



Registration of a Charge

Company name: **CRANE ELECTRONICS GROUP LIMITED**

Company number: **04027994**

Received for Electronic Filing: **11/12/2020**



X9JNYGA4

Details of Charge

Date of creation: **27/11/2020**

Charge code: **0402 7994 0002**

Persons entitled: **ADRIAN DUFFIN AS SECURITY TRUSTEE**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

FIELD FISHER LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4027994

Charge code: 0402 7994 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 27th November 2020 and created by CRANE ELECTRONICS GROUP LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 11th December 2020 .

Given at Companies House, Cardiff on 14th December 2020

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

Date: 27 November 2020

The Companies listed in Schedule 1

as Chargors

Adrian Duffin

as Security Trustee of the Secured Parties

Debenture

(subject to the terms of a deed of priority dated on or about the date of this Deed between (1) HSBC Bank PLC (2) Security Trustee and (3) the Chargors)

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THIS DEED is made the 27 day of November 2020

BETWEEN:

- (1) THE COMPANIES listed in Schedule 1 (each a "Chargor", together the "Chargors"); and
- (2) ADRIAN DUFFIN of [REDACTED] acting as security trustee of the Secured Parties (the "Security Trustee").

BACKGROUND:

- (A) The Parent has issued the Notes to the Original Noteholders on a secured basis.
- (B) Under the Instrument, the Chargors agree to guarantee the liabilities of the Parent in respect of the Notes.
- (C) Under this Deed, the Chargors provide security to the Security Trustee (acting for and on behalf of the Secured Parties) for their liabilities under the Instrument.
- (D) The Security Trustee and the Secured Parties have agreed that the Security Trustee will hold the benefit of the Security Rights created under this Deed on trust for himself and the Secured Parties.

IT IS AGREED:

1. Definitions and interpretation

1.1 Definitions

Capitalised terms used in this Deed shall, except where the context otherwise required and except where otherwise defined in this Deed, have the meanings given to them in the Security Trust Deed, as the same may be amended from time to time, save that:

"**Book Debts**" means all present and future book and other debts, and monetary claims due or owing to each Chargor, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by each Chargor;

"**Charged Property**" means any freehold, leasehold or commonhold property the subject of the security constituted by this Deed, and references to "**Charged Property**" shall include references to the whole or any part or part of it;

"**Deed of Priority**" means the deed of priority dated on or around the date of this Deed between amongst others, HSBC Bank PLC and the Security Trustee;

"**Delegate**" means any delegate, agent, attorney or co-trustee appointed by the Security Trustee pursuant to this Deed;

"**Environment**" means the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media;

"**Environmental Law**" means all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment;

"Environmental Licence" means any authorisation, permit or licence necessary under Environmental Law in respect of any of the Secured Assets;

"Equipment" means all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property owned by each Chargor or in which it has an interest, including any part of it and all spare parts, replacements, modifications and additions;

"Financial Collateral" has the meaning given to that expression in the Financial Collateral Regulations;

"Financial Collateral Regulations" means the Financial Collateral Arrangements (No 2) Regulations 2003 (SI 2003/3226);

"Group" means the Parent and its Subsidiaries for the time being;

"Group Shares" means, in relation to a Chargor, the shares in any member of the Group owned legally or beneficially by each Chargor or held by the Security Trustee or any nominee on its behalf (including the shares identified in respect of that Chargor in Part 4 of Schedule 2 (*Real Property and Group Shares*) (if any);

"Insurance Policy" means in relation to a Chargor, any contract or policy of insurance of any kind effected or maintained by a Chargor from time to time in respect of its assets or business (including, without limitation, any contract or policy of insurance relating to the Charged Properties or the Equipment);

"Intellectual Property" means:

- (a) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets (which may now or in the future subsist) of each Chargor;

"Investments" means in relation to any Chargor, all certificated shares, stock, debentures, bonds or other securities or investments (whether or not marketable) from time to time legally or beneficially owned by or on behalf of that Chargor;

"LPA 1925" means the Law of Property Act 1925;

"Parent" means Crane Group Holdings Ltd, a private limited company incorporated and registered in England with company number 12980586;

"Permitted Security Right" means:

- (a) any lien arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by a Chargor;
- (b) any netting or set-off arrangement entered into by a Chargor in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
- (c) any Security Rights arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a

Chargor in the ordinary course of trading and not arising as a result of any default or omission by a Chargor; and

(d) Security Rights granted under this Deed or with the prior written approval of the Security Trustee; and

(e) Security Rights granted by each Chargor in favour of HSBC Bank PLC set out in the Deed of Priority,

"Rights" means any Security Right or other right or benefit whether arising by set-off, counterclaim, subrogation, indemnity, proof in liquidation or otherwise and whether from contribution or otherwise;

"Secured Assets" means all the assets, property and undertaking of each Chargor which are, or are expressed to be, subject to the Security Rights created by, or pursuant to, this Deed (and references to the Secured Assets shall include references to any part of them);

"Secured Liabilities" all and any monies, obligations and liabilities of each Chargor to any of the Secured Parties in respect of the Notes, which may now or at any time in future be due, owing or incurred by each Chargor to the Secured Parties whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, together with all interest (including, without limitation, default interest) accruing in respect of those obligations or liabilities;

"Security Financial Collateral Arrangement" has the meaning given to that expression in the Financial Collateral Regulations;

"Security Period" means the period starting on the date of this Deed and ending on the date on which the Security Trustee is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding;

"Security Right" means any mortgage, charge (whether fixed or floating, legal or equitable), standard security, right in security, security, pledge, lien, right of set-off, right to retention of title or other encumbrance over any present or future property, assets or undertaking; and

"Security Trust Deed" means the security trust deed dated on or around the date of this Deed between, (1) the Chargors, (2) the Original Noteholders and (3) the Security Trustee.

1.2 Interpretation

Except where the context otherwise requires and except where otherwise defined in this Deed, the interpretation provisions set out in the Security Trust Deed shall apply to this Deed, save that a reference to this Deed (or any provision of it) or to any other agreement or document referred to in this Deed is a reference to this Deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this Deed) from time to time.

1.3 Clawback

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

1.4 Nature of security over real property

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

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

1.5 Nature of security over Investments

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

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

1.6 Law of Property (Miscellaneous Provisions) Act 1989

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Instruments, the SPA and of any side letters between any parties in relation to the Notes and the SPA are incorporated into this Deed.

1.7 Perpetuity period

If the rule against perpetuities applies to any trust created by this Deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

1.8 Deed of Priority

- (a) This Deed is subject to the terms of the Deed of Priority.
- (b) If and to the extent there is any conflict or inconsistency between the terms of the Deed of Priority and this Deed, the Deed of Priority shall prevail.

1.9 Schedules

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

2. Covenant to pay

Each Chargor shall, on demand, pay to the Security Trustee and discharge the Secured Liabilities when they become due.

3. Grant of Security

3.1 Legal mortgage

As a continuing security for the payment and discharge of the Secured Liabilities, each Chargor with full title guarantee charges to the Security Trustee, by way of legal mortgage, all estates or interests in any freehold, leasehold or commonhold property now owned by each Chargor, including the real property (if any) specified in Schedule 2.

3.2 Fixed charges

As a continuing security for the payment and discharge of the Secured Liabilities, each Chargor with full title guarantee charges to the Security Trustee by way of fixed charge:

- (a) all present and future estates or interests of each Chargor in, or over, any freehold, leasehold or commonhold property (other than any such property effectively mortgaged under clause 3.1);
- (b) the benefit of all other contracts, guarantees, appointments and warranties relating to each Charged Property and other documents to which each Chargor is a party or which are in its favour or of which it has the benefit relating to any letting, development, sale, purchase, use or the operation of any Charged Property or otherwise relating to any Charged Property (including, in each case, but without limitation, the right to demand and receive all monies whatever payable to or for its benefit under or arising from any of them, all remedies provided for in any of them or available at law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests and benefits whatever accruing to or for its benefit arising from any of them);
- (c) all licences, consents and authorisations (statutory or otherwise) held or required in connection with its business or the use of any Secured Asset, and all rights in connection with them;
- (d) all its present and future goodwill;
- (e) all its uncalled capital;
- (f) all the Equipment;
- (g) all the Intellectual Property;
- (h) all the Book Debts;
- (i) all the Investments;
- (j) all the Group Shares;
- (k) all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person, together with all rights and benefits accruing to or arising in connection with each account (including, but not limited to, entitlements to interest); and

- (l) all its rights in respect of each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy, to the extent not effectively assigned under clause 3.3.

3.3 Assignment

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

- (a) all rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy; and
- (b) the benefit of any agreements, instruments and rights relating to the Secured Assets.

3.4 Floating charge

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

3.5 Qualifying floating charge

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

3.6 Automatic crystallisation of floating charge

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

- (a) any Chargor:
 - (i) creates, or attempts to create, without the prior written consent of the Security Trustee, Security Rights or a trust in favour of another person over all or any part of the Secured Assets (except as expressly permitted by the terms of this Deed); or
 - (ii) disposes, or attempts to dispose of, all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains uncrystallised);
- (b) any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets; or
- (c) a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of any Chargor.

3.7 Crystallisation of floating charge by notice

The Security Trustee may, in its sole discretion, by written notice to a Chargor, convert the floating charge created under this Deed into a fixed charge as regards any part of the Secured Assets specified by the Security Trustee in that notice if:

- (a) an Event of Default occurs and is continuing; or

- (b) the Security Trustee considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

3.8 Assets acquired after any floating charge has crystallised

Any asset acquired by any Chargor after any crystallisation of the floating charge created under this Deed that, but for that crystallisation, would be subject to a floating charge under this Deed, shall (unless the Security Trustee confirms otherwise to the relevant Chargor in writing) be charged to the Security Trustee by way of fixed charge.

4. Liability of the Chargors

4.1 Liability not discharged

The liability of each Chargor under this Deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or otherwise adversely affected by:

- (a) any intermediate payment, settlement of account or discharge in whole or in part of the Secured Liabilities;
- (b) any variation, extension, discharge, compromise, dealing with, exchange or renewal of any right or remedy which the Security Trustee may now or after the date of this Deed have from or against any Chargor or any other person in connection with the Secured Liabilities;
- (c) any act or omission by the Security Trustee or any other person in taking up, perfecting or enforcing any Security Right, indemnity, or guarantee from or against any Chargor or any other person;
- (d) any termination, amendment, variation, novation, replacement or supplement of or to any of the Secured Liabilities;
- (e) any grant of time, indulgence, waiver or concession to any Chargor or any other person;
- (f) any insolvency, bankruptcy, liquidation, administration, winding up, incapacity, limitation, disability, the discharge by operation of law, or any change in the constitution, name or style of any Chargor or any other person;
- (g) any invalidity, illegality, unenforceability, irregularity or frustration of any actual or purported obligation of, or Security Right held from, any Chargor or any other person in connection with the Secured Liabilities;
- (h) any claim or enforcement of payment from any Chargor or any other person; or
- (i) any other act or omission which would not have discharged or affected the liability of any Chargor had it been a principal debtor or anything done or omitted by any person which, but for this provision, might operate to exonerate or discharge any Chargor or otherwise reduce or extinguish its liability under this Deed.

4.2 Immediate recourse

Each 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 before enforcing this

Security. This waiver applies irrespective of any law or any provision of a Note Document to the contrary.

4.3 Non-competition

Each Chargor warrants to the Security Trustee that it has not taken or received, and shall not take, exercise or receive the benefit of any Rights from or against the Parent, its liquidator, an administrator, co-guarantor or any other person in connection with any liability of, or payment by, any Chargor under this Deed but:

- (a) if any of the Rights is taken, exercised or received by any Chargor, those Rights and all monies at any time received or held in respect of those Rights shall be held by that Chargor on trust for the Security Trustee for application in or towards the discharge of the Secured Liabilities under this Deed; and
- (b) on demand by the Security Trustee, any Chargor shall promptly transfer, assign or pay to the Security Trustee all other Rights and all monies from time to time held on trust by that Chargor under this clause 4.3.

5. Representations and warranties

Each Chargor makes the representations and warranties contained in clauses 5.1 to 5.12 of this Deed, which are deemed to be repeated on each day of the Security Period with reference to the facts and circumstances existing at the time of repetition.

5.1 Ownership of Secured Assets

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

5.2 No Security

The Secured Assets are free from any Security Rights other than the Permitted Security Rights (if any) and the Security Rights created by this Deed.

5.3 No adverse claims

No Chargor has received, or acknowledged notice of, any adverse claim by any person in respect of the Secured Assets or any interest in them.

5.4 No adverse covenants

Other than any Security Right having priority to this Debenture and referred to in the Deed of Priority, there are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever that materially and adversely affect the Secured Assets.

5.5 No breach of laws

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

5.6 No interference in enjoyment

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

5.7 No overriding interests

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

5.8 Avoidance of security

No Security Right expressed to be created under this Deed is liable to be avoided, or otherwise set aside, on the liquidation or administration of any Chargor or otherwise.

5.9 No prohibitions or breaches

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

5.10 Environmental compliance

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

5.11 Enforceable security

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

5.12 Investments

- (a) The Investments are fully paid and are not subject to any option to purchase or similar rights.
- (b) No constitutional document of an issuer of an Investment, nor any other agreement:
 - (i) restricts or inhibits any transfer of the Investments on creation or enforcement of the security constituted by this Deed; or
 - (ii) contains any rights of pre-emption in relation to the Investments.
- (c) Each Chargor has complied with all notices relating to all or any of the Investments received by it pursuant to sections 790D and 790E of the Companies Act 2006.
- (d) No warning notice has been issued under paragraph 1(2) of Schedule 1B of the Companies Act 2006, and no restrictions notice has been issued under paragraph 1(3) of Schedule 1B of the Companies Act 2006, in respect of all or any of the Investments.

6. General covenants

6.1 Authorisations

Each Chargor shall promptly obtain all consents and authorisations necessary under any law or regulation (and do all that is needed to maintain them in full force and effect) to enable it to perform its obligations under the Notes Documents and to ensure the legality, validity, enforceability and admissibility in evidence of the Notes Documents in its jurisdiction of incorporation.

6.2 Compliance with law

Each Chargor shall comply in all respects with all relevant laws to which it may be subject if failure to do so would materially impair its ability to perform its obligations under the Notes Documents.

6.3 Change of business

No Chargor shall make any substantial change to the general nature or scope of its business as carried on at the date of this Deed.

6.4 Negative pledge and disposal restrictions

No Chargor shall at any time, except as contemplated by the Deed of Priority or with the prior written consent of the Security Trustee:

- (a) create, purport to create or permit to subsist any Security Right on, or in relation to, any Secured Asset other than any Security Right created by this Deed or any Permitted Security Right;
- (b) sell, assign, transfer, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Secured Assets (except, in the ordinary course of business, Secured Assets that are only subject to an uncrystallised floating charge); or
- (c) create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party.

6.5 Preservation of Secured Assets

No Chargor shall do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Security Trustee, or materially diminish the value of any of the Secured Assets or the effectiveness of the security created by this Deed.

6.6 Compliance with laws and regulations

- (a) No Chargor shall, without the Security Trustee's prior written consent, use or permit the Secured Assets to be used in any way contrary to law.
- (b) Each Chargor shall:
 - (i) comply with the requirements of any law or regulation relating to or affecting the Secured Assets or the use of it or any part of them;
 - (ii) obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Secured Assets or their use or that are necessary to preserve, maintain or renew any Secured Asset; and
 - (iii) promptly effect any maintenance, modifications, alterations or repairs that are required by any law or regulation to be effected on or in connection with the Secured Assets.

6.7 Enforcement of rights

Each Chargor shall use its best endeavours to:

- (a) procure the prompt observance and performance by the relevant counterparty to any agreement or arrangement with any Chargor and forming part of the Secured Assets of the covenants and other obligations imposed on such counterparty (including each insurer in respect of an Insurance Policy); and
- (b) enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets that the Security Trustee may require from time to time.

6.8 Notice of misrepresentation and breaches

Each Chargor shall, promptly on becoming aware of any of the same, notify the Security Trustee in writing of:

- (a) any representation or warranty set out in this Deed that is incorrect or misleading in any material respect when made or deemed to be repeated; and
- (b) any breach of any covenant set out in this Deed.

6.9 Title documents

Each Chargor shall, as so required by the Security Trustee, deposit with the Security Trustee and the Security Trustee shall, for the duration of this Deed, be entitled to hold:

- (a) all deeds and documents of title relating to the Secured Assets that are in the possession or control of each Chargor (and if these are not within the possession or control of each Chargor, each Chargor undertakes to obtain possession of all these deeds and documents of title); and
- (b) all deeds and documents of title (if any) relating to the Book Debts as the Security Trustee may specify from time to time.

6.10 Insurance

- (a) Each Chargor shall insure and keep insured (or where, in the case of any leasehold property, insurance is the responsibility of the landlord under the terms of the lease, either procure that the landlord insures and keeps insured or, if and to the extent that the landlord does not do so, itself insure and keep insured) the Secured Assets against:
 - (i) loss or damage by fire or terrorist acts, including any third party liability arising from such acts;
 - (ii) other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as any Chargor; and
 - (iii) any other risk, perils and contingencies as the Security Trustee may reasonably require.
- (b) Any such insurance must be with an insurance company or underwriters, and on such terms, as are reasonably acceptable to the Security Trustee, and must include property owners' public liability and third party liability insurance and be for not less than the replacement value of the relevant Secured Assets (meaning in the case of any premises

on any Charged Property, the total cost of entirely rebuilding, reinstating or replacing the premises in the event of their being destroyed, together with architects', surveyors', engineers' and other professional fees and charges for shoring or propping up, demolition, site clearance and reinstatement with adequate allowance for inflation) and, in the case of any Charged Property, loss of rents payable by the tenants or other occupiers of any Charged Property for a period of at least three years, including provision for increases in rent during the period of insurance.

6.10.2 Each Chargor shall, if requested by the Security Trustee, produce to the Security Trustee each policy, certificate or cover note relating to any insurance as is required by clause 6.10(a) (or where, in the case of any leasehold property, that insurance is effected by the landlord, such evidence of insurance as each Chargor is entitled to obtain from the landlord under the terms of the relevant lease).

6.10.3 Each Chargor shall, if requested by the Security Trustee, procure that a note of the Security Trustee's interest is endorsed on each insurance policy (other than public liability and third party liability insurances) effected or maintained by it or any person on its behalf in accordance with clause 6.10(a) but without the Security Trustee having any liability for any premium in relation to those insurance policies unless it has expressly and specifically requested to be made liable in respect of any increase in premium or unpaid premium in respect of any Insurance Policy.

6.11 Insurance premiums

Each Chargor shall:

- (a) promptly pay all premiums in respect of each insurance policy as is required by clause 6.10(a) and do all other things necessary to keep that policy in full force and effect; and
- (b) (if the Security Trustee so requires) give to the Security Trustee copies of the receipts for all premiums and other payments necessary for effecting and keeping up each insurance policy as is required by clause 6.10(a) (or where, in the case of leasehold property, insurance is effected by the landlord, such evidence of the payment of premiums as each Chargor is entitled to obtain from the landlord under the terms of the relevant lease).

6.12 No invalidation of insurance

No Chargor shall do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any insurance policy as is required by clause 6.10(a).

6.13 Proceeds from insurance policies

All monies payable under any insurance policy maintained by any Chargor in accordance with clause 6.10(a) at any time (whether or not the security constituted by this Deed has become enforceable) shall:

- (a) other than in respect of employer's or public liability insurance, be paid to the Security Trustee, to be applied at the option of the Security Trustee;
- (b) if paid to any Chargor, be held on trust for the Security Trustee and shall account to the Security Trustee accordingly; and
- (c) other than in respect of employer's or public liability insurance, be applied towards making good the loss or damage in respect of which the money was received or, if the loss or damage has already been made good, in refinancing money expended in that connection.

6.14 Notices to be given by Chargors

Each Chargor shall as so requested by the Security Trustee from time to time:

- (a) give notice to each insurer under an Insurance Policy in the form set out in Part 1 of Schedule 3; and
- (b) use reasonable endeavours to procure that each insurer provides to the Security Trustee promptly an acknowledgement of the notice in the form set out in Part 2 of Schedule 3.

6.15 Information

Each Chargor shall:

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

6.16 Payment of outgoings

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

7. Property covenants

7.1 Repair and maintenance

Each Chargor shall keep all premises and fixtures and fittings on each Charged Property in good and substantial repair and condition and shall keep all premises adequately and properly painted and decorated and replace any fixtures and fittings which have become worn out or otherwise unfit for use with others of a like nature and equal value.

7.2 No alterations

No Chargor shall, without the prior written consent of the Security Trustee:

- (a) pull down or remove the whole, or any part of, any building forming part of any Charged Property or permit the same to occur;
- (b) make or permit to be made any material alterations to any Charged Property, or sever or remove or permit to be severed or removed, any of its fixtures or fittings (except to make any necessary repairs or renew or replace the same in accordance with clause 7.1); or

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

7.3 Conduct of business on Charged Properties

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

7.4 Notices or claims relating to the property

- (a) Each Chargor shall:
 - (i) give full particulars to the Security Trustee of any notice, order, direction, designation, resolution, application, requirement or proposal given or made by any public or local body or authority (a "**Notice**") that specifically applies to any Charged Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Notice; and
 - (ii) (if the Security Trustee so requires) immediately, and at the cost of the relevant Chargor, take all reasonable and necessary steps to comply with any Notice, and make, or join with the Security Trustee in making, any objections or representations in respect of that Notice that the Security Trustee thinks fit.
- (b) Each Chargor shall give full particulars to the Security Trustee of any claim, notice or other communication served on it in respect of any modification, suspension or revocation of any Environmental Licence or any alleged breach of any Environmental Law, in each case relating to any Charged Property.

7.5 Compliance with and enforcement of covenants

Each Chargor shall:

- (a) observe and perform all covenants, stipulations and conditions to which each Charged Property, or the use of it, is or may be subject, and (if the Security Trustee so requires) produce to the Security Trustee evidence sufficient to satisfy the Security Trustee that those covenants, stipulations and conditions have been observed and performed; and
- (b) diligently enforce all covenants, stipulations and conditions benefiting each Charged Property and shall not (and shall not agree to) waive, release or vary any of the same.

7.6 Payment of rent and outgoings

Each Chargor shall:

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

7.7 Leases and licences affecting the Charged Properties

No Chargor shall, without the prior written consent of the Security Trustee (which consent, in the case of clause 7.7(d), is not to be unreasonably withheld or delayed in circumstances in which that Chargor may not unreasonably withhold or delay its consent):

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

7.8 Registration restrictions and cautions against first registration and notices

- (a) If the title to any Charged Property is not registered at the Land Registry, each Chargor shall procure that no person (other than itself) shall be registered under the Land Registration Act 2002 as proprietor of all or any part of any Charged Property, without the prior written consent of the Security Trustee.
- (b) Whether or not title to any Charged Property is registered at the Land Registry, if any caution against first registration or any notice (whether agreed or unilateral) is registered against any Chargor's title to any Charged Property, that Chargor shall immediately provide the Security Trustee with full particulars of the circumstances relating to such caution or notice. If such caution or notice was registered to protect a purported interest the creation of which is not permitted under this Deed, that Chargor shall immediately, and at its own expense, take such steps as the Security Trustee may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.
- (c) Each Chargor shall be liable for the costs and expenses of the Security Trustee in lodging cautions against the registration of the title to the whole or any part of any Charged Property from time to time.

7.9 Development restrictions

No Chargor shall, without the prior written consent of the Security Trustee:

- (a) make or, insofar as it is able, permit others to make any application for planning permission or development consent in respect of any Charged Property; or
- (b) carry out or permit or suffer to be carried out on any Charged Property any development (as defined in each of the Town and Country Planning Act 1990 and the Planning Act 2008) or change or permit or suffer to be changed the use of any Charged Property.

7.10 Environment

Each Chargor shall in respect of each Charged Property:

- (a) comply in all material respects with all the requirements of Environmental Law; and
- (b) obtain and comply in all material respects with all Environmental Licences.

7.11 No restrictive obligations

No Chargor shall, without the prior written consent of the Security Trustee, enter into any onerous or restrictive obligations affecting the whole or any part of any Charged Property, or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of any Charged Property.

7.12 Proprietary rights

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

7.13 Inspection

Each Chargor shall permit the Security Trustee, any Receiver and any person appointed by either of them to enter on and inspect any Charged Property on reasonable prior notice.

7.14 Property information

Each Chargor shall inform the Security Trustee promptly of any acquisition by that Chargor of, or contract made by that Chargor to acquire, any freehold, leasehold or other interest in any property.

7.15 VAT option to tax

No Chargor shall, without the prior written consent of the Security Trustee:

- (a) exercise any VAT option to tax in relation to any Charged Property; or
- (b) revoke any VAT option to tax exercised, and disclosed to the Security Trustee, before the date of this Deed.

7.16 Registration of legal mortgage at the Land Registry

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

"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 [DATE] in favour of [NAME OF PARTY] referred to in the charges register [or [their conveyancer or specify appropriate details]]."

8. Investments covenants

8.1 Nominations

- (a) Each Chargor shall terminate with immediate effect all nominations it may have made (including, without limitation, any nomination made under section 145 or section 146 of the Companies Act 2006) in respect of any Investments and, pending that termination, procure that any person so nominated:
 - (i) does not exercise any rights in respect of any Investments without the prior written approval of the Security Trustee; and
 - (ii) immediately on receipt by it, forward to the Security Trustee all communications or other information received by it in respect of any Investments for which it has been so nominated.
- (b) No Chargor shall, during the Security Period, exercise any rights (including, without limitation, any rights under sections 145 and 146 of the Companies Act 2006) to nominate any person in respect of any of the Investments.

8.2 Pre-emption rights and restrictions on transfer

Each Chargor shall:

- (a) obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of an issuer of any Investments, for the transfer of the Investments to the Security Trustee or its nominee, or to a purchaser on enforcement of the security constituted by this Deed; and
- (b) procure the amendment of the share transfer provisions (including, but not limited to, deletion of any pre-emption provisions) under the articles of association, other constitutional document or otherwise of each issuer of the Investments in any manner that the Security Trustee may require in order to permit the transfer of the Investments to the Security Trustee or its nominee, or to a purchaser on enforcement of the security constituted by this Deed.

8.3 Dividends and voting rights before enforcement

- (a) Before the security constituted by this Deed becomes enforceable, each Chargor may retain and apply for its own use all dividends, interest and other monies paid or payable in respect of the Investments and, if any are paid or payable to the Security Trustee or any of its nominees, the Security Trustee will hold all those dividends, interest and other monies received by it for that Chargor and will pay them to that Chargor promptly on request.
- (b) Before the security constituted by this Deed becomes enforceable, each Chargor may exercise all voting and other rights and powers in respect of the Investments or, if any of the same are exercisable by the Security Trustee or any of its nominees, to direct in writing the exercise of those voting and other rights and powers provided that:
 - (i) it shall not do so in any way that would breach any provision of any Instrument or this Deed or for any purpose inconsistent with its obligations in respect of the Notes or this Deed; and

- (ii) the exercise of, or the failure to exercise, those voting rights or other rights and powers would not, in the Security Trustee's opinion, have an adverse effect on the value of the Investments or otherwise prejudice the Security Trustee's security under this Deed.
- (c) Each Chargor shall indemnify the Security Trustee against any loss or liability incurred by the Security Trustee (or its nominee) as a consequence of the Security Trustee (or its nominee) acting in respect of the Investments at the direction of any Chargor.
- (d) The Security Trustee shall not, by exercising or not exercising any voting rights or otherwise, be construed as permitting or agreeing to any variation or other change in the rights attaching to or conferred by any of the Investments that the Security Trustee considers prejudicial to, or impairing the value of, the security created by this Deed.

8.4 Dividends and voting rights after enforcement

After the security constituted by this Deed has become enforceable:

- (a) all dividends and other distributions paid in respect of the Investments and received by any Chargor shall be held by that Chargor on trust for the Security Trustee and immediately paid to the Security Trustee, and may be applied by the Security Trustee in accordance with clause 18.1; and
- (b) all voting and other rights and powers attaching to the Investments may be exercised by, or at the direction of, the Security Trustee and each Chargor shall, and shall procure that its nominees shall, comply with any directions the Security Trustee may give, in its absolute discretion, concerning the exercise of those rights and powers.

8.5 Calls on Investments

Notwithstanding the security created by this Deed, each Chargor shall promptly pay all calls, instalments and other payments that may be or become due and payable in respect of all or any of the Investments. Each Chargor acknowledges that the Security Trustee shall not be under any liability in respect of any such calls, instalments or other payments.

8.6 No alteration of constitutional documents or rights attaching to Investments

No Chargor shall, without the prior written consent of the Security Trustee, amend, or agree to the amendment of:

- (a) the memorandum or articles of association, or any other constitutional documents, of any issuer of the Investments that is not a public company; or
- (b) the rights or liabilities attaching to, or conferred by, all or any of the Investments.

8.7 Preservation of Investments

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

- (a) consolidate or subdivide any of the Investments, or re-organise, exchange, repay or reduce its share capital in any way;
- (b) issue any new shares or stock; or

- (c) refuse to register any transfer of any of the Investments that may be lodged with it for registration by, or on behalf of, the Security Trustee or any Chargor in accordance with this Deed.

8.8 Investments information

Each Chargor shall, promptly following receipt, send to the Security Trustee copies of any notice, circular, report, accounts and any other document received by it that relates to the Investments.

8.9 Compliance with requests for information

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

9. Equipment covenants

9.1 Maintenance of Equipment

Each Chargor shall:

- (a) maintain the Equipment in good and serviceable condition (except for expected fair wear and tear) in compliance with all relevant manuals, handbooks, manufacturer's instructions and recommendations and maintenance or servicing schedules;
- (b) at its own expense, renew and replace any parts of the Equipment when they become obsolete, worn out or damaged with parts of a similar quality and of equal or greater value; and
- (c) not permit any Equipment to be:
 - (i) used or handled other than by properly qualified and trained persons; or
 - (ii) overloaded or used for any purpose for which it is not designed or reasonably suitable.

9.2 Payment of Equipment taxes

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

9.3 Notice of charge

- (a) Each Chargor shall, if so requested by the Security Trustee, affix to and maintain on each item of Equipment in a conspicuous place, a clearly legible identification plate containing the following wording:

"NOTICE OF CHARGE

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

- (b) No Chargor shall, and shall not permit any person to, conceal, obscure, alter or remove any plate affixed in accordance with clause 9.3(a).

10. Book Debts covenants

10.1 Realising Book Debts

Each Chargor shall, if called on to do so by the Security Trustee, execute a legal assignment of the Book Debts to the Security Trustee on such terms as the Security Trustee may require and give notice of that assignment to the debtors from whom the Book Debts are due, owing or incurred.

10.2 Preservation of Book Debts

No Chargor shall (except as provided by clause 10.1 or with the prior written consent of the Security Trustee) release, exchange, compound, set off, grant time or indulgence in respect of, or in any other manner deal with, all or any of the Book Debts.

11. Intellectual Property covenants

11.1 Preservation of rights

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

11.2 Registration of Intellectual Property

Each Chargor shall use all reasonable efforts to register applications for the registration of any Intellectual Property, and shall keep the Security Trustee informed of all matters relating to each such registration.

11.3 Maintenance of Intellectual Property

No Chargor shall permit any Intellectual Property to be abandoned, cancelled or to lapse.

12. Powers of the Security Trustee

12.1 Power to remedy

- (a) The Security Trustee shall be entitled (but shall not be obliged) to remedy, at any time, a breach by any Chargor of any of its obligations contained in this Deed.
- (b) Each Chargor irrevocably authorises the Security Trustee and its agents to do all things that are necessary or desirable for that purpose.
- (c) Any monies expended by the Security Trustee in remedying a breach by any Chargor of its obligations contained in this Deed shall be reimbursed by any Chargor to the Security Trustee on a full indemnity basis and shall carry interest in accordance with clause 19.1.

12.2 Exercise of rights

- (a) The rights of the Security Trustee under clause 12.1 are without prejudice to any other rights of the Security Trustee under this Deed.

- (b) The exercise of any rights of the Security Trustee under this Deed shall not make the Security Trustee liable to account as a mortgagee in possession.

12.3 Power to dispose of chattels

- (a) At any time after the security constituted by this Deed has become enforceable, the Security Trustee or any Receiver may, as agent for any Chargor, dispose of any chattels or produce found on any Charged Property.
- (b) Without prejudice to any obligation to account for the proceeds of any disposal made under clause 12.1(a), that Chargor shall indemnify the Security Trustee and any Receiver against any liability arising from any disposal made under clause 12.1(a).

12.4 Security Trustee has Receiver's powers

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

12.5 New accounts

- (a) If the Security Trustee receives, or is deemed to have received, notice of any subsequent Security Right, or other interest, affecting all or part of the Secured Assets, the Security Trustee may open a new account for that Chargor in the Security Trustee's books. Without prejudice to the Security Trustee's right to combine accounts, no money paid to the credit of that Chargor in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.
- (b) If the Security Trustee does not open a new account immediately on receipt of the notice, or deemed notice, under clause 12.5(a), then, unless the Security Trustee gives express written notice to the contrary to that Chargor, all payments made by that Chargor to the Security Trustee shall be treated as having been credited to a new account of that Chargor and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt or deemed receipt of the relevant notice by the Security Trustee.

12.6 Indulgence

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

12.7 Appointment of an Administrator

- (a) The Security Trustee may, without notice to the Chargors, appoint any one or more persons to be an Administrator of any Chargor pursuant to paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this Deed becomes enforceable.
- (b) Any appointment under this clause 12.7 shall:
 - (i) be in writing signed by the Security Trustee; and

- (ii) take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.
- (c) The Security Trustee may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this clause 12.7 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

13. When security becomes enforceable

13.1 Security becomes enforceable on Event of Default

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

13.2 Discretion

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

14. Enforcement of security

14.1 Enforcement powers

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- (b) The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this Deed) shall be immediately exercisable at any time after the security constituted by this Deed has become enforceable under clause 13.1.
- (c) Section 103 of the LPA 1925 does not apply to the security constituted by this Deed.

14.2 Extension of statutory powers of leasing

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

- (a) grant a lease or agreement for lease;
- (b) accept surrenders of leases; or
- (c) grant any option in respect of the whole or any part of the Secured Assets with whatever rights relating to other parts of it,

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

14.3 Access on enforcement

- (a) At any time after the Security Trustee has demanded payment of the Secured Liabilities or if any Chargor defaults in the performance of its obligations under this Deed, or in respect of the Notes, that Chargor will allow the Security Trustee or its Receiver, without further notice or demand, immediately to exercise all his rights, powers and remedies in particular (and without limitation) to take possession of any Secured Asset and for that purpose to enter on any premises where a Secured Asset is situated (or where the Security Trustee or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to any Chargor for, or by any reason of, that entry.
- (b) At all times, each Chargor must use its best endeavours to allow the Security Trustee or his Receiver access to any premises for the purpose of clause 14.1(a) (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

14.4 Redemption of prior Security Right

- (a) At any time after the security constituted by this Deed has become enforceable, the Security Trustee may:
 - (i) redeem any prior Security Right over any Secured Asset;
 - (ii) procure the transfer of that Security Right to himself; and
 - (iii) settle and pass the accounts of the holder of any prior Security Right (and any accounts so settled and passed shall, in the absence of any manifest error, be conclusive and binding on that Chargor).
- (b) Each Chargor shall pay to the Security Trustee immediately on demand all principal, interest, costs, charges and expenses of, and incidental to, any such redemption or transfer, and such amounts shall be secured by this Deed as part of the Secured Liabilities.

14.5 Protection of third parties

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

- (a) whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
- (b) whether any power the Security Trustee, a Receiver or Delegate is purporting to exercise has become exercisable or is being properly exercised; or
- (c) how any money paid to the Security Trustee, any Receiver or any Delegate is to be applied.

14.6 Privileges

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

14.7 No liability as mortgagee in possession

Neither the Security Trustee nor any Receiver or Delegate shall be liable, by reason of entering into possession of a Secured Asset or for any other reason, to account as mortgagee in possession in respect of all or any of the Secured Assets, nor shall any of them be liable for any loss on realisation of, or for any act, default or omission for which a mortgagee in possession might be liable.

14.8 Conclusive discharge to purchasers

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

14.9 Right of appropriation

(a) To the extent that:

- (i) the Secured Assets constitute Financial Collateral; and
- (ii) this Deed and the obligations of each Chargor under it constitute a Security Financial Collateral Arrangement,

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

(b) The value of any Secured Assets appropriated in accordance with this clause 14.9(b) shall be:

- (i) in the case of cash, the amount standing to the credit of the accounts held by each Chargor with any bank, financial institution or other person, together with any accrued but unpaid interest, at the time the right of appropriation is exercised; and
- (ii) in the case of Investments, the market price of those Investments at the time the right of appropriation is exercised determined by the Security Trustee by reference to a recognised market index or by any other method that the Security Trustee may select (including independent valuation).

(c) Each Chargor agrees that the methods of valuation provided for in this clause 14.9(b) are commercially reasonable for the purposes of the Financial Collateral Regulations.

15. Receiver

15.1 Appointment

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

15.2 Removal

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

15.3 Remuneration

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

15.4 Power of appointment additional to statutory powers

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

15.5 Power of appointment exercisable despite prior appointments

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

15.6 Agent of each Chargor

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

16. Powers of Receiver

16.1 General

- (a) Any Receiver appointed by the Security Trustee under this Deed shall, in addition to the powers conferred on it by statute, have the rights, powers and discretions set out in clause 16.2 to clause 16.23.
- (b) A Receiver has all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the LPA 1925, and shall have those rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986 whether it is an administrative receiver or not.
- (c) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing it states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.
- (d) Any exercise by a Receiver of any of the powers given by clause 16 may be on behalf of any Chargor, the directors of that Chargor (in the case of the power contained in clause 16.6) or itself.

16.2 Repair and develop Charged Properties

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

16.3 Grant or accept surrenders of leases

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

16.4 Employ personnel and advisers

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

(b) A Receiver may discharge any such person or any such person appointed by any Chargor.

16.5 Make and revoke VAT options to tax

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

16.6 Remuneration

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

16.7 Possession

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

16.8 Manage or reconstruct any Chargor's business

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

16.9 Dispose of Secured Assets

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

16.10 Sever fixtures and fittings

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

16.11 Sell Book Debts

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

16.12 Valid receipts

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

16.13 Make settlements

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

16.14 Legal action

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

16.15 Improve the Equipment

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

16.16 Make calls on Chargor members

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

16.17 Insure

A Receiver may, if it thinks fit, but without prejudice to the indemnity in clause 19, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by each Chargor under this Deed.

16.18 Subsidiaries

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

16.19 Borrow

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

16.20 Redeem prior Security Right

A Receiver may redeem any prior Security Right and settle and pass the accounts to which the Security Right relates. Any accounts so settled and passed shall be, in the absence of any manifest

error, conclusive and binding on any Chargor, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

16.21 Delegation

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

16.22 Absolute beneficial owner

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

16.23 Incidental powers

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

- (a) may consider desirable or necessary for realising any of the Secured Assets;
- (b) may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this Deed or law; or
- (c) lawfully may or can do as agent for any Chargor.

17. Delegation

17.1 Delegation

The Security Trustee or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on him by this Deed (including the power of attorney granted under clause 21.1).

17.2 Terms

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

17.3 Liability

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

18. Application of proceeds

18.1 Order of application of proceeds

All monies received or recovered by the Security Trustee, a Receiver or a Delegate under this Deed or in connection with the realisation or enforcement of all or part of the security constituted by this Deed (other than sums received under any Insurance Policy), shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in accordance with the provisions of the Security Trust Deed (but without prejudice to the Security Trustee's right to recover any shortfall from any Chargor).

18.2 Appropriation

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

18.3 Suspense account

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

- (a) may, at the discretion of the Security Trustee, Receiver or Delegate, be credited to a suspense account;
- (b) shall bear interest, if any, at the rate agreed in writing between the Security Trustee and a Chargor; and
- (c) may be held in that account for so long as the Security Trustee, Receiver or Delegate thinks fit.

19. Costs and indemnity

19.1 Costs

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

- (a) this Deed or the Secured Assets;
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Security Trustee's, a Receiver's or a Delegate's rights under this Deed; or
- (c) taking proceedings for, or recovering, any of the Secured Liabilities,

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

19.2 Indemnity

- (a) Each Chargor shall indemnify the Security Trustee, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:

- (i) the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this Deed or by law in respect of the Secured Assets;
 - (ii) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this Deed; or
 - (iii) any default or delay by any Chargor in performing any of its obligations under this Deed.
- (b) Any past or present employee or agent may enforce the terms of this clause 19.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

20. Further assurance

Each Chargor shall promptly, at its own expense, take whatever action the Security Trustee or any Receiver may reasonably require for:

- (a) creating, perfecting or protecting the security created or intended to be created by this Deed;
- (b) facilitating the realisation of any Secured Asset; or
- (c) facilitating the exercise of any right, power, authority or discretion exercisable by the Security Trustee or any Receiver in respect of any Secured Asset,

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

21. Power of attorney

21.1 Appointment of attorneys

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

- (a) each Chargor is required to execute and do under this Deed; or
- (b) any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this Deed or by law on the Security Trustee, any Receiver or any Delegate.

21.2 Ratification of acts of attorneys

Each Chargor ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 21.1.

22. Release

Subject to clause 29.3, at the end of the Security Period, the Security Trustee shall, at the request and cost of each Chargor, take whatever action is necessary to:

- (a) release the Secured Assets from the security constituted by this Deed; and
- (b) reassign the Secured Assets to each Chargor.

23. Assignment and transfer

23.1 Assignment by Security Trustee

- (a) At any time, without the consent of each Chargor, the Security Trustee may assign or transfer any or all of its rights and obligations under this Deed to any successor security trustee.
- (b) The Security Trustee may disclose to any actual or proposed assignee or transferee any information in his possession that relates to any Chargor, the Secured Assets and this Deed that the Security Trustee considers appropriate.

23.2 Assignment by each Chargor

No Chargor may assign any of its rights, or transfer any of its rights or obligations, under this Deed.

24. Set-off

24.1 Security Trustee's right of set-off

The Security Trustee may at any time set off any liability of any Chargor to the Secured Parties against any liability of the Secured Parties to each Chargor, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this Deed. If the liabilities to be set off are expressed in different currencies, the Security Trustee may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Security Trustee of his rights under this clause 24 shall not limit or affect any other rights or remedies available to him under this Deed or otherwise.

24.2 Exclusion of any Chargor's right of set-off

- (a) All payments made by any Chargor to the Security Trustee under this Deed shall be made in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).
- (b) No Chargor shall exercise any right of set-off or counterclaim against any other person liable to claim, prove or vote as a creditor in competition to the Security Trustee in the liquidation, administration or insolvency proceedings of each Chargor or any other person with the benefit of or share in any payment from or composition with any other creditor of any Chargor.

25. Amendments, waivers and consents

25.1 Amendments

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

25.2 Waivers and consents

- (a) A waiver of any right or remedy under this Deed or by law, or any consent given under this Deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.
- (b) A failure or delay by a party to exercise any right or remedy provided under this Deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this Deed. No single or partial exercise of any right or remedy provided under this Deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this Deed by the Security Trustee shall be effective unless it is in writing.

25.3 Rights and remedies

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

26. Severance

If any provision (or part of a provision) of this Deed is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause 27 shall not affect the legality, validity and enforceability of the rest of this Deed.

27. Counterparts

- (a) This Deed may be executed electronically and / or in any number of counterpart originals, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.
- (b) Transmission of an executed counterpart of this Deed (but for the avoidance of doubt not just a signature page) by email (in PDF, JPEG or other agreed format) or by using a web-based e-signature platform such as DocuSign or Adobe Sign shall take effect as if the signatures on the counterparts were on a single copy of this Deed. Without prejudice to the validity of the deed thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.
- (c) No counterpart shall be effective until each party has executed and delivered at least one counterpart.

28. Third party rights

Except as expressly provided elsewhere in this Deed, a person who is not a party to this Deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this Deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

29. Further provisions

29.1 Independent security

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

29.2 Continuing security

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

29.3 Discharge conditional

Any release, discharge or settlement between any Chargor and the Security Trustee shall be deemed conditional on no payment or security received by the Security Trustee in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded under any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:

- (a) the Security Trustee or his nominee may retain this Deed and the security created by or under it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Security Trustee deems necessary to provide the Security Trustee with security against any such avoidance, reduction or order for refund; and
- (b) the Security Trustee may recover the value or amount of such security or payment from any Chargor subsequently as if the release, discharge or settlement had not occurred.

29.4 Certificates

A certificate or determination by the Security Trustee as to any amount for the time being due from each Chargor under this Deed, or in respect of the Notes, shall be, in the absence of any manifest error, conclusive evidence of the amount due.

29.5 Consolidation

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

29.6 Small company moratorium

Notwithstanding anything to the contrary in this Deed, neither the obtaining of a moratorium by any Chargor under Schedule A1 to the Insolvency Act 1986 nor the doing of anything by each Chargor with a view to obtaining such a moratorium (including any preliminary decision or investigation) shall be, or be construed as:

- (a) an event under this Deed which causes any floating charge created by this Deed to crystallise;
- (b) an event under this Deed which causes any restriction which would not otherwise apply to be imposed on the disposal of any property by any Chargor; or

- (c) a ground under this Deed for the appointment of a Receiver.

30. Notices

30.1 Each notice or other communication required to be given to a party under or in connection with this Deed shall be in writing and delivered:

- (a) by hand; or
- (b) by pre-paid first-class post or other next working day delivery service; or
- (c) (in the case of any notice or other communication to be given by the Security Trustee to any Chargor only) by email; and

sent to:

- (d) Each Chargor at the correspondence or registered office address or email address stated in Schedule 1; or

- (e) the Security Trustee at 27 Fellows Way, Hillmorton, Rugby, Warwickshire, CV21 4JP,

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

30.2 Any notice or other communication that the Security Trustee gives to any Chargor shall be deemed to have been received:

- (a) if delivered by hand, at the time it is left at the relevant address;
- (b) if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting; or
- (c) if sent by email address, at the time of transmission.

30.3 A notice or other communication given as described in clause 30.2(b) or 30.2(c) on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

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

30.5 This clause 30 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

30.6 A notice or other communication given to the Security Trustee under or in connection with this Deed is not valid if sent by fax.

31. Governing law and jurisdiction

31.1 Governing law

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

31.2 **Jurisdiction**

Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Deed or its subject matter or formation. Nothing in this clause 31.2 shall limit the right of the Security Trustee to take proceedings against any Chargor in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

31.3 **Other service**

Each Chargor irrevocably consents to any process in any legal action or proceedings under clause 31.2 being served on it in accordance with the provisions of this Deed relating to service of notices. Nothing contained in this Deed shall affect the right to serve process in any other manner permitted by law.

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

Schedule 1

The Chargors

Name	Company number	Registered Office
Crane Group Holdings Ltd	12980586	3 Watling Drive Sketchley Meadows Hinckley Leicestershire LE10 3EY
Crane Group Limited	05999181	3 Watling Drive Sketchley Meadows Hinckley Leicestershire LE10 3EY
Crane Electronics Limited	01029811	3 Watling Drive Sketchley Meadows Hinckley Leicestershire LE10 3EY
Crane Electronics Group Limited	04027994	3 Watling Drive Sketchley Meadows Hinckley Leicestershire LE10 3EY
Industrial Measurements Limited	01579603	3 Watling Drive Sketchley Meadows Hinckley Leicestershire LE10 3EY
Task Engineering (Peckleton) Limited	05278216	3 Watling Drive Sketchley Meadows Hinckley Leicestershire LE10 3EY

Schedule 2

Real Property and Group Shares

Part 1 - Registered Property

N/A

Part 2 - Unregistered Property

N/A

Part 3 – Group Shares

1. 153,595 ordinary shares of £1 each held in Crane Group Limited
2. 2 ordinary A shares, 1 ordinary B non-voting share and 1 ordinary C non-voting share of £1 each held in Task Engineering (Peckleton) Limited
3. 1000 ordinary shares of £1 each held in Industrial Measurements Limited
4. 122,782 ordinary shares of £0.01 each and 360,000 preference shares of £1 each held in Crane Electronics Group Limited
5. 741,833 ordinary shares of £1 each held in Crane Electronics Limited

Schedule 3

Notice and acknowledgement - Insurance Policy

Part 1 - Form of notice

[On the letterhead of the relevant Company]

[NAME OF COUNTERPARTY]

[ADDRESS LINE 1]

[ADDRESS LINE 2]

[POSTCODE]

[DATE]

Dear [NAME OF ADDRESSEE],

Debenture (Debenture) dated [DATE] between, amongst others, [NAME OF RELEVANT COMPANY] and Adrian Duffin as security trustee of the Secured Parties ("Security Trustee")

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

This letter constitutes notice to you that under the Debenture [(a copy of which is attached)] we have [charged **OR** assigned, by way of security,] to the Security Trustee all our rights in respect of the Policy (including all claims and all returns of premium in connection with the Policy).

We hereby instruct and authorise you to:

- Comply with the terms of any written instructions received by you from the Security Trustee relating to the Policy, without notice or reference to, or further authority from, us and without enquiring as to the justification or the validity of those instructions.
- Hold all sums from time to time due and payable by you to us under the Policy to the order of the Security Trustee.
- Pay, or release, all monies to which we are entitled under the Policy to the Security Trustee, or to such persons as the Security Trustee may direct.
- Disclose information in relation to the Policy to the Security Trustee on request by the Security Trustee.

Neither the Debenture nor this notice releases, discharges or otherwise affects your liability and obligations in respect of the Policy.

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

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

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

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

Yours sincerely,

.....
[NAME OF RELEVANT COMPANY]

Part 2 - Form of acknowledgement

[On the letterhead of the counterparty]

Adrian Duffin

[•]

[DATE]

Dear Sirs,

Debenture (Debenture) dated [DATE] between, amongst others, [NAME OF RELEVANT COMPANY] and Adrian Duffin as security trustee of the Secured Parties ("Security Trustee")

We confirm receipt from [NAME OF RELEVANT COMPANY] (the **Company**) of a notice (**Notice**) dated [DATE] of [a charge **OR** an assignment, by way of security,] of all the Company's rights under [DESCRIBE INSURANCE POLICY AND ITS NUMBER] (**Policy**).

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

We confirm that:

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

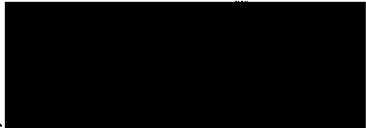

This letter, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

Yours sincerely,

.....
[COUNTERPARTY]

The Chargors

EXECUTED as a **DEED** by **CRANE GROUP HOLDINGS LTD**
acting by a director in the presence of:

Signature of witness  Signature of authorised signatory 

Print name Q. L. M. S. A.

Address Fieldfisher LLP
Aspen House
Central Boulevard
Blythe Valley Park
Solihull
B90 8AJ

Occupation Solihull

EXECUTED as a **DEED** by **CRANE GROUP LIMITED** acting by
a director in the presence of:

Signature of witness  Signature of authorised signatory 

Print name Q. L. M. S. A.

Address Fieldfisher LLP
Aspen House
Central Boulevard
Blythe Valley Park
Solihull
B90 8AJ

Occupation Solihull

EXECUTED as a DEED by CRANE ELECTRONICS LIMITED
acting by a director in the presence of:



Signature of authorised signatory

Signature of witness



Print name

C. C. M. M. M.

Address

Fieldfisher LLP
Aspen House
Central Boulevard
Blythe Valley Park
Solihull
B90 8AJ

Occupation

Solihull

EXECUTED as a DEED by CRANE ELECTRONICS GROUP
LIMITED acting by a director in the presence of:



Signature of authorised signatory

Signature of witness



Print name

C. C. M. M. M.

Address

Fieldfisher LLP
Aspen House
Central Boulevard
Blythe Valley Park
Solihull
B90 8AJ

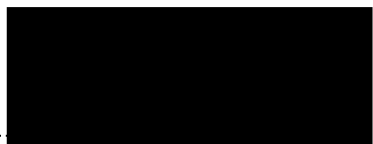
Occupation

Solihull

EXECUTED as a DEED by INDUSTRIAL MEASUREMENTS
LIMITED acting by a director in the presence of:



Signature of authorised signatory

Signature of witness 

Print name *C. L. M. H.*

Address *Fieldfisher LLP*

Aspen House

Central Boulevard

Blythe Valley Park

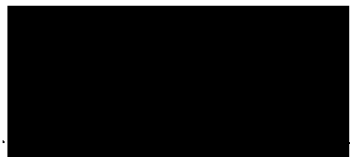
Solihull

Occupation *B90 8AJ* *Solihull*

EXECUTED as a DEED by TASK ENGINEERING
(PECKLETON) LIMITED acting by a director in the presence of:



Signature of authorised signatory

Signature of witness 

Print name *C. L. M. H.*

Address *Fieldfisher LLP*

Aspen House

Central Boulevard

Blythe Valley Park

Solihull

Occupation *B90 8AJ* *Solihull*

Security Trustee

EXECUTED as a DEED by ADRIAN DUFFIN in the presence of:

Signature of witness

Print name

Address

Occupation

[Redacted Signature]

G.A. Hogg

Fieldfisher LLP

Aspen House

Central Boulevard

Blythe Valley Park

Solihull

B90 8AJ

Solihull

[Redacted Signature]