013

**BETWEEN**

- (1) **BADGER PROPERTY PARTNERS LLP** a limited liability partnership registered in England and Wales with registered number OC 313362 whose registered office is at The Northern and Shell Building, Number 10 Lower Thames Street, London EC3R 6EN (the “**Chargor**”); and
- (2) **SGH COLLECTIVES FUND PCC** a Jersey protected cell company incorporated in Jersey with registered number 95847 and having its registered office at 18 Esplanade, St Helier, Jersey JE4 8RT transacting in respect of its protected cell SGH Collectives Fund Cell 34 PC recognised under the Companies (Jersey) Law 1991, as amended, with registered number 113868 and having its registered office at 18 Esplanade, St Helier, Jersey JE4 8RT as trustee for each of the Bondholders (as defined below) (the “**Security Trustee**”).

**IT IS INTENDED THAT THIS DEBENTURE SHALL TAKE EFFECT AS A DEED.**

**1. INTERPRETATION**

**1.1 Definitions**

|                             |   |
|-----------------------------|---|
| “ <b>Account Bank</b> ”     | means Bank of Scotland plc and/or Lloyds Bank plc;  |
| “ <b>Authorisation</b> ”    | means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;  |
| “ <b>Bond Documents</b> ”   | means this Deed, the Bond Instrument, the Security Trust Deed, the Subscription Agreement and any other document designated as a Bond Document by the Chargor and the Security Trustee;               |
| “ <b>Bondholder</b> ”       | means the person or persons for the time being entered in the Register as the holders of the Bonds;   |
| “ <b>Bond Instrument</b> ”  | means the instrument creating the Bonds to be dated on or about the date of this Deed;  |
| “ <b>Bonds</b> ”            | means the secured discounted bonds issued by the Chargor and constituted by the Bond Instrument;  |
| “ <b>Business Day</b> ”     | means a day (other than a Saturday or a Sunday) on which banks are open for business in London and Jersey;  |
| “ <b>Charged Property</b> ” | means all the assets and undertaking of the Chargor which from time to time are, or purport to be, the subject of the security created in favour of the Security Trustee by or pursuant to this Deed; |

|                                  |   |
|----------------------------------|---|
| <b>“Declared Default”</b>        | means an Event of Default in respect of which any notice has been served by the Security Trustee in accordance with the Bond Instrument;  |
| <b>“Event of Default”</b>        | means an event of default under the Bond Instrument;  |
| <b>“Insurances”</b>              | means any present and future contract or policy of insurance or assurance in which the Chargor has an interest and all claims and rebates of premium under any such policy;   |
| <b>“Intellectual Property”</b>   | <p>means any of the following in which the Chargor has an interest:</p> <ul style="list-style-type: none"> <li>(a) any registered intellectual property right in any territory or jurisdiction including without limitation, patents, trade marks, service marks, registered designs, and any similar right in any territory or jurisdiction and any applications or right to apply for any of the above;</li> <li>(b) any invention, copyright, design right or performance right;</li> <li>(c) any trade secrets, know-how and confidential information; and</li> <li>(d) the benefit of any agreement or licence for the use of any such right;</li> </ul> |
| <b>“Intercreditor Agreement”</b> | means the intercreditor agreement to be entered into on or about the date of this Instrument between (amongst others) the Issuer, the Security Trustee and Lloyds Bank plc;   |
| <b>“LPA”</b>                     | means the Law of Property Act 1925;   |
| <b>“Monetary Claims”</b>         | means all book and other debts and monetary claims now or in the future owing to the Chargor (whether alone or jointly with any other person), whenever payable and whether liquidated or unliquidated, certain or contingent including, without limitation, credit balances on any Account, and together with all cheques, bills of exchange, negotiable instruments, credits and securities at any time given in relation to, or to secure payment of, any such debt;   |
| <b>“Property”</b>                | means the property described in Schedule 1 hereto and any part or parts thereof and all buildings, structures and fixtures (including trade fixtures, fixed plant and machinery) now or hereafter to be erected thereon or to   |



form part thereof;

**“Receiver”**

means any receiver, receiver and manager or administrative receiver of the whole or any part of the Charged Property;

**“Register”**

has the meaning given to it in the Instrument;

**“Related Rights”**

means in relation to any Charged Property:

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

**“Secured Liabilities”**

means all present and future liabilities and obligations of the Chargor to the Secured Parties under the Bond Documents (whether actual or contingent and whether owed jointly or severally or as principal or as surety or in any other capacity whatsoever and whether or not a Secured Party, was the original creditor in respect thereof), including, without limitation, any interest, commission, costs, charges and expenses charged by the Secured Parties at rates agreed by them and the Chargor;

**“Secured Parties”**

means the Security Trustee and the Bondholders and any successors thereto and any assigns, transferees or substitutes thereof;

**“Securities”**

means all the right, title and interest of the Chargor, now or in the future, in any:

- (a) stock, shares, bonds, debentures, loan stocks, or other securities issued by any person;
- (b) warrants, options or other rights to subscribe, purchase or otherwise acquire any stocks, shares, bonds, debentures, loan stocks or other securities or investments issued by any person; and
- (c) units or other interests in any unit trust or collective investment scheme;

|                                   |   |
|-----------------------------------|---|
| <b>“Security”</b>                 | means a mortgage, charge, pledge, lien or any other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;  |
| <b>“Security Trust Deed”</b>      | means the Security Trust Deed to be entered into on or before the date of this Deed between the Security Trustee, the Chargor and the Bondholders;  |
| <b>“Senior Finance Documents”</b> | has the meaning given to it in the Intercreditor Agreement;   |
| <b>“Specified Accounts”</b>       | means the accounts held with the Account Bank referred to as the “General Account”, the “Rent Account”, the Deposit Account” and the “Reserve Account” whose details appear in Schedule 2 and any other account held with the Account Bank which the Chargor and the Security Trustee have designated as a Specified Account; and |
| <b>“Subscription Agreement”</b>   | means the subscription agreement to be dated on or about the date of this Instrument and made between the Chargor (as Issuer) and SGH Collectives Fund PCC transacting in respect of its protected cell, SGH Collectives Fund Cell 34 PC (as Original Subscriber) (each such term as defined therein).                            |

## 1.2 **Incorporation of terms**

Unless the context otherwise requires or unless defined in this Deed, all words and expressions defined or whose interpretation is provided for in the Bond Instrument shall have the same meanings in this Deed.

## 1.3 **Interpretation**

In this Deed unless the context otherwise requires:-

- 1.3.1 words importing the singular shall include the plural and vice versa and reference to any gender includes the other gender;
- 1.3.2 the term “assets” includes all property, rights and revenues whatsoever, and wheresoever, present and future;
- 1.3.3 an Event of Default is “continuing” if it has not been remedied;
- 1.3.4 all references to documents include all variations and replacements of such documents and supplements to such documents;
- 1.3.5 all references to a party include references to its personal representatives, permitted assigns and transferees and its successors in title;

- 1.3.6 references to persons include bodies corporate, unincorporated associations and partnerships;
- 1.3.7 words and phrases defined in the Companies Act 2006 have the same meanings in this Deed but the word “company” includes any body corporate.
- 1.3.8 any reference to any statute or statutory instrument includes any enactment replacing or amending it or any instrument, order or regulation made under it and also includes any past statutory provisions (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced;
- 1.3.9 headings are for reference purposes only and shall not affect the construction of anything in this Deed; and
- 1.3.10 references to “Clauses” are to the clauses or sub-clauses of this Deed and references to the “Schedule” are to the schedule to this Deed.

## **2. COVENANT TO PAY**

The Chargor covenants with the Security Trustee (as security trustee for the Bondholders) that it will pay perform and discharge the Secured Liabilities as and when the same fall due for payment, performance or discharge in accordance with the terms of the Bond Documents.

## **3. INTEREST**

The Chargor covenants with the Security Trustee to pay interest on any amounts due but unpaid under Clause 2 from day to day until full discharge of the Secured Liabilities (whether before or after judgment, liquidation, winding-up or administration of the Chargor) at the rate and in the manner specified in Condition 3 of the Second Schedule of the Bond Instrument.

## **4. CHARGES**

### **4.1 Mortgages and Fixed Charges**

As a continuing security for payment of the Secured Liabilities, the Chargor with full title guarantee charges to the Security Trustee (as security trustee for the Bondholders) by way of first fixed charge (and, as applicable, as regards all those parts of the freehold and leasehold property in England and Wales now vested in the Chargor by way of first legal mortgage) as a continuing security for the payment and discharge of the Secured Liabilities, the following assets from time to time owned by the Chargor or in which the Chargor may from time to time have an interest (beneficial or otherwise and the proceeds of sale or realisation thereof):

- (a) all present and future freehold and leasehold property of the Chargor situate in England and Wales and all liens, charges, options, agreements, rights and interests in or over land or the proceeds of sale of land situate in England and Wales and all buildings, fixtures (including trade and tenant’s fixtures) and fixed plant and machinery from time to time on such property or land together with all rights, easements and privileges appurtenant to, or benefiting, the same including, without limitation, all options, agreements, liens, mortgages and charges in

relation thereto and the proceeds of sale or disposal thereof and shall include the Property details of which are set out in Schedule 1;

- (b) all licences held by it to enter upon or use land and/or to carry on the business carried on upon that land and all agreements relating to land to which it is a party or otherwise entitled;
- (c) all amounts owing to it by way of rent, licence fee, service charge, dilapidations, ground rent and/or rent charge in respect of any freehold and leasehold property;
- (d) the Securities;
- (e) the Intellectual Property;
- (f) the Monetary Claims;
- (g) all moneys from time to time deposited in or standing to the credit of the Specified Accounts or on any other account of the Chargor with the Account Bank or any other bank or financial institution;
- (h) the Insurances;
- (i) all Authorisations (statutory or otherwise) held in connection with its business or the use of any Charged Property and the right to recover and receive all compensation which may be payable in respect of them;
- (j) the Related Rights under or in connection with the Securities, the Accounts, the Insurances, the Intellectual Property, the Monetary Claims and the Authorisations;
- (k) all contracts, guarantees, appointments, warranties and other documents to which it is a party or in its favour or of which it has the benefit relating to any letting, development, sale, purchase or the operation of any freehold and leasehold property including the Related Rights arising from any of them; and
- (l) any currency or interest swap or any other interest or currency protection, hedging or financial futures transaction or arrangement entered into by it or of which it has the benefit, including the Related Rights arising from any of them.

#### **4.2 Floating Charge**

As continuing security for payment of the Secured Liabilities, the Chargor with full title guarantee charges to the Security Trustee by way of first floating charge the whole of the Chargor's undertaking and assets, present and future and wherever situated, which are not for any reason effectively charged (whether in law or equity) by way of fixed security by this Deed.

#### **4.3 Trust**

If or to the extent that for any reason the assignment or charging of any Charged Property is prohibited, the Chargor shall hold it on trust for the Security Trustee.

#### **4.4 Qualifying floating charge**

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 will apply to any floating charge created by this Deed.

#### **4.5 Financial Collateral**

To the extent that the Charged Assets constitute “financial collateral” and this Deed and the obligations of the Chargor hereunder constitute a “security financial collateral arrangement” (in each case for the purpose of and as defined in the Financial Collateral Arrangements (No.2) Regulations 2003 (SI 2003 No. 3226)) the Security Trustee shall have the right to appropriate all or any part of such financial collateral in or towards the satisfaction of the Secured Liabilities. For this purpose, the value of such financial collateral so appropriated shall be such amount as the Security Trustee reasonably determines.

### **5. CRYSTALLISATION OF FLOATING CHARGE**

#### **5.1 Crystallisation: By Notice**

The Security Trustee may at any time by notice in writing to the Chargor convert the floating charge created by Clause 4.2 with immediate effect into a fixed charge as regards any property or assets specified in the notice if:

- 5.1.1 An Event of Default is continuing; or
- 5.1.2 the Security Trustee (acting reasonably) considers that it is necessary in order to protect the priority of the Security created by or pursuant to this Deed.

#### **5.2 Crystallisation: Automatic**

The floating charge created by Clause 4.2 will automatically be converted (without notice) with immediate effect into a fixed charge as regards all of the undertaking and assets subject to the floating charge if:

- (a) the Chargor creates or attempts to create any Security (other than as permitted pursuant to the terms of the Bond Documents and any Senior Finance Document) over any of the Charged Property; or
- (b) any person levies or attempts to levy any distress, execution or other process against any of the Charged Property; or
- (c) any step is taken (including the presentation of a petition, the passing of a resolution or the making of an application) to appoint a liquidator, provisional liquidator, administrator or Receiver in respect of the Chargor, over all or any part of its assets, or if such person is appointed (provided that such petition, resolution or application is not frivolous or vexatious and/or is otherwise discharged within 14 days (or, if earlier, prior to it being advertised or published)).

### **6. PERFECTION OF SECURITY**

**6.1 Notice of tenants**

The Chargor shall immediately at the direction of the Security Trustee give notice to the tenant of the Property and any guarantor thereof substantially in the form specified in Schedule 3 Part 1 and shall use its reasonable endeavours to procure that each recipient acknowledges that notice in the form specified in Schedule 3 Part 2.

**6.2 Notice to the Account Bank**

The Chargor shall immediately at the direction of the Security Trustee give notice to the Account Bank substantially in the form specified in Schedule 4 Part 1 and shall use reasonable endeavours to procure that the Account Bank promptly acknowledges that notice in the form specified in Schedule 4 Part 2.

**6.3 Notice to Insurers**

The Chargor shall, at the direction of the Security Trustee, give notice to the relevant insurers in such form as the Security Trustee shall reasonably require, providing the Insurances that the Chargor has charged its Insurances by way of security and shall use reasonable endeavours to procure that the relevant insurers promptly acknowledges that notice.

**6.4 Delivery of Documents of Title**

Subject to the terms of the Senior Finance Documents, the Chargor shall upon the request of the Security Trustee, deposit with the Security Trustee, and the Security Trustee during the continuance of this security shall be entitled to hold, all deeds, certificates and other documents of title relating to the Property and the Securities.

**6.5 HM Land Registry**

- (a) For the purposes of panel 8 of each Form RX1 that may be required to be completed by the Mortgagee in relation to the Property registered or required to be registered at HM Land Registry, the Chargor hereby consents to an application being made by the Security Trustee to the Chief Land Registrar to enter the following restriction in Form P against the Chargor's title to the Property:

“No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge not being a charge registered before the entry of this restriction is to be registered without a written consent signed by the proprietor for the time being of the charge dated [ ] in favour of SGH Collectives Fund PCC transacting in respect of its protected cell, SGH Collectives Fund Cell 34 PC ”.

- (b) If the title to the Property of the Chargor is not registered at HM Land Registry, the Chargor shall ensure that no person (other than itself) shall be registered under the Land Registration Act 2002 as the proprietor of all or any part of the Property without the prior consent in writing of the Security Trustee.
- (c) Whether or not the title to any of the Property is registered at HM Land Registry, in the event that any caution against first registration or any notice (whether

agreed or unilateral) is registered against the Mortgagor's title to any Property, the Chargor shall immediately provide the Security Trustee with full particulars of the circumstances relating to such registration or notice and, if such caution or notice shall have been registered in order to protect a purported interest the creation of which is not permitted under this Charge, the Chargor shall immediately and at its own expense take such steps as the Charge may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.

## **7. FURTHER ASSURANCE**

### **7.1 General**

The Chargor shall, at its own expense, at any time when required by the Security Trustee, execute and deliver to the Security Trustee:

- 7.1.1 a valid legal mortgage of any real or leasehold property now or in the future owned by the Chargor;
- 7.1.2 a fixed charge over any interest, not capable of being charged by way of legal mortgage, in any real or leasehold property now or in the future belonging to the Chargor;
- 7.1.3 fixed Security (or a legal assignment) over all or any of the Charged Property;
- 7.1.4 where any of its assets are situated outside England and Wales, such fixed security (or such security in that jurisdiction most closely akin to fixed security) under the law of the place where the asset is situated as the Security Trustee may require; and
- 7.1.5 a notice to any third party of any of the charges or assignments created by or pursuant to this Deed;

in each case, to the Security Trustee and in such form as the Security Trustee may reasonably require.

### **7.2 Other acts**

Without prejudice to Clause 7.1, the Chargor shall at its own expense, at any time when required by the Security Trustee, do and concur in all acts or things as the Security Trustee may deem necessary for the purpose of the perfection, protection or maintenance of any of the Security intended to be created by this Deed over all or any of the Charged Property or to facilitate the enforcement of that Security, or the exercise of any powers or discretions intended to be vested in the Security Trustee or any Receiver by this Deed.

## **8. RESTRICTIONS ON DEALING**

### **8.1 Negative Pledge**

The Chargor undertakes that it shall not, without the prior consent of the Security Trustee, at any time during the subsistence of this Deed, create or permit to subsist any Security over all or any part of the Charged Property, except as permitted under the terms

of the Bond Documents and the Senior Finance Documents.

## **8.2 Disposals**

The Chargor undertakes that it shall not, without the prior consent of the Security Trustee, at any time during the subsistence of this Deed sell, transfer, assign, lease or hire out, factor, discount, licence, lend, part with its interest in or otherwise dispose of any of the Charged Property or permit the same to occur, or agree to do any of the foregoing, except as permitted under the terms of the Bond Documents and the Senior Finance Documents and provided further that, until:

8.2.1 the floating charge created by Clause 4.2 is converted into a fixed charge; or

8.2.2 the occurrence of an Event of Default,

the Chargor may hold, enjoy and deal with the Charged Property which is not at the relevant time expressed to be subject to a fixed charge or mortgage.

## **9. SECURITIES**

### **9.1 Securities: Before the occurrence of a Declared Default**

Prior to the occurrence of a Declared Default, the Chargor shall:

9.1.1 pay all dividends, interest and other monies arising from the Securities (if any) into an Account; and

9.1.2 exercise all voting rights in relation to the Securities for any purpose provided such purpose is consistent with the Bond Documents.

### **9.2 Securities: After the occurrence of a Declared Default**

After the occurrence of a Declared Default, the Security Trustee may in its discretion (in the name of the Chargor or otherwise and without any further consent or authority from the Chargor):

9.2.1 exercise (or refrain from exercising) any voting rights in respect of the Securities;

9.2.2 apply all dividends, interest and other monies arising from the Securities in accordance with Clause 16 (Application of Moneys);

9.2.3 transfer the Securities into the name of such nominee(s) of the Security Trustee as it shall require; and

9.2.4 exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Securities,

in each case, in such manner and on such terms as the Security Trustee may think fit, and the proceeds of any such action shall form part of the Charged Property.



## **10. SPECIFIED ACCOUNTS**

### **10.1 Representation**

The Chargor represents and warrants that it is and will be the sole beneficial owner of its Specified Accounts, free from any Security (other than that created by this Deed and under any Senior Finance Document).

### **10.2 Undertakings**

The Chargor undertakes that it will not assign, transfer, create, attempt to create or permit to subsist any Security on the Specified Accounts other than in favour of the Security Trustee or pursuant to any Senior Finance Document.

### **10.3 Dealings with the Specified Account**

Subject to the provisions of the Intercreditor Agreement, the Chargor shall not be entitled to withdraw any amount standing to the credit of any Specified Account during the continuance of this Deed. The provisions of this Deed shall take priority, in the event of any inconsistency, over the terms on which any amounts standing to the credit of the Specified Accounts have been deposited.

## **11. INSURANCES**

### **11.1 Insurances: Undertakings**

The Chargor shall at all times during the subsistence of this Deed, keep the Charged Property insured with those insurances normally maintained by prudent companies carrying on a similar business and with an insurance office or underwriters and promptly pay all premiums and other moneys payable under all its Insurances.

### **11.2 Application of Insurance Proceeds**

Subject to the terms of the Senior Finance Documents, all moneys received under any Insurance relating to the Charged Property shall, prior to the occurrence of an Event of Default, be applied towards replacing, restoring or reinstating the Charged Property. Subject to the terms of the Intercreditor Agreement, after the occurrence of an Event of Default and expiry of any applicable grace period contained in any Bond Document during which the Chargor has failed to remedy such Event of Default to the satisfaction of the Security Trustee, the Chargor shall hold such moneys upon trust for the Security Trustee pending payment to the Security Trustee for application in accordance with Clause 16 and the Chargor waives any right it may have to require that any such moneys are applied in reinstatement of any part of the Charged Property.

## **12. PROPERTY COVENANTS**

The Chargor shall (with the intent that this Clause 12 shall apply in relation to all Property now vested in the Chargor or acquired by the Chargor after the date of this Deed):

- 12.1 keep or cause to be kept all buildings and fixtures from time to time on or in any of its

Property and all other plant, machinery and equipment belonging to it in good and substantial repair and good working order (fair wear and tear excepted);

- 12.2 not, without the prior written consent of the Security Trustee, make or permit the making of any material structural alteration or addition to any of its freehold or leasehold property;
- 12.3 comply in all material respects with the provisions of all statutes and the requirements of any competent authority affecting any of its freehold or leasehold property;
- 12.4 ensure that all material consents and approvals under all statutes and the regulations and codes of practice of any competent authority affecting any of its freehold or leasehold property have been obtained and are complied with;
- 12.5 pay the rents and observe and perform all material covenants, conditions, agreements or obligations on its part to be observed and performed contained in any lease under which any of its freehold or leasehold property is held and under any licence, consent or approval given under any lease, and use its reasonable endeavours to enforce observance and performance of the lessor's covenants in any lease;
- 12.6 not without the prior written consent of the Security Trustee, enter into any negotiations with any competent authority with regard to the compulsory acquisition of any of its freehold or leasehold property or consent to the compulsory acquisition of any of its freehold or leasehold property;
- 12.7 pay as and when the same become due all rates, taxes, duties, charges, assessments and other outgoings payable in respect of its Property; and
- 12.8 not, except with the prior written consent of the Security Trustee (not to be unreasonably withheld or delayed) implement any planning permission until it has been acknowledged by the Security Trustee to be acceptable to it.

### **13. DEMAND AND ENFORCEMENT**

#### **13.1 Enforcement**

This Deed shall become immediately enforceable in respect of and against the Chargor upon the occurrence of a Declared Default and the expiry of any applicable grace period contained in any Bond Document (or as otherwise agreed with the Security Trustee) during which time the Chargor has failed to remedy such Event of Default to the satisfaction of the Security Trustee.

#### **13.2 Demand for payment**

Any demand for payment, and any other notice to be given by the Security Trustee under this Deed, shall be in writing and may be signed by any authorised signatory on behalf of the Security Trustee, and may be made or given to the Chargor at any place of business of the Chargor, or the registered office of the Chargor:

- 14.2.1 by delivering it to any such place; or

- 14.2.2 by sending it by first class post to any such place (in which case it shall be deemed received at 10.00am on the next Business Day after posting, and proof of posting shall be proof of delivery); or
- 14.2.3 by sending it by fax to any fax number of the Chargor (in which case it shall be deemed received when sent, and proof of sending shall be proof of receipt).

### **13.3 Powers on enforcement**

At any time after this Deed has become enforceable, the Security Trustee may (without prejudice to any other rights and remedies and without notice to the Chargor) do all or any of the following:

- 14.3.1 exercise the power of sale under section 101 of the LPA together with all other powers and rights conferred on mortgagees by the LPA, as varied and extended by this Deed, without the restrictions contained in sections 103 or 109(1) of the LPA; and
- 14.3.2 exercise the power of leasing, letting, entering into agreements for leases or lettings or accepting or agreeing to accept surrenders of leases in relation to any charge property, without the restrictions imposed by sections 99 and 100 of the LPA.

## **14. RECEIVERS**

### **14.1 Appointment**

At any time after this Deed has become enforceable in respect of and against the Chargor, the Security Trustee may appoint any person or persons to be a Receiver or Receivers of all or any part of the Charged Property of the Chargor charged under this Deed or an administrator of the Chargor. An appointment over part only of such Charged Property shall not preclude the Security Trustee from making any subsequent appointment over any other part of such Charged Property.

### **14.2 Appointment in writing**

The appointment of a Receiver shall be in writing, and may be signed by any authorised signatory on behalf of the Security Trustee. Where more than one person is acting at any time as Receiver, they shall have power to act severally as well as jointly.

### **14.3 Remuneration**

The Security Trustee may from time to time determine the remuneration of the Receiver (which shall not be subject to the limit in section 109(6) of the LPA) and may (subject to the application of section 45 of the Insolvency Act 1986) remove any person from office in relation to all or any part of the Charged Property of which he is the Receiver and at any time appoint a further or other Receiver or Receivers over all or any part of such Charged Property.

#### **14.4 Powers**

The Receiver shall be the agent of the Chargor (which shall be solely liable for his acts, defaults and remuneration) unless and until the Chargor goes into liquidation from which time he shall act as principal and shall not become the agent of the Security Trustee, and the Receiver shall have and be entitled to exercise in relation to the Charged Property:

15.4.1 all the powers conferred by the LPA on mortgagees in possession and on receivers appointed under the LPA;

15.4.2 all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986, whether or not the Receiver is an administrative receiver;

15.4.3 all the powers and rights that an absolute owner would have in relation to any Charged Property; and

15.4.4 the power to do all things incidental or conducive to any functions, powers, authorities or discretions conferred or vested in the Receiver.

### **15. POWER OF ATTORNEY**

#### **15.1 Appointment**

Following a Declared Default, the Chargor hereby irrevocably and by way of security appoints the Security Trustee (whether or not a Receiver has been appointed) and also (as a separate appointment) each Receiver severally as the attorney and attorneys of the Grant or with power to do any act, and execute and deliver any deed or other document, on behalf of and in the name of the Chargor, which the Chargor could be required to do or execute under any provision of this Deed, or which the Security Trustee in its sole opinion may consider necessary or desirable for perfecting the Security Trustee's title to any of the Charged Property of the Chargor or enabling the Security Trustee or the Receiver to exercise any of its or his rights or powers under this Deed.

### **16. APPLICATION OF MONEYS**

#### **16.1 Application of moneys**

All sums received by virtue of this Deed by the Security Trustee or the Receiver shall be paid or applied in the following order of priority:

- (a) in or towards satisfaction of all costs, charges and expenses incurred and payments made by the Receiver (including, without limitation, legal expenses) and of the remuneration of the Receiver;
- (b) in or towards satisfaction of all costs, charges and expenses incurred and payments made by the Security Trustee (including, without limitation, legal expenses);
- (c) in or towards payment of the Secured Liabilities to the Security Trustee;
- (d) as to the surplus (if any), to the person or persons entitled to such surplus,

and section 109(8) of the LPA shall not apply.

## **17. PROTECTION OF THIRD PARTIES**

### **17.1 Statutory powers**

In favour of any purchaser, the statutory powers of sale and of appointing a Receiver which are conferred upon the Security Trustee, as varied and extended by this Deed, and all other powers of the Security Trustee, shall be deemed to arise (and the Secured Liabilities shall be deemed due and payable for that purpose) immediately after the execution of this Deed but the Security Trustee shall not be entitled to exercise such power of sale or other powers until the security constituted by this Deed has become enforceable under Clause 13.

### **17.2 Purchasers**

No purchaser from or other person dealing with the Security Trustee, any person to whom it has delegated any of its powers, or the Receiver shall be concerned to enquire whether any of the powers which they have exercised has arisen or become exercisable, or whether the Secured Liabilities remain outstanding or whether any event has happened to authorise the Receiver to act or as to the propriety or validity of the exercise of any such power, and the title and position of a purchaser or such person shall not be impeachable by reference to any of those matters.

### **17.3 Receipts**

The receipt of the Security Trustee or the Receiver shall be an absolute and conclusive discharge to a purchaser or any other person dealing with the Security Trustee.

## **18. PROTECTION OF THE SECURITY TRUSTEE AND ANY RECEIVER**

### **18.1 No liability**

No Receiver shall be liable in respect of any loss or damage which arises out of the exercise, or attempted or purported exercise of, or the failure to exercise any of his powers under this Deed.

### **18.2 Not mortgagee in possession**

Without prejudice to any other provision of this Deed, entry into possession of any Charged Property shall not render any Receiver liable to account as mortgagee in possession or to be liable for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable and if and whenever any Receiver enters into possession of any Charged Property it shall be entitled at any time it or he thinks fit to go out of such possession.

### **18.3 Indemnity**

The Chargor shall indemnify and keep indemnified, every Receiver, and any person who acts as the servant, agent, delegate or attorney of any of them, against all claims, costs,

expenses and liabilities which they may suffer or incur arising in any way out of the taking or holding of this Deed, the exercise or purported exercise of any right, power, authority or discretion given by it, or any other act or omission in relation to this Deed or the Charged Property.

**18.4 Currency protection**

If any amount due to be paid to the Security Trustee is, for any reason, paid in a currency (the “currency of payment”) other than the currency in which it was expressed to be payable (the “contractual currency”), the Security Trustee may wherever it thinks fit apply the amount of the currency of payment received by it in the purchase, in accordance with its normal practice, of the contractual currency, and if this results in any shortfall below the amount due in the contractual currency, after deducting all taxes, costs and commissions payable in connection with that purchase, the Chargor shall indemnify the Security Trustee against the amount of the shortfall.

**18.5 Continuing protection**

The provisions of this Clause 18 shall continue in full force and effect notwithstanding any release or discharge of this Deed, or the discharge of any Receiver from office.

**19. EFFECTIVENESS OF SECURITY**

- 19.1 The security constituted by this Deed shall remain in full force and effect as a continuing security, unless and until discharged by the Security Trustee, and will extend to the ultimate balance of all the Secured Liabilities, regardless of any intermediate payment or discharge in whole or in part.

**20. CUMULATIVE RIGHTS**

- 20.1 The security constituted by this Deed and all rights, powers and remedies of the Security Trustee provided by or pursuant to this Deed or by law shall be cumulative, in addition to and independent of any other guarantee or security which the Security Trustee may at any time hold for the Secured Liabilities or any other obligations or any rights, powers and remedies provided by law.

**21. REINSTATEMENT**

- 21.1 Where any discharge, whether in respect of the obligations of the Chargor or any security for those obligations or otherwise, is given or any arrangement is made in whole or in part on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise, the liability of the Chargor under this Deed shall continue as if the discharge or arrangement had not occurred.
- 21.2 The Security Trustee may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

**22. WAIVER OF DEFENCES**

- 22.1 Neither the obligations of the Chargor under this Deed nor the security constituted by this Deed nor the rights, powers and remedies of the Security Trustee provided by or pursuant

to this Deed or by law will be affected by an act, omission, matter or thing which, but for this Clause 22.1, would reduce, release or prejudice any of its obligations under this Deed, any of that security or any of those rights, powers and remedies (without limitation and whether or not known to it or the Security Trustee) including:

- (a) any time, waiver or consent granted to, or composition with, any person;
- (b) the release of any person under the terms of any composition or arrangement with any creditor of the Chargor;
- (c) 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 or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of, or dissolution or change in the members or status of, any person;
- (e) any amendment (however fundamental) or replacement of a Bond Document or any other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Bond Document or any other document or security; or
- (g) any insolvency or similar proceedings.

## **23. IMMEDIATE RECOURSE**

- 23.1 The Chargor waives any right it may have of first requiring the Security Trustee to proceed against or enforce any other rights or security or claim payment from any person or file any proof or claim in any insolvency, administration, winding up or liquidation proceedings relating to the Chargor or any other person before claiming from it under this Deed. This waiver applies irrespective of any law or any provision of any Bond Document to the contrary.

## **24. NON-COMPETITION**

- 24.1 Until the Secured Liabilities, and all amounts which may be or become due and payable in respect of the Secured Liabilities, have been irrevocably paid, performed or discharged in full, the Chargor shall not, after a claim has been made against it under this Deed or by virtue of any payment, performance or discharge by it of its obligations under this Deed:
- (a) be entitled to any right of contribution or indemnity from any person in respect of any payment made or moneys received on account of its liability under this Deed;
  - (b) be subrogated to any rights, security or moneys held, received or receivable by the Security Trustee or any other guarantee or security taken pursuant to, or in connection with, the Bond Documents by the Security Trustee;

- (c) claim, rank, prove or vote as a creditor of the Chargor or any other member of the Group or in their respective estates in competition with the Security Trustee unless the Security Trustee so directs in which case it shall; or
  - (d) receive, claim or have the benefit of any payment, right, distribution or security from or on account of, or exercise any right of set-off as against, the Chargor, unless the Security Trustee so directs in which case it shall.
- 24.2 The Chargor shall hold in trust for and promptly pay or transfer to the Security Trustee any payment or distribution or security received by it either contrary to Clause 24.1 above or as a result of a direction of the Security Trustee given under that Clause. If the Chargor exercises any right of set-off contrary to Clause 24.1, it will immediately pay an amount equal to the amount set off to the Security Trustee.

## **25. NEW ACCOUNTS**

If the Security Trustee receives notice of any subsequent charge or other Security affecting any of the Charged Property, the Security Trustee shall be entitled to close the Chargor's then current account or accounts and to open a new account or accounts for the Chargor. If the Security Trustee does not open a new account or accounts immediately on receipt of such notice it shall nevertheless be treated as if it had done so at the time when it received such notice, and as from that time all payments made for the credit of the Chargor shall be credited or be treated as having been credited to such new account or accounts and shall not operate to reduce the amount due from the Chargor to the Security Trustee at the time when it received such notice.

## **26. MISCELLANEOUS PROVISIONS**

### **26.1 Severability**

If any provision of this Deed is illegal, invalid or unenforceable in any jurisdiction, that shall not affect:

- (a) the validity or enforceability of any other provision, in any jurisdiction; or
- (b) the validity or enforceability of that particular provision, in any other jurisdiction.

### **26.2 Costs, charges and expenses**

All reasonable and proper costs, charges and expenses incurred or paid by the Security Trustee or by the Receiver in the exercise of any power or right given by this Deed or in relation to any consent requested by the Chargor, or in perfecting or otherwise in connection with this Deed, the other Bond Documents or the Charged Property together with all sums recoverable under Clause 18 and all costs of the Security Trustee (on an indemnity basis) of all proceedings for the enforcement of this Deed or for obtaining payment of moneys by this Deed secured, shall be recoverable from the Chargor as debts, may be debited by the Security Trustee at any time to any account of the Chargor.

### **26.3 Contracts (Rights of Third Parties) Act 1999**

The Security Trustee and any Receiver and their respective officers, employees and agents may enforce any term of this Deed which purports to confer a benefit on that



person, but no other person who is not a party to this Deed has any right under the Contracts (Rights of Third Parties) Act 1999 (the “**Third Parties Act**”) to enforce or to enjoy the benefit of any term of this Deed.

**26.4 Consolidation of mortgages**

Section 93 of the LPA dealing with the consolidation of mortgages shall not apply to this Deed.

**26.5 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.

**27. NOTICES**

**27.1 Communications in Writing**

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

**27.2 Addresses**

The 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:

- (a) in the case of the Chargor, that identified with its name above; and
- (b) subject to clause 27.5, in the case of the Security Trustee, that identified with its name above,

or any substitute address or department or officer as the Chargor may notify to the Security Trustee (or the Security Trustee may notify to the Chargor, if a change is made by the Security Trustee) by not less than five Business Days’ notice.

**27.3 Delivery**

- (a) Any notice to be given by any party to another party shall be in writing and shall be deemed to have been duly served if delivered personally or by pre-paid first class post (or prepaid airmail or air courier in the case of an address for service outside the country from which service is made) to the addressee at its address for the receipt thereof.
- (b) A notice shall be deemed to have been duly served as follows:
  - (i) where personally delivered, upon such delivery;
  - (ii) where sent by pre-paid first class post to an address in the country from which service is made, 48 hours after posting;

- (iii) where sent by prepaid airmail to an address outside the country from which service is made, five Business Days after posting; and
- (iv) where sent by air courier two Business Days after delivery to a representative of the courier.

Any notice served or deemed to have been served after 17.00 on any Business Day or at any time on a day which is not a Business Day shall be deemed to have been given at 09.00 on the next Business Day.

- (c) In proving the service of any notice it shall be sufficient to prove:
  - (i) in the case of a notice sent by post that such notice was properly addressed, stamped and placed in the post;
  - (ii) in the case of a notice personally delivered that it was delivered or left at the specified address; and
  - (iii) in the case of a notice sent by air courier that it was delivered to a representative of the courier.

#### **27.4 English language**

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

27.6.2 All other documents provided under or in connection with this Deed must be:

- (a) in English; or
- (b) if not in English, and if so required by the Security Trustee, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

#### **27.5 Service of process**

- (a) Without prejudice to any other mode of service allowed under any relevant law, the Security Trustee irrevocably appoints SG Hambros Trust Company Limited, Norfolk House, 31 St James's Square, London SW1Y 4JR, Attention: Rachel Iles, Institutional Fiduciary Services, as its agent for service of process in relation to any proceedings before the English courts in connection with this Deed and the Security Trustee agrees that failure by an agent for service of process to notify any other party of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, an alternative must be appointed immediately.

### **28. GOVERNING LAW**

This Deed is governed by, and construed in accordance with, English law and is **EXECUTED AND DELIVERED AS A DEED** by the Chargor and executed by the Security Trustee on the date set out at the beginning of this Deed.

## **SCHEDULE 1**

### **DETAILS OF PROPERTY**

Land adjoining Lower Thames Street, London and registered at the Land Registry under freehold title number NGL460042 and leasehold title number NGL465678

## **SCHEDULE 2**

### **THE SPECIFIED ACCOUNTS**

The Specified Accounts as set out below with the Account Bank in the name of the Chargor:

#### **General Account**

|                 |                      |
|-----------------|----------------------|
| Bank            | Bank of Scotland plc |
| Account Number: | [REDACTED]           |
| Sort Code:      | [REDACTED]           |

#### **Rent Account**

|                 |                      |
|-----------------|----------------------|
| Bank            | Bank of Scotland plc |
| Account Number: | [REDACTED]           |
| Sort Code:      | [REDACTED]           |

#### **Deposit Account**

|                 |                      |
|-----------------|----------------------|
| Bank            | Bank of Scotland plc |
| Account Number: | [REDACTED]           |
| Sort Code:      | [REDACTED]           |

#### **Reserve Account**

|                 |                      |
|-----------------|----------------------|
| Bank            | Bank of Scotland plc |
| Account Number: | [REDACTED]           |
| Sort Code:      | [REDACTED]           |

### SCHEDULE 3

#### Part 1 - Form of Notice to Occupational Tenants/Guarantors

##### [On Headed Notepaper of the Chargor]

##### Notice to Occupational Tenant/Guarantor

To: Express Newspapers, The Northern & Shell Building, Number 10 Lower Thames Street, London, EC3R 6EN; and

Northern & Shell Network Limited, The Northern & Shell Building, Number 10 Lower Thames Street, London, EC3R 6EN

Copy to: SGH Collectives Fund PCC transacting in respect of its protected cell, SGH Collectives Fund Cell 34 PC, 18 Esplanade, St Helier, Jersey, JE4 8RT

2013

Dear Sirs

Re: **10 Lower Thames Street, London, EC3R 6EN** (the “**Property**”)

- (1) We refer to the lease dated October 2013 and made between Badger Property Partners LLP (1), Express Newspapers (2) and Northern & Shell Network Limited (3) (the “**Lease**”)
- (2) We, Badger Property Partners LLP (the “**Chargor**”), give you notice that by a debenture (the “**Debenture**”) dated October 2013 between the Chargor (1) and SGH Collectives Fund PCC transacting in respect of its protected cell, SGH Collectives Fund Cell 34 PC (the “**Security Trustee**”) as security trustee for the Bondholders (as defined in the Debenture) (2) we charged (by way of security) all our right, title and interest in and to the moneys from time to time due to the Chargor arising from the Lease to the Security Trustee upon the terms set out in the Debenture.
- (3) This notice is subject to the terms of any notice given to you under and in respect of the Senior Finance Documents (as defined in the Debenture).
- (4) This letter is governed by English Law.

Please acknowledge receipt of this letter by signing the attached form of acknowledgement and returning it to the Security Trustee.

Yours faithfully

For and on behalf of  
**Badger Property Partners LLP**

**Part 2 - Form of Acknowledgement from Occupational Tenant/Guarantor**

**Acknowledgment from Occupational Tenant/Guarantor**

To: SGH Collectives Fund PCC transacting in respect of its protected cell, SGH Collectives Fund Cell 34 PC in its capacity as Security Trustee, 18 Esplanade, St Helier, Jersey JE4 8RT

For the attention of:

Dear Sirs

Re: **10 Lower Thames Street, London. EC3R 6EN**

We acknowledge receipt of a Notice dated October 2013 and addressed to each of us by Badger Property Partners LLP (the “**Chargor**”) regarding the Lease (as defined in the Notice) mentioned in such Notice and we accept the instructions and authorisations contained in such Notice.

We acknowledge and confirm that the Chargor may not agree to amend, surrender or waive any material term of, or assign its interest in, or give any licence, consent or approval under, the Lease without your consent.

This letter is governed by English Law.

Yours faithfully

For and on behalf of  
**Express Newspapers**

For and on behalf of  
**Northern & Shell Network Limited**

## SCHEDULE 4

### Part 1 - Form of Notice to Account Bank

#### [On Headed Notepaper of the Chargor]

#### Notice to Account Bank

To: Bank of Scotland plc (the “Bank”)

Copy to: SGH Collectives Fund PCC transacting in respect of its protected cell, SGH Collectives Fund Cell 34 PC, as security trustee of the Bondholders (as defined in the Debenture below) (the “Security Trustee”) 18 Esplanade, St Helier, Jersey JE4 8RT

October 2013

Dear Sirs

Specified Accounts of Badger Property Partners LLP with Bank of Scotland plc – General (Sort Code: [REDACTED] Account No: [REDACTED] Rent (Sort Code: [REDACTED] Account No: [REDACTED]) Deposit (Sort Code: [REDACTED] Account No: [REDACTED]) and Reserve (Sort Code: [REDACTED] Account No: [REDACTED]) (the “Specified Accounts”)

We hereby give you notice that, by a debenture dated October 2013 (the “Debenture”), made between Badger Property Partners LLP (the “Chargor”) (1) and the Security Trustee (2) we charged (by way of fixed charge) to the Security Trustee all our respective rights and interests in and to all moneys (including interest) from time to time standing to the credit of the Specified Accounts and the debt or debts represented by them.

On behalf of the Chargor, we hereby irrevocably instruct you:

- (a) not to permit any withdrawal of any amount to be made from any Specified Account unless authorised by the Security Trustee or permitted by the Senior Finance Documents and the Intercreditor Agreement (each as defined in the Debenture);
- (b) to disclose to the Security Trustee, without any reference to or further authority from the Chargor and without any enquiry by you as to the justification for such disclosure, such information relating to the Specified Accounts as the Security Trustee may at any time and from time to time request;
- (c) not to permit any Specified Account to be overdrawn at any time and, in the event that any is overdrawn, the Bank will promptly notify the Security Trustee;
- (d) in your capacity as Account Bank, not to claim or exercise any security right, right of set-off, counter-claim, netting, consolidation or other right in respect of any Specified Account; and



- (e) subject to the terms of the Intercreditor Agreement, to comply with the terms of any written notice or instruction relating to any Specified Account received by you from the Security Trustee.

We acknowledge that you may comply with the instructions in this notice without any further permission from us and without any enquiry by you as to the justification for or validity of any request, notice or instruction.

Please also note that these instructions are not to be revoked or amended without the prior written consent of the Security Trustee.

This notice is subject to the terms of any notice given to you under and in respect of the Senior Finance Documents (as defined in the Debenture).

This notice shall be governed by and construed in accordance with English Law.

Please confirm your agreement to the above by sending the attached acknowledgement to the Security Trustee with a copy to us.

Yours faithfully

For and on behalf of  
**Badger Property Partners LLP**

## **Part 2 - Form of Acknowledgement of Account Bank**

### **Acknowledgment of Account Bank**

To: SGH Collectives Fund PCC transacting in respect of its protected cell, SGH Collectives Fund Cell 34 PC, in its capacity as a Security Trustee, 18 Esplanade, St Helier, Jersey JE4 8RT

Copy to: Badger Property Partners LLP

2013

Dear Sirs,

**Specified Accounts of Badger Property Partners LLP with Bank of Scotland plc – General (Sort Code: [REDACTED] Account No: [REDACTED] Rent (Sort Code: [REDACTED] Account No: [REDACTED] Deposit (Sort Code: [REDACTED] Account No: [REDACTED] and Reserve (Sort Code: [REDACTED] Account No: [REDACTED] (the “Specified Accounts”)**

We confirm receipt from the Chargor of a notice (the “Notice”) dated October 2013 of a charge upon the terms of the Debenture (as defined in the Notice) over all of the Chargor’s rights and interests in and to all moneys (including interest) from time to time standing to the credit of the Specified Accounts with us and the debt or debts represented by them.

We confirm that:

- (f) we accept the instructions and authorisations contained in the Notice and we undertake to act in accordance with and comply with the terms of the Notice;
- (g) we will not permit any Specified Account to be overdrawn at any time and, in the event that any is overdrawn, we will promptly notify the Security Trustee; and
- (h) in our capacity as Account Bank, we have neither claimed nor exercised, nor will claim or exercise any security right, right of set-off, counter-claim, netting, consolidation or other right in respect of any Specified Account.

This letter shall be governed by and construed in accordance with English Law.

Yours faithfully

On behalf of  
**Bank of Scotland plc**

**CHARGOR**

EXECUTED AND DELIVERED AS A DEED )  
BY  
**BADGER PROPERTY PARTNERS LLP** )  
ACTING BY )  
 )  
A MEMBER )  
IN THE PRESENCE OF: )

WITNESS NAME: .....  
WITNESS SIGNATURE: .....  
WITNESS ADDRESS: .....  
.....  
OCCUPATION: .....

**SECURITY TRUSTEE**

SIGNED AND DELIVERED AS A DEED BY )  
**SGH Collectives Fund PCC** )  
**acting in respect of its cell,**  
**SGH Collectives Fund Cell 34 PC**  
ACTING BY )  
 )  
A DIRECTOR )  
IN THE PRESENCE OF: )



WITNESS NAME: .....  
WITNESS SIGNATURE: .....  
WITNESS ADDRESS: .....  
.....  
OCCUPATION: .....

KINGA GUTKOWSKA



SENIOR TRUST OFFICER