



Registration of a Charge

Company name: **LNT GROUP LIMITED**

Company number: **04929823**



XA2VHTTL

Received for Electronic Filing: **21/04/2021**

Details of Charge

Date of creation: **21/04/2021**

Charge code: **0492 9823 0008**

Persons entitled: **FORTWELL CAPITAL LIMITED**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **BLAKE MORGAN LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4929823

Charge code: 0492 9823 0008

The Registrar of Companies for England and Wales hereby certifies that a charge dated 21st April 2021 and created by LNT GROUP LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 21st April 2021 .

Given at Companies House, Cardiff on 22nd April 2021

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



Companies House



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

.....21 April..... 2021

LNT GROUP LIMITED

as the Company

and

FORTWELL CAPITAL LIMITED

as Security Trustee

SECURITY ASSIGNMENT

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THIS DEED is made on

21 April 2021

BETWEEN:

- (1) **LNT GROUP LIMITED** (a company registered in England and Wales with registration number 04929823 whose registered office is at Helios 47, Isabella Road, Garforth Leeds, West Yorkshire LS25 2DY (the "**Company**")); and
- (2) **FORTWELL CAPITAL LIMITED** as security trustee for the Secured Parties (the "**Security Trustee**").

IT IS AGREED as follows:

1. DEFINITIONS, CONSTRUCTION AND THIRD PARTY RIGHTS

1.1 Definitions

- 1.1.1 Terms defined in the Facility Agreement shall, unless otherwise defined in this Deed or unless a contrary intention appears, bear the same meaning when used in this Deed and the following terms shall have the following meanings:

"Administrator" means a person appointed under Schedule B1 to the Insolvency Act 1986 to manage the Company's affairs, business and property.

"Ancillary Liabilities" in relation to any of the Subordinated Debt means:

- (a) any refinancing, novation, refunding, restructuring, deferral or extension of any of those liabilities;
- (b) any further advance which may be made under any agreement supplemental to the relevant facilities or credit agreement plus all interest, indemnities, fees and costs in connection therewith;
- (c) any claim for damages or restitution in the event of rescission of any such liabilities or otherwise in connection with any relevant facilities or credit agreement;
- (d) any claim against Halcyon Topco flowing from any recovery by Halcyon Topco of a payment or discharge in respect of those liabilities on the grounds of preference or otherwise; and
- (e) any amounts (including post-insolvency interest) which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings.

"Assigned Rights" means all rights, titles, benefits and interests, whether present or future, of the Company in, to or arising under the Contract including rights to any sums payable to the Company and the full benefit of any Security, options, indemnities, guarantees and warranties in respect of the Contract.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in London.

"Contract" means any document evidencing or recording the terms of any Subordinated Debt.

"Facility Agreement" means the £36,000,000 facility agreement dated 25 March 2021 as amended and restated by an amendment and restatement deed dated on or about the date of this Deed and made between, amongst others, (1) Oakdale Topco Limited (as borrower) and (2) the Security Trustee, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Guarantee" means:

- (a) the composite guarantee dated on or about the date of this Deed and entered into by, amongst others, each of the Guarantors listed in

paragraph (a) to (d) of the definition of "Guarantor" in favour of the Security Trustee; and/or

- (b) any accession deed pursuant to which a person becomes a party to the composite guarantee referred to in paragraph (a) above

as the same may be amended, novated, supplemented, extended or restated from time to time.

"Guarantor" means each of:

- (a) Halcyon Topco;
- (b) LNT Care Developments (3) Limited (company number: 11854279);
- (c) LNT Group Limited (company number: 04929823);
- (d) LNT Care Developments Holdings Limited (company number: 13151875); and
- (e) each other person who is or becomes a party to the Guarantee as a guarantor.

"Halcyon Topco" means Halcyon Care Homes Topco Limited, a company registered in England and Wales under company number 13329135 whose registered address is at Helios 47 Isabella Road, Garforth, Leeds, West Yorkshire, United Kingdom LS25 2DY.

"LPA" means the Law of Property Act 1925.

"Receiver" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Assigned Rights or the Undocumented Debt.

"Relevant Assets" means the Contract, the Assigned Rights and the Undocumented Debt.

"Secured Obligations" all monies and liabilities now or after the date of the Guarantee due, owing or incurred to any Finance Party by any Guarantor whatsoever, in any manner and in any currency or currencies and whether present or future, direct or indirect, actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety, together with all interest accruing on such monies and liabilities and all costs, charges and expenses charged or incurred by any Finance Party in respect of such monies and liabilities.

"Security" means any mortgage, charge, pledge, lien, assignment or other security interest securing any obligation of any person or any other agreement or arrangement having similar effect.

"Security Period" means the period from the date of the Guarantee until the date on which the Security Trustee has confirmed to the Company that all the Secured Obligations have been irrevocably and unconditionally paid in full.

"Subordinated Debt" means all present and future sums, liabilities and obligations whatsoever (actual or contingent) payable, owing due or incurred by Halcyon Topco to the Company together with all Ancillary Liabilities relating thereto.

"Undocumented Debt" means all present and future sums, liabilities and obligations whatsoever (actual or contingent) payable, owing due or incurred by Halcyon Topco to the Company together with any Ancillary Liabilities relating thereto which are not evidenced or recorded by the Contract but which otherwise exists from time to time.

"VAT" means United Kingdom Value Added Tax together with all interest and penalties relating thereto.

- 1.1.2 Unless a contrary intention appears, words defined in the Companies Act 2006 have the same meanings in this Deed.

1.2 Construction

- 1.2.1 The provisions of clause 1.3 (*Construction*) of the Facility Agreement shall apply to this Deed as if they were set out in this Deed.
- 1.2.2 Unless a contrary indication appears, any reference in this Deed to:
- (A) the singular includes the plural and vice versa;
 - (B) the "**Security Trustee**" or a "**Secured Party**" shall be construed so as to include their respective successors in title, permitted assigns and permitted transferees;
 - (C) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (D) a provision of law is a reference to that provision as amended or re-enacted;
 - (E) a Clause or a Schedule is a reference to a clause of or a schedule to this Deed;
 - (F) this Deed shall be construed as references also to any separate or independent stipulation or agreement contained in it;
 - (G) another agreement (including the Facility Agreement) shall be construed as a reference to such agreement as the same may have been modified, extended, amended, varied or supplemented or novated from time to time;
 - (H) references to any form of property or asset shall include a reference to all or any part of that property or asset; and
 - (I) the word "**including**" is without limitation.
- 1.2.3 Clause and Schedule headings are for ease of reference only.
- 1.2.4 The words "**other**", "**or otherwise**" and "**whatsoever**" shall not be construed *eiusdem generis* or be construed as any limitation upon the generality of any preceding words or matters specifically referred to.

1.3 Third Party Rights

The terms of this Deed may be enforced only by a party to it and the operation of the Contracts (Rights of Third Parties) Act 1999 is excluded.

1.4 Implied Covenants for Title

The obligations of the Company under this Deed shall be in addition to the covenants for title deemed to be included in this Deed by virtue of Part I of the Law of Property (Miscellaneous Provisions) Act 1994.

1.5 Effect as a Deed

This Deed is intended to take effect as a deed notwithstanding that the Security Trustee may have executed it under hand only.

1.6 Security Trust Provisions

The Security Trustee holds the benefit of this Deed on trust for the Secured Parties in accordance with clause 24 (*Role of the Agent and the Security Trustee*) of the Facility Agreement.

2. COVENANTS TO PAY

2.1 Covenant to Pay Secured Obligations

The Company covenants that it shall on demand pay to the Security Trustee and discharge the Secured Obligations.

2.2 Potential Invalidity

Neither the covenant to pay in Clause 2.1 (*Covenant to Pay Secured Obligations*) nor the security created by this Deed shall extend to or include any liability or sum which would, but for this Clause 2.2, cause such covenant, obligation or security to be unlawful under any applicable law.

2.3 Limited Recourse

Notwithstanding Clause 2.1 (*Covenant to Pay Secured Obligations*):

2.3.1 the liability of the Company to the Secured Parties under Clause 2.1 (*Covenant to Pay Secured Obligations*) shall be:

- (A) limited in aggregate to an amount equal to that recovered by the Secured Parties as a result of the enforcement of this Deed with respect to the Assigned Rights and the Undocumented Debt; and
- (B) satisfied only from the proceeds of sale or other disposal or realisation of the Assigned Rights and the Undocumented Debt pursuant to this Deed; and

2.3.2 the Secured Parties shall not have any recourse under Clause 2.1 (*Covenant to Pay Secured Obligations*) to any assets of the Company other than the Assigned Rights and the Undocumented Debt.

3. SECURITY

As a continuing security for the payment and discharge of the Secured Obligations, the Company with full title guarantee hereby:

- 3.1.1 assigns by way of security to the Security Trustee, the Assigned Rights;
- 3.1.2 charges to the Security Trustee by way of first fixed charge, the Undocumented Debt; and
- 3.1.3 (to the extent not effectively assigned under Clause 3.1.1 above) charges to the Security Trustee by way of fixed charge, the Assigned Rights.

4. FURTHER ASSURANCE

The Company must promptly upon request by the Security Trustee execute (in such form as the Security Trustee may reasonably require) such documents (including assignments, transfers, mortgages, charges, notices and instructions) in favour of the Security Trustee or its nominees and do all such assurances and things as the Security Trustee may reasonably require for:

- 4.1.1 perfecting and/or protecting (by registration or in any other way) the security created or intended to be created by this Deed; and
- 4.1.2 for exercising all powers, authorities and discretions conferred on the Security Trustee or any Receiver pursuant to this Deed or by law.

5. UNDERTAKINGS

5.1 The Company undertakes to the Security Trustee that:

5.1.1 Payments and performance

it shall pay all sums due by it under the Contract and observe and perform the covenants and conditions on its part to be observed and performed as set out in the Contract;

5.1.2 Negative Pledge

it shall not, without the prior consent in writing of the Security Trustee, create or attempt to create or permit to subsist or arise any Security on, over or affecting any of the Relevant Assets;

5.1.3 Disposals

it shall not dispose of any of the Relevant Assets or agree so to do and for these purposes the term "dispose" shall include any form of disposal including any transfer, declaration of trust, assignment, sale, novation or the creation of any other form of legal or equitable interest in or over any of the Relevant Assets;

5.1.4 Consents and Other Necessary Action

it shall take all such action as may be necessary for the purpose of creating, perfecting or maintaining the Security created or intended to be created pursuant to this Deed which shall include, without limitation, the obtaining of any necessary consent (in form and content satisfactory to the Security Trustee) to enable the Relevant Assets to be assigned or charged pursuant to this Deed.

5.1.5 General

it shall:

- (A) notify the Security Trustee within three Business Days of any material default by it or any other party under the Contract; and
- (B) not take or omit to take any action the taking or omission of which might adversely affect the interests of the Security Trustee or the Secured Parties in relation to the Relevant Assets.

5.2 Notices of Assignment

5.2.1 The Company shall forthwith give notice to each counterparty to the Contract in the form set out in Schedule 1 (*Notice to Counterparty*) and procure that each such counterparty acknowledges such notice to the Security Trustee in the form set out in Schedule 2 (*Acknowledgement of Counterparty*).

5.2.2 The notices of assignment and acknowledgement referred to in Clause 5.2.1 shall be in a form substantially similar to those contained in Schedule 1 and Schedule 2.

5.3 No Liability

Notwithstanding anything contained in this Deed:

5.3.1 the Secured Parties shall be under no obligation or liability under or in respect of the Relevant Assets or be liable to make any payment under or in respect of the Relevant Assets;

5.3.2 the Secured Parties shall not be obliged to take any steps necessary to preserve the Relevant Assets or enforce against the Company or any other person any term of the Contract, or to make any enquiries as to the nature or sufficiency of any payment received by the Company pursuant to the terms of the Contract; and

5.3.3 the Company shall remain solely and fully liable under or in respect of the Contract to perform all the obligations and to pay all losses, costs, expenses, taxes and damages payable by it under or in connection with the Contract.

6. RIGHTS OF THE AGENT

6.1 Enforcement

At any time on and after the occurrence of an Event of Default which is continuing, the security created pursuant to this Deed shall be immediately enforceable and the Security Trustee may in its absolute discretion and without notice to the Company or the prior authorisation of any court:

- 6.1.1 enforce all or any part of the security created by this Deed and take possession of or dispose of all or any of the Assigned Rights and any of the Undocumented Debt in each case at such times and upon such terms as it sees fit;
- 6.1.2 whether or not it has appointed a Receiver, exercise all of the powers, authorities and discretions granted to a Receiver by this Deed or by law;
- 6.1.3 settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands relating in any way to any of the Relevant Assets;
- 6.1.4 bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Relevant Assets which may seem to it to be expedient;
- 6.1.5 exercise in relation to any of the Assigned Rights and any of the Undocumented Debt all the powers, authorities and things which it would be capable of exercising if it were the absolute owner of the same;
- 6.1.6 apply for and maintain any regulatory permission, consent or licence required in connection with any of the Relevant Assets; and
- 6.1.7 fulfil, at the Company's expense and risk, its obligations under the Contract.

6.2 Restrictions on Consolidation

Section 93 of the LPA shall not apply to this Deed or to any sale made under it or to the right of the Security Trustee to consolidate all or any of the security created by or pursuant to this Deed with any other security in existence at any time. Such power may be exercised by the Security Trustee at any time on or after the occurrence of an Event of Default which is continuing.

6.3 Restrictions on Exercise of Power of Sale

Section 103 of the LPA shall not apply to this Deed to restrict the exercise by the Security Trustee of its power of sale which shall arise on the date of this Deed (and the Secured Obligations shall be deemed to have become due and payable for that purpose). The power of sale and other powers conferred by section 101 of the LPA as varied or extended by this Deed and those powers conferred (expressly or by reference) on a Receiver shall be immediately exercisable by the Security Trustee at any time on or after the occurrence of an Event of Default which is continuing.

6.4 No Prior Notice Needed

The powers of the Security Trustee set out in Clauses 6.2 (*Restrictions on Consolidation*) and 6.3 (*Restrictions on Exercise of Power of Sale*) above may be exercised by the Security Trustee without prior notice to the Company.

7. EXONERATION

7.1 Exoneration

No Secured Party shall, nor shall any Receiver, by reason of its or the Receiver entering into possession of the Assigned Rights, Undocumented Debt or any part thereof, be liable to account as mortgagee in possession or be liable for any loss or realisation or for any default or omission for which a mortgagee in possession might be liable; but every Receiver duly appointed by the Security Trustee under this Deed shall for all purposes be

deemed to be in the same position as a receiver duly appointed by a mortgagee under the LPA save to the extent that the provisions of that Act are varied by or are inconsistent with the provisions of this Deed when the provisions hereof shall prevail and every such Receiver and the Security Trustee shall in any event be entitled to all the rights, powers, privileges and immunities conferred by the LPA on mortgagees and receivers duly appointed under the LPA.

8. APPOINTMENT OF RECEIVER

8.1 Appointment

At any time on or after the occurrence of an Event of Default which is continuing, or at the request of the Company or its Directors, the Security Trustee may, without prior notice to the Company, in writing (under seal, by deed or otherwise under hand) appoint a Receiver in respect of the Relevant Assets or any part thereof and may in like manner from time to time (and insofar as it is lawfully able to do) remove any Receiver and appoint another in his stead.

8.2 More than one Receiver

Where more than one Receiver is appointed, each joint Receiver shall have the power to act severally, independently of any other joint Receivers, except to the extent that the Security Trustee may specify to the contrary in the appointment.

8.3 Receiver as agent

A Receiver shall be the agent of the Company which shall be solely responsible for his acts or defaults and for his remuneration. No Receiver shall at any time act as agent of any Secured Party.

8.4 Receiver's Remuneration

A Receiver shall be entitled to remuneration for his services at a rate to be determined by the Security Trustee from time to time (and without being limited to any maximum rate specified by any statute or statutory instrument).

9. RECEIVER'S POWERS

9.1 Powers

A Receiver shall have (and be entitled to exercise) in relation to the Relevant Assets over which he is appointed the following powers (as the same may be varied or extended by the provisions of this Deed):

- 9.1.1 all of the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- 9.1.2 all of the powers conferred from time to time on receivers, mortgagors and mortgagees in possession by the LPA;
- 9.1.3 all the powers and rights of a legal and beneficial owner and the power to do or omit to do anything which the Company itself could do or omit to do;
- 9.1.4 the power to do all things which, in the opinion of the Receiver, are incidental to any of the powers, functions, authorities or discretions conferred or vested in the Receiver pursuant to this Deed or upon receivers by statute or law generally (including, without limitation, the bringing or defending of proceedings in the name of, or on behalf of, the Company; the collection and/or realisation of the Assigned Rights in such manner and on such terms as the Receiver sees fit; and the execution of documents in the name of the Company (whether under hand, or by way of deed or by utilisation of the company seal of the Company).

9.2 **Powers may be Restricted**

The powers granted to a Receiver pursuant to this Deed may be restricted by the instrument (signed by the Security Trustee) appointing him but they shall not be restricted by any winding-up or dissolution of the Company.

10. **PROTECTION OF PURCHASERS**

10.1 **Absence of Enquiry**

No person or persons dealing with the Security Trustee or any Receiver appointed by it shall be concerned to enquire whether any event has happened upon which any of the powers in this Deed are or may be exercisable or otherwise as to the propriety or regularity of any exercise of such powers or of any act purporting or intended to be an exercise of such powers or whether any amount remains secured by this Deed. All the protections to purchasers and persons dealing with receivers contained in sections 104, 107 and 109(4) of the LPA shall apply to any person purchasing from or dealing with the Security Trustee or any such Receiver.

10.2 **Receipt: Conclusive Discharge**

The receipt of the Security Trustee or any Receiver shall be a conclusive discharge to any purchaser of the Relevant Assets.

11. **POWER OF ATTORNEY AND DELEGATION**

11.1 **Power of Attorney: General**

The Company hereby irrevocably and by way of security appoints the Security Trustee and any Receiver severally to be its attorney in its name and on its behalf and as its act and deed:

- 11.1.1 to execute and deliver any documents or instruments which the Security Trustee or such Receiver may require for perfecting the title of the Security Trustee to the Relevant Assets or for vesting the same in the Security Trustee, its nominee or any purchaser;
- 11.1.2 to sign, execute, seal and deliver and otherwise perfect any further security document which the Company is required to enter into pursuant to this Deed; and
- 11.1.3 otherwise generally to sign, seal, execute and deliver all deeds, assurances, agreements and documents and to do all acts and things which may be required for the full exercise of all or any of the powers conferred on the Security Trustee or any Receiver under this Deed or which the Company is required to do pursuant to this Deed or which may be deemed expedient by the Security Trustee or a Receiver in connection with any preservation, disposition, realisation or getting in by the Security Trustee or such Receiver of the Relevant Assets or any part thereof or in connection with any other exercise of any other power under this Deed,

provided that the Security Trustee or any such Receiver may only exercise their rights and powers under this Clause 11.1 if there is a Default which is continuing..

11.2 **Power of Attorney: Ratification**

The Company ratifies and confirms and agrees to ratify and confirm all acts and things which any attorney mentioned in this Clause 11 (*Power of Attorney and Delegation*) shall do or purport to do in exercise of the powers granted by this Clause.

11.3 **General Delegation**

The Security Trustee and any Receiver shall have full power to delegate the powers, authorities and discretions conferred on it or him by this Deed (including the power of attorney) on such terms and conditions as it or he shall see fit which shall not preclude

exercise of those powers, authorities or discretions by it or him or any revocation of the delegation or any subsequent delegation.

12. APPLICATION OF MONIES RECEIVED UNDER THIS DEED

Any monies received under the powers hereby conferred shall, subject to the repayment of any claims having priority to this Deed, be applied for the following purposes and in the following order of priority:

- 12.1.1 in satisfaction of all costs, charges and expenses and payments (including payments made in accordance with paragraphs (i), (ii) and (iii) of section 109(8) of the LPA) made or incurred by the Security Trustee or the Receiver and of remuneration to the Receiver in such order as the Security Trustee shall in its absolute discretion decide;
- 12.1.2 in or towards satisfaction of the Secured Obligations which, subject to any provision to the contrary in the Facility Agreement, shall be applied in such order as the Security Trustee shall in its absolute discretion decide; and
- 12.1.3 the surplus, if any, shall be paid to the Company or other person or persons entitled to it,

save that the Security Trustee may credit any monies received under this Deed to a suspense account for so long and in such manner as the Security Trustee may from time to time determine and the Receiver may retain the same for such period as he and the Security Trustee consider appropriate.

13. RELEASE OF SECURITY

13.1 Release

The Security Trustee shall, at the request and cost of the Company, execute or procure the execution by its nominee (in each case in a form acceptable to the Security Trustee) and do all such deeds, acts and things as may be necessary to release and/or reassign the Assigned Rights and Undocumented Debt from the security created by or in accordance with this Deed at the end of the Security Period.

13.2 Avoidance of Payments

- 13.2.1 No amount paid, repaid or credited to a Secured Party shall be deemed to have been irrevocably paid if the Security Trustee considers that the payment or credit of such amount is capable of being avoided or reduced by virtue of any laws applicable on bankruptcy, insolvency, liquidation or similar laws.
- 13.2.2 If any amount paid, repaid or credited to a Secured Party is avoided or reduced by virtue of any laws applicable on bankruptcy, insolvency, liquidation or similar laws then any release, discharge or settlement between the Security Trustee and the Company shall be deemed not to have occurred and that Secured Party shall be entitled to enforce this Deed subsequently as if such release, discharge or settlement had not occurred and any such payment had not been made.

14. AMOUNTS PAYABLE

14.1 Currency of Payment

The obligation of the Company under this Deed to make payments in any currency shall not be discharged or satisfied by any tender, or recovery pursuant to any judgment or otherwise, expressed in or converted into any other currency, except to the extent that tender or recovery results in the effective receipt by a Secured Party of the full amount of the currency expressed to be payable under this Deed.

15. REPRESENTATIONS AND WARRANTIES

- 15.1 The Company represents and warrants in favour of each of the Secured Parties that it is the legal and beneficial owner of the Assigned Rights and the Undocumented Debt free from Security (other than this Deed) and this Deed confers the security it purports to confer over the Assigned Rights and the Undocumented Debt and the security created under or pursuant to this Deed is not subject to any prior ranking or pari passu Security and is not liable to avoidance on liquidation or bankruptcy, composition or any other similar insolvency proceedings.
- 15.2 The representations and warranties set out in Clause 15.1 above are made on the date of this Deed and are deemed to be repeated on each day on which the Repeating Representations are deemed to be made by the Company under the Facility Agreement, by reference to the facts and circumstances then existing.

16. NEW ACCOUNTS

If a Secured Party receives notice of any subsequent charge or other interest affecting any part of the Relevant Assets (the date of receipt of such notice being the "**Notice Date**") it may, without prejudice to its rights under this Deed, open a fresh account or accounts with the Company and continue any existing account in the name of the Company and may appropriate to any such fresh account any monies paid in, received or realised for the credit of the Company after such time without being under any obligation to apply the same or any part of them in discharge of any of the Secured Obligations. If a Secured Party fails to open a fresh account it will be deemed to have done so and any monies received or realised after the Notice Date will not reduce the Secured Obligations outstanding on the Notice Date.

17. MISCELLANEOUS

17.1 The Company

This Deed is binding on the successors and assigns of the Company.

17.2 Assignment and Transfer

The Company may not assign any of its rights or transfer any of its rights or obligations under this Deed. The Security Trustee may assign and transfer all or any part of its rights and obligations under this Deed.

17.3 Remedies and Waivers Cumulative

No failure to exercise, or delay in exercising, on the part of any party hereto any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy preclude any other or further exercise, or the exercise of any other right or remedy. No waiver by the Security Trustee shall be effective unless it is in writing. The rights and remedies of the Security Trustee are cumulative and not exclusive of any rights or remedies provided by law.

17.4 Set-Off

A Secured Party may set-off any matured obligation due from the Company to that Secured Party under this Deed or any of the other Finance Documents against any matured obligation owed by that Secured Party to the Company, regardless of the place of payment, booking branch or currency of either obligation and apply any credit balance to which the Company is entitled on any account with that Secured Party in accordance with Clause 12 (*Application of Monies Received under this Deed*). If the obligations are in different currencies, a Secured Party may, at the cost of the Company, convert either obligation at a market rate of exchange as such Secured Party considers appropriate for the purpose of such set-off.

17.5 **Partial Invalidity**

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

17.6 **Property**

This Deed is and will remain the property of the Security Trustee.

17.7 **Continuing Security and indemnity**

17.7.1 This Deed shall be a continuing security and shall not be discharged by any intermediate payment or satisfaction of the whole or any part of the Secured Obligations.

17.7.2 If any purported obligation or liability of any Transaction Obligor to the Secured Parties which if valid would have been the subject of any obligation or charge created by this Deed is or becomes unenforceable, invalid or illegal on any ground whatsoever whether or not known to any Secured Party, the Company shall nevertheless be liable in respect of that purported obligation or liability as if the same were fully valid and enforceable and the Company was the principal debtor in respect thereof. The Company hereby agrees to keep the Secured Parties fully indemnified against all damages, losses, costs and expenses arising from any failure of any Transaction Obligor to carry out any such purported obligation or liability.

17.7.3 The obligations of the Company under this Deed will not be affected by an act, omission, matter or thing which, but for this Clause 17.7, would reduce, release or prejudice any of its obligations under this Deed (without limitation and whether or not known to any Secured Party) including:

- (A) any time, waiver or consent granted to, or composition with, the Company, any Transaction Obligor or other person;
- (B) the release of any Transaction Obligor or any other person under the terms of any composition or arrangement with any creditor of any person;
- (C) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Company, any Transaction Obligor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (D) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Company, any Transaction Obligor or any other person;
- (E) any amendment (however fundamental) or replacement of any Finance Document or any other document or security;
- (F) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (G) any insolvency or similar proceedings.

17.7.4 The Company 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 claiming from the Company under this Deed. This waiver applies irrespective of any law or any provision of the Finance Documents to the contrary.

- 17.7.5 Until the Security Period has ended, the Security Trustee may refrain from applying or enforcing any other moneys, security or rights held or received by the Security Trustee in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Company shall not be entitled to the benefit of the same.
- 17.7.6 Until the Security Period has ended and unless the Security Trustee otherwise directs, the Company will not exercise any rights which it may have by reason of performance by it of its obligations under this Deed:
- (A) to be indemnified by any Transaction Obligor (including any rights it may have by way of subrogation);
 - (B) to claim any contribution from any guarantor of any Transaction Obligor of the obligations under the Finance Documents;
 - (C) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any right of the Security Trustee or any of the other Secured Parties under any Finance Document or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents;
 - (D) to claim, rank, prove or vote as a creditor of any Transaction Obligor or its estate in competition with the Security Trustee or any of the other Secured Parties; and/or
 - (E) receive, claim or have the benefit of any payment, distribution or security from or on account of any Transaction Obligor, or exercise any right of set-off against any Transaction Obligor.
- 17.7.7 The Company shall hold on trust for and immediately pay or transfer to the Security Trustee any payment or distribution or benefit of security received by it contrary to this Clause 17.

17.8 **Additional Security**

This Deed shall be in addition to and not be affected by any other security or guarantee now or hereafter held by any Secured Party for all or any part of the Secured Obligations nor shall any such other security or guarantee of liability to any Secured Party or by any person not a party to this Deed be in any way impaired or discharged by this Deed nor shall this Deed in any way impair or discharge such other security or guarantee.

17.9 **Variation of Security**

This Deed shall not in any way be affected or prejudiced by any Secured Party now or hereafter dealing with, exchanging, releasing, varying or abstaining from perfecting or enforcing any security or guarantee referred to in Clause 17.8 (*Additional Security*) above or any rights which any Secured Party may now or hereafter have or giving time for payment or granting any indulgence or compounding with any person whatsoever.

17.10 **Enforcement of Other Security**

No Secured Party shall be obliged to enforce any other Security it may hold for the Secured Obligations before enforcing any of its rights under this Deed.

17.11 **Redemption of Prior Incumbrances**

The Security Trustee may redeem or take a transfer of any prior Security over the Assigned Rights or Undocumented Debt and may agree the accounts of prior incumbrancers. Such agreed accounts shall be conclusive and binding on the Company. Any amount paid in connection with such redemption or transfer (including expenses) shall be paid on demand by the Company to the Security Trustee and until such payment shall form part of the Secured Obligations.

18. **CALCULATIONS AND CERTIFICATES**

18.1 **Accounts**

In any litigation or arbitration proceedings arising out of or in connection with this Deed, the entries made in the accounts maintained by the Security Trustee in connection with this Deed are *prima facie* evidence of the matters to which they relate.

18.2 **Certificates and Determinations**

Any certification or determination by the Security Trustee of a rate or amount under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

19. **NOTICES**

19.1 **Communications in writing**

Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be given in person, by post or fax.

19.2 **Addresses**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each party to this Deed for any communication or document to be made or delivered under or in connection with this Deed is that identified with its name below or any substitute address, fax number or department or officer as the Security Trustee or the Company may notify to the other party by not less than five Business Days' notice.

19.3 **Delivery**

19.3.1 Any communication or document made or delivered by the Security Trustee under or in connection with this Deed will only be effective:

- (A) if by way of fax, when received in legible form; or
- (B) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 19.2 (*Addresses*), if addressed to that department or officer.

19.3.2 Any communication or document to be made or delivered to the Security Trustee will be effective only when actually received by the Security Trustee and then only if it is expressly marked for the attention of the department or officer identified with the Security Trustee's signature below (or any substitute department or officer as the Security Trustee shall specify for this purpose).

19.4 **English language**

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

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

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

20. **COUNTERPARTS**

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

21. **LAW**

This Deed and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination or enforceability (including any non-contractual disputes or claims) shall be governed by and construed in accordance with English law.

IN WITNESS whereof this Deed has been duly executed and delivered as a deed on the date first above written.

SCHEDULE 1

NOTICE TO COUNTERPARTY

[on the letterhead of the Company]

To: [Counterparty]

Date: []

Dear Sirs,

Security Assignment dated [] between LNT Group Limited and the Security Trustee (the "Security Assignment")

We refer to the [**describe contract**] dated [] and made between [], [] and ourselves (the "**Contract**").

This letter constitutes notice to you that under the Security Assignment we assigned (by way of security) to Fortwell Capital Limited (the "**Security Trustee**") all our rights, benefits and interests (including any and all sums payable to us under the Contract and the benefit of all security, options, indemnities, guarantees and warranties) under the Contract.

We irrevocably instruct and authorise you to disclose to the Security Trustee, without any reference to or further authority from us and without any inquiry by you as to the justification for the disclosure, any information relating to the Contract (including the performance of our obligations thereunder) which the Security Trustee may reasonably request from you.

We confirm that you may continue to deal with us in relation to the Contract until you receive written notice to the contrary from the Security Trustee that an Event of Default (as defined in the Facility Agreement (defined in the Security Assignment)) is continuing, but authorise and instruct you that, after you have received such notice, we will cease to have any right to deal with you in relation to the Contract except in accordance with the instructions of the Security Trustee and therefore from that time you may deal directly with the Security Trustee.

We will remain liable to perform all our obligations under the Contract and the Security Trustee shall not be under any obligation or liability under the Contract by reason of the Security Assignment or anything arising therefrom.

We will also remain entitled to exercise all our rights, powers and discretions under the Contract and you should continue to give notices under the Contract to us, in each case unless and until you receive notice from the Security Trustee to the contrary stating that the Security Assignment has become enforceable. In this event, all the rights, powers and discretions under the Contract will be exercisable by, and notices should be given to, the Security Trustee or as it directs.

The instructions in this letter apply until you receive notice from the Security Trustee to the contrary and notwithstanding any previous instructions given by us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Trustee.

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

Please confirm your agreement to the above by sending the enclosed acknowledgement to the Security Trustee at [], Attention [], with a copy to ourselves.

Yours faithfully,

.....

(Authorised signatory)

[Company]

SCHEDULE 2**ACKNOWLEDGEMENT OF COUNTERPARTY**

To: [Security Trustee; Address]

Attention: []

Copy: [Company; Address]

Date: []

Dear Sirs,

**Security Assignment dated [] between LNT Group Limited
and Fortwell Capital Limited (the "Security Assignment")**

We confirm receipt from [*insert details of company*] (the "**Assignor**") of a notice dated [] (the "**Notice**") of an assignment upon the terms of the Security Assignment of all the Assignor's rights, benefits and interests under the Contract (as defined in the Notice).

We confirm that:

- (A) we have not received any notice that any third party has or will have any right or interest in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Assignor under or in respect of the Contract;
- (B) we will accept your instructions in relation to the Assignor's rights under the Contract following confirmation from you that the Security Assignment has become enforceable; and
- (C) we will not agree to any amendment, waiver or variation of the terms of the Contract without your prior written consent.

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

Yours faithfully

.....
(Authorised signatory)
[Counterparty]

EXECUTED AS A DEED by
LNT GROUP LIMITED

acting by Philip Raven

in the presence of:

)
)
)
)
)
)

Director



Signature of witness



Name of witness
(in BLOCK CAPITALS)

JULIA SANCHEZ

Address of witness



Notice details for LNT Group Limited for Clause 19

Address of company:

Helios 47
Isabella Road
Garforth Leeds
West Yorkshire
LS25 2DY

Fax:

N/A

Attention:

Philip Raven and Matthew Lowe

THE SECURITY TRUSTEE

EXECUTED AS A DEED by
FORTWELL CAPITAL LIMITED

acting by Arthur Jennings

in the presence of:

)
)
)
)
)
)

...
Director ✓ Arthur Jennings

Signature of witness

[Redacted Signature]

Name of witness
(in BLOCK CAPITALS)

OLIVER NIELD

Address of witness

[Redacted Address]

Occupation of witness

[Redacted Occupation]

Notice details for Fortwell Capital Limited for Clause 19

Address for notices: Mortimer House,
37-41 Mortimer Street
Fitrovia
London
W1T 3JH

Fax: N/A

Attention: Nick White