

MR01

Particulars of a charge



A fee is payable with this form.
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online
Please go to www.companieshouse.gov.uk

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☒ **What this form is NOT for**
You may not use this form to
register a charge where there is no
instrument. Use form MR00

For further information, please
refer to our guidance at
www.companieshouse.gov.uk

This form **must be delivered to the Registrar for registration** within
21 days beginning with the day after the date of creation of the charge.
If the form is delivered outside of the 21 days it will be rejected unless it is accompanied by a
court order extending the time for delivery

☒ You **must** enclose a certified copy of the instrument with this form
scanned and placed on the public record



A25 19/12/2013 #166
COMPANIES HOUSE

THURSDAY

1 Company details

Company number 05302247

Company name in full i-Sm@rt Group Limited

For official use

→ **Filing in this form**
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 01/03/2013

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name David Haycock (as Security Trustee)

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

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4

Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Continuation page

Please use a continuation page if you need to enter more details

Description

Please see continuation page.

5

Fixed charge or fixed security

Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☒ **Yes**

☐ **No**

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☒ **Yes** Continue

☐ **No** Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☒ **Yes**

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ **Yes**

☐ **No**

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Trustee statement ①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

① This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here

Signature

Signature

X

Shroton Ltd

X

This form must be signed by a person with an interest in the charge

MR01 - continuation page

Particulars of a charge

4	Description	Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security
Description	<p>1) By way of legal mortgage, the Real Property now or at any time belonging to the company,</p> <p>2) By way of a fixed charge, any Real Property now or at any time belonging to the company; and</p> <p>3) By way of a fixed charge, all present and future Intellectual Property Rights owned by the company.</p> <p>"Real Property" means (a) any freehold, leasehold or other immovable property; (b) any buildings, erections, fixtures or fittings from time to time situated on or forming part of such property (including any trade fixtures and fittings); and (c) all Related Rights (as defined).</p> <p>"Intellectual Property Rights" means (a) all present and future patents, trade marks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests, where registered or unregistered, (b) the benefit of all applications and rights to use such assets, and (c) all Related Rights (as defined)</p>	

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Particulars of a charge



Presenter information

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name Emma Taylor (Doc No: 4501215)

Company name Shoosmiths LLP

Address Waterfront House

Waterfront Plaza

35 Station Street

Post town Nottingham

County/Region

Postcode N G 2 3 D Q

Country

DX DX 10104 NOTTINGHAM 1

Telephone 03700 865000



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following

- ☒ The company name and number match the information held on the public Register
- ☒ You have included a certified copy of the instrument with this form
- ☒ You have entered the date on which the charge was created
- ☒ You have shown the names of persons entitled to the charge
- ☒ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☒ You have given a description in Section 4, if appropriate
- ☒ You have signed the form
- ☒ You have enclosed the correct fee
- ☒ Please do not send the original instrument, it must be a certified copy



Important information

Please note that all information on this form will appear on the public record.



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below.

For companies registered in England and Wales.
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland.
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland.
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 5302247

Charge code: 0530 2247 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 13th December 2013 and created by I-SM@RT GROUP LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 19th December 2013.

DX

Given at Companies House, Cardiff on 24th December 2013



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED 13 DECEMBER 2013

(1) THE COMPANIES NAMED IN THIS DEED AS OBLIGORS

and

(2) DAVID HAYCOCK AS SECURITY TRUSTEE FOR THE FINANCE PARTIES

COMPOSITE GUARANTEE AND DEBENTURE

SHOOSMITHS

Ref ELT/202182 000025

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

Shoosmiths LLP
Shoosmiths LLP

Date 18/12/2013

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THIS DEED is made the 13 day of DECEMBER

2013

BETWEEN

- 1 **THE COMPANIES** whose names and registered offices are specified in Part 1 of Schedule 1 to this Deed (each an "**Obligor**" and together the "**Obligors**"), and
- 2 **DAVID HAYCOCK** of security trustee for the persons named in Part 2 of Schedule 1 to this Deed (each a "**Finance Party**" and together the "**Finance Parties**") (the "**Security Trustee**")

BACKGROUND

- (A) The Obligors enter into this Deed in connection with the Finance Documents (as defined below)
- (B) It is intended that this document take effect as a deed notwithstanding the fact that a Party may only execute it under hand

The Parties agree as follows

1 INTERPRETATION

1.1 Definitions

In this Deed the following definitions apply

"Authorisation"	an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration,
"Business Day"	a day (other than a Saturday or Sunday) on which banks are open for general business in London,
"Charged Property"	all the assets of each Obligor which from time to time are the subject of the security created or expressed to be created in favour of the Security Trustee by or pursuant to this Deed,
"Company"	DS John Holdings Limited, a company incorporated and registered under the laws of England and Wales with registered number 08798678,
"Enforcement Event"	<ol style="list-style-type: none">(a) any of the Secured Obligations are not paid or discharged when the same ought to be paid or discharged by an Obligor (whether on demand, at scheduled maturity, or by acceleration or otherwise),(b) any Obligor is in breach of any of its obligations under this Deed or under any other agreement between an Obligor and the Finance Parties,(c) a default or event of default, however defined, occurs under any agreement between the

Obligor and any Finance Party,

- (d) any Obligor is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness,
- (e) the value of the assets of any Obligor is less than its liabilities (taking into account contingent and prospective liabilities),
- (f) a moratorium is declared in respect of any indebtedness of any Obligor,
- (g) any corporate action, legal proceedings or other procedure or step is taken in relation to
 - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Obligor,
 - (ii) a composition, compromise, assignment or arrangement with any creditor of any Obligor,
 - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any Obligor or any of its assets, or
 - (iv) enforcement of any security over any assets of any Obligor,
- (h) any expropriation, attachment, sequestration, distress or execution affects any asset or assets of any Obligor,
- (i) any event occurs in relation to any Obligor that is analogous to those set out in paragraphs (d) to (h) above, or
- (j) any representation, warranty or statement made or deemed to be made by any Obligor under this Deed or any other agreement between any Obligor and any Finance Party is or proves to have been incorrect or misleading

	when made or deemed to be made,
"Environment"	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 material or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media,
"Environmental Claim"	any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law,
"Environmental Law"	all and any international, European Union or national laws, common law, statutes, directives, bye-laws, orders, regulations or other subordinate legislation, notices, codes of practice, circulars, guidance notes, judgments or decrees, relating to or connected with the protection of human health or the Environment or the conditions of the work place or the generation, transportation, storage, treatment or disposal of Hazardous Items,
"Environmental Permits"	any permit or other Authorisation and the filing of any notification, report or assessment required under any Environmental law for the operation of the business of an Obligor conducted on or from the properties owned or used by an Obligor,
"EU Regulation"	the Council of the European Union Regulation 1346/2000/EC on insolvency proceedings,
"Finance Documents"	the Loan Note Instrument, the Loan Note, the Security Trust Deed and this Deed,
"Floating Charge Property"	has the meaning given in clause 4.1.13,
"Hazardous Items"	any waste of any kind, noise, vibration, smell, fumes, smoke, soot, ash, dust, grit, pollution, chemicals, leachate, petroleum products, ground water, noxious, radioactive, inflammable, explosive, dangerous or offensive gases or materials and any other substances of whatever nature which could cause harm to the health of living organisms or the Environment or to public health or welfare,
"Insurance Policy"	any policy of insurance and cover note in which an Obligor may from time to time have an interest,
"Intellectual Property Rights"	(a) all present and future patents, trade marks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, knowhow and other intellectual property rights and

	interests, whether registered or unregistered,
	(b) the benefit of all applications and rights to use such assets, and
	(c) all Related Rights,
"Investment Derivative Rights"	all dividends, interest or distributions and all other rights and benefits of an income nature accruing at any time in respect of any Investment,
"Investments"	<p>(a) any stocks, shares, debentures, bonds, warrants or other securities, whether held directly by or to the order of an Obligor or by any trustee, fiduciary or clearance system on its behalf, and</p> <p>(b) all Related Rights (including all rights against any trustee, fiduciary or clearance system),</p>
"Issuer"	the issuer of any Investment,
"Loan Note"	means the £6,975,019 secured loan notes constituted by the Loan Note Instrument or, as the case may be, the principal amount thereof for the time being issued and outstanding,
"Loan Note Instrument"	means the loan note instrument executed by the Company on or about the date of this Deed,
"Loan Noteholders"	any person holding Loan Notes from time to time,
"LPA 1925"	the Law of Property Act 1925,
"Material Adverse Effect"	<p>means in the opinion of the Security Trustee a material adverse effect on</p> <p>(a) the business, operations, property, condition (financial or otherwise) or prospects of any Obligor,</p> <p>(b) the ability of an Obligor to perform its obligations under this Deed, or</p> <p>(c) the validity or enforceability of, or the effectiveness or ranking of any security granted or purporting to be granted pursuant to this Deed or the rights or remedies of the Security Trustee under this Deed,</p>

"Material Contracts"	<p>(a) any contract entered into by an Obligor that may from time to time be identified in writing by the Security Trustee as a Material Contract, and</p> <p>(c) all Related Rights,</p>
"Party"	a party to this Deed,
"Plant and Machinery"	<p>(a) all equipment, machinery, plant, computers, office equipment, vehicles and all other assets of a similar nature which are now, or at any time after the date of this Deed become, the property of an Obligor, and</p> <p>(b) all Related Rights,</p>
"Real Property"	<p>(a) any freehold, leasehold or other immovable property, and</p> <p>(b) any buildings, erections, fixtures or fittings from time to time situated on or forming part of such property (including any trade fixtures and fittings), and</p> <p>(c) all Related Rights,</p>
"Receivables"	<p>(a) all present and future book and other debts and monetary claims owing to an Obligor, and</p> <p>(b) all Related Rights,</p>
"Receiver"	a receiver, manager, administrator or administrative receiver appointed pursuant to the provisions of this Deed or any applicable law,
"Related Rights"	<p>in relation to any asset,</p> <p>(a) the proceeds of sale of any part of that asset,</p> <p>(b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset,</p> <p>(c) all rights, benefits, claims, contracts, warranties, remedies, security, indemnities or covenants for title in respect of that asset, and</p> <p>(d) any income, moneys and proceeds paid or payable in respect of that asset,</p>
"Secured Obligations"	all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally, as principal or surety and/or in any other capacity whatsoever) owed by any Obligor to

the Security Trustee and/or the Finance Parties under or in connection with the Finance Documents together with all costs, charges and expenses incurred by the Security Trustee and/or the Finance Parties in connection with the protection, preservation or enforcement of their rights under the Finance Documents,

"Security Period"

the period beginning on the date of this Deed and ending on the date on which the Secured Obligations have been unconditionally and irrevocably repaid and discharged in full,

"Security Trust Deed"

the security trust deed dated the same date as this Deed and made between (1) the Security Trustee (2) the Finance Parties and (3) the Obligors, and

"Subsidiary"

a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006 or a subsidiary within the meaning of section 1159 of the Companies Act 2006

1 2 Interpretation

1 2 1 In this Deed

- a) clause and schedule headings are for convenience of reference only and shall not affect the construction of this Deed,
- b) references to clauses and schedules are references to the clauses of and schedules to this Deed,
- c) references to this Deed, the Loan Note Instrument, the Loan Note, the Security Trust Deed, any other Finance Document or any other agreement or instrument shall be construed as references to this Deed, that agreement or instrument as amended, novated, supplemented, extended or restated,
- d) references to a person shall be construed to include that person's permitted assigns, permitted transferees or successors in title and shall be construed as including any individual, firm, trust, partnership, joint venture, company, corporation, unincorporated body of persons or any state or agency thereof, whether or not having separate legal personality,
- e) references to a provision of law are references to that provision as amended or re-enacted,
- f) words importing the singular shall include the plural and vice versa and words denoting any gender shall include all genders,
- g) an Enforcement Event is "**continuing**" if it has not been remedied or waived,
- h) the words "**including**" shall not be construed as limiting the generality of the words preceding it,

- i) **"clearance system"** means a person whose business is or includes the provision of clearance services or security accounts or any nominee or depositary for that person, and
 - j) unless the context otherwise requires, any reference to **"Charged Property"** includes any part of that Charged Property, any proceeds of that Charged Property and any present and future assets of that type
- 1 2 2 Any covenant by an Obligor under this Deed remains in force during the Security Period and is given for the benefit of the Finance Parties
- 1 2 3 The terms of the Finance Documents and any other finance arrangements between the parties to this Deed are incorporated in this Deed to the extent required to ensure that any disposition of Real Property contained in this Deed is a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989
- 1 2 4 Unless expressly provided to the contrary in this Deed, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed
- 1 2 5 Notwithstanding any terms of this Deed, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time
- 1 2 6 Each Obligor's obligations under this Deed are joint and several
- 1 3 General
 - 1 3 1 The fact that no or incomplete details of any Charged Property are included in this Deed does not affect the validity or enforceability of the security created by this Deed
 - 1 3 2 If an Obligor assigns an agreement under this Deed and the assignment or charge breaches a term of that agreement because a third party's consent has not been obtained
 - a) that Obligor must notify the Security Trustee immediately,
 - b) the assignment or charge will not take effect until that consent is obtained,
 - c) unless the Security Trustee otherwise requires, that Obligor must use all reasonable endeavours to obtain the consent as soon as practicable,
 - d) that Obligor must promptly supply the Security Trustee with a copy of the consent obtained by it

2 COVENANT TO PAY

Each Obligor covenants that it will pay and discharge the Secured Obligations to the Security Trustee as and when the same are due

3 GUARANTEE AND INDEMNITY

3 1 Guarantee and indemnity

Each Obligor irrevocably and unconditionally, jointly and severally

- a) guarantees to the Security Trustee punctual performance by each other Obligor of the Secured Obligations,
- b) undertakes with the Security Trustee that whenever another Obligor does not pay any of the Secured Obligations, that Obligor shall immediately on demand pay that amount as if it was the principal obligor, and
- c) agrees with the Security Trustee that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify the Security Trustee immediately on demand against any cost, loss or liability it incurs as a result of an Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it on the date when it would have been due. The amount payable by an Obligor under this indemnity will not exceed the amount it would have had to pay under this Clause 3.1 if the amount claimed had been recoverable on the basis of a guarantee

4 GRANT OF SECURITY

4.1 Charges

Each Obligor with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994 charges in favour of the Security Trustee as continuing security for the payment and discharge of the Secured Obligations

- 4.1.1 by way of legal mortgage, the Real Property now or at any time after the date of this Deed belonging to that Obligor;
- 4.1.2 by way of fixed charge, any Real Property now or at any time after the date of this Deed belonging to that Obligor (other than property charged under clause 4.1.1 above),
- 4.1.3 by way of fixed charge, all Plant and Machinery owned by it and its interest in any Plant and Machinery in its possession,
- 4.1.4 by way of fixed charge, all present and future Receivables owned by it,
- 4.1.5 by way of fixed charge,
 - a) all present and future Investments owned by it,
 - b) all Investment Derivative Rights owned by it,
 - c) where any Investment is held in a system for the deposit and settlement of transactions in investments, all rights against the operator of such system or any participant in respect of such Investment,
- 4.1.6 by way of fixed charge, all present and future Intellectual Property Rights owned by it,
- 4.1.7 by way of fixed charge, its goodwill,
- 4.1.8 by way of fixed charge, the uncalled capital of that Obligor,

- 4 1 9 by way of fixed charge, all rights, interests and claims in the Insurance Policies,
- 4 1 10 by way of fixed charge, all rights, interests and claims in the Material Contracts,
- 4 1 11 by way of fixed charge, the benefits of all licences, consents and authorisations held in connection with its business or the use of any Charged Property, and the right to any compensation in respect of any of them,
- 4 1 12 by way of fixed charge, all rights, interests and claims in any pension fund now or in the future, and
- 4 1 13 by way of floating charge, the whole of its undertaking and assets, present and future other than any assets validly and effectively mortgaged, charged or assigned by way of security (whether at law or in equity) by this Deed (the **"Floating Charge Property"**)

4 2 Qualifying Floating Charge

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

5 CRYSTALLISATION OF FLOATING CHARGE

- 5 1 The Security Trustee may at any time by notice in writing to an Obligor immediately convert the floating charge created by clause 4 1 13 into a fixed charge as regards any property or assets specified in the notice if

- 5 1 1 an Enforcement Event has occurred and is continuing, or
- 5 1 2 the Security Trustee considers that any of the Charged Property may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process, or
- 5 1 3 the Security Trustee considers that it is desirable in order to protect the priority of the security created under this Deed

5 2 If, without the prior written consent of the Security Trustee

- 5 2 1 any steps are taken for any of the Charged Property to become subject to any security in favour of any other person, or
- 5 2 2 any person levies or attempts to levy any distress, execution or other process against any of the Charged Property, or
- 5 2 3 a resolution is passed or an order is made for the winding-up, dissolution, or re-organisation of or any steps are taken for the appointment of an administrator in respect of an Obligor,

the floating charge created under clause 4 1 13 by the relevant Obligor will automatically be converted (without notice) with immediate effect into a fixed charge in respect of the relevant Floating Charge Property

- 5 3 The floating charge created under this Deed shall not convert into a fixed charge solely by reason of a moratorium being obtained under the Insolvency Act 1986 (or anything done with a view to obtaining such a moratorium) in respect of any Obligor

6 NEGATIVE PLEDGE

- 6 1 No Obligor shall create or permit to subsist any security over any of the Charged Property, other than any lien arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by an Obligor
- 6 2 No Obligor shall enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, discount, factor, transfer, assign, lease, lend or otherwise dispose of any of the Charged Property

7 PERFECTION OF SECURITY

7 1 Deposit of Title Documents

Immediately following the execution of this Deed (or, if later, the date of acquisition of the relevant Charged Property), each Obligor shall deposit with the Security Trustee

- 7 1 1 all deeds and documents of title relating to the Charged Property,
- 7 1 2 all Insurance Policies to which that Obligor is entitled to possession,
- 7 1 3 all certificates relating to the Investments together with stock transfer forms executed in blank, and
- 7 1 4 all other documents as the Security Trustee (acting reasonably) may from time to time require for perfecting its title to the Investments or for vesting or enabling it to vest the Investments in itself or its nominees or in any purchaser

7 2 Registration of Intellectual Property Rights

Each Obligor shall, if requested by the Security Trustee, execute all such documents and do all acts that the Security Trustee may reasonably require to record the interest of the Security Trustee in any registers relating to any registered Intellectual Property Rights

7 3 Land Registry disposal restriction

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

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the Deed dated [•] in favour of David Haycock as Security Trustee for the Finance Parties referred to in the charges register"

8 FURTHER ASSURANCE

- 8 1 Each Obligor shall, at its own expense, promptly take whatever action the Security Trustee may require for

- 8 1 1 creating, perfecting or protecting the security intended to be created by this Deed,
- 8 1 2 facilitating the realisation of any of the Charged Property, or
- 8 1 3 facilitating the exercise of any right, power or discretion exercisable by the Security Trustee or any Receiver (or any delegates or sub-delegates) in respect of any of the Charged Property,

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

9 REPRESENTATIONS

9 1 Each Obligor represents and warrants to the Security Trustee, on the date of this Deed and on each date during the Security Period by reference to the facts and circumstances then existing that

- 9 1 1 it is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation,
- 9 1 2 it has the power to own its assets and carry on its business as it is being conducted,
- 9 1 3 the Charged Property is, or when acquired will be, legally and beneficially owned by it free of any security other than security created by or expressly permitted by this Deed,
- 9 1 4 this Deed creates the security which it purports to create and is not liable to be avoided or otherwise set aside on its liquidation or administration or otherwise,
- 9 1 5 this Deed is its legal, valid and binding obligation and, subject to the general principles of law limiting its obligations, is enforceable in accordance with its terms,
- 9 1 6 it has the power to enter into, perform and deliver and has taken all necessary action to authorise its entry into, performance and delivery of this Deed and the transactions contemplated by this Deed,
- 9 1 7 all authorisations required or desirable to enable it lawfully to enter into, exercise its rights and comply with its obligations under this Deed and to make this Deed admissible in evidence in its jurisdiction of incorporation have been obtained or effected and are in full force and effect,
- 9 1 8 the Investments are fully paid and are not subject to any option to purchase or similar right, and
- 9 1 9 for the purposes of the EU Regulation, its centre of main interests (as that expression is used in Article 3(1) of the EU Regulation, is situated in England and Wales and it has no other "establishment" (as that term is used in Article 2(h) of the EU Regulation) in any other jurisdiction

10 UNDERTAKINGS

Each Obligor covenants and agrees with the Security Trustee that it will, during the Security Period

10 1 Charged Property generally

- 10 1 1 permit the Security Trustee and/or its delegates (not more than once in every financial year unless the Security Trustee reasonably suspects an Enforcement Event is continuing or may occur) access at all reasonable times and on reasonable notice at its risk and cost to its premises (including, without limitation, any Charged Property), assets, books, accounts and records,
- 10 1 2 provide the Security Trustee with all information which it may reasonably request in relation to the Charged Property,
- 10 1 3 comply in all respects with all laws to which it may be subject, if failure to comply has or is reasonably likely to affect materially the value, saleability or use of its Charged Property,
- 10 1 4 notify the Security Trustee within 14 days of receipt of every application, requirement, notice, order or proposal given, or made in relation to, the Charged Property by any competent authority and (if required by the Security Trustee) immediately provide it with a copy of the same and either (i) comply with such notice, order or proposal or (ii) make such objections to the same as the Security Trustee may require or approve,
- 10 1 5 duly and punctually pay all rates, rents, taxes and other outgoings owed by it in respect of the Charged Property,
- 10 1 6 comply in all respects with any covenant, stipulation or obligation (restrictive or otherwise) at any time affecting the Charged Property,
- 10 1 7 not, except with the prior written consent of the Security Trustee, enter into any onerous or restrictive obligation affecting any of the Charged Property or agree to any amendment, supplement, waiver, surrender or release of any covenant, stipulation or obligation (restrictive or otherwise) at any time affecting the Charged Property, and
- 10 1 8 not do, cause or permit to be done or omit to do anything which may in any way depreciate, jeopardise or otherwise prejudice the value or marketability of any of the Charged Property,

10 2 Property matters

- 10 2 1 not, except with the prior written consent of the Security Trustee
 - a) grant or agree to grant any lease, licence or other right of occupation or right to receive rent in respect of any of the Real Property,
 - b) accept a surrender of any lease, licence or other right of occupation (whether independently or under any statutory power),
 - c) consent to any sublease or assignment of any interest in any part of the Real Property,
- 10 2 2 comply with all Environmental Law, obtain, maintain and ensure compliance with all requisite Environmental Permits and implement procedures to monitor compliance with and to prevent liability under any Environmental Law in each case where failure to do so has or is reasonably likely to have a Material Adverse Effect,

- 10 2 3 promptly upon becoming aware, notify the Security Trustee of
- (a) any Environmental Claim started, or to its knowledge, threatened,
 - (b) any circumstances reasonably likely to result in an Environmental Claim, or
 - (c) any suspension, revocation or notification of any Environmental Permit
- 10 2 4 must indemnify the Security Trustee against any loss or liability which the Security Trustee incurs as a result of any actual or alleged breach of any Environmental Law by any person unless it is caused by the Security Trustee's gross negligence or wilful misconduct,
- 10 2 5 maintain all buildings, plant, machinery, fixtures and fittings forming part of the Charged Property in a good and substantial repair and condition and, as appropriate, in good working order,
- 10 2 6
- a) exercise its rights and comply with its obligations under any headlease,
 - b) use its reasonable endeavours to ensure that each landlord complies with its obligations under each headlease, or
 - c) if required to do so by the Security Trustee apply for release against forfeiture of any headlease,
- in a proper and timely manner,
- 10 2 7 not
- a) agree to any amendment, supplement, waiver, surrender or release of any headlease,
 - b) exercise any right to break, determine or extend any headlease, or
 - c) do or permit to be done anything as a result of which any lease may be liable to forfeiture or otherwise be terminated,
- 10 2 8 not make or allow to be made any application for planning permission in respect of any Real Property or carry out any demolition, construction, structural alterations or additions, development or any similar operations in respect of any part of its Real Property except maintenance of the building, plant, machinery, fixtures and fittings or the carrying out of non-structural improvements or alterations which affect only the interior of any building on any Real Property,
- 10 2 9 comply in all respects with all planning laws, permissions, agreements and conditions to which its Real Property may be subject,
- 10 2 10 grant the Security Trustee on request all reasonable facilities within its power to allow the Security Trustee (or its lawyers) to carry out (at the relevant Obligor's expense) investigations of title to the Real Property and to make all enquiries in relation to any part of the Real Property which a prudent mortgagee might carry out,

10 2 11 immediately upon demand by the Security Trustee, provide the Security Trustee with such information and documents as may be required to enable the Security Trustee's lawyers to prepare a report as to the title of the relevant Obligor to the Real Property concerning those items which may properly be sought to be covered by a prudent mortgagee in a lawyer's report of this nature,

10 2 12 notify the Security Trustee immediately upon the acquisition of any real property,

10 2 13 in respect of any real property which is acquired after the date of this Deed, title to which is registered at the Land Registry or which is required to be so registered

- a) immediately on request by the Security Trustee and at the cost of the Obligors, execute and deliver to the Security Trustee a legal mortgage in favour of the Security Trustee of that property in any form (consistent with this Deed) which the Security Trustee may require,
- b) give written notice of the security to the Land Registry and procure that notice of the security is clearly noted in the Register of Title for such real property,
- c) procure that no person is registered as proprietor of any such property under the Land Registration Acts 1925 to 2002 without the prior written consent of the Security Trustee,

10 3 Insurance

10 3 1 ensure that at all times insurances are maintained in full force and effect, which

- a) insure it in respect of its interests in any Charged Property and the plant and machinery on each Real Property (including fixtures and improvements) for their full replacement value (being the total cost of entirely rebuilding, reinstating or replacing the relevant asset if it is completely destroyed, together with all related fees and demolition costs) and to
 - i provide cover against loss or damage by fire, storm, tempest, flood, earthquake, lightning, explosion, impact, aircraft and other aerial devices and articles dropped from them, riot, civil commotion and malicious damage, bursting or overflowing of water tanks, apparatus or pipes and all other normally insurable risks of loss or damage,
 - ii provide cover for site clearance, shoring or propping up, professional fees and value added tax together with adequate allowance for inflation,
 - iii provide cover against acts of terrorism, including any third party liability arising from such acts,
 - iv provide cover for loss of rent (in respect of a period of not less than three years or, if longer, the minimum period required under any lease documents) including provision for any increases in rent during the period of insurance, and
- b) include property owners' public liability and third party liability insurance,

- c) insure such other risks as a prudent company in the same business as the Obligor would insure, and
- d) in each case are in an amount, and in form, and with an insurance company or underwriters, acceptable at all times to the Security Trustee,

10 3 2 comply with the terms of the Insurance Policies,

10 3 3 not do or permit anything to be done which may make any of the Insurance Policies void or voidable,

10 3 4 comply with all reasonable risk improvement requirements of its insurers,

10 3 5 ensure that

- a) each premium for the Insurance Policies is paid promptly and in any event prior to the commencement of the period of insurance for which that premium is payable, and
- b) all other things necessary are done so as to keep each of the Insurance Policies in force

10 4 Intellectual Property Rights

10 4 1 preserve and maintain the subsistence and validity of the Intellectual Property Rights necessary for its business,

10 4 2 use reasonable endeavours to prevent any infringement in any material respect of the Intellectual Property Rights, and

10 4 3 make registrations and pay all registration fees and taxes necessary to maintain the Intellectual Property Rights in full force and effect and record its interest in those Intellectual Property Rights

10 5 Centre of Main Interests

not, without the prior written consent of the Security Trustee, change its centre of main interest (as that expression is used in Article 3(1) of the EU Regulation) to somewhere other than England and Wales, nor will it have any establishment (as that term is used in Article 2(h) of the EU Regulation) in any other jurisdiction,

11 ENFORCEMENT OF SECURITY

11 1 Enforcement

The security created under this Deed shall become immediately enforceable if an Enforcement Event is continuing

11 2 Powers on enforcement

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

11 2 1 all or any of the powers, authorities and discretions conferred on mortgagees by the LPA 1925 (as varied or extended by this Deed),

11 2 2 all of the powers conferred on the holder of a qualifying floating charge (as defined in the Insolvency Act 1986) by the Insolvency Act 1986, and

11 2 3 all or any of the powers conferred by this Deed

11 3 No Liability as Mortgagee in Possession

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

12 POWERS OF THE SECURITY TRUSTEE

12 1 Extension of Powers

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

12 2 Restrictions

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

12 3 Power of Leasing

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

12 4 Discretion

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

12 5 Delegation

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

12 6 Investigations

Following the occurrence of an Enforcement Event which is continuing the Security Trustee may initiate an investigation of, and/or instruct any report (accounting, legal, valuation or

other) on the business and affairs of any Obligor which it considers necessary to ascertain the financial position of any Obligor. All fees and expenses incurred by the Security Trustee in connection with such investigations shall be payable by the Obligors and each Obligor consents to the provision by the Security Trustee of all information in relation to that Obligor which the Security Trustee provides to any person in relation to the preparation of any such report.

12.7 Power to Remedy

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

13 APPOINTMENT OF RECEIVER

13.1 Appointment and Removal

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

13.1.1 appoint one or more persons jointly or severally to be a Receiver of the whole or any part of the Charged Property,

13.1.2 remove (so far as it is lawfully able) any Receiver so appointed, and

13.1.3 appoint another person as an additional or replacement Receiver.

13.2 Restrictions on appointment

13.2.1 Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the LPA 1925) does not apply to this Deed.

13.2.2 The Security Trustee is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under section 1A to the Insolvency Act 1986.

13.2.3 The Security Trustee may not appoint an administrative receiver (as defined in section 29(2)) of the Insolvency Act 1986) over the Charged Property if the Security Trustee is prohibited from doing so by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

13.3 Capacity of Receivers

Each Receiver shall be

13.3.1 an agent of the Obligors. The Obligors shall be solely responsible for the Receiver's Contracts, engagements, acts, omissions, defaults, losses and liabilities and for the payment of the Receiver's remuneration, and

13 3 2 entitled to remuneration for his services at a rate to be fixed by the Security Trustee from time to time (without being limited to the maximum rate specified in section 109(6) of the LPA 1925)

14 POWERS OF RECEIVER

14 1 General Powers

Every Receiver shall have all the powers

14 1 1 conferred by the LPA 1925 on mortgagors and on mortgagees in possession and receivers appointed under that Act,

14 1 2 set out in Schedule 1 to the Insolvency Act 1986 and, in the case of an administrator, Schedule B1 to the Insolvency Act 1986, and

14 1 3 conferred from time to time on receivers by statute

14 2 Additional Powers

In addition to the powers referred to in clause 14 1 (*General Powers*) a Receiver shall have the power, at the cost of the Obligors and either in his own name or in the name of the Obligors or (with the written approval of the Security Trustee) in the name of the Security Trustee

14 2 1 to take possession of, collect and get in all or any part of the Charged Property,

14 2 2 to carry on, manage or concur in carrying on and managing all or any part of the business of the Obligors in any manner he thinks fit,

14 2 3 to borrow or raise money and secure the payment of any money in priority to the charges created by this Deed for the purpose of exercising his powers and/or defraying any costs or expenses incurred by him in such exercise,

14 2 4 to sell, let, lease or concur in selling, letting or leasing and to vary the terms or determine, surrender and to accept surrenders of leases or tenancies of or grant options or licences over all or any part of the Charged Property in any manner and on such terms as he thinks fit. The consideration for any such transaction may consist of cash or of shares or securities or other obligations (and the amount of such consideration may be dependent on profit or turnover or be determined by a third party) and may be payable in a lump sum or in instalments,

14 2 5 to sever any fixtures (including trade and tenants fixtures) from the property of which they form part, without the consent of the Obligors,

14 2 6 to exercise all powers, rights and/or obligations under any contract or agreement forming part of the Charged Property, including, without limitation, all voting and other rights attaching to the Investments,

14 2 7 to make and effect all repairs, renewals, improvements, and insurances, commence and/or complete any building operation and/or apply for and maintain any planning permission, building regulation approval or other authorisation in each case as he thinks fit,

- 14 2 8 to redeem any prior security in respect of all or any of the Charged Property and to settle and pass the accounts of the holder of such prior security and any accounts so settled and passed will, in the absence of manifest error, be conclusive and binding on the Obligors. All moneys paid to the holder of such security in accordance with such accounts shall form part of the Secured Obligations,
- 14 2 9 to promote the formation of subsidiaries of an Obligor for the purpose of purchasing, leasing, licensing or otherwise acquiring interests in all or any of the assets of that Obligor and to arrange for any such subsidiaries to trade or cease to trade on such terms as the Receiver thinks fit,
- 14 2 10 to take such proceedings and to settle, adjust, refer to arbitration, compromise and/or arrange any claim, account or demand which the Security Trustee or the Receiver may think fit,
- 14 2 11 to appoint managers, officers, agents, accountants and workmen at such salaries and for such periods as the Receiver may determine and to discharge any person appointed by the Obligors,
- 14 2 12 to exercise in relation to all or any part of the Charged Property all such powers and rights as he would be capable of exercising if he were the absolute beneficial owner of the Charged Property,
- 14 2 13 lend money or advance credit to any customer of the Obligors,
- 14 2 14 give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Charged Property,
- 14 2 15 let any Charged Property for any term and at any rent (with or without a premium) which he thinks fit and may accept a surrender of any lease or tenancy of any Charged Property on any terms which he thinks fit, and/or
- 14 2 16 to do all other acts and things as may be considered by the Receiver to be incidental or conducive to the above or otherwise expedient for or incidental or conducive to the preservation, improvement or realisation of the Charged Property

15 APPLICATION OF MONEYS

- 15 1 All moneys received or recovered by the Security Trustee or any Receiver pursuant to this Deed shall be applied in the following order
 - 15 1 1 first, in satisfaction of, or provision for, all costs, charges and expenses incurred by the Security Trustee or any Receiver and the payment of the remuneration of any Receiver,
 - 15 1 2 second, in or towards satisfaction of the Secured Obligations and, in the case of the Loan Noteholders, such moneys shall be applied and distributed according to the the priority ranking set out in the Loan Note Instrument, and
 - 15 1 3 third, any surplus shall be paid to the relevant Obligor or any other person entitled thereto

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

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

15.3 **Avoidance of Payments**

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

16 PROTECTION OF PURCHASERS

16.1 **Receipts**

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

16.2 **Protection of Purchasers**

No purchaser or other person dealing with the Security Trustee or its delegate or any Receiver shall be bound to enquire whether the right of the Security Trustee or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any notice to the contrary, or be concerned to see whether any such delegation by the Security Trustee shall have lapsed for any reason or have been revoked.

17 POWER OF ATTORNEY

17.1 **Appointment**

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

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

17.1.2 enabling the Security Trustee and any Receiver to exercise any of the powers conferred on them by or pursuant to this Deed or by law.

17.2 **Ratification**

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

18 PRESERVATION OF SECURITY

18.1 Continuing Security

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

18.2 Waiver of defences

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

18.2.1 any time or waiver granted to, or composition with, any person,

18.2.2 any release or any person under the terms of any composition or arrangement,

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

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

18.2.5 any incapacity, lack of power, authority or legal personality of or dissolution or change in the members or status of any person,

18.2.6 any amendment of a Finance Document or any other document or security,

18.2.7 any unenforceability, illegality, invalidity or non-provability of any obligation of any person under any Finance Document or any document or security or the failure by any person to enter into or be bound by any Finance Document, or

18.2.8 any insolvency or similar proceedings

18.3 Obligor Intent

Without prejudice to the generality of Clause 18.2 (*Waiver of Defences*), each Obligor expressly confirms that it intends that the guarantee and security created under this Deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any document creating a Secured Obligation and/or any facility or amount made available under such document

18.4 Immediate recourse

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

18 5 Financial collateral

18 5 1 For the purposes of this clause, the expressions "financial collateral arrangement", "financial collateral" and "financial instrument" have the meaning given to them by the Financial Collateral Arrangements (No 2) Regulations 2003 (Amendment) Regulations 2009

18 5 2 This Deed constitutes a financial collateral arrangement. Any part of the Charged Property that constitutes financial collateral may be appropriated by the Security Trustee at any time after an Enforcement Event occurs and is continuing

18 5 3 If the Security Trustee exercises its power of appropriation

- a) any Charged Property that consists of a financial instrument shall be valued as the cash payment which the Security Trustee would have received on a disposal of that Charged Property for immediate payment, and
- b) any Charged Property that consists of a balance on an account shall be valued as the amount standing to the credit of that account, together with any accrued interest not credited to the account at the time of the appropriation

18 5 4 The exercise of any right of appropriation shall not prejudice or affect any other right or remedy available in respect of the remainder of the Charged Property or any Secured Obligations that remain unpaid

18 6 Appropriations

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

18 6 1 refrain from applying or enforcing any other monies, security or rights held or received by the Security Trustee (or any trustee or agent on its behalf) against those accounts, or apply and enforce them in such manner and order as it sees fit (whether against those amounts or otherwise), and

18 6 2 hold in an interest-bearing suspense account any moneys received from the Obligors or on account of the Obligors' liability under this Deed

18 7 Additional security

18 7 1 This Deed is in addition to and is not in any way prejudiced by any other security now or subsequently held by any of the Finance Parties

18 7 2 No prior security held by any of the Finance Parties (including the Security Trustee in its capacity as such or otherwise) over any Charged Property will merge into the security created under this Deed

18 8 Non-competition

Unless

18 8 1 all amounts which may be or become payable by the Obligors to the Security Trustee have been irrevocably paid in full, or

18 8 2 the Security Trustee otherwise directs,

no Obligor will, after a claim has been made or by virtue of any payment or performance by it under this Deed

- a) be subrogated to any rights, security or moneys held, received or receivable by the Security Trustee (or any trustee or agent on its behalf),
- b) be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of that Obligor's liability under this clause,
- c) claim, rank, prove or vote as a creditor of any Obligor or its estate in competition with the Security Trustee (or any trustee or agent on its behalf), or
- d) receive, claim or have the benefit of any payment, distribution or security from or on account of any Obligor, or exercise any right of set-off as against any Obligor

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

19 EXPENSES AND INDEMNITY

19 1 Expenses

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

19 2 Indemnity

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

19 2 1 in the exercise (or purported exercise) of any of the rights, powers or discretions vested in them by this Deed (or by law) and/or

19 2 2 in connection with or otherwise relating to this Deed or the Charged Property

20 CHANGES TO PARTIES

20 1 Assignment and disclosure of information

The Security Trustee may assign and transfer all or any of its rights and obligations under this Deed. The Security Trustee shall be entitled to disclose such information concerning the

Obligors and this Deed as the Security Trustee considers appropriate to any actual or proposed direct or indirect successor or to any person to whom information may be required to be disclosed by any applicable law

21 MISCELLANEOUS

21 1 No Deductions

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

21 2 Perpetuity Period

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

21 3 No Liability

21 3 1 None of the Security Trustee, its delegate(s), nominee(s) or any Receiver shall be liable for any loss by reason of (a) taking any action permitted by this Deed or (b) any neglect or default in connection with the Charged Property or (c) taking possession of or realising all or any part of the Charged Property, except in the case of gross negligence or wilful default upon its part.

21 3 2 The Security Trustee will not be required in any manner to perform or fulfil any obligation of the Obligors, make any payment, make any enquiry as to the nature or sufficiency of any payment received by it or present or file any claim or take any action to collect or enforce the payment of any amount.

21 3 3 The Security Trustee shall not be liable either to the Obligors or to any other person by reason of the appointment of a Receiver or for any other reason.

21 3 4 Neither the Security Trustee nor the Receiver will be in any way liable or responsible to the Obligors for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.

21 4 Partial Invalidity

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Deed nor the legality, validity or enforceability of such provision under the laws of any other jurisdiction shall in any way be affected or impaired. If any part of the security intended to be created by or pursuant to this Deed is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security.

21 5 Certificates

Any certificate of the Security Trustee specifying any amount due from the Obligors is, in the absence of manifest error, conclusive evidence of such amount.

21 6 Release

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

22 NOTICES

22 1 Any communication to be made under or in connection with this Deed must be made in writing and, unless otherwise stated, may be made by fax or letter

22 2 The address for any communication or document to be made or delivered under or in connection with this Deed is

22 2 1 in the case of the Obligors David Fitzjohn

22 2 2 in the case of the Security Trustee

or in each case any substituted address or fax number or department or officer as one party may notify to the other party by not less than five Business Day's notice

22 3 Any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective

22 3 1 If by way of fax, when received in legible form, or

22 3 2 If by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address

22 4 Any communication or document to be made or delivered to the Security Trustee will be effective only when actually received by the Security Trustee

22 5 Any notice given under or in connection with this Deed must be in English

23 COUNTERPARTS

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

24 GOVERNING LAW

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

25 JURISDICTION

25 1 English Courts

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

25.2 Convenient Forum

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

25.3 Exclusive Jurisdiction

This clause 25 is for the benefit of the Security Trustee only. As a result the Security Trustee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Trustee may take concurrent proceedings in any number of jurisdictions.

THIS DEED has been signed on behalf of the Security Trustee and EXECUTED AS A DEED by the Obligors and is delivered by them on the date specified at the beginning of this Deed

SCHEDULE 1

PART 1

THE OBLIGORS

Name	Registered Office	Registration Number
DS John Holdings Limited	Britannia House, Rushmills, Northampton, NN4 7YB	08798678
i-Sm@rt Group Limited	Britannia House, Rushmills, Northampton, NN4 7YB	05302247
i-Sm@rt Consumer Services Limited	Britannia House, Rushmills, Northampton, NN4 7YB	05238848
i-Sm@rt Property Ltd	Britannia House, Rushmills, Northampton, NN4 7YB	06556050
Direct Debt Recovery Limited	Britannia House, Rushmills, Northampton, NN4 7YB	06990019


PART 2

THE FINANCE PARTIES

Name	Address for notices
David Haycock	
Ryan Horne	
Dylan Pritchett	

SIGNATORIES

THE OBLIGORS

SIGNED as a DEED by)
DS John Holdings Limited) 
acting by a director in the presence of) Director

Signature of witness

Name

(In BLOCK CAPITALS)

Address

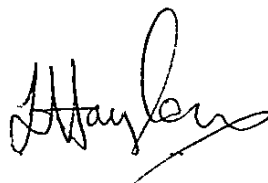
**Claire Green
Solicitor
SHOOSMITHS LLP
1st Floor Witan Gate House
500-600 Witan Gate West
Milton Keynes
MK9 1SH**

Occupation

SIGNED as a DEED by)

i-Sm@rt Group Limited)

acting by a director in the presence of) Director



Signature of witness

Name

(In BLOCK CAPITALS)

Address

Claire Green
Solicitor
SHOOSMITHS LLP
1st Floor Witan Gate House
500-600 Witan Gate West
Milton Keynes
MK9 1SH

Occupation

SIGNED as a DEED by)

i-Sm@rt Consumer Services Limited)

acting by a director in the presence of) Director



Signature of witness

Name

(in BLOCK CAPITALS)

Address

Claire Green
Solicitor
SHOOSMITHS LLP
1st Floor Witan Gate House
500-600 Witan Gate West
Milton Keynes
MK9 1SH

Occupation

SIGNED as a DEED by

)

i-Sm@rt Property Ltd

)



acting by a director in the presence of)

Director

Signature of witness

Name

(In BLOCK CAPITALS)

Address

Claire Green
Solicitor
SHOOSMITHS LLP
1st Floor Witan Gate House
500-600 Witan Gate West
Milton Keynes
MK9 1SH


Occupation

SIGNED as a DEED by)

Direct Debt Recovery Limited)

acting by a director in the presence of)

Director



Signature of witness

Name

(in BLOCK CAPITALS)

Address

Claire Green
Solicitor
SHOOSMITHS LLP
1st Floor Witan Gate House
500-600 Witan Gate West
Milton Keynes
MK9 1SH

Occupation

THE SECURITY TRUSTEE

SIGNED as a DEED by)
David Haycock)
in the presence of) David Haycock

Signature of witness

Name

(in BLOCK CAPITALS)

Address

Claire Green
Solicitor
SHOOSMITHS LLP
1st Floor Witan Gate House
500-600 Witan Gate West
Milton Keynes
MK9 1SH

Occupation