



Registration of a Charge

Company name: **BIONIC SERVICES LIMITED**

Company number: **05949018**

Received for Electronic Filing: **01/03/2021**



Details of Charge

Date of creation: **19/02/2021**

Charge code: **0594 9018 0006**

Persons entitled: **LLOYDS BANK PLC AS SECURITY AGENT**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

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

Certified by:

CMS CAMERON MCKENNA NABARRO OLSWANG LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 5949018

Charge code: 0594 9018 0006

The Registrar of Companies for England and Wales hereby certifies that a charge dated 19th February 2021 and created by BIONIC SERVICES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 1st March 2021 .

Given at Companies House, Cardiff on 2nd March 2021

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



Companies House



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

DATE: 19 February 2021

GROUP DEBENTURE

**THIS DEBENTURE IS SUBJECT TO THE TERMS OF AN
INTERCREDITOR AGREEMENT DATED 15 SEPTEMBER 2017**

Between

SMILE MIDCO 2 LIMITED
(as Parent)

THE COMPANIES LISTED IN SCHEDULE 1
(as Chargors)

and

LLOYDS BANK PLC
(as Security Agent)

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THIS DEED is made on 19 February 2021

BETWEEN

- (1) **SMILE MIDCO 2 LIMITED** a company registered in England and Wales with its registered address at Minster Building, 21 Mincing Lane, 4th Floor London EC3R 7AG (company number 10848759) (“**Parent**”);
- (2) **THE SUBSIDIARIES OF THE PARENT** listed in Schedule 1 (The “**Chargors**”) (together with the Parent, the “**Original Chargors**”); and
- (3) **LLOYDS BANK PLC** as security trustee for the Secured Parties (“**Security Agent**”) which term shall include any person appointed as security trustee or as an additional trustee in accordance with the terms of the Intercreditor Agreement.

RECITALS

- (A) The Parent and Smile Bidco Limited as chargors entered into a debenture dated 15 September 2017 in favour of the Security Agent pursuant to which the chargors granted fixed charges over the assets identified in the debenture and a floating charge over the remainder of such chargors undertaking as security for the Secured Obligations (as defined therein) (the “**2017 Debenture**”).
- (B) Certain additional chargors entered into a security deed of accession dated 29 September 2017 whereby each such additional chargor acceded to the 2017 Debenture (the “**2017 Debenture Accession Deed**”).
- (C) The Parent, Smile Bidco Limited, Bionic Services Group Limited (then trading under Make It Cheaper Group Limited), Bionic Services Limited (then trading under Make It Cheaper Limited), Bionic Financial Services Limited (then trading under Make It Cheaper Financial Services Limited) and UK Power Limited as chargors entered into a debenture dated 6 July 2018 in favour of the Security Agent pursuant to which the chargors granted fixed charges over the assets identified in the debenture and a floating charge over the remainder of such chargors undertaking as security for the Secured Obligations (as defined therein) (the “**2018 Debenture**”).
- (D) Triple S Promotions Ltd as additional chargor entered into a security deed of accession dated 10 August 2018 whereby it acceded to the 2018 Debenture (the “**2018 Debenture Accession Deed**”).
- (E) SK Utilities Ltd Certain as chargor entered into a security deed of accession dated 14 August 2019 whereby it acceded to the 2018 Debenture (the “**2019 Debenture Accession Deed**” and together with the 2017 Debenture, 2018 Debenture, 2017 Debenture Accession Deed, 2018 Debenture Accession Deed and 2019 Debenture Accession Deed, the “**Existing Security Documents**”).
- (F) This Deed is being entered into in connection with the amendment and restatement of the Facility Agreement (as defined below) on or around the date of this Deed.

IT IS AGREED

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

“**Account**” has the meaning given to it in Clause 3.4(i) (*First fixed charges*)

“**Additional Chargor**” means a company which creates Security over its assets in favour of the Security Agent by executing a Security Deed of Accession

“**Blocked Account**” means any Holding Account from time to time

“**Chargor**” means an Original Chargor or an Additional Chargor

“**Chattels**” has the meaning given to it in Clause 3.4(d) (*First fixed charges*)

“**Debts**” has the meaning given to it in Clause 3.4(g) (*First fixed charges*)

“**Declared Default**” has the meaning given to that term in the Facilities Agreement

“**Facilities Agreement**” means the senior facilities agreement dated 15 September 2017 as amended and restated from time to time (including as amended and restated on 6 July 2018, as amended on 15 March 2019, as amended and restated on 15 July 2019, as further amended on 16 April 2020 and on 10 December 2020 and as amended and restated on or around the date of this Deed) and made between the Parent, Smile Bidco Limited as original borrower, the companies listed in part 1 of schedule 1 (*The Original Parties*) thereto as original guarantors, Lloyds Bank plc as mandated lead arranger, the financial institutions listed in part 2 of schedule 1 (*The Original Parties*) thereto as lenders, the entities listed in part 3 of schedule 1 (*The Original Parties*) thereto as hedge counterparties and Lloyds Bank plc as agent and security agent and to which Bionic Services Group Limited (formerly trading under Make it Cheaper Group Limited), Bionic Services Limited (formerly trading under Make It Cheaper Limited), Bionic Financial Services Limited (formerly trading under Make It Cheaper Financial Services Limited) and UK Power Limited acceded on 29 September 2017, Triple S Promotions Ltd on 10 August 2018 and SK Utilities Ltd on 14 August 2019, all by way of an accession deed

“**Fixtures**” means in respect of any Secured Property, all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery now or at any time after the date of this Deed on that Secured Property

“**Floating Charge Assets**” means all the assets and undertaking from time to time subject to the floating charge created under Clause 3.5 (*Floating charge*)

“**Insurance Policies**” means, in respect of a Chargor, all policies of insurance

“**Intercreditor Agreement**” mean the intercreditor agreement dated 15 September 2017 and made between, inter alia, the Parent, Smile Bidco Limited and Lloyds Bank plc (as lender, agent, arranger and security agent)

“**Investments**” means any shares, stocks, debenture security, securities, bonds and investments of any type (other than the Subsidiary Shares) whatever, including but not limited to, negotiable instruments, certificates of deposit, eligible debt securities, interests in collective investment schemes, or other investments referred to in section 22 of, and as defined in Part II of Schedule 2 to, the Financial Services and Markets Act 2000 and Part III of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, whether certificated or uncertificated, physical or dematerialised, registered or unregistered, held by the relevant Chargor or by a trustee or clearance system or nominee

“**Material Intellectual Property**” means Intellectual Property which is material or necessary to the carrying out of the Group’s business

“**Party**” means a party to this Deed

“**Premises**” means any building on a Secured Property

“Properties” mean the properties listed in Schedule 2 (*Properties*) (if any)

“Receiver” means any receiver, manager or administrative receiver appointed by the Security Agent in respect of any Chargor or any of the Secured Assets

“Related Rights” means, in respect of any Investment or Subsidiary Share:

- (a) all monies paid or payable in respect of that Investment or Subsidiary Share (whether as income, capital or otherwise)
- (b) all shares, investments or other assets derived from that Investment or Subsidiary Share and
- (c) all rights derived from or incidental to that Investment or Subsidiary Share

“Relevant Agreement” means:

- (a) the sale and purchase agreement dated 25 July 2017 relating to the sale and purchase of the Target Shares and made between Smile Bidco Limited and the Vendors;
- (b) the sale and purchase agreement dated 6 July 2018 relating to the sale and purchase of the entire issued share capital in the Falcon Target and made between Bionic Services Group Limited (formerly trading under Make it Cheaper Group Limited) and the Falcon Vendors;
- (c) the sale and purchase agreement dated 15 July 2019 relating to the sale and purchase of the entire issued share capital in the Polaris Target and made between Bionic Services Group Limited (formerly trading under Make it Cheaper Group Limited) and the Polaris Vendors;
- (d) the sale and purchase agreement dated 5 February 2021 relating to the sale and purchase of the entire issued share capital in the Zoo Target and made between Bionic Services Group Limited (formerly trading under Make it Cheaper Group Limited) and the Zoo Vendors;
- (e) each other agreement designated as a Relevant Agreement by the Security Agent and the Parent in writing; and
- (f) when an Event of Default is continuing, any agreement designated as a Relevant Agreement by the Security Agent

“Relevant Policies” means all material Insurance Policies (other than any Insurance Policies relating to third party liability or public liability or directors’ and officers’ insurance) together with all monies payable in respect of those policies

“Secured Assets” means, in respect of any Chargor, all of its assets and undertaking the subject of any Security created by, under or supplemental to, this Deed in favour of the Security Agent

“Secured Obligations” means all the Liabilities and all other present and future liabilities and obligations at any time due, owing or incurred by any member of the Group and by each Debtor to any Secured Party under the Debt Documents, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity, together with all interest accruing on such monies and liabilities and all costs, charges and expenses incurred by any Secured Party under any Debt Document

“Secured Property” means at any time the Properties and all other freehold, leasehold or commonhold property now or subsequently owned by a Chargor (other than (i) any freehold

property with a value of £1,000,000 or less, and (ii) any leasehold property with a term of less than 25 years remaining on the lease)

“**Security Deed of Accession**” means a deed in the form set out in Schedule 8 (*Form of Security Deed of Accession*) by which a person will become a party to this Deed as a Chargor

“**Security Period**” means the period beginning on the date of this Deed and ending on the date on which the Security Agent is satisfied acting reasonably, that the Secured Obligations have been irrevocably and unconditionally satisfied in full and all facilities made available by the Finance Parties (or any of them) under the Finance Documents (or any of them) have been cancelled

“**Subsidiary Shares**” means, in respect of a Chargor, all shares present and future held by it in its Subsidiaries (including those listed in Schedule 3 (*Subsidiary Shares*))

“**Supporting Documents**” means the Transaction Security Documents, the Reports, the Falcon Reports, the Polaris Reports, the Zoo Reports and any legal or other opinion or other report held or obtained by the Security Agent in connection with the Finance Documents

1.2 Interpretation

- (a) Unless otherwise defined in this Deed a term defined in the Facilities Agreement and the Intercreditor Agreement has the same meaning when used in this Deed or any notices, acknowledgements or other documents issued under or in connection with this Deed.
- (b) In this Deed the term **dispose** includes any sale, lease, licence, transfer or loan.
- (c) Any reference in this Deed to a mortgage, charge or assignment of any asset shall be construed so as to include:
 - (i) the benefit of any covenants for title given or entered into by any predecessor in title of any Chargor in respect of that asset and all other rights, benefits, claims, contracts, warranties, remedies, security or indemnities in respect of that asset;
 - (ii) the proceeds of sale of any part of that asset and any other moneys paid or payable in respect of or in connection with that asset; and
 - (iii) in respect of any Secured Property, all Properties and all fixtures and fittings (including trade fixtures and fittings and tenants’ fixtures and fittings) from time to time in or on that Secured Property.
- (d) Clause 1.2 (*Construction*) of the Facilities Agreement is incorporated in this Deed as if set out here in full but so that each reference in that clause to **this Agreement** shall be read as a reference to this Deed, and additionally:
 - (i) any reference in this Deed to any Finance Document or any other agreement or other document shall be construed as a reference to that Finance Document or that other agreement or document as the same may have been, or may from time to time be, restated, varied, amended, supplemented, substituted, novated or assigned, whether or not as a result of any of the same:
 - (A) there is an increase or decrease in any facility made available under that Finance Document or other agreement or document or an increase or decrease in the period for which any facility is available or in which it is repayable;

- (B) any additional, further or substituted facility to or for such facility is provided;
 - (C) any rate of interest, commission or fees or relevant purpose is changed;
 - (D) the identity of the parties is changed;
 - (E) the identity of the providers of any security is changed;
 - (F) there is an increased or additional liability on the part of any person; or
 - (G) a new agreement is effectively created or deemed to be created; and
- (ii) any reference in this Deed to “**this Deed**” shall be deemed to be a reference to this Deed as a whole and not limited to the particular Clause, Schedule or provision in which the relevant reference appears and to this Deed as amended, novated, assigned, supplemented, extended or restated from time to time and any reference in this Deed to a “**Clause**” or a “**Schedule**” is, unless otherwise provided, a reference to a Clause or a Schedule of this Deed.
- (e) Unless the context otherwise requires, words denoting the singular number only shall include the plural and vice versa.
 - (f) Where any provision of this Deed is stated to include one or more things, that shall be by way of example or for the avoidance of doubt only and shall not limit the generality of that provision.
 - (g) It is intended that this document shall take effect as and be a deed of each Chargor notwithstanding the fact that the Security Agent may not execute this document as a deed.
 - (h) Any change in the constitution of the Security Agent or its absorption of or amalgamation with any other person or the acquisition of all or part of its undertaking by any other person shall not in any way prejudice or affect its rights under this Deed.

1.3 Third party rights

- (a) Unless expressly provided to the contrary in any Finance Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed or any other Finance Document issued or entered into under or in connection with it.
- (b) Unless expressly provided to the contrary in any Finance Document the consent of any person who is not a Party is not required to rescind or vary this Deed or any other Finance Document entered into under or in connection with it.

1.4 Administration

- (a) Any reference in this Deed, or any other Finance Document entered into under or in connection with it, to the making of an administration order shall be treated as including a reference to the appointment of an administrator under paragraph 14 (by the holder of a qualifying floating charge in respect of a Chargor’s assets) or 22 (by a Chargor or the directors of a Chargor) of Schedule B1 to the Insolvency Act 1986 or any steps taken toward such order or appointment.

- (b) Any reference in this Deed or any other Finance Document entered into under or in connection with it, to making an application for an administration order by petition shall be treated as including a reference to making an administration application to the court under Schedule B1 to the Insolvency Act 1986, appointing an administrator under paragraph 14 or 22 of that Schedule, or giving notice under paragraph 15 or 26 of that Schedule of intention to appoint an administrator or any steps taken towards such application or notice.

1.5 Incorporated terms

The terms of the Finance Documents and of any side letters relating to the Finance Documents and the Secured Obligations are incorporated into this Deed to the extent required for any purported disposition of any Secured Assets contained in this Deed to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.6 Intercreditor Agreement

This Deed is subject to the terms of the Intercreditor Agreement.

1.7 Personal Liability

A director, officer or employee who signs in good faith a certificate or other document required to be delivered pursuant to a Finance Document on behalf of a member of the Group but which proves to be incorrect or misleading shall not incur any individual personal liability to the Security Agent provided such person did not act fraudulently, was not grossly negligent or did not act with wilful default in so signing such certificate or other document.

1.8 Conflict with the Facilities Agreement

To the extent of any conflict between the provisions of this Deed and the provisions of the Facilities Agreement, the provisions of the Facilities Agreement shall prevail.

1.9 Finance Document

The parties agree that this Deed is a Finance Document.

2. COVENANT TO PAY

Each Chargor covenants with the Security Agent as security trustee for the Secured Parties, to pay and discharge the Secured Obligations when they become due for payment and discharge.

3. CHARGING PROVISIONS

3.1 General

All Security created by a Chargor under Clauses 3.2 to 3.5 inclusive is:

- (a) a continuing security for the payment and discharge of the Secured Obligations;
- (b) granted with full title guarantee (subject only to any Security created pursuant to the Existing Security Documents);
- (c) granted in respect of all the right, title and interest (if any), present and future, of that Chargor in and to the relevant Secured Asset; and
- (d) granted in favour of the Security Agent as security trustee for the Secured Parties.

3.2 First legal mortgages

Each Chargor charges by way of first legal mortgage the Properties, and all Premises and Fixtures on each of the Properties.

3.3 Assignments

- (a) Each Chargor assigns (subject to a proviso for reassignment on redemption):
 - (i) Relevant Agreements to which it is a party; and
 - (ii) the Relevant Policies to which it is a party.
- (b) Each Chargor shall remain liable to perform all its obligations under the Relevant Agreements and the Relevant Policies to which it is a party.
- (c) Notwithstanding the other terms of this Clause 3.3, prior to the occurrence of a Declared Default which is continuing, each Chargor may, subject to the other terms of the Finance Documents, continue to exercise all and any of its rights under and in connection with the Relevant Agreements.

3.4 First fixed charges

Each Chargor charges by first fixed charge:

- (a) all interests and estates in any Secured Property now or subsequently owned by it (other than any freehold, leasehold or commonhold property effectively charged by way of legal mortgage under Clause 3.2) and, in each case, the Premises and Fixtures on each such Secured Property;
- (b) the proceeds of sale of its Secured Property and all licences to enter on or use any Secured Property;
- (c) the benefit of all other agreements, instruments and rights relating to its Secured Property;
- (d) all plant, machinery, vehicles, computers, office and other equipment, all furniture, furnishings, equipment and tools and any removals or replacement of them, (together **Chattels**) present and future and the benefit of all contracts, licences, warranties, maintenance contracts relating to them and any renewals and replacements of them;
- (e) the Subsidiary Shares together with all Related Rights;
- (f) the Investments together with all Related Rights;
- (g) all book and other debts due to the relevant Chargor and their proceeds (both collected and uncollected) (together **Debts**) and all rights, guarantees, security or other collateral in respect of the Debts (or any of them) and the benefit of any judgment or order to pay a sum of money and all rights to enforce the Debts (or any of them);
- (h) all monies from time to time standing to the credit of each Blocked Account;
- (i) all monies from time to time standing to the credit of each account held by the relevant Chargor with any bank, building society, financial institution or other person other than any Blocked Account (each an **Account**);
- (j) all its Material Intellectual Property;
- (k) all its goodwill and uncalled capital;

- (l) the benefit of all Authorisations held or utilised by it in connection with its business or the use of any of its assets and the right to recover and receive compensation payable in respect of any of them; and
- (m) to the extent that any assignment in Clause 3.3 is ineffective as an assignment, the assets referred to in that clause.

3.5 Floating charge

Each Chargor charges by way of first floating charge all its assets and undertaking wherever located both present and future other than any assets effectively charged by way of legal mortgage or fixed charge or assigned under Clauses 3.2, 3.3 or 3.4.

3.6 Qualifying floating charge

This Deed contains a qualifying floating charge and paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by or under this Deed.

3.7 Conversion of floating charge to a fixed charge

The Security Agent may at any time by notice in writing to any Chargor convert the floating charge created under Clause 3.5 into a fixed charge as regards any Floating Charge Asset as it shall specify in the notice if:

- (a) a Declared Default is continuing; or
- (b) in the opinion of the Security Agent (acting reasonably) that Floating Charge Asset is in danger of being seized or any legal process or execution is being enforced against that Floating Charge Asset, in which event, the conversion to a fixed charge shall only affect that Floating Charge Asset.

3.8 Automatic conversion of floating charge to a fixed charge

If (unless permitted in writing by the Security Agent or expressly permitted under the terms of any Finance Document):

- (a) a Chargor creates or attempts to create any Security over any of its Floating Charge Assets;
- (b) any person levies or attempts to levy any distress, attachment, execution or other legal process against any Floating Charge Asset; or
- (c) any corporate action, legal proceedings or other procedures or steps are taken for the winding up, dissolution, administration or reorganisation of any Chargor,

the floating charge created by this Deed will automatically and immediately without notice be converted into a fixed charge over the relevant assets or, in the circumstances described in Clause 3.8(c), over all of the Floating Charge Assets of that Chargor.

3.9 Moratorium

- (a) Subject to Clause 3.9(b), the floating charge created by clause 3.5 may not be converted into a fixed charge solely by reason of:
 - (i) the obtaining of a moratorium; or
 - (ii) anything done with a view to obtaining a moratorium, under Part A1 of the Insolvency Act 1986.

- (b) Clause 3.9(a) does not apply in respect of any floating charge referred to in subsection (4) of section A52 of Part A1 of the Insolvency Act 1986.

4. CONTINUING SECURITY

- 4.1 The Security constituted by this Deed shall be continuing security and shall remain in full force and effect, unless and until discharged by the Security Agent regardless of any intermediate payment or discharge by any Chargor or any other person of the whole or any part of the Secured Obligations.

4.2 Recourse

The Security constituted by this Deed:

- (a) is in addition to any other Security which any Finance Party may hold at any time for the Secured Obligations (or any of them); and
- (b) may be enforced without first having recourse to any other rights of any Finance Party.

5. NEGATIVE PLEDGE

- 5.1 No Chargor shall create or permit to subsist any Security over any of its assets, except in accordance with the terms of the Facilities Agreement or with the prior written consent of the Security Agent.

5.2 No Chargor shall:

- (a) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by a Chargor or any other member of the Group;
- (b) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
- (c) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
- (d) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

- 5.3 Clauses 5.1 and 5.2 do not apply to any Security or arrangement which is Permitted Security or a Permitted Transaction.

6. RESTRICTIONS ON DISPOSALS

- 6.1 No Chargor shall enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any Secured Assets.

6.2 Clause 6.1 does not apply to:

- (a) any Permitted Disposal;
- (b) any Permitted Transaction;
- (c) any disposal giving effect to a Liabilities Acquisition which is permitted by, and as defined in, the Intercreditor Agreement; or
- (d) any agreement for sale, lease, transfer or other disposal which will when completed be a Permitted Disposal or a Permitted Transaction.

7. FURTHER ASSURANCE

7.1 Subject to the Agreed Security Principles, each Chargor shall promptly do all such acts and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require) in favour of the Security Agent or its nominee(s):

- (a) to create, perfect, protect and maintain the Security created or intended to be created under or evidenced by this Deed or for the exercise of any rights, powers and remedies of the Security Agent or the Finance Parties provided by or pursuant to this Deed or by law;
- (b) to confer on the Security Agent or the Finance Parties Security over any property and assets of that Chargor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to this Deed; and/or
- (c) (if a Declared Default has occurred and is continuing) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created by or under this Deed.

7.2 Subject to the Agreed Security Principles, each Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Finance Parties by or pursuant to this Deed.

7.3 Any document required to be executed by a Chargor under this Clause 7 will be prepared at the cost of that Chargor.

8. LAND REGISTRY

8.1 Application for restriction

- (a) In relation to the Secured Properties comprising land and buildings situated in England and Wales title to which is registered or is to be registered at the Land Registry (and any unregistered properties subject to compulsory first registration at the date of this Deed), each Chargor consents to an application being made to the Chief Land Registrar for registration of a restriction on the register of title of all such Secured Property or commonhold property of that Chargor.
- (b) Each Chargor confirms that so far as any of the Secured Property is unregistered, a Chargor is in actual occupation of such Secured Property on an exclusive basis and, except by virtue of any leases, underleases, tenancies, licences or other agreements or arrangements giving rise to rights of occupation (in each case as amended) to which the Secured Property is subject, no person, other than a Chargor, has any right (actual or contingent) to possession, occupation or use of or interest in the Secured Properties.

8.2 Tacking and further advances

The Lenders are, subject to the terms of the Facilities Agreement, under an obligation to make further advances to the Borrowers and this security has been made for securing such further advances. The Security Agent and each Chargor by this Deed consent to an application being made to the Chief Land Registrar to enter a note of such obligation on the register of title to all present and future registered property of that Chargor (and any unregistered properties subject to compulsory first registration at the date of this Deed).

9. NOTICES OF ASSIGNMENTS AND CHARGES

9.1 Relevant Agreements

- (a) Save in respect of any Relevant Agreements assigned pursuant to the Existing Security Documents and subject at all times to the operation of Clause 7 (*Further assurance*), each Chargor which is party to a Relevant Agreement shall give notice in the form specified in Part 1 (*Form of notice of assignment*) of Schedule 4 to the other parties to each Relevant Agreement that the Chargor has assigned to the Security Agent all its right, title and interest in that Relevant Agreement.
- (b) The relevant Chargor shall give the notices referred to in Clause 9.1(a):
 - (i) in the case of each Relevant Agreement in existence as at the date of this Deed, on the date of this Deed; and
 - (ii) in the case of each Relevant Agreement coming into existence or being designated as such after the date of this Deed, promptly upon written notice from the Security Agent at a time when an Event of Default is continuing.
- (c) The relevant Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice in substantially the form specified in Part 2 (*Form of acknowledgement*) of Schedule 4.

9.2 Insurance Policies

- (a) Save in respect of any Relevant Policies assigned pursuant to the Existing Security Documents and subject at all times to the operation of Clause 7 (*Further assurance*), each Chargor which is an insured party under a Relevant Policy shall give notice in the form specified in Part 1 (*Form of notice of assignment*) of Schedule 5 to each insurer under each Relevant Policy that the Chargor has assigned to the Security Agent all its right, title and interest in that Relevant Policy.
- (b) The relevant Chargor shall give the notices referred to in Clause 9.2(a):
 - (i) in the case of each Relevant Policy subsisting at the date of this Deed, within 5 Business Days of the date of this Deed; and
 - (ii) in the case of each Relevant Policy coming into existence after the date of this Deed, promptly upon written notice from the Security Agent at a time when an Event of Default is continuing.
- (c) The relevant Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice in substantially the form specified in Part 2 (*Form of acknowledgement*) of Schedule 5.
- (d) If the Security Agent receives, prior to the occurrence of a Declared Default which is continuing, any sum in respect of a Relevant Policy which represents Excluded Insurance Proceeds because the relevant Chargor is required or otherwise intends to apply such sum towards a purpose specified in the definition of Excluded Insurance Proceeds in clause 11.2 (*Disposal, Insurance, Acquisition and Floatation Proceeds and Excess Cashflow*) of the Facilities Agreement, the Security Agent shall, as soon as reasonably practicable and in any event within 5 Business Days following receipt of a written request from the relevant Chargor transfer such sum to that Chargor and, at the cost of the relevant Chargor, take any other action reasonably requested by the Chargor

in order to allow that Chargor to apply such sum in accordance with the terms of the Facilities Agreement.

9.3 Blocked Accounts

- (a) Save in respect of any Blocked Accounts charged pursuant to the Existing Security Documents and subject at all times to the operation of Clause 7 (*Further assurance*), each Chargor holding a Blocked Account shall give notice in the form specified in Part 1 (*Form of notice of charge*) of Schedule 6 to the financial institution at which such Blocked Account is held (if such financial institution is not a Finance Party) that the Chargor has created a fixed charge over the balance standing to the credit of that Blocked Account.
- (b) The relevant Chargor shall give the notices referred to in Clause 9.3(a):
 - (i) in the case of a Blocked Account held by that Chargor at the date of this Deed, within 5 Business Days of the date of this Deed; and
 - (ii) in the case of a Blocked Account opened after the date of this Deed, promptly following that Blocked Account being opened.
- (c) The relevant Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice in substantially the form specified in Part 2 (*Form of acknowledgement*) of Schedule 6.
- (d) By entering into this Deed, each Chargor holding a Blocked Account with a Finance Party gives notice to a Finance Party that it has created a fixed charge over the balance standing to the credit of the Blocked Account.

9.4 Charge over accounts

- (a) Save in respect of any Accounts charged pursuant to the Existing Security Documents and subject at all times to the operation of Clause 7 (*Further assurance*), each Chargor holding an Account shall give notice in the form specified in Part 1 (*Form of notice of charge*) of Schedule 7 to the financial institution at which such Account is held (if such financial institution is not a Finance Party) that the Chargor has created a fixed charge over the balance standing to the credit of that Account and the Security Agent shall, as soon as reasonably practicable, countersign any such notice at the request of the Chargor.
- (b) The relevant Chargor will give the notices referred to in Clause 9.4(a):
 - (i) in the case of an Account held by that Chargor at the date of this Deed, within 5 Business Days of the date of this Deed; and
 - (ii) in the case of an Account opened after the date of this Deed, promptly following that Account being opened.
- (c) The relevant Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice substantially in the form specified in Part 2 (*Form of acknowledgement*) of Schedule 7, unless the Account is held with the a Finance Party.
- (d) By entering into this Deed, each Chargor holding an Account with a Finance Party gives notice to a Finance Party that it has created a fixed charge over the balance standing to the credit of the Account.

9.5 Register of Trade Marks

Each Chargor as registered proprietor hereby appoints the Security Agent as its agent to apply for the particulars of this Deed and the interest of the Finance Parties in the Material Intellectual Property and any other or future trademarks or trade mark applications registered or to be registered in the United Kingdom in the name of that Chargor, to be made on the Register of Trade Marks under section 25(1) of the Trade Marks Act 1994. Each Chargor hereby agrees to execute all documents and forms reasonably required to enable such particulars to be entered on the Register of Trade Marks.

10. UNDERTAKINGS

Each Chargor undertakes to the Security Agent in accordance with this Clause 10. The undertakings in this Clause 10 shall remain in force during the Security Period.

10.1 Real property

(a) Access

If an Event of Default is continuing, it will permit the Security Agent and such person or persons as the Security Agent shall nominate at all reasonable times and on reasonable notice to enter on any part of its Secured Property.

(b) Future acquisitions and legal mortgage

It shall:

- (i) notify the Security Agent promptly of any acquisition of any freehold (with a value of more than £1,000,000), leasehold (provided the term of the leasehold exceeds 25 years) or other interest in freehold or leasehold property where it shall have the benefit of any such property;
- (ii) at its cost, execute and deliver to the Security Agent on demand, a legal mortgage (in form and substance satisfactory to the Security Agent and in substantially the same terms as this Deed) in favour of the Security Agent of any freehold (with a value of more than £1,000,000) or leasehold (if leasehold of a term longer than 25 years remaining on the lease) or other interest in property which becomes vested in it after the date of this Deed (subject to the Agreed Security Principles);
- (iii) use its reasonable endeavours to obtain any consents required for the Security referred to in this Clause 10.1(b); and
- (iv) if applicable procure that notice of this Deed is noted in the appropriate manner on the title to any property which becomes vested in it after the date of this Deed.

(c) Deposit of title deeds

It shall deposit with the Security Agent all deeds and documents to title in its possession or under its control relating to its Secured Property.

(d) Outgoings

It will indemnify the Security Agent and any Receiver against all present and future rents, rates, taxes, assessments and outgoings of whatsoever nature imposed on or

payable in respect of its Secured Property or any part of it or payable by the owner or occupier of it upon the same becoming due and payable.

10.2 Leases

(a) Lease and covenant compliance

It shall:

- (i) perform all the terms on its part contained in any lease or agreement for lease under which it holds an interest in a Secured Property or to which any of its Secured Property is subject;
- (ii) properly perform (and indemnify the Security Agent and each Receiver for any breach of) any covenants and stipulations of whatsoever nature affecting any of its Secured Property; and
- (iii) as soon as reasonably practicable notify the Security Agent of any notice received by it under section 146 of the Law of Property Act 1925 or any proceedings commenced or steps taken against it for the forfeiture of any lease under which it holds an interest in a Secured Property,

in the case of (i) and (ii) above, where failure to do so will, or is reasonably likely to, be materially adverse to the Security Agent.

(b) Landlord's consent

If under the terms of any lease under which it holds an interest in any Secured Property, the Chargor is not permitted to charge its interest in such Secured Property without the consent of the landlord;

- (i) it undertakes, upon request of the Security Agent and promptly to make an application for landlord's consent to the creation of the fixed charge contained in Clause 3.4 (*First fixed charges*) and any charge to be created under Clause 7 (*Further assurance*), shall use all reasonable endeavours to obtain such consent as soon as possible and shall keep the Security Agent (upon request acting reasonably) informed of the progress of its negotiations with such landlord;
- (ii) subject to Clause 10.2(b)(iii):
 - (A) no breach of clause 26.1 (*Authorisations*) of the Facilities Agreement nor any other representation in the Finance Documents shall occur by virtue of the Chargor's failure to have obtained such landlord's consent; and
 - (B) if the landlord indicates in writing that it proposes to commence, or commences an action of forfeiture of the lease, the Security Agent shall release from such fixed charge, the relevant Chargor's interest in the lease;
- (iii) Clause 10.2(b)(ii) shall only apply where the relevant Chargor has complied with its obligations under Clause 10.2(b)(ii), but the landlord has not given the consent requested of it;
- (iv) upon receipt by the Security Agent of evidence in writing of the unconditional consent of the landlord to the creation and existence of the fixed charge over

the Chargor's interest in such lease, Clause 10.2(b)(ii) shall cease to apply in respect of the relevant Secured Property.

(c) **No variation to lease**

It shall not without the prior written consent of the Security Agent alter or vary or agree to alter or vary the terms of any material lease under which it holds any Secured Property or any lease to which any Secured Property is subject, where failure to do so will, or is likely to be materially adverse to the Security Agent.

(d) **No surrender or termination**

It shall not without the prior written consent of the Security Agent or as permitted by the Facilities Agreement, surrender or otherwise terminate any lease under which it holds a Secured Property or terminate, forfeit or accept a surrender of any lease to which any Secured Property is subject.

(e) **Lease or right to occupy**

It will not without the prior written consent of the Security Agent, or as permitted by the Facilities Agreement:

- (i) grant any lease or tenancy or exercise any other power of leasing of the whole or part of any Secured Property; or
- (ii) grant any person any contractual licence or the right to occupy any Secured Property or part with possession of it.

(f) **Forfeiture**

It shall not do or permit anything which may render any lease or agreement for lease under which it holds an interest in a Secured Property, or to which the Secured Property is subject, liable to forfeiture or otherwise determinable and where failure to do so will, or is likely to be materially adverse to the Security Agent.

10.3 Chattels

- (a) It will keep all Chattels comprised in its Secured Assets in good working order and condition (ordinary wear and tear excepted) where failure to do so will have a Material Adverse Effect.
- (b) Where failure to do so will have a Material Adverse Effect, it shall repair as and when necessary any material defect or damage to any of its Chattels as soon as reasonably practicable and if it fails to do so the Security Agent may (acting reasonably) but shall not be obliged to, do so.

10.4 Subsidiary Shares and Investments

- (a) On the later of:
 - (i) the date falling 5 Business Days from the date of this Deed; and
 - (ii) as soon as reasonably practicable following the date of acquisition of those Subsidiary Shares, Investments or Related Rights (in particular, taking into

account any requirement to submit any transfer documents to HM Revenue & Customs for stamping)

it shall:

- (A) deliver to the Security Agent all certificates of title and other documents of title or evidence of ownership in respect of its Subsidiary Shares or Investments and the Related Rights, save for in respect of any such title or other documents already delivered to the Security Agent pursuant to the Existing Security Documents; and
 - (B) deliver to the Security Agent such transfer documents (with the transferee left blank) or any other documents as the Security Agent may require (acting reasonably) or otherwise request in respect of those Subsidiary Shares, Investments and Related Rights, save for in respect of any such transfer documents or other documents already delivered to the Security Agent pursuant to the Existing Security Documents.
- (b) Until a Declared Default has occurred, it shall be entitled to receive and retain all dividends, distributions and other monies receivable in respect of its Subsidiary Shares, Investments and Related Rights.
 - (c) It shall not exercise its voting and other rights in respect of its Subsidiary Shares, Investments and Related Rights in a manner which is reasonably likely to be materially prejudicial to the interests of the Security Agent.
 - (d) It shall make all payments which may become due and payable in respect of any of its Subsidiary Shares, Investments and Related Rights. If it fails to make any such payments, the Security Agent may but shall not be obliged to make such payment on behalf of the relevant Chargor. Any sums so paid by the Security Agent shall be repayable by the relevant Chargor to the Security Agent on demand and pending such repayment shall constitute part of the Secured Obligations.
 - (e) It shall remain liable to observe and perform all of the conditions and obligations assumed by it in respect of its Subsidiary Shares, Investments and Related Rights and the Security Agent shall not be required to perform or fulfil any obligation of any Chargor in respect of any Subsidiary Shares, Investments or Related Rights.
 - (f) It shall comply with any notice served on it under CA 2006 or pursuant to the articles of association or any other constitutional document of any relevant entity in respect of or in connection with the Subsidiary Shares, Investments or Related Rights and will, as soon as reasonably practicable provide to the Security Agent a copy of that notice.
 - (g) It shall ensure that none of its Subsidiary Shares are converted into uncertificated form without the prior written consent of the Security Agent (consent not to be unreasonably withheld).
 - (h) As soon as reasonably practicable on conversion of any of its Subsidiary Shares, Investment or Related Rights from a certificated to an uncertificated form, and on the acquisition by it of any Subsidiary Shares, Investments or Related Rights in an uncertificated form, it shall give such instructions or directions and take such other steps and enter into such documentation as the Security Agent may (acting reasonably) require in order to protect or preserve the Security intended to be created by this Deed.

10.5 Insurance

- (a) It shall comply with clause 26.24 (*Insurance*) of the Facilities Agreement.
- (b) If a Chargor shall be in default of effecting or maintaining insurances or in producing any such policy or receipt to the Security Agent on demand, the Security Agent may (acting reasonably) take out or renew such insurances in any sum which the Security Agent may think expedient and all monies expended and costs incurred by the Security Agent under this provision shall be for the account of any such Chargor.

10.6 Book and other debts

It shall collect and realise the Debts in the ordinary course of business as agent for the Security Agent and pay their proceeds into the relevant Account (in accordance with the Facilities Agreement) on receipt. It shall hold all such proceeds on trust for the Security Agent pending payment of them into the relevant Account.

10.7 Intellectual Property

The Chargor shall:

- (a) do all acts as are reasonably practicable to maintain, protect and safeguard (including, without limitation, registration with all relevant authorities) its interest in the Material Intellectual Property and not discontinue the use of any of its Material Intellectual Property; and
- (b) take all such reasonable steps, including the commencement of legal proceedings, as may be necessary to safeguard and maintain the validity, reputation, integrity, registration or subsistence of its interest in the Material Intellectual Property, necessary for the business of the relevant Chargor,

in each case where a failure to do so is reasonably likely to have a Material Adverse Effect.

10.8 General

It shall not do or cause or permit to be done anything which is or is reasonably likely to materially depreciate, jeopardise or otherwise materially prejudice the value to the Security Agent of the Security (taken as a whole) created by or under this Deed except to the extent permitted by the Facilities Agreement or this Deed.

11. POWER TO REMEDY

11.1 If a Chargor fails to comply with any of the undertakings set out in Clause 10 (*Undertakings*) it shall allow and irrevocably authorises the Security Agent and/or such persons as it shall nominate to take such action on behalf of that Chargor as shall be reasonably necessary to ensure that it complies with those undertakings.

11.2 If any Chargor fails to promptly perform any obligation or other covenant affecting the Secured Property or other Secured Asset, each Chargor shall permit the Security Agent or its agents and contractors:

- (a) to enter on the Secured Property;
- (b) to comply with or object to any notice served on any Chargor relating to the Secured Property or other Secured Asset; and
- (c) to take any action the Security Agent may reasonably consider expedient to prevent or remedy any breach of any such term or to comply with or object to any such notice.

- 11.3 Each Chargor shall within 3 Business Days of demand indemnify the Security Agent against any cost, loss or liability incurred by it in taking any of the steps referred to in this Clause 11.

12. SECURITY POWER OF ATTORNEY

Following the occurrence of a Declared Default or the failure of a Chargor to comply with Clause 7 (*Further Assurance*), each Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any of their delegates or sub-delegates to be its attorney to take any action which the Chargor is obliged to take under this Deed (but has, after receiving written notice from the Security Agent or a Receiver requiring it to do so, failed to do) for so long as the Security Agent or Receiver considers (acting reasonably) necessary to do so. Each Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this Clause 12.

13. ENFORCEMENT OF SECURITY

13.1 When security is enforceable

On the occurrence of any Declared Default which is continuing, the Security created by and under this Deed is immediately enforceable.

13.2 Acts of enforcement

The Security Agent may, at its absolute discretion, at any time after any Declared Default:

- (a) enforce all or any part of the Security created by or under this Deed in any manner it sees fit;
- (b) exercise its rights and powers conferred upon mortgagees by the Law of Property Act 1925, as varied and extended by this Deed, and rights and powers conferred on a Receiver by this Deed, whether or not it has taken possession or appointed a Receiver to any of the Secured Assets;
- (c) appoint a Receiver to all or any part of the Secured Assets;
- (d) appoint an administrator in respect of any Chargor and take any steps to do so;
- (e) exercise its power of sale under section 101 of the Law of Property Act 1925 (as amended by this Deed); or
- (f) if permitted by law, appoint an administrative receiver in respect of any Chargor.

13.3 Right of appropriation

To the extent that the Security created by this Deed constitutes a “security financial collateral arrangement” and the Secured Assets constitute “financial collateral” for the purpose of the Financial Collateral Arrangements (No 2) Regulations 2003 (**Regulations**), the Security Agent shall have the right on giving prior notice to the relevant Chargor, at any time after the Security becomes enforceable, to appropriate all or any part of those Secured Assets in or towards discharge of the Secured Obligations. For this purpose, the parties agree that the value of the appropriated Secured Assets shall be, in the case of cash, the amount of cash appropriated and, in the case of Subsidiary Shares and Investments, determined by the Security Agent by reference to any available publicly available market price in the absence of which by such other means as the Security Agent (acting reasonably) may select including, without limitation, an independent valuation. For the purpose of Regulation 18(1) of the Regulations, each Chargor agrees that any

such determination by the Security Agent will constitute a valuation “in a commercially reasonable manner”.

13.4 Statutory powers - general

- (a) For the purposes of all powers implied by statute, the Secured Obligations are deemed to have become due and payable on the date of this Deed.
- (b) Section 103 of the Law of Property Act 1925 and section 93 of the Law of Property Act 1925 do not apply to the Security constituted by or under this Deed.
- (c) The statutory powers of leasing conferred on the Security Agent are extended so that, without the need to comply with any provision of section 99 or section 100 of the Law of Property Act 1925, the Security Agent is empowered to lease and make agreements for lease at a premium or otherwise, accept surrenders of leases and grant options or vary or reduce any sum payable under any leases or tenancy agreements as it may think fit.
- (d) Each Receiver and the Security Agent is entitled to all the rights, powers, privileges and immunities conferred by the Law of Property Act 1925 and the Insolvency Act 1986 on mortgagees and Receivers.

13.5 Contingencies

If the Security Agent enforces the Security constituted by or under this Deed at a time when no amounts are due to any Finance Party under the Finance Documents but at a time when amounts may or will become so due, the Security Agent (or the Receiver) may pay the proceeds of any recoveries effected by it into an interest bearing suspense account except where such monies are sufficient to discharge the Secured Obligations in which case the monies will be so applied.

13.6 Mortgagee in possession - no liability

Neither the Security Agent nor any Receiver will be liable, by reason of entering into possession of a Secured Asset, to account as mortgagee in possession or for any loss on realisation (except actual receipts) or for any default or omission for which a mortgagee in possession might otherwise be liable.

13.7 Redemption of prior mortgages

At any time after the Security created by or under this Deed has become enforceable, the Security Agent may, at the sole cost of the Chargors (payable to the Security Agent on demand):

- (a) redeem any prior form of Security over any Secured Asset; and/or
- (b) procure the transfer of that Security to itself; and/or
- (c) settle and pass the accounts of any prior mortgagee, chargee or encumbrancer which once so settled and passed shall be conclusive and binding on the Chargors.

13.8 Subsidiary Shares and Investments – following a Declared Default

- (a) If there is a Declared Default, each Chargor shall on request by the Security Agent:
 - (i) procure that each such transfer is as soon as reasonably practicable registered by the relevant company or other entity;
 - (ii) procure that, immediately on their issue, all share certificates or other documents of title in the appropriate form, in respect of the relevant Subsidiary Shares, Investments and/or Related Rights, are delivered to the Security Agent

in each case showing the registered holder as the Security Agent or its nominee or nominees (as applicable); and

- (iii) exercise all voting rights in respect of its Subsidiary Shares, Investments and Related Rights only in accordance with the instructions of the Security Agent.
- (b) On a Declared Default, the Security Agent may complete any transfer documents held by it in respect of the Subsidiary Shares, the Investments and/or the Related Rights in favour of itself or such other person or nominee as it shall select.
- (c) At any time after the Security created by or under this Deed has become enforceable, the Security Agent and its nominee or nominees may sell all or any of the Subsidiary Shares, Investments or Related Rights of the Chargors (or any of them) in any manner permitted by law and on such terms as the Security Agent shall in its absolute discretion determine.
- (d) If any Chargor receives any dividends, distributions or other monies in respect of its Subsidiary Shares, Investments and Related Rights at a time when the Security Agent has made a request under Clause 13.8(a) or taken any steps to enforce the Security created by or under this Deed under Clause 13.2, the relevant Chargor shall immediately pay such sums received directly to the Security Agent for application in accordance with Clause 16 (*Application of monies*) and shall hold all such sums on trust for the Security Agent pending payment of them to such account as the Security Agent shall direct.

14. RECEIVER

14.1 Appointment of Receiver

- (a)
 - (i) At any time after any Security created by or under this Deed is enforceable, the Security Agent may appoint a Receiver to all or any part of the Secured Assets in accordance with Clause 13.2(c) (*Acts of enforcement*).
 - (ii) At any time, if so requested in writing by any Chargor, without further notice, the Security Agent may appoint a Receiver to all or any part of the Secured Assets as if the Security Agent had become entitled under the Law of Property Act 1925 to exercise the power of sale conferred under the Law of Property Act 1925.
- (b) Any Receiver appointed under this Deed shall be the agent of the relevant Chargor and that Chargor shall be solely responsible for his acts or defaults and for his remuneration and liable on any contracts or engagements made or entered into by him unless directly caused by his gross negligence or misconduct and in no circumstances whatsoever shall the Security Agent be in any way responsible for any misconduct, negligence or default of the Receiver.
- (c) The Security Agent 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 Part A1 of the Insolvency Act 1986 other than in respect of a floating charge referred to in subsection (4) of section A52 of Part A1 of the Insolvency Act 1986.

14.2 Removal

The Security Agent may by written notice remove from time to time any Receiver appointed by it (subject to the provisions of section 45 of the Insolvency Act 1986 in the case of an administrative receiver) and, whenever it may deem appropriate, appoint a new Receiver in the place of any Receiver whose appointment has terminated.

14.3 Powers of Receiver

(a) General

- (i) In addition to those conferred by the Law of Property Act 1925 on any Receiver appointed under that Act, each Receiver has, and is entitled to exercise, all of the rights, powers and discretions set out in this Clause 14.3.
- (ii) If there is more than one Receiver holding office at the same time, unless the document appointing him states otherwise, each Receiver may exercise all of the powers conferred on a Receiver under this Deed or under the Insolvency Act 1986 individually and to the exclusion of any other Receivers.
- (iii) A Receiver of a Chargor has all the rights, powers and discretions of an administrative receiver under the Insolvency Act 1986.
- (iv) A Receiver may, in the name of any Chargor:
 - (A) do all other acts and things which he may consider expedient for realising any Secured Asset; and
 - (B) exercise in relation to any Secured Asset all the powers, authorities and things which he would be capable of exercising if he were its absolute beneficial owner.

(b) Borrow money

A Receiver may raise and borrow money (either unsecured or on the security of any Secured Asset, either in priority to the security constituted by this Deed or otherwise) on any terms and for whatever purpose which he thinks fit. No person lending that money need enquire as to the propriety or purpose of the exercise of that power or to check the application of any money so raised or borrowed.

(c) Carry on business

A Receiver may carry on the business of any relevant Chargor as he thinks fit and, for the avoidance of doubt, a Receiver may apply for such Authorisations as he considers in his absolute discretion appropriate.

(d) Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of any relevant Chargor or relating in any way to any Secured Asset.

(e) Delegation

A Receiver may delegate his powers in accordance with Clause 15 (*Delegation*).

(f) Employees

For the purposes of this Deed, a Receiver as he thinks appropriate, on behalf of the relevant Chargor or for itself as Receiver, may:

- (i) appoint and discharge managers, officers, agents, accountants, servants, workmen and others upon such terms as to remuneration or otherwise as he may think proper; and
- (ii) discharge any such persons appointed by the relevant Chargor.

(g) Leases

A Receiver may let any Secured Asset for any term and at any rent (with or without a premium) which he thinks proper and may accept a surrender of any lease or tenancy of any Secured Assets on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender).

(h) Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings or submit to arbitration or any form of alternative dispute resolution in the name of the relevant Chargor in relation to any Secured Asset as he considers expedient.

(i) Possession

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

(j) Protection of assets

A Receiver may, in each case as he may think fit:

- (i) make and effect all repairs and insurances and do all other acts which the relevant Chargor might do in the ordinary conduct of its business be they for the protection or for the improvement of the Secured Assets;
- (ii) commence and/or complete any building operations on the Secured Property or other Secured Asset; and
- (iii) apply for and maintain any planning permission, building regulation approval or any other permission, consent or licence.

(k) Receipts

A Receiver may give valid receipts for all monies and execute all assurances and things which may be expedient for realising any Secured Asset.

(l) Sale of assets

A Receiver may sell, exchange, convert into monies and realise any Secured Asset by public auction or private contract in any manner and on any terms which he thinks proper. The consideration for any such transaction may consist of cash, debenture or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit. Fixtures and any plant and machinery annexed to any part of the Secured Property may be severed and sold separately from the property containing them without the consent of the relevant Chargor.

(m) **Subsidiaries**

A Receiver may form a Subsidiary of the relevant Chargor and transfer to that Subsidiary any Secured Asset.

(n) **Deal with Secured Assets**

A Receiver may, without restriction sell, let or lease, or concur in selling, letting or leasing, or vary the terms of, determine, surrender or accept surrenders of, leases or tenancies of, or grant options and licences over or otherwise dispose of or deal with, all or any part of the Secured Assets without being responsible for loss or damage, and so that any such sale, lease or disposition may be made for cash payable by instalments, loan stock or other debt obligations or for shares or securities of another company or other valuable consideration. The Receiver may form and promote, or concur in forming and promoting, a company or companies to purchase, lease, licence or otherwise acquire interests in all or any of the Secured Assets or otherwise, arrange for such companies to trade or cease to trade and to purchase, lease, license or otherwise acquire all or any of the Secured Assets on such terms and conditions whether or not including payment by instalments secured or unsecured as he may think fit.

(o) **Voting rights**

A Receiver may exercise all voting and other rights attaching to the Investments, Subsidiary Shares, Related Rights, and stocks, shares and other securities owned by that Chargor and comprised in the Secured Assets in such manner as he may think fit.

(p) **Security**

A Receiver may redeem any prior Security and settle and pass the accounts of the person entitled to the prior Security so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on that Chargor and the money so paid shall be deemed to be an expense properly incurred by the Receiver.

(q) **Acquire land**

The Receiver may purchase or acquire any land and purchase, acquire or grant any interest in or right over land.

(r) **Development**

A Receiver may implement or continue the development of (and obtain all consents required in connection therewith) and/or complete any buildings or structures on, any real property comprised in the Secured Property and do all acts and things incidental to the Secured Property.

(s) **Landlord's obligations**

A Receiver may on behalf of a Chargor and without consent of or notice that Chargor exercise all the powers conferred on a landlord or a tenant by the Landlord and Tenants Acts, the Rents Acts and Housing Acts or any other legislation from time to time in force in any relevant jurisdiction relating to rents or agriculture in respect of any part of the Secured Property.

(t) **Uncalled capital**

A Receiver may make calls conditionally or unconditionally on the members of any relevant Chargor in respect of uncalled capital.

(u) Incidental matters

A Receiver may do all other acts and things including without limitation, signing and executing all documents and deeds as may be considered by the Receiver to be incidental or conducive to any of the matters or powers listed here or granted by law or otherwise incidental or conducive to the preservation, improvement or realisation of the Secured Assets and to use the name of the relevant Chargor for all the purposes set out in this Clause 14.

14.4 Remuneration

The Security Agent may from time to time fix the remuneration of any Receiver appointed by it.

15. DELEGATION

15.1 The Security Agent and any Receiver may delegate by power of attorney or in any other manner all or any of the powers, authorities and discretions which are for the time being exercisable by the Security Agent and the Receiver (as appropriate) under this Deed to any person or persons as it shall think fit. Any such delegation may be made upon such terms and conditions (including the power to sub-delegate) as the Security Agent and Receiver (as appropriate) may think fit.

15.2 The Security Agent and any Receiver will not be liable or responsible to any Chargor or any other person for any losses, liabilities or expenses arising from any act, default, omission or misconduct on the part of any delegate.

16. APPLICATION OF MONIES

16.1 Sections 109(6) and (8) (Appointment, powers, remuneration and duties of receiver) of the Law of Property Act 1925 shall not apply to a Receiver appointed under this Deed.

16.2 All monies received by the Security Agent or any Receiver under this Deed shall be applied in accordance with the terms of the Intercreditor Agreement and applied in discharge of the Secured Obligations.

16.3 The Security Agent and any Receiver may place any money received, recovered or realised pursuant to this Deed in an interest bearing suspense account and it may retain the same for such period as it considers expedient without having any obligation to apply the same or any part of it in or towards discharge of the Secured Obligations except where such monies are sufficient to discharge the Secured Obligations in which case the monies will be so applied.

17. REMEDIES AND WAIVERS

17.1 No failure to exercise, nor any delay in exercising, on the part of the Security Agent or any Receiver, any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.

17.2 A waiver given or consent granted by the Security Agent under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

18. PROTECTION OF THIRD PARTIES

- 18.1 No person (including a purchaser) dealing with the Security Agent or a Receiver or its or his agents has an obligation to enquire of the Security Agent, Receiver or others:
- (a) whether the Secured Obligations have become payable;
 - (b) whether any power purported to be exercised has become exercisable;
 - (c) whether any Secured Obligations or other monies remain outstanding;
 - (d) how any monies paid to the Security Agent or to the Receiver shall be applied; or
 - (e) the status, propriety or validity of the acts of the Receiver or Security Agent.
- 18.2 The receipt of the Security Agent or any Receiver shall be an absolute and a conclusive discharge to a purchaser and shall relieve him of any obligation to see to the application of any monies paid to or by the direction of the Security Agent or any Receiver.
- 18.3 In Clauses 18.1 and 18.2, **purchaser** includes any person acquiring, for money or monies worth, any lease of, or Security over, or any other interest or right whatsoever in relation to, the Secured Assets or any of them.

19. ADDITIONAL SECURITY

The Security created by or under this Deed is in addition to and is not in any way prejudiced by any guarantee or security now or subsequently held by any Finance Party.

20. SETTLEMENTS CONDITIONAL

- 20.1 If the Security Agent (acting reasonably) believes that any amount paid by a Chargor or any other person in respect of the Secured Obligations is capable of being avoided or set aside for any reason, then for the purposes of this Deed, such amount shall not be considered to have been paid.
- 20.2 Any settlement, discharge or release between a Chargor and any Finance Party shall be conditional upon no Security or payment to or for that Finance Party by that Chargor or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any law relating to bankruptcy, insolvency or liquidation or otherwise.

21. SUBSEQUENT SECURITY

If the Security Agent or any Finance Party receives notice of any other subsequent Security or other interest affecting all or any of the Secured Assets (other than Permitted Security) it may open a new account or accounts for the relevant Chargor in its books. If it does not do so then, unless it gives express written notice to the contrary to the relevant Chargor, as from the time of receipt of such notice by the Security Agent or to any other Finance Party, all payments made by that Chargor to the Security Agent or any Finance Party shall be treated as having been credited to a new account of that Chargor and not as having been applied in reduction of the Secured Obligations.

22. SET-OFF

A Finance Party may set off any matured obligation due from a Chargor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Security

Agent may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

23. NOTICES

Any communication under this Deed or any other Security or Finance Document created by or under this Deed, shall be made and given in accordance with the terms of clause 36 (*Notices*) of the Facilities Agreement.

24. INVALIDITY

Clause 38 (*Partial Invalidity*) of the Facilities Agreement shall apply to this Deed as if set out here in full but so that references to the Finance Documents shall be construed as references to this Deed and any Security created by or under it.

25. ASSIGNMENT

Each Finance Party may assign or otherwise transfer all or any part of its rights under this Deed or any Security created by or under it in accordance with the terms of the Finance Documents.

26. RELEASES

Upon the expiry of the Security Period or in the event of a Permitted Disposal (in respect of the assets which are the subject of that Permitted Disposal) the Security Agent shall, at the request and cost of the Chargors, take whatever action is necessary to release and reassign to each relevant Chargor:

- (a) its rights arising under this Deed;
- (b) the Secured Assets (or the part of the Secured Assets which is subject to a Permitted Disposal) from the Security created by and under this Deed,

and return all documents or deeds of title delivered to it under this Deed.

27. CURRENCY CLAUSES

27.1 Clause 34.9 (*Currency of account*) of the Facilities Agreement shall apply to this Deed as if set out here in full but so that references to the Finance Documents shall be construed as references to this Deed and any Security created by or under it and references to the Obligors shall be construed as references to the Chargors.

27.2 If a payment is made to the Security Agent under this Deed in a currency (**Payment Currency**) other than the currency in which it is expressed to be payable (**Contractual Currency**), the Security Agent may convert that payment into the Contractual Currency at the rate at which it (acting reasonably and in good faith) is able to purchase the Contractual Currency with the Payment Currency on or around the date of receipt of the payment and to the extent that the converted amount of the payment falls short of the amount due and payable the Chargors will remain liable for such shortfall.

28. CERTIFICATES AND DETERMINATIONS

Clause 37.2 (*Certificates and determinations*) of the Facilities Agreement shall apply to this Deed as if set out here in full but so that references to the Finance Documents shall be construed as references to this Deed and any Security created by or under it.

29. INDEMNITY

Clause 19.2 (*Other Indemnities*) of the Facilities Agreement shall apply to the Deed except that references to “this Agreement” shall be read as “this Deed”.

30. EXCLUSION OF LIABILITY**30.1 No liability**

- (a) The Security Agent will not be liable for any action taken by it (or any omission to take action) under or in connection with any Supporting Document unless directly caused by its gross negligence or wilful misconduct.
- (b) Neither the Security Agent nor any Receiver shall be liable in respect of all or any part of the Secured Assets or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers unless such loss or damage is caused by its gross negligence or wilful acts of default and recklessness.

30.2 Officers and agents

No Obligor may take proceedings against any officer, employee or agent of the Security Agent in respect of any claim it might have against the Security Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Supporting Document and any officer, employee or agent of the Security Agent may rely on this Clause.

31. COSTS AND EXPENSES

Clause 21 (*Costs and Expenses*) of the Facilities Agreement shall apply to this Deed except that references to “this Agreement” shall be read as “this Deed”.

32. COUNTERPARTS

This Deed or any Finance Document entered into under or in connection with this Deed may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Deed or any such Finance Document entered into under or in connection with this Deed by e-mail attachment or telecopy shall be an effective mode of delivery.

33. GOVERNING LAW

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

34. ENFORCEMENT**34.1 Jurisdiction of English courts**

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a **Dispute**).
- (b) 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.

- (c) This Clause 34 is for the benefit of the Security Agent. As a result, the Security Agent 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 Agent may take concurrent proceedings in any number of jurisdictions.

This Deed has been entered into as a deed on the date given at the beginning of this Deed.

**SCHEDULE 1
THE CHARGORS**

Name	Jurisdiction of incorporation	Registered number
Smile Midco 2 Limited	England	10848759
Smile Bidco Limited	England	10848667
Bionic Services Group Limited	England	07159620
Bionic Services Limited	England	05949018
Bionic Financial Services Limited	England	07548195
UK Power Limited	England	03236875
Triple S Promotions Ltd	England	06046294
SK Utilities Ltd	England	09069153

**SCHEDULE 2
PROPERTIES**

REGISTERED LAND

None as at the date of this Deed.

SCHEDULE 3
SUBSIDIARY SHARES

Chargor	Name and registered number of Subsidiary	Number and class of shares
Smile Midco 2 Limited (registered number 10848759)	Smile Bidco Limited (registered number 10848667)	1 ordinary share of £1.00
Smile Bidco Limited (registered number 10848667)	Bionic Services Group Limited (registered number 07159620)	568,139 ordinary shares of £1.00
Bionic Services Group Limited (registered number 07159620)	Bionic Services Limited (registered number 05949018)	100 Ordinary shares of £1.00
Bionic Services Group Limited (registered number 07159620)	Bionic Financial Services Limited (registered number 07548195)	20,000 Ordinary shares of £1.00
Bionic Services Limited (registered number 05949018)	UK Power Limited (registered number 03236875)	2 Ordinary shares of £1.00
Bionic Services Group Limited (registered number 07159620)	Triple S Promotions Ltd (registered number 06046294)	100 Ordinary shares of £1.00
Bionic Services Group Limited (registered number 07159620)	SK Utilities Ltd (registered number 09069153)	200 Ordinary shares of £1.00

SCHEDULE 4
RELEVANT AGREEMENTS

Part 1
Form of notice of assignment

To: [●]

Dated: [●]

Dear Sirs

The agreement described in the attached schedule (Agreement)

We hereby notify you that we have assigned to [●] (Security Agent) as security trustee for itself and certain financial institutions all our right, title and interest in and to the Agreement.

We hereby confirm that:

1. we will remain liable under the Agreement to perform all the obligations assumed by us under the Agreement; and
2. none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Agreement.

We will also remain entitled to exercise all our rights, powers and discretions under the Agreement, and you should continue to deal with us in relation to the Agreement and give notices under the Agreement to us, unless and until you receive notice from the Security Agent to the contrary stating that the security has become enforceable. In this event, you should deal with the Security Agent in relation to the Agreement and all the rights, powers and discretions relating to the Agreement will be exercisable by, and notices must be given to, the Security Agent or as it directs.

Please sign and return the acknowledgement attached to one enclosed copy of this notice to the Security Agent and the other copy to us.

The provisions of this notice (and any non-contractual obligations arising out of or in connection with it) are governed by English law.

Yours faithfully

.....

for and on behalf of

[●] Limited

SCHEDULE

Date	Parties	Description
[●]	[●]	[●]

[Attach form of acknowledgment]

Part 2
Form of acknowledgement

To: [name of Security Agent]
[address]
To: [name of Chargor] (Chargor)
[address]
Dated: [●]

We acknowledge receipt of the notice of assignment (Notice) of which the above is a duplicate. Terms defined in the Notice shall have the same meaning when used in this acknowledgement. We confirm that:

- (a) there has been no amendment, waiver or release of any rights or interests in the Agreement since the date of the Agreement;
- (b) we will not agree to any amendment, waiver or release of any provision of the Agreement without the prior written consent of the Security Agent;
- (c) we shall act in accordance with the Notice;
- (d) as at the date of this acknowledgement we have not received any notice of assignment or charge of the Chargor’s interest in the Agreement in favour of any other person;
- (e) as at the date of this acknowledgement, we are not aware of any breach by the Chargor of the terms of the Agreement; and
- (f) we do not have and have not claimed or exercised any right or claim against the Chargor or exercised or attempted to exercise any right of set-off, counterclaim or other right relating to the Agreement.

The provisions of this acknowledgement (and any non-contractual obligations arising out of or in connection with it) are governed by English law.

For and on behalf of
[●]

**SCHEDULE 5
RELEVANT POLICIES**

**Part 1
Form of notice of assignment**

To: [insurer]

Dated: [●]

Dear Sirs

The insurance policies described in the attached schedule (Relevant Policies)

We hereby notify you that we have assigned to [●] (Security Agent) as security trustee for itself and certain financial institutions all our right, title and interest in and to the Relevant Policies.

We hereby confirm that:

1. we will remain liable under the Relevant Policies to perform all the obligations assumed by us under the Relevant Policies; and
2. none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Relevant Policies.

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

Please sign and return the acknowledgement attached to one enclosed copy of this notice to the Security Agent and the other copy to us.

The provisions of this notice (and any non-contractual obligations arising out of or in connection with it) are governed by English law.

Yours faithfully

.....

for and on behalf of

[●] Limited

SCHEDULE

Date of policy	Insured	Policy type	Policy number
[●]	[●]	[●]	[●]

[Attach form of acknowledgment]

Part 2

Form of acknowledgement

To: *[name of Security Agent]*

[address]

To: *[name of Chargor] (Chargor)*

[address]

Dated: [●]

We acknowledge receipt of the notice of assignment (Notice) of which the above is a duplicate. Terms defined in the Notice shall have the same meaning when used in this acknowledgement. We confirm that:

- (a) there has been no amendment, waiver or release of any rights or interests in any Relevant Policy since the date of such policy;
- (b) we will not agree to any amendment, waiver or release of any provision of any Relevant Policy without the prior written consent of the Security Agent;
- (c) we shall act in accordance with the Notice;
- (d) as at the date of this acknowledgement we have not received any notice of assignment or charge of the Chargor's interest in any Relevant Policy or the proceeds of any Relevant Policy in favour of any other person; and
- (e) we do not have and have not claimed or exercised any right or claim against the Chargor or exercised or attempted to exercise any right of set-off, counterclaim or other right relating to any Relevant Policy.

The provisions of this acknowledgement (and any non-contractual obligations arising out of or in connection with it) are governed by English law.

For and on behalf of

[insurance company]

SCHEDULE 6
BLOCKED ACCOUNTS

Part 1

Form of notice of charge

To: [insert name and address of account holding institution]

Dated: [●]

Dear Sirs

Account number: [●] (Blocked Account)

Sort code: [●]

Account holder: [●] Limited

We hereby notify you that we have charged by way of first fixed charge to [●] (Security Agent) as security trustee for itself and certain financial institutions all our right, title and interest in and to the monies from time to time standing to the credit of the Blocked Account.

We hereby irrevocably and unconditionally authorise and instruct you:

1. to hold all monies from time to time standing to the credit of the Blocked Account to the order of the Security Agent and accordingly to pay all or any part of those monies to the Security Agent (or as it may direct) promptly following receipt of written instructions from the Security Agent to that effect; and
2. to disclose to the Security Agent such information relating to us and the Blocked Account as the Security Agent may from time to time request you to provide.

We also advise you that:

- (a) we may not withdraw any monies from the Blocked Account without first having obtained the prior written consent of the Security Agent; and
- (b) the provisions of this notice may only be revoked or varied with the prior written consent of the Security Agent.

Please sign and return the acknowledgement attached to one enclosed copy of this notice to the Security Agent and the other copy to us.

The provisions of this notice (and any non-contractual obligations arising out of or in connection with it) are governed by English law.

Yours faithfully

for and on behalf of

[●] Limited

[Attach form of acknowledgment]

Part 2
Form of acknowledgement

To: *[name of Security Agent]*
 [address]

To: *[name of Chargor]* (**Chargor**)
 [address]

Dated: *[●]*

We acknowledge receipt of the notice of charge (Notice) of which the above is a duplicate. Terms defined in the Notice shall have the same meaning when used in this acknowledgement.

We confirm that:

- (a) we shall act in accordance with the Notice;
- (b) as at the date of this acknowledgement we have not received any notice of assignment or charge over the Chargor's interest in the Blocked Account in favour of any other person; and
- (c) we will not exercise any right of combination of accounts, set-off or lien over any monies standing to the credit of the Blocked Account.

The provisions of this acknowledgement (and any non-contractual obligations arising out of or in connection with it) are governed by English law.]

For and on behalf of

[account holding institution]

SCHEDULE 7
ACCOUNTS

Part 1
Form of notice of charge

To: [insert name and address of account holding institution]

Dated: [●]

Dear Sirs

Account number: [●] (Account)

Sort code: [●]

Account holder: [●] Limited

We hereby notify you that we have charged by way of first fixed charge to [●] (Security Agent) as security trustee for itself and certain financial institutions all our right, title and interest in and to the monies from time to time standing to the credit of the Account.

We hereby irrevocably and unconditionally authorise and instruct you:

1. to hold all monies from time to time standing to the credit of the Account to the order of the Security Agent and accordingly to pay all or any part of those monies to the Security Agent (or as it may direct) promptly following receipt of written instructions from the Security Agent to that effect; and
2. to disclose to the Security Agent such information relating to us and the Account as the Security Agent may from time to time request you to provide.

By countersigning this notice, the Security Agent authorises you to permit us to withdraw and otherwise deal with funds standing to the credit of the Account until:

- (a) you receive a notice in writing to the contrary from the Security Agent;
- (b) a petition is presented for a winding up order in respect of us or an application is made for an administration order in respect of us,

(whichever occurs first).

Please sign and return the acknowledgement attached to one enclosed copy of this notice to the Security Agent and the other copy to us.

The provisions of this notice (and any non-contractual obligations arising out of or in connection with it) are governed by English law.

Yours faithfully

.....

for and on behalf of [●] Limited

Countersigned for and on behalf of

the Security Agent:

[Attach form of acknowledgment]

Part 2
Form of acknowledgement

To: *[name of Security Agent]*
 [address]

To: *[name of Chargor]* (**Chargor**)
 [address]

Dated: *[●]*

We acknowledge receipt of the notice of charge (Notice) of which the above is a duplicate. Terms defined in the Notice shall have the same meaning when used in this acknowledgement.

We confirm that:

1. we shall act in accordance with the Notice;
2. as at the date of this acknowledgement we have not received any notice of assignment or charge or other security over the Chargor's interest in the Account in favour of any other person; and
3. we will not exercise any right of combination of accounts, set-off or lien over any monies standing to the credit of the Account.

The provisions of this acknowledgement (and any non-contractual obligations arising out of or in connection with it) are governed by English law.

For and on behalf of

[account holding institution]

SCHEDULE 8

FORM OF SECURITY DEED OF ACCESSION

This Deed is made on [●]

Between

- (1) [●] (registered in England with number [●]) for itself and for the Chargors (**Parent**);
- (2) [●] (registered in England with number [●]) (**Acceding Chargor**); and
- (3) [●] as security trustee for the Secured Parties (**Security Agent**).

Whereas

- (G) This Deed is supplemental to a debenture dated [●] between, inter alia, the Parent, the Chargors and the Security Agent (**Debenture**).
- (H) The Acceding Chargor has also entered into an Accession Deed to the Facilities Agreement on or about the date of this Security Deed of Accession and by doing so appoints the Parent as its agent on the terms set out in the Accession Deed.

It is agreed

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

- (a) Save to the extent otherwise defined in this Deed, terms defined in the Debenture have the same meaning when used in this Deed.
- (b) In this Deed, **Subsidiary Shares** means all shares present and future held by the Acceding Chargor or its Subsidiaries including those listed in Schedule 3 (*Subsidiary Shares*) to this Deed.

1.2 Interpretation

Clauses 1.2 (*Interpretation*), (i) (*Third party rights*), 1.4 (*Administration*), 1.5 (*Incorporated terms*), 1.6 (*Intercreditor Agreement*), 1.7 (*Personal Liability*) and 1.8 (*Conflict with the Facilities Agreement*) of the Debenture are incorporated in this Deed as if they were set out in full in this Deed, but so that references in those clauses to **this Deed** shall be construed as references to this Security Deed of Accession.

2. ACCESSION OF ACCEDING CHARGOR

2.1 Accession

The Acceding Chargor agrees to be a Chargor for the purposes of the Debenture with immediate effect and agrees to be bound by all of the terms of the Debenture as if it had originally been a party to it.

2.2 Covenant to pay

The Acceding Chargor covenants with the Security Agent as security trustee for the Secured Parties that it will pay and discharge the Secured Obligations when they become due for payment and discharge.

2.3 Charging provisions

All Security created by a Chargor under Clauses 2.4 to 2.7 inclusive is:

- (a) a continuing security for the payment and discharge of the Secured Obligations;
- (b) granted with full title guarantee;
- (c) granted in respect of all the right, title and interest (if any), present and future of the Acceding Chargor in and to the relevant Secured Asset; and
- (d) in favour of the Security Agent as security trustee for the Secured Parties.

2.4 First legal mortgages

The Acceding Chargor charges by way of first legal mortgage the properties described in Schedule 1 (*Properties*) to this Deed and, in each case, all Premises and Fixtures on each of the Properties.

2.5 Assignments

- (a) The Acceding Chargor assigns:
 - (i) The Relevant Agreements described in Schedule 4 (*Relevant Agreements*) to this Deed; and
 - (ii) its Relevant Policies.
- (b) The Acceding Chargor shall remain liable to perform all its obligations under the Relevant Agreements, and the Relevant Policies.
- (c) Notwithstanding the other terms of this Clause 2.5, prior to the occurrence of a Declared Default which is continuing, each Chargor may, subject to the other terms of the Finance Documents, continue to exercise all and any of its rights under and in connection with the Relevant Agreement.

2.6 First fixed charges

The Acceding Chargor charges by way of first fixed charge:

- (a) all interests and estate in any Secured Property now or subsequently owned by it (other than any freehold, leasehold or commonhold property effectively charged by way of legal mortgage under Clause 2.4, and in each case, the Premises and Fixtures on each such Secured Property;
- (b) the proceeds of sale of its Secured Property and all licences to enter on or use any Secured Property;
- (c) the benefit of all other agreements, instruments and rights relating to its Secured Property;
- (d) all plant, machinery, vehicles, computers, office and other equipment, all furniture, furnishings, equipment and tools and any removals or replacement of them, (together the *Chattels*) present and future and the benefit of all contracts, licences, warranties, maintenance contracts relating to them and any renewals and replacements of them;
- (e) the Subsidiary Shares together with all Related Rights;
- (f) the Investments together with all Related Rights;
- (g) all book and other debts due to the Acceding Chargor and their proceeds (both collected and uncollected) (together *Debts*) and all rights, guarantees, security or other collateral in respect of the Debts or any of them) and the benefit of any judgment or order to pay a sum of money and all rights to enforce the Debts (or any of them);

- (h) all monies from time to time standing to the credit of each Blocked Account;
- (i) all monies from time to time standing to the credit of each account held by the Acceding Chargor with any bank, building society, financial institution or other person other than any Blocked Account (each an Account);
- (j) all its Material Intellectual Property;
- (k) all its goodwill and uncalled capital;
- (l) the benefit of all Authorisations held or utilised by it in connection with its business or the use of any of its assets and the right to recover and receive compensation payable in respect of any of them;
- (m) to the extent that any assignment in Clause 2.5 is ineffective as an assignment, the assets referred to in that clause.

2.7 Floating charge

The Acceding Chargor charges by way of first floating charge all its assets and undertaking wherever located both present and future other than any assets effectively charged by way of legal mortgage or fixed charge or assigned under Clauses 2.4, 2.5 or 2.6.

2.8 Qualifying floating charge

This Deed contains a qualifying floating charge and paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by or under this Deed.

3. CONSENT OF EXISTING CHARGING COMPANIES

The Chargors agree to the terms of this Deed and agree that its execution will in no way prejudice or affect any Security granted by any of them by or under the Debenture.

4. SECURITY POWER OF ATTORNEY

Following the occurrence of a Declared Default or the failure of the Acceding Chargor to comply with clause 7 (*Further Assurance*) of the Debenture, the Acceding Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any of their delegates or sub-delegates to be its attorney to take any action which the Acceding Chargor is obliged to take under this Deed or the Debenture. The Acceding Chargor ratifies and confirms whatever any attorney does or prompts to do pursuant to its appointment under this Clause 4.

5. NOTICES

The Acceding Chargor confirms that its address details for notices in relation to Clause 23 (Notices) of the Debenture are as follows:

Address: [●]

Facsimile: [●]

Attention: [●]

6. 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.

7. GOVERNING LAW AND JURISDICTION

Clause 33 (*Governing law*) of the Debenture shall be incorporated in this Deed as if set out here in full but so that references to the Debenture shall be construed as references to this Deed.

This Deed has been entered into as a deed on the date given at the beginning of this Deed.

SCHEDULE 1 PROPERTIES

[•]

SCHEDULE 2
SUBSIDIARY SHARES

[•]

SCHEDULE 3
RELEVANT AGREEMENTS

[•]

SIGNATURES TO THE SECURITY DEED OF ACCESSION

Parent

Executed as a deed by)
[●] acting by a director in the presence of:)
)
) Director
)

Name of witness:

Signature of witness:

Address:
.....

Acceding Chargor

Executed as a deed by)
[●] LIMITED/PLC)
acting by a director in the presence of:)
) Director
)

Name of witness:

Signature of witness:

Address:
.....

Security Agent

Executed as a deed by)
by [●])
as duly authorised attorney)
for and on behalf of [●])
in the presence of:)

Name of witness:

Signature of witness:

Address:
.....

SIGNATURES TO THE DEBENTURE

Parent

Executed as a deed by)
SMILE MIDCO 2 LIMITED)
)
in the presence of) Director

Name of witness: Hannelore Crockford

Signature of witness:

Address:

Chargors

Executed as a deed by)
SMILE MIDCO 2 LIMITED)
)
in the presence of) Director

Name of witness: Hannelore Crockford

Signature of witness:

Address:

Executed as a deed by)
SMILE BIDCO LIMITED)
)
in the presence of) Director

Name of witness: Hannelore Crockford

Signature of witness:

Address:

Executed as a deed by
BIONIC SERVICES GROUP LIMITED
in the presence of

)
)
)
)

Director

Name of witness:
Signature of witness:
Address:

Hannelore Crockford

Executed as a deed by
BIONIC SERVICES LIMITED
in the presence of

)
)
)
)

Director

Name of witness:
Signature of witness:
Address:

Hannelore Crockford

Executed as a deed by
BIONIC FINANCIAL SERVICES LIMITED
in the presence of

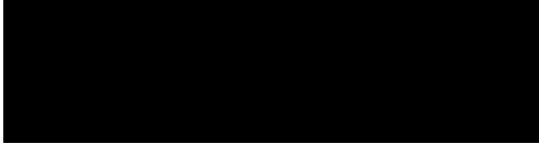
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)
)
)

Director

Name of witness:
Signature of witness:
Address:

Hannelore Crockford

Executed as a deed by)
UK POWER LIMITED)
)
in the presence of) Director

Name of witness: Hannelore Crockford
Signature of witness: 
Address:

Executed as a deed by)
TRIPLE S PROMOTIONS LTD)
)
)
in the presence of) Director

Name of witness: Hannelore Crockford
Signature of witness: 
Address:

Executed as a deed by)
SK UTILITIES LTD)
)
in the presence of) Director

Name of witness: Hannelore Crockford
Signature of witness: 
Address:

Security Agent

LLOYDS BANK PLC

By:

