



Registration of a Charge

Company name: **GLOUCESTER RUGBY LIMITED**

Company number: **00034603**



X9ZY6Q0R

Received for Electronic Filing: **10/03/2021**

Details of Charge

Date of creation: **08/03/2021**

Charge code: **0003 4603 0020**

Persons entitled: **THE ENGLISH SPORTS COUNCIL**

Brief description: **NOT APPLICABLE.**

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **CHANTEL VARLEY-BEST**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 34603

Charge code: 0003 4603 0020

The Registrar of Companies for England and Wales hereby certifies that a charge dated 8th March 2021 and created by GLOUCESTER RUGBY LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 10th March 2021 .

Given at Companies House, Cardiff on 11th March 2021

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED

08 March 2021

GLOUCESTER RUGBY LIMITED
(as Chargor)

and

THE ENGLISH SPORTS COUNCIL
(as Programme Manager)

SECURITY DEED

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THIS DEED made on 08 March 2021

BETWEEN:

- (1) **Gloucester Rugby Limited**, a company limited by shares, incorporated under the laws of England and Wales (company number 00034603) whose registered office is at Kingsholm Stadium, Kingsholm Road, Kingsholm, Gloucester, GL1 3AX (the "**Chargor**"); and
- (2) **The English Sports Council**, a body corporate with registration number RC000766, whose address is at 21 Bloomsbury Street, London WC1B 3HF as Programme Manager.

WITNESSES as follows:

1. **DEFINITIONS AND INTERPRETATION**

- 1.1 **Definitions:** Unless the context otherwise requires, words or expressions defined in the Facility Agreement shall have the same meaning in this Deed and, in addition, the following words and expressions shall have the following meanings:

"Act" means the Companies Act 2006;

"Account Bank" means HSBC UK Bank plc acting through its branch at The Cross, GL1 2AP, Gloucester, England;

"Assets" means, in relation to the Chargor, all its undertaking, property, assets, revenues and rights of every description, or any part of them;

"Assigned Agreements" means the Licence Agreement, the Shareholders' Agreement and each other agreement designated as an Assigned Agreement by the Chargor and the Programme Manager in writing from time to time;

"Beneficiary" means each Finance Party and any Receiver or Delegate;

"Collection Account" means the Chargor's account with the Account Bank (with account number [REDACTED] and sort code 402209) into which the Chargor is required to pay its Receivables under the terms of this Deed, including any renewal, redesignation, replacement, subdivision or subaccount of such account;

"Declared Default" means that an Event of Default has occurred and as a result any Finance Party has taken steps to exercise its rights under clause 13.2 of the Facility Agreement;

"Derivative Rights" includes:

- (a) allotments, rights, money or property arising at any time in relation to any of the Specified Securities by way of conversion, exchange, redemption, bonus, preference, option or otherwise;
- (b) dividends, distributions, interest and other income paid or payable in relation to any Specified Securities; and
- (c) stock, shares and securities offered in addition to or substitution for any of the Specified Securities;

"Document Claims" means:

- (a) all of the Chargor's rights, title, interest and benefit in, under and to the Assigned Agreements;

- (b) any sums payable to the Chargor pursuant to all representations, warranties, undertakings and indemnities to, agreements with and security to be provided in favour of the Chargor under or pursuant to the Assigned Agreements;
- (c) any rights of abatement or set-off and all other rights of recovery of the Chargor under or pursuant to any of the Assigned Agreements; and
- (d) any net proceeds of any claims, awards and judgments which may at any time be received or receivable by the Chargor pursuant to any of the Assigned Agreements,

together with the benefit of all powers and remedies for enforcing the same;

"Existing Security" means:

- (a) mortgage dated 1 July 2016 provided by the Borrower in favour of HSBC UK Bank plc (previously HSBC Bank plc); and
- (b) debenture dated 22 June 2016 provided by the Borrower in favour of HSBC UK Bank plc (previously HSBC Bank plc);

"Facility Agreement" means the loan facility agreement dated on or about the date of this Deed and made between the Programme Manager, The Secretary of State for the Department for Digital, Culture, Media and Sport as the lender and the Chargor as the borrower;

"Financial Collateral" in relation to the Chargor, means any of its Assets comprising financial collateral within the meaning of the Financial Collateral Regulations;

"Financial Collateral Regulations" means the Financial Collateral Arrangements (No. 2) Regulations 2003, as amended;

"Fixed Security Asset" means an Asset for the time being comprised within an assignment created by clause 3.1 (*Creation of Security Assignments*) or within a fixed charge created by clause 3.2 (*Creation of fixed security*);

"Legal Reservations" means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors; and
- (b) the time barring of claims under the Limitation Acts, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;

"Licence Agreement" means the licence, services and commercial rights agreement made between the Chargor, Premier Rugby Limited (company number 03096937) and others dated 29 March 2019, as amended and restated on 31 May 2020 and as amended, restated, supplemented or novated from time to time;

"Liability" means any liability, damage, loss, cost, claim or expense of any kind or nature, whether direct, indirect, special, consequential or otherwise;

"Party" means a party to this Deed;

"Programme Manager" means the English Sports Council acting as agent and trustee for the Beneficiaries and includes any successor appointed by the Lender or the Programme

Manager pursuant to the Finance Documents;

"Receivables" means, in relation to the Chargor, all sums of money receivable by it, now or in the future, consisting of or payable under or derived from any Fixed Security Asset (including, for the avoidance of doubt, any and all payments from time to time in respect of the Licence, Services and Commercial Rights Fee (as defined in the Licence Agreement), the Purchase Price (as defined in the Shareholders' Agreement) and/or the Price (as defined in the Shareholders' Agreement));

"Receiver" means a receiver or a receiver and manager appointed under clause 11.1 (*Appointment of a Receiver*) and (where the context requires or permits) includes any substituted receiver or receiver and manager;

"Secured Sums" means all present and future obligations and liabilities (whether actual or contingent and whether incurred jointly or severally and whether as principal or surety or in any other capacity whatsoever and whether incurred originally by any member of the Group or by some other person) of any member of the Group to all or any of the Beneficiaries under each or any of the Finance Documents, in each case together with:

- (a) all costs, charges and expenses incurred by any Beneficiary in connection with the protection, preservation or enforcement of its rights under any Finance Document; and
- (b) all moneys, obligations and liabilities due, owing or incurred in respect of any variations or increases in the amount or composition of the facilities provided under any Finance Document or the obligations and liabilities imposed under such documents;

"Specified Securities" means:

- (a) all P Shares (as defined in the Shareholders' Agreement) owned by the Chargor from time to time, being on the date of this Deed the number of P Shares set out in Schedule 1 (*P Shares and Invested Units*); and
- (b) all Invested Units (as defined in the Licence Agreement) held by the Chargor from time to time under and in accordance with the terms of the Licence Agreement, being on the date of this Deed the number of Invested Units set out in Schedule 1 (*P Shares and Invested Units*); and

"Security Interest" includes any mortgage, charge, pledge, lien, hypothecation, assignment by way of security, title retention or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

1.2 **Interpretation:** Unless the context otherwise requires clause 1.2 (*Interpretation*) of the Facility Agreement shall be deemed to be incorporated in full in this Deed with any necessary changes, in this Deed:

- (a) references to a **"Party"** shall be construed so as to include that Party's respective successors in title, permitted assigns and permitted transferees;
- (b) **"including"** and **"in particular"** shall not be construed restrictively but shall mean respectively "including, without prejudice to the generality of the foregoing" and "in particular, but without prejudice to the generality of the foregoing";
- (c) **"property"** includes any interest (legal or equitable) in real or personal property and any thing in action;
- (d) **"variation"** includes any variation, amendment, accession, novation, restatement,

modification, assignment, transfer, supplement, extension, deletion or replacement however effected and "vary" and "varied" shall be construed accordingly; and

- (e) subject to clause 26.4 (*Variations*) references to this Deed or to any other document (including any Finance Document) include references to this Deed or such other document as varied in any manner from time to time, even if changes are made to the composition of the parties to this Deed or such other document or to the nature or amount of any facilities made available under such other document.

1.3 **Companies Acts:** Expressions defined in the Act (and not redefined in this Deed) shall have the same meanings in this Deed, except that the expression "**company**" shall include a body corporate established outside Great Britain.

1.4 **Statutes:** Any reference to any statute or statutory instrument or any section of it shall be deemed to include a reference to any statutory modification or re-enactment of it for the time being in force in relation to the particular circumstances.

1.5 **Incorporation of terms:** The terms of the other Finance Documents and of any other agreement or instrument between any Parties in relation to any Finance Document are incorporated in this Deed to the extent required to ensure that any purported disposition, or any agreement for the disposition, of any Land contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

2. COVENANT TO PAY

2.1 **Covenant to pay:** The Chargor (as primary obligor and not merely as surety) covenants with the Programme Manager (as trustee for the Beneficiaries) that it will, on the Programme Manager's written demand, pay or discharge the Secured Sums when due at the times and in the manner provided in the relevant Finance Documents.

2.2 **Demands:** The making of one demand shall not preclude the Programme Manager from making any further demands.

2.3 **Proviso:** The covenants contained in this clause and the security created by this Deed shall not extend to or include any liability or sum which would otherwise cause any such covenant or security to be unlawful or prohibited by any applicable law.

3. CHARGING CLAUSE

3.1 **Creation of Security Assignments:** The Chargor, with full title guarantee, as security for the payment or discharge of all Secured Sums, assigns and agrees to assign absolutely (subject to a proviso for reassignment on redemption) to the Programme Manager (as trustee for the Beneficiaries) the benefit of all of its Document Claims from time to time arising in respect of the Assigned Agreements.

3.2 **Creation of fixed security:** The Chargor, with full title guarantee, as security for the payment or discharge of all Secured Sums, charges to the Programme Manager (as trustee for the Beneficiaries) by way of fixed charge:

- (a) all Specified Securities which are now its property, including all proceeds of sale derived from them;
- (b) all Specified Securities in which that Chargor may in the future acquire an interest (legal or equitable), including all proceeds of sale derived from them;

- (c) all Derivative Rights of a capital nature now or in the future accruing or offered in respect of its Specified Securities;
- (d) all Derivative Rights of an income nature now or in the future accruing or offered at any time in respect of its Specified Securities;
- (e) the benefit of all instruments, guarantees, charges, pledges and other security and all other rights and remedies available to it in respect of any Fixed Security Asset;
- (f) all rights, money or property accruing or payable to it now or in the future under or by virtue of a Fixed Security Asset except to the extent that such rights, money or property are for the time being effectively charged by fixed charge under the foregoing provisions of this clause 3.2; and
- (g) all moneys (including interest) at any time standing to the credit of the Collection Account, and the debt represented by any such credit balance,

and, in each case, except to the extent that such items are for the time being effectively assigned under clause 3.1 (*Creation of Security Assignments*).

3.3 Notices:

- (a) The Chargor shall each, on the date of this Deed:
 - (i) execute a notice of assignment in respect of the Licence Agreement in substantially the form set out in Schedule 3 (*Form of Notice of Assignment of Assignment Agreement*) and deliver that notice to Premier Rugby Limited;
 - (ii) execute a notice of assignment in respect of the Shareholders' Agreement in substantially the form set out in Schedule 3 (*Form of Notice of Assignment of Assignment Agreement*) and deliver that notice to PRL; and
 - (iii) execute a notice of assignment in respect of the Collection Account in substantially the form set out in Schedule 2 (*Forms of Notice of Charge of Account*) and deliver that notice to the Account Bank.
- (b) The Chargor shall use all reasonable endeavours (including expending reasonable costs and expenses) to procure the execution and delivery to the Programme Manager of acknowledgments by the addressees of the notices delivered pursuant to paragraph (a) above in the form set out in Schedule 3 (*Form of Notice of Assignment of Assignment Agreement*) in the case of notices delivered under paragraphs (a)(i) and (a)(ii) above and Schedule 2 (*Forms of Notice of Charge of Account*) in the case of the notice delivered under paragraph (a)(iii) above.

3.4 **Priority:** Any Security Interest created in the future by the Chargor (except in favour of the Programme Manager) shall be expressed to be subject to this Deed and shall rank in order of priority behind the charges created by this Deed.

3.5 **Right of redemption:** Upon the payment or discharge of all Secured Sums and the Beneficiaries having no further obligation (whether actual or contingent) to make advances or provide other financial accommodation under the Finance Documents or otherwise, the Programme Manager shall on request by the Chargor (at the Chargor's cost) release its Assets from the charges created by clause 3 of this Deed. Such release shall not prejudice the rights of the Programme Manager under clause 13.3 (*Retention of Security*) and clause 19 (*Costs, expenses and liabilities*).

4. TITLE DOCUMENTS AND TRANSFERS

Subject to the rights of any prior chargee and except as otherwise expressly agreed in writing by the Programme Manager, the Chargor shall:

- (a) deposit with the Programme Manager, and the Programme Manager shall be entitled to retain during the continuance of this Deed, all deeds and documents of title relating to all the Fixed Security Assets, including policies of insurance and assurance, certificates of registration and certificates constituting or evidencing Specified Securities; and
- (b) execute and deliver to the Programme Manager such documents and transfers and give such instructions and perform such other acts as the Programme Manager may require at any time to constitute or perfect an equitable or legal charge (at the Programme Manager's option) over its Specified Securities.

5. COLLECTION OF RECEIVABLES**5.1 Collection Account:**

- (a) The Chargor, except with the prior consent of the Programme Manager:
 - (i) shall collect and realise all its Receivables and, immediately on receipt, pay all money so collected into the Collection Account and shall, pending such payment, hold all money so received upon trust for the Programme Manager;
 - (ii) shall ensure that the Collection Account is at all times maintained at the Account Bank;
 - (iii) shall promptly pay all charges and other outgoings in respect of the Collection Account and, on demand, produce evidence of payment to the Programme Manager;
 - (iv) prior to the occurrence of an Event of Default that is continuing, may not withdraw any moneys (including interest) standing to the credit of the Collection Account except:
 - (1) to pay any amount then due and payable under the Existing Finance Documents (if applicable and to the extent permitted under the Facility Agreement) or the Finance Documents;
 - (2) for general working capital purposes; or
 - (3) to make any other payment permitted under the Facility Agreement;
 - (v) on or after the occurrence of an Event of Default that is continuing, may not withdraw any moneys (including interest) standing to the credit of the Collection Account except:
 - (1) to pay any amount then due and payable under the Finance Documents; or
 - (2) in respect of any Receivables that are, to the Programme Manager's satisfaction, unconnected to any P Share or Invested Unit (as defined in the Licence Agreement), to make a payment for any purpose described in paragraph (iv)(2) above or paragraph

(iv)(3) above provided that the Event of Default that is continuing is not an Event of Default under clause 13.1(a) of the Facility Agreement; and

(vi) on or after the receipt by the Chargor of the Purchase Price or Price (each as defined in the Shareholders' Agreement) or any other sum in connection with the transfer of P Shares or Invested Units (as defined in the Licence Agreement), may not withdraw any moneys (including interest) standing to the credit of the Collection Account without the prior written consent of the Programme Manager in each case except:

- (1) to pay any amount due and payable to any Beneficiary under: (A) clause 6.9(b) (*Mandatory Prepayment Events*) of the Facility Agreement; or (B) any other provision of any Finance Document; or
- (2) for the purposes of the Sporting Activities in accordance with the relevant proposal approved by the Programme Manager pursuant to clause 6.9(c) of the Facility Agreement.

(b) The Programme Manager shall, on or at any time after the security constituted by this Deed becomes enforceable, be entitled without notice to apply, transfer or set-off any or all of the credit balances from time to time on the Collection Account in or towards the payment or other satisfaction of all or part of the Secured Sums in accordance with clause 15.1 (*Order of priority*).

5.2 **No derogation:** The Chargor shall not purport, without the Programme Manager's prior written consent, to charge, factor, discount, assign, postpone, subordinate, release or waive its rights in respect of any Receivable in favour of any person or do or omit to do anything which might delay or prejudice its full recovery.

5.3 **Factored debts:** If the Programme Manager releases, waives or postpones its rights in respect of any Receivable to enable the Chargor to factor or discount them to the Programme Manager or third party (the "**factor**"), the charges created by this Deed shall in all other respects remain in full force and effect. In particular, all amounts becoming due to the Chargor from the factor and any Receivables re-assigned, or due to be re-assigned to the Chargor, shall be subject to the relevant fixed charge created by this Deed, subject only to any defences or rights of set-off which the factor may have against the Chargor.

6. **NEGATIVE PLEDGE AND OTHER RESTRICTIONS**

6.1 **Negative Pledge and Other Restrictions:** The Chargor shall not, without the prior written consent of the Programme Manager, except as specifically permitted under the Facility Agreement:

- (a) create, or agree or attempt to create, or permit to subsist, any Security Interest (except under any Finance Document and the Existing Security (if applicable) or any trust over any of its Assets, or permit any lien (other than a lien arising by operation of law in the ordinary course of the Chargor's business) to arise or subsist over any of the Fixed Security Assets;
- (b) sell, assign, lease, license or sub-license, or grant any interest in, any of the Fixed Security Assets, or part with possession or ownership of them, or purport or agree to do so;

- (c) cause or permit any rights attaching to the Specified Securities to be varied or abrogated and, in particular, not permit any Assigned Agreement to be amended, varied, supplemented, waived, released, terminated or novated; or
- (d) (where applicable) increase the amount secured by the Existing Security (whether of principal, interest, premium or otherwise) or alter the terms relating to the repayment of any sums secured by the Existing Security or the assets subject to the Existing Security.

6.2 Representations:

- (a) The Chargor hereby represents to the Programme Manager that:
 - (i) the details of any Existing Security are accurate and complete, no other Security Interest exists over its Assets (other than under any Finance Document or as permitted under the Facility Agreement) on the date hereof and it is under no legal commitment to grant any further Security Interest over all or any of its Assets;
 - (ii) it has obtained all necessary Authorisations in relation to its entry into this Deed;
 - (iii) in relation to each Assigned Agreement:
 - (1) that it, to the best of the Chargor's knowledge and belief and/or as should be reasonably known by the Chargor and subject to the Legal Reservations, constitutes the valid, binding and enforceable obligations of the parties thereto and is in full force and effect and has not been varied or modified in any way, cancelled or avoided and no party thereto is in default;
 - (2) neither it, nor any other document, agreement or arrangement comprising the Fixed Security Assets, is void, voidable or otherwise unenforceable;
 - (3) there has been no variation or termination of an Assigned Agreement, or other document, agreement or arrangement comprising the Fixed Security Assets, that has not been agreed in writing by the Programme Manager;
 - (4) all requirements of all relevant laws or regulations for the time being in force have been complied with in relation to it;
 - (5) the Chargor has no knowledge of any fact (other any matter set out in any Assigned Agreement) which would or might prejudice or affect any right, power or ability of the Chargor or the Programme Manager to enforce any term of an Assigned Agreement; and
 - (6) it is in the form which has been inspected and approved by the Programme Manager in writing and evidences all of the terms of the subject matter thereof and there are no documents, agreements or arrangements that may affect the operation of any Assigned Agreement which will have or is reasonably likely to have a Material Adverse Effect or affect the enforceability of any Assigned Agreement;

- (iv) the Chargor is not in breach of its obligations under any Assigned Agreement or other document, agreement or arrangement comprising the Fixed Secured Assets:
 - (1) which is, or would (with the giving of notice or passage of time or both) constitute an event of default or termination event (however described) under an Assigned Agreement or other document, agreement or arrangement comprising the Fixed Security Assets; or
 - (2) which would entitle a person to terminate or rescind an Assigned Agreement or other document, agreement or arrangement comprising the Fixed Security Assets; and
- (v) there are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever that affects a Fixed Security Asset which will have or is reasonably likely to have a Material Adverse Effect and the Chargor has not received notice (constructive or actual) of and neither is it aware of any adverse claim or potential claim in respect of the Fixed Security Assets or any of them.
- (b) The representations made under clause 6.2 (*Representations*) shall be made on the date of this Deed and shall be deemed to be repeated:
 - (i) on the date of each Drawdown Request and on the date of each Increase Confirmation;
 - (ii) on each date on which a Loan is drawn down under the Facility Agreement;
 - (iii) on the date falling immediate after (i) each Repayment Date and (ii) each other date on which interest is paid under the Facility Agreement; and
 - (iv) semi-annually on 31 December and on 30 June in each calendar year from and including the calendar year in which the Facility Agreement is executed until the Termination Date occurs,

in each case by reference to the facts and circumstances existing at the date on which the representation or warranty is deemed to be made.

6.3 General undertakings

The Chargor hereby undertakes to the Programme Manager that it will:

- (a) not exercise any voting powers or any other rights in a way which would be reasonably likely to prejudice the value of the Specified Securities or otherwise to jeopardise the Security Interests constituted by this Deed over any Fixed Security Asset;
- (b) comply in a timely manner with the terms of each Assigned Agreement and any other document, agreement or arrangement comprising the Fixed Security Assets;
- (c) not, without the prior written consent of the Programme Manager (such consent to not be unreasonably withheld), make or agree to any variation, supplement, waiver, release, settlement, compromise, termination or novation in respect of any of the Assigned Agreements;

- (d) not, without the prior written consent of the Programme Manager (such consent to not be unreasonably withheld), consent to the Specified Securities being consolidated, sub-divided or converted or any rights attached to them being varied;
- (e) not abandon, waive, dismiss, release or discharge any action, claim or proceeding against any counterparty to an Assigned Agreement or any other person in connection with a Fixed Security Asset;
- (f) pay all taxes, fees, licence duties, registration charges, insurance premiums and any other applicable outgoings in respect of the Fixed Security Assets; and
- (g) promptly notify the Programme Manager in writing of any:
 - (i) default by PRL or Premier Rugby Limited under an Assigned Agreement;
 - (ii) occurrence of any Compulsory Transfer Request (as defined In the Assigned Agreements);
 - (iii) termination of any Assigned Agreement (in whole or in part); or
 - (iv) action, claim, notice or demand made by, or against, the Chargor in connection with all or any part of the Fixed Security Assets or of any fact, matter or circumstance which may, with the passage of time, give rise to the same together with, in each case, the Chargor's proposals for settling, liquidating, compounding or contesting any such action, claim or demand. The Chargor shall, at its own expense, implement the proposals which the Programme Manager directs and otherwise institute, continue or defend all proceedings in connection with the Fixed Security Assets or any part thereof as the Programme Manager may reasonably require from time to time.

6.4 Information undertakings:

- (a) The Chargor shall deliver to the Programme Manager any information concerning the Fixed Security Assets as the Programme Manager may reasonably require from time to time, including any particulars as to the amount and nature of its Receivables as the Programme Manager may from time to time require.
- (b) The Chargor shall, promptly upon becoming aware of any of the same, notify the Programme Manager in writing of:
 - (i) any representation or warranty set out in clause 6.2 (Representations) which is incorrect or misleading in any material respect when made or deemed to be repeated; and
 - (ii) any breach of any covenant or other term set out in this Deed.

7. FURTHER ASSURANCE

- 7.1 The Chargor shall promptly, at its own cost, do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notarisations, registrations, notices and instructions) as the Programme Manager may reasonably specify (and in such form as the Programme Manager may reasonably require) in favour of the Programme Manager or its nominee(s):

- (a) to create, perfect and/or protect the Security Interests created or intended to be created in respect of the Fixed Security Assets (which may include the execution

by that Chargor of a mortgage, charge or assignment over all or any of the assets constituting, or intended to constitute, the Fixed Security Assets); and/or

- (b) to facilitate the maintenance, preservation or enforcement of the rights of the Programme Manager or any Receiver against, or the realisation of, the Fixed Security Assets.

7.2 The Chargor shall take all such action as is available to it (including making all filings and registrations and applying for relief against forfeiture) as may be necessary or as may reasonably be requested by the Programme Manager for the purpose of the creation, perfection, protection or maintenance of any Security Interest conferred or intended to be conferred on the Programme Manager by or pursuant to this Deed and the Assets.

8. RIGHT OF APPROPRIATION

8.1 **Financial Collateral Arrangement:** The Parties acknowledge and intend that the charges over the Chargor's Financial Collateral provided under or pursuant to this Deed will each constitute a "security financial collateral arrangement" for the purposes of the Financial Collateral Regulations.

8.2 **Right of appropriation:** The Programme Manager may, on or at any time after the security constituted by this Deed becomes enforceable, by notice in writing to the Chargor appropriate with immediate effect all or any of its Financial Collateral hereby charged which is subject to a security financial collateral arrangement (within the meaning of the Financial Collateral Regulations) and apply it in or towards the discharge of the Secured Sums, whether such Assets are held by the Programme Manager or otherwise.

8.3 **Value:** The value of any Financial Collateral appropriated under clause 8.2 shall be:

- (a) in the case of cash, its face value at the time of appropriation; and
- (b) in the case of financial instruments or other financial collateral, their market value at the time of appropriation as determined (after appropriation) by the Programme Manager by reference to a public index or other applicable generally recognised source or such other process as the Programme Manager may select, including a valuation carried out by an independent firm of accountants or valuers appointed by the Programme Manager;

as converted, where necessary, into Sterling at a market rate of exchange prevailing at the time of appropriation selected by the Programme Manager.

8.4 **Surplus or shortfall:** The Programme Manager will account to the Chargor for any amount by which the value of the appropriated Assets exceeds the Secured Sums then due and the Chargor shall remain liable to the Programme Manager for any amount by which the value of the appropriated Assets is less than the Secured Sums.

8.5 **Confirmation:** The Chargor agrees that (i) all Financial Collateral has been delivered, transferred, held, registered or otherwise designated so as to be in the possession or under the control of the Programme Manager or a person acting on its behalf; and (ii) the method of valuing such Financial Collateral under clause 8.3 is commercially reasonable.

9. CONTINUING SECURITY

This Deed shall be a continuing security for the Beneficiaries, notwithstanding any intermediate payment or settlement of accounts or other matter whatever and shall be in addition to and shall not prejudice or be prejudiced by any right of set-off, combination, lien, or other rights exercisable by any Beneficiaries as banker against the Chargor or any

security, guarantee, indemnity and/or negotiable instrument now or in the future held by any Beneficiaries.

10. OPENING OF NEW ACCOUNTS

10.1 Creation of new account: On receiving notice that the Chargor has created a Security Interest over or otherwise encumbered or disposed of any of its Assets, a Beneficiary may rule off all its accounts and open new accounts with the Chargor.

10.2 Credits to new account: If a Beneficiary does not open a new account immediately on receipt of such notice, it shall nevertheless be treated as if it had done so on that day. From that day, all payments made by the Chargor to such Beneficiary shall be treated as having been credited to a new account and shall not operate to reduce the amount owing from the Chargor to such Beneficiary at the time when it received such notice.

11. APPOINTMENT OF A RECEIVER

11.1 Appointment: At any time after:

- (a) the occurrence of a Declared Default;
- (b) in relation to the Chargor, a step or proceeding is taken, or a proposal made, for the appointment of an administrator or for a voluntary arrangement under Part I of the Insolvency Act 1986; or
- (c) a request has been made by the Chargor to the Programme Manager for the appointment of a Receiver or an administrator over its Assets or in respect of the Chargor,

then this Deed shall become enforceable and, notwithstanding the terms of any other agreement between the Chargor and any Beneficiary, the Programme Manager may, unless precluded by law, appoint in writing any person or persons to be a receiver or receivers of all or any part of the Fixed Security Assets. Notwithstanding anything to the contrary in this Deed, neither the obtaining of a moratorium by the Chargor under Part A1 of the Insolvency Act 1986 nor the doing of anything for or by the Chargor with a view to obtaining such a moratorium (including any preliminary decision or investigation) shall be, or be construed as, a ground under this Deed for the appointment of a Receiver save where such an appointment would be permitted under that Part A1.

11.2 Power to act separately: Where more than one Receiver is appointed, the appointees shall have power to act separately unless the Programme Manager shall specify to the contrary.

11.3 Receiver's remuneration: The Programme Manager may from time to time determine the remuneration of a Receiver.

11.4 Removal of Receiver: The Programme Manager may (subject to section 45 of the Insolvency Act 1986) remove a Receiver from all or any of the Assets of which he is the Receiver.

11.5 Further appointments of a Receiver: Such an appointment of a Receiver shall not preclude:

- (a) the Programme Manager from making any subsequent appointment of a Receiver over all or any Assets over which a Receiver has not previously been appointed or has ceased to act; or

- (b) the appointment of an additional Receiver to act while the first Receiver continues to act.

11.6 Receiver's agency: 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, after which time he shall act as principal and shall not become the agent of the Programme Manager or any other Beneficiary.

11.7 Power of Sale: Section 103 of the Law of Property Act 1925 shall not apply to this Deed and the statutory power of sale shall arise on, and be exercisable at any time after the execution of this Deed. However, The Programme Manager shall not exercise such power of sale until this Deed has become enforceable.

12. POWERS OF A RECEIVER

12.1 General: The Receiver may exercise, in relation to the Chargor over whose Assets he is appointed, all the powers, rights and discretions set out in Schedules 1 and 2 to the Insolvency Act 1986 and in particular, by way of addition to and without limiting such powers, the Receiver may, with or without the concurrence of others:

- (a) sell, lease, let, license, grant options over and vary the terms of, terminate or accept surrenders of leases, licences or tenancies of, all or any of the Assets of the Chargor, without the need to observe any of the provisions of sections 99 and 100 of the Law of Property Act 1925, in such manner and generally on such terms and conditions as he shall think fit in his absolute and unfettered discretion and any such sale or disposition may be for cash, securities or other valuable consideration (in each case payable in a lump sum or by instalments) and carry any such transactions into effect in the name of and on behalf of the Chargor;
- (b) promote the formation of a Subsidiary of the Chargor with a view to such Subsidiary purchasing, leasing, licensing or otherwise acquiring interests in all or any of the Assets of the Chargor;
- (c) sever any fixtures from land and/or sell them separately;
- (d) exercise all voting and other rights attaching to securities owned by the Chargor;
- (e) arrange for the purchase, lease, licence or acquisition of all or any Assets of the Chargor by any such Subsidiary contemplated by paragraph (b) above on a basis whereby the consideration may be for cash, securities, shares of profits or sums calculated by reference to profits or turnover or royalties or licence fees or otherwise, whether or not secured on the assets of such Subsidiary and whether or not such consideration is payable or receivable in a lump sum or by instalments over such period as the Receiver may think fit;
- (f) make any arrangement or compromise with any Beneficiary or others as he shall think fit;
- (g) make and effect all repairs, renewals and improvements to the Assets of the Chargor and effect, renew or increase insurances on such terms and against such risks as he shall think fit;
- (h) appoint managers, officers and agents for the above purposes at such remuneration as the Receiver may determine;
- (i) receive all book debts and other debts and claims, on payment given an effectual discharge for them and on non-payment take and institute all steps and proceedings for their recovery;

- (j) redeem any prior encumbrance and settle and pass the accounts of the encumbrancer and any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor and the money so paid shall be deemed an expense properly incurred by the Receiver;
- (k) pay the proper administrative charges of any Beneficiaries in respect of time spent by their agents and employees in dealing with matters raised by the Receiver or relating to the receivership of the Chargor;
- (l) commence and/or complete any building operations upon any land of the Chargor and apply for and obtain any planning permissions, building regulation consents or licences, in each case as he may in his absolute discretion think fit;
- (m) take all steps necessary to effect all registrations, renewals, applications and notifications as the Receiver may in his discretion think prudent to maintain in force or protect any of the Chargor's intellectual property rights; and
- (n) do all such other acts and things as may be considered by the Receiver to be incidental or conducive to any of the above matters or powers or otherwise incidental or conducive to the preservation, improvement or realisation of the relevant Assets.

13. POWER OF ATTORNEY

13.1 **Appointment of attorney:** The Chargor, by way of security, hereby irrevocably appoints the Programme Manager (whether or not a Receiver or administrator has been appointed) and separately, any nominee and/or any Receiver to be its attorney (with full power to appoint substitutes and to delegate) with power in its name and on its behalf, and as its act and deed or otherwise to:

- (a) do anything which that Chargor is obliged to do (but has not done within 5 Business Days of being notified by the Programme Manager of such failure and being requested to comply) in accordance with the terms of this Deed, including to execute and deliver and otherwise perfect any agreement, assurance, deed, instrument or document; and
- (b) enable the Programme Manager or any such nominee and/or Receiver to exercise (or to delegate) all or any of the rights conferred on it by this Deed or by statute in relation to this Deed or the Assets charged, or purported to be charged, by it.

13.2 **Ratification:** The Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause.

13.3 **Sums recoverable:** All sums expended by the Programme Manager, nominee and/or any Receiver under this clause 13 shall be recoverable from the Chargor under clause 19 (*Costs, expenses and liabilities*).

14. OTHER POWERS EXERCISABLE BY THE PROGRAMME MANAGER

14.1 **Receiver's powers:** All powers of the Receiver conferred by this Deed may be exercised by the Programme Manager after this Deed has become enforceable. In that event, clause 12.1(i) (*Powers of Receiver*) shall be read and construed as if the words "be charged on the Assets of the Chargor" were substituted for the words "be deemed an expense properly incurred by the Receiver".

14.2 **Receipt of book debts:** The Programme Manager, its nominee or any manager, officer or agent of the Programme Manager is hereby irrevocably empowered to:

- (a) receive all book debts and other debts and claims which may be assigned to the Programme Manager pursuant to clause 7 (*Further assurance*);
- (b) on payment to give an effectual discharge for them and on non-payment to take and institute (if the Programme Manager in its sole discretion so decides) all steps and proceedings either in the name of the relevant assignor or in the name of the Programme Manager for their recovery; and
- (c) agree accounts and to make allowances and to give time to any surety.

The relevant assignor ratifies and confirms whatever the Programme Manager or any manager or officer of the Programme Manager shall do or purport to do under this clause 14.

14.3 Programme Manager's powers: The Programme Manager shall have no liability or responsibility to the Chargor arising out of the exercise or non-exercise of the powers conferred on it by this clause 14, except for gross negligence or wilful default.

14.4 No duty of enquiry: The Programme Manager need not enquire as to the sufficiency of any sums received by it in respect of any book debt or other debt or claim so assigned to it or make any claim or take any other action to collect in or enforce them.

15. APPLICATION OF MONEY RECEIVED BY THE PROGRAMME MANAGER OR A RECEIVER

15.1 Order of priority: Any money received or realised under the powers conferred by this Deed shall be paid or applied in the following order of priority, subject to the discharge of any prior-ranking claims:

- (a) in or towards satisfaction of the Secured Sums and (where an Intercreditor Agreement applies) in the manner applicable under the terms of the Intercreditor Agreement; and
- (b) as to the surplus (if any), to the person or persons entitled to it.

15.2 Suspense account: The Programme Manager may, at any time after demand and until the irrevocable and unconditional payment to the Programme Manager of all Secured Sums, place and keep to the credit of a suspense account any money received or realised by the Programme Manager by virtue of this Deed. The Programme Manager shall have no intermediate obligation to apply such money in or towards the discharge of any Secured Sum.

15.3 Retention of security: If the Programme Manager considers in good faith that any amount received in payment or purported payment of the Secured Sums is capable of being avoided or reduced by virtue of any insolvency, bankruptcy, liquidation or other similar laws, the liability of the Chargor under this Deed and the Security Interests constituted by this Deed shall continue and such amount shall not be considered to have been irrevocably paid.

16. PROTECTION OF THIRD PARTIES

16.1 No duty to enquire: No purchaser from, or other person dealing with, the Programme Manager its nominee or any Receiver or administrator shall be concerned to enquire whether any of the powers which the Programme Manager has exercised or purported to exercise has arisen or become exercisable, or whether this Deed has become enforceable, or whether any nominee, Receiver or administrator has been validly appointed, or whether any event or cause has happened to authorise the Programme Manager, any nominee or a Receiver or administrator to act or as to the propriety or validity of the exercise or purported exercise of any such power, and the title of such a

purchaser and the position of such a person shall not be impeachable by reference to any of those matters.

- 16.2 **Receipt:** The receipt of the Programme Manager shall be an absolute and a conclusive discharge to a purchaser and shall relieve him of any obligation to see to the application of any money paid to or by the direction of the Programme Manager.

17. **PROTECTION OF THE PROGRAMME MANAGER, ANY NOMINEE AND RECEIVER**

- 17.1 **Limitation:** Neither the Programme Manager nor any nominee or Receiver shall be liable in respect of any Liability which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise, any of their respective powers under or by virtue of this Deed, except if and insofar as such Liability results from its or his own gross negligence or wilful default.

- 17.2 **Entry into possession:** Without prejudice to the generality of clause 17.1 (*Limitation*), none of the Programme Manager, any nominee or any Receiver shall be liable to account as mortgagee in possession or otherwise for any sum not actually received by it or him respectively. If and whenever the Programme Manager or any nominee enters into possession of any Assets, it shall be entitled at any time at its discretion to go out of possession.

18. **PROGRAMME MANAGER**

- 18.1 **Programme Manager as trustee:** The Programme Manager declares itself to be a trustee of this Deed (and any other Security Interest created in its favour pursuant to this Deed) for the Beneficiaries. The retirement of the person for the time being acting as security trustee and the appointment of a successor shall be effected in each case in accordance with the Facility Agreement.

- 18.2 **Trustee Act 2000:** The Parties agree that the Programme Manager shall not be subject to the duty of care imposed on trustees by the Trustee Act 2000.

- 18.3 **No partnership:** Nothing in this Deed shall constitute or be deemed to constitute a partnership between any of the Beneficiaries and the Programme Manager.

19. **COSTS, EXPENSES AND LIABILITIES**

- 19.1 **Costs and expenses:** The Chargor will, promptly on the Programme Manager's written demand from time to time, reimburse the Programme Manager for all reasonable costs and expenses (including legal fees) on a full indemnity basis, together with VAT thereon, incurred by it in connection with the completion of the transactions and perfection of the Security Interests contemplated in this Deed.

- 19.2 **Enforcement costs:** The Chargor will, within three Business Days of the Programme Manager's written demand, pay to the Programme Manager, for each Beneficiary on a full indemnity basis, the amount of all costs and expenses (including legal, valuation, accountancy and consultancy fees and disbursements and out-of-pocket expenses) and any VAT thereon incurred by the Programme Manager and/or any other Beneficiary in connection with the exercise, enforcement and/or preservation of any of its rights under this Deed (or any document contemplated therein) or any proceedings instituted by or against the Programme Manager, in any jurisdiction.

- 19.3 **Indemnity for Liabilities:** The Chargor shall also, within three Business Days of the Programme Manager's written demand, reimburse or pay to the Programme Manager, its employees or agents and any nominee, on demand (on the basis of a full indemnity) the

amount of all Liabilities incurred by the Programme Manager, its employees or agents or any nominee, in connection with:

- (a) any default or delay by the Chargor in the performance of any of its obligations under this Deed;
- (b) the exercise, or the attempted or purported exercise, by or on behalf of the Programme Manager of any of its powers or any other action taken by or on behalf of the Programme Manager with a view to or in connection with the recovery of the Secured Sums, the enforcement of the Security Interests created by this Deed or for any other purpose contemplated in this Deed;
- (c) the carrying out or consideration of any other act or matter which the Programme Manager may consider to be conducive to the preservation, improvement or benefit of any Asset; and
- (d) any stamp duty, stamp duty reserve tax or similar tax which may be payable as a result of the execution or performance of this Deed.

20. INTEREST ON OVERDUE AMOUNTS

Any amount not paid in accordance with this Deed when due shall carry interest at the rate and in accordance with the terms contained in the Facility Agreement or at such other rate as may be agreed between the Chargor and the Programme Manager from time to time.

21. SET-OFF

A Finance Party may retain any money standing to the credit of the Chargor with such Finance Party in any currency upon any account or otherwise (whether or not in the Chargor's name) as cover for any Secured Sums and/or at any time or times without notice to the Chargor combine or consolidate all or any of such money with all or such part of the Secured Sums due or owing by it as such Finance Party may select and such Finance Party may purchase with any such money any other currency required to effect such combination or consolidation.

22. INFORMATION

The Programme Manager may from time to time seek from any other finance provider to the Chargor such information about the Chargor and its affairs as the Programme Manager may think fit. The Chargor directs any such third party to provide such information to the Programme Manager and agrees to provide such further authority for this purpose as the Programme Manager may from time to time require.

23. TRANSFER BY A BENEFICIARY

23.1 Transfer: Any Beneficiary may at any time:

- (a) assign any of its rights under the Finance Documents; or
- (b) transfer by novation any of its rights and obligations under the Finance Documents;

to any person to the extent permitted by the Facility Agreement. Upon an assignment or transfer by the Programme Manager to a successor Programme Manager becoming effective, the replacement Programme Manager shall be, and be deemed to be, acting as agent and trustee for each of the Beneficiaries (including itself) for the purposes of this Deed in replacement of the previous Programme Manager.

23.2 Disclosure: The Chargor irrevocably authorises each Beneficiary, at its discretion, at any time or from time to time, to disclose any information concerning the Chargor, this Deed and the Secured Sums:

- (a) to any person and in any of the circumstances referred to in clause 18 (*Confidentiality and Freedom of Information*) of the Facility Agreement;
- (b) to any prospective assignee or transferee referred to in clause 23.1 (*Transfer*) and any other person considered by such Beneficiary to be concerned in the prospective transaction; and
- (c) to any person who, as part of the arrangements made in connection with any transaction referred to in clause 23.1 (*Transfer*), requires such information after the transaction has been effected.

The above authority is without prejudice to a Beneficiary's right of disclosure implied by law or otherwise permitted under any other Finance Document.

24. EVIDENCE OF SECURED SUMS

A certificate signed (or, where reliance is being placed on it by any third party, appearing to be signed) by an officer of the Programme Manager as to the Secured Sums for the time being due or owing from the Chargor to a Beneficiary shall be treated, in favour of such Beneficiary or any person to whom such certificate is issued, as conclusive evidence for all purposes against the Chargor and binding on it (save in the case of manifest error) and such certificate may be relied upon by any Beneficiary and any other such person in all circumstances without further enquiry.

25. THIRD PARTY RIGHTS

25.1 Directly enforceable rights: Pursuant to the Contracts (Rights of Third Parties) Act 1999:

- (a) the provisions of clause 21 (*Set-off*) and clause 23 (*Transfer by a Beneficiary*) shall be directly enforceable by a Beneficiary;
- (b) the provisions of clause 11 (*Appointment of a Receiver*) to clause 17 (*Protection of the Programme Manager and Receiver*) inclusive shall be directly enforceable by any nominee or Receiver;
- (c) the provisions of clause 16 (*Protection of third parties*) shall be directly enforceable by any purchaser; and
- (d) clause 24 (*Evidence of Secured Sums*) shall be directly enforceable by any person to whom a certificate is issued under clause 24.

25.2 Exclusion of Contracts (Rights of Third Parties) Act 1999: Save as otherwise expressly provided in clause 25.1 (*Directly enforceable rights*), no person other than a Party shall have any right by virtue of the Contracts (Rights of Third Parties) Act 1999 to enforce any term (express or implied) of this Deed, but without prejudice to any right or remedy of the third party which may exist or be available apart from that Act.

25.3 Rights of the Parties to vary: The Parties (or the Programme Manager on behalf of the Beneficiaries) may by agreement vary any term of this Deed (including this clause 25) without the necessity of obtaining any consent from any other person.

26. **FORBEARANCE, SEVERABILITY, VARIATIONS AND CONSENTS**

- 26.1 **Delay etc:** All rights, powers and privileges under this Deed shall continue in full force and effect, regardless of any Beneficiary, nominee or Receiver exercising, delaying in exercising or omitting to exercise any of them.
- 26.2 **Severability:** No provision of this Deed shall be avoided or invalidated by reason only of one or more other provisions being invalid or unenforceable.
- 26.3 **Illegality, invalidity, unenforceability:** Any provision of this Deed which is or becomes illegal, invalid or unenforceable shall be ineffective only to the extent of such illegality, invalidity and unenforceability, without invalidating the remaining provisions of this Deed.
- 26.4 **Variations:** No variation of this Deed shall be valid and constitute part of this Deed, unless such variation shall have been made in writing and signed by the Programme Manager (on behalf of the Beneficiaries) and the Chargor or by all Parties.
- 26.5 **Consents:** Save as otherwise expressly specified in this Deed, any consent of the Programme Manager may be given absolutely or on any terms and subject to any conditions as the Programme Manager may determine in its entire discretion.

27. **COUNTERPARTS**

This Deed may be executed in any number of counterparts, each of which when executed and delivered shall be an original, but all of which when taken together shall constitute a single document.

28. **SERVICE OF DEMANDS AND NOTICES**

Clause 25 (*Notices*) of the Facility Agreement shall be incorporated into this Deed as if set out in full herein with any necessary changes.

29. **GOVERNING LAW**

This Deed and all non-contractual obligations arising in any way whatsoever out of or in connection with this Deed shall be governed by, construed and take effect in accordance with English law.

THIS DEED has been executed by the Chargor as a deed and signed by the Programme Manager and it shall take effect on the date stated at the beginning of this document.

SCHEDULE 1 : P SHARES AND INVESTED UNITS

Number	Class	Company
4,000,000	£0.000001 P Shares	PRL Investor Limited (company number 11894492)
4,000,000	Invested Units	Premier Rugby Limited (company number 03096937)

SCHEDULE 2 : FORM OF NOTICE OF CHARGE OF ACCOUNT

To: [•]

Date: [•]

Dear Sirs,

Notice of Charge

We refer to a security agreement (the "**Security Agreement**") dated [•] made between, inter alia, [•] (the "**Programme Manager**") and ourselves. Terms defined in the Security Agreement are to have the same meanings in this letter.

We hereby give you notice that under the Security Agreement we have charged by way of fixed charge to the Programme Manager as trustee for the Beneficiaries all of our right, title and interest in and to the account listed below maintained with your [*bank/building society/financial institution*] (including any renewal, redesignation, replacement, subdivision or subaccount of such account) (the "**Collection Account**") and all monies (including interest) from time to time standing to the credit of the Collection Account and the debt or debts represented thereby:

Account Name: [•]

Sort Code: [•]

Account No: [•]

We irrevocably and unconditionally instruct and authorise you (notwithstanding any previous directions which we may have given you to the contrary) and with effect from the date of this Notice:

- to promptly disclose to the Programme Manager, without any reference to or further authority from us and without any inquiry by you as to the justification for such disclosure (a) all statements and other notices given to us relating to the Collection Account and (b) such information relating to the Collection Account as the Programme Manager may request you to disclose to it from time to time; and
- to act only in accordance with the Programme Manager's instructions following receipt by you of a notice from the Programme Manager that the security constituted by the Security Agreement is enforceable. Until such notice is received by you, we are authorised by the Programme Manager to withdraw or otherwise transfer any credit balance from time to time on the Collection Account in accordance with the terms of the Security Agreement.

The instructions and authorisations contained in this letter shall remain in full force and effect until we and the Programme Manager together give you notice in writing revoking them. We confirm that, without the Programme Manager's prior written consent, none of the rights attaching to the Collection Account may be amended or varied.

This letter and all non-contractual obligations arising in any way whatsoever out of or in connection with this letter shall be governed by, construed and take effect in accordance with English law.

Please confirm your acknowledgement of this Notice by signing the acknowledgements set out at the foot of the enclosed duplicate hereof and by returning the same to [*****Programme Manager's name and address*****] marked for the attention of [*******].

Signed

.....

for and on behalf of

[***the Chargor***]

[on copy]

ACKNOWLEDGEMENT

To: [*** Programme Manager ***]

For the attention of: [***]

We, [•] hereby acknowledge receipt of a notice dated [•] of security created by [•] (the "**Chargor**") in favour of [•] (the "**Programme Manager**") over all the Chargor's rights, title and interest in and to the Collection Account (as specified in that notice) and all monies (including interest) from time to time standing to the credit of the Collection Account and the debt or debts represented thereby and confirm that we will comply with the terms of such notice.

We confirm that the balance standing to the Collection Account at today's date is [•], no fees or periodic charges are payable in respect of the Collection Account and there are no restrictions on (a) the payment of the credit balance on the Collection Account or (b) the creation of Security Interest over the Collection Account in favour of the Programme Manager or any third party.

We unconditionally and irrevocably waive all rights of set-off, lien, combination or consolidation of accounts and security in respect of the Collection Account and similar rights (however described) which we may have now or in the future in respect of the Collection Account or the balance thereon to the extent that such rights relate to amounts owed to us by the Chargor.

We confirm that we have not received notice of the interest of any third party in the Collection Account and will not, without the Programme Manager's prior written consent, amend or vary any rights attaching to the Collection Account.

We will act only in accordance with the instructions given by persons authorised by the Programme Manager and we shall send all statements and other notices given by us relating to the Collection Account to the Chargor and the Programme Manager.

This letter and all non-contractual obligations arising out of or in connection with it are to be governed by and will be construed in accordance with English law.

For and on behalf of

.....

[•]

Dated:

SCHEDULE 3 : FORM OF NOTICE OF ASSIGNMENT OF ASSIGNED AGREEMENT

To: [•]

Date: [•]

Dear Sirs,

Notice of Assignment

We refer to a security agreement (the "**Security Agreement**") dated [•] made between, inter alia, [•] (the "**Programme Manager**") and ourselves. Terms defined in the Security Agreement are to have the same meanings in this letter.

We hereby give you notice that under the Security Agreement we have assigned by way of security all our rights, title and interest in and to the [* *define* *] (the "**Assigned Agreement[s]**") to the Programme Manager as trustee for the Beneficiaries including all monies which may be payable in respect of the Assigned Agreement[s] [and that we have charged all the P Shares (as defined in the Assigned Agreement) which we own from time to time to the Programme Manager as trustee for the Beneficiaries]¹/[and that we have charged all the Invested Units (as defined in the Assigned Agreement) which we own from time to time to the Programme Manager as trustee for the Beneficiaries]².

We have agreed with the Programme Manager that until such time as the Programme Manager notifies you in writing otherwise, the assignment shall take effect as an equitable assignment and consequently, with effect from your receipt of this notice:

- all payments by you to us under or arising from the Assigned Agreement [including but not limited to any payments in respect of the License, Services and Commercial Rights Fee (as defined in the Assigned Agreement)]³/[including but not limited to any payments in respect of the Purchase Price (as defined in the Assigned Agreement)]⁴ shall be made to the account specified below unless and until otherwise directed by the Programme Manager whereupon such moneys shall be paid in accordance with the instructions of the Programme Manager:

Account bank: [•]

Account name: [Collection Account]

Account number: [•]

Sort code: [•]

- all remedies provided for in the Assigned Agreement[s] or available at law or in equity shall be exercisable by us unless and until you receive written notice from the Programme Manager to the contrary, in which event all rights, powers and discretions shall be exercisable by the Programme Manager or as it directs;
- we will remain liable to perform all our obligations under the Assigned Agreement[s] and the Programme Manager is under no obligation of any kind whatsoever under the

¹ Include in the notice is in respect of the Shareholders' Agreement.

² Include in the notice is in respect of the Licence Agreement.

³ Insert if the notice is in respect of the Licence Agreement.

⁴ Insert if the notice is in respect of the Shareholders' Agreement.

Assigned Agreement[s] nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Assigned Agreement[s]; and

- you are authorised and instructed, without requiring further approval from us, to provide the Programme Manager with such information relating to the Assigned Agreement as it may from time to time request and to send it copies of all notices issued by you under the Assigned Agreement to the Programme Manager as well as to us.

These instructions may not be revoked, nor may the terms of the Assigned Agreement[s] be amended, varied, waived, rescinded or terminated without the prior written consent of the Programme Manager.

This letter and all non-contractual obligations arising in any way whatsoever out of or in connection with this letter shall be governed by, construed and take effect in accordance with English law.

Please confirm your acknowledgement of this Notice by signing the acknowledgements set out at the foot of the enclosed duplicate hereof and by returning the same to [****Programme Manager's name and address****] marked for the attention of [*****].

Signed

.....

for and on behalf of

[****the Chargor****]

[on copy]

ACKNOWLEDGEMENT

To: [**** Programme Manager ****]

For the attention of: [*****]

We, [•] hereby acknowledge receipt of a notice dated [•] of security created by [•] (the "**Assignor**") in favour of [•] (the "**Programme Manager**") over all the Assignor's rights, title and interest in and to the Assigned Agreement[s] (as specified in that notice) including all monies which may be payable in respect of the Assigned Agreement[s] and confirm that we will comply with the terms of such notice.

We further confirm that:

- we have not received notice of any prior security over, or the interest of any third party in, the Assigned Agreement[s];
- we will not, without the prior written consent of the Programme Manager, amend, vary, waive, rescind or terminate the Assigned Agreement[s] or in any way prejudice the rights of the Programme Manager or the Beneficiaries under the Assigned Agreement[s];
- the Assignor will remain liable to perform all its obligations under the Assigned Agreement[s] and the Programme Manager is under no obligation of any kind whatsoever under the Assigned Agreement[s] nor under any liability whatsoever in the event of any failure by the Assignor to perform its obligations under the Assigned Agreement[s];

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- (d) we have made all necessary arrangements for all payments under the Assigned Agreement[s] to be made as specified in the notice; and
- (e) no breach or default on the part of the Assignor of any of the terms of the Assigned Agreement[s] will be deemed to have occurred unless we have given notice of such breach to the Programme Manager specifying how to make good such breach.

We have not claimed or exercised, and waive all future rights to claim or exercise, any rights of set-off, lien, counterclaim or other similar right now or in the future relating to amounts owed to us by the Assignor.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.

For and on behalf of

.....

[•]

Dated:

EXECUTION PAGE

THE CHARGOR

Executed and Delivered as a deed)
by **Gloucester Rugby Limited**)
(pursuant to a resolution of its Board)
of Directors) acting by:)

[Redacted Signature]

Director

[Redacted Signature]

Director

THE PROGRAMME MANAGER

Signed by **Tim Hollingsworth** for)
and on behalf of **The English**)
Sports Council)
)

[Redacted Signature]