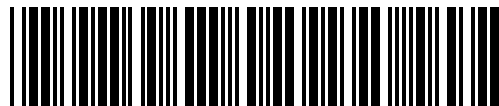




## Registration of a Charge

Company Name: **SDI GROUP PLC**

Company Number: **06385396**



Received for filing in Electronic Format on the: **04/11/2021**

XAGKTO3L

### Details of Charge

Date of creation: **01/11/2021**

Charge code: **0638 5396 0004**

Persons entitled: **HSBC UK BANK PLC**

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: **ABIGAIL SMITH**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 6385396

Charge code: 0638 5396 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 1st November 2021 and created by SDI GROUP PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 4th November 2021 .

Given at Companies House, Cardiff on 5th November 2021

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



**Companies House**



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

**DATED** 1 November **2021**

**THE CHARGORS (1)**

**HSBC UK BANK PLC (2)**  
**(as Lender)**

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**DEBENTURE**

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**MILLS & REEVE**

**THIS DEED** is made on 1 November 2021

**BETWEEN:**

- (1) **THE COMPANIES** whose names and registered offices are set out in Schedule 1 (together with each company which becomes a party to this Deed by executing a Security Accession Deed, each a "**Chargor**" and together the "**Chargors**"); and
- (2) **HSBC UK BANK PLC** (the "**Lender**").

**INTRODUCTION**

- (A) The Lender has agreed to make a sterling term loan facility available to the Borrower on the terms and conditions set out in the Facility Agreement (as is defined below).
- (B) The Chargors have agreed to enter into this Deed to provide Security over their assets to the Lender.

**IT IS AGREED** as follows:

**1. INTERPRETATION**

**1.1 Definitions**

In this Deed:

**"Account Bank"** means any bank or financial institution at which the Bank Accounts are held.

**"Bank Accounts"** means all of the present and future bank accounts of each Chargor (whether held in its name or held in the name of another but with a Chargor as beneficial owner) and all monies standing to the credit of such bank accounts, together with interest and all associated rights and powers of recovery.

**"Book Debts"** means all of the present and future book and other debts, revenues and claims of each Chargor, including, but not limited to, choses in action which may give rise to a debt, revenue or claim, due or owing to or purchased or otherwise acquired by a Chargor from time to time.

**"Borrower"** means SDI Group plc, company number 06385396.

**"Charged Accounts"** means:

- (a) the Bank Accounts (if any) specified in Schedule 5 (*Details of Charged Accounts*); and
- (b) any other Bank Accounts maintained by any Chargor and designated in writing as a Charged Account by the Lender and the Borrower.

**"Declared Default"** means an Event of Default in respect of which the Lender has issued any notice or exercised any rights pursuant to clause 26.21 (*Acceleration*) of the Facility Agreement.

**"Default"** has the meaning given to that term in the Facility Agreement.

**"Default Rate"** means the rate specified in clause 12.4 (*Default interest*) of the Facility Agreement.

**"Event of Default"** has the meaning given to that term in the Facility Agreement.

**"Facility Agreement"** means the sterling term loan agreement dated on or about the date of this Deed between the Borrower, the Guarantors (defined therein) and the Lender.

**"Group"** has the meaning given in the Facility Agreement.

**"Hedging Agreements"** means any master agreement, confirmation, transaction, schedule or other agreement in agreed form entered into or to be entered into by any Chargor for the purpose of hedging interest payable under the Facility Agreement.

**"Insurance"** means each contract or policy of insurance to which a Chargor is a party or in which it has an interest (excluding any such policies to the extent that they relate to third party liabilities) (if any) specified in Schedule 6 (*Details of Insurances*) (including any renewal, substitution or replacement of such Insurance).

**"Intellectual Property"** means:

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

in each case including the intellectual property rights listed in Schedule 4 (*Details of Intellectual Property*) (if any).

**"Land"** has the meaning given to that term in section 205(1) of the LPA but for these purposes **"Land"** excludes heritable property situated in Scotland.

**"Lease Documents"** means all present and future lease, tenancy and rental agreements and licences in relation to Land (or any part of it) and all rights and remedies, proceeds and claims arising from such lease, tenancy or rental agreements and licences.

**"LPA"** means the Law of Property Act 1925.

**"Party"** means a party to this Deed.

**"Plant and Equipment"** means all plant, machinery or equipment (including office equipment, computers, vehicles and other equipment) of each Chargor of any kind and the benefit of all licences, warranties and contracts relating to the same.

**"Receiver"** means any receiver, receiver and manager or, to the extent permitted by law, an administrative receiver (whether appointed pursuant to this Deed or any statute, by a court or otherwise) of the whole or any part of the Security Assets.

**"Regulations"** means the Financial Collateral Arrangements (No2) Regulations 2003 (S.I. 2003/3226) or equivalent legislation in any applicable jurisdiction bringing into effect Directive 2002/47/EC on financial collateral arrangements.

**"Related Rights"** means in relation to any Security Asset:

- (a) the proceeds of sale of all or any part of that Security Asset;
- (b) allotments, rights, money or property arising from that Security Asset, by way of conversion, exchange, redemption, bonus, preference, option or otherwise;
- (c) all rights under any licence, agreement for sale or agreement for lease in respect of that Security Asset;
- (d) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of that Security Asset; and
- (e) any moneys and proceeds or income paid or payable in respect of that Security Asset.

**"Rental Income"** means all present and future monies payable to or for the benefit of a Chargor in connection with the leasing, renting, licensing or usage of any Land or any part of it, including, but not limited to, all of the amounts payable to or for the benefit of a Chargor under the Lease Documents or otherwise in respect of any Land or any part of it.

**"Secured Liability"** means all present and future obligations and liabilities expressed to be due, owing or payable by any Chargor under or in connection with any of the Finance Documents (whether present or future, actual or contingent and whether incurred solely or jointly (or jointly and severally) with any other person) (together the **"Secured Liabilities"**).

**"Securities"** means:

- (a) all or any of its stocks, shares, bonds and securities of any kind (marketable or otherwise), negotiable instruments and warrants and any other financial instruments (as defined in the Regulations) other than any shares in the capital of any member of the Group which is not incorporated in England or Wales; and
- (b) all allotments, accretions, offers, options, rights, bonuses, benefits and advantages, whether by way of conversion, redemption, preference, option or otherwise which at any time accrue to or are offered or arise in respect of them,

and includes all dividends, interest and other distributions paid or payable on or in respect of them.

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

**"Security Accession Deed"** means a deed substantially in the form of Schedule 7 (*Security Accession Deed*) executed, or to be executed, by a person becoming a Chargor, with those amendments which the Lender may approve or reasonably require.

**"Security Assets"** means all the assets and undertaking of the Chargors which from time to time are, or purport to be, the subject of the Security created in favour of the Lender by or pursuant to this Deed.

**"Security Period"** means the period beginning on the date of this Deed and ending on the date which:

- (a) all of the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full; and
- (b) the Lender does not has any further commitment, obligation or liability under or pursuant to the Finance Documents.

**"Shares"** means:

- (a) all of the shares in the capital of each of the companies specified in Schedule 3 (*Details of Shares*); and
- (b) any shares (i) in the capital of any other member of the Group incorporated in England or Wales and (ii) owned by any Chargor or held by any nominee on behalf of any Chargor at any time.

**"Transaction Security"** means the Security created or expressed to be created in favour of the Lender pursuant to the Transaction Security Documents.

**"Transaction Security Documents"** has the meaning given in the Facility Agreement.

## 1.2 **Incorporation of terms**

Unless the context otherwise requires or unless defined in this Deed, all words and expressions defined or whose interpretation is provided for in the Facility Agreement shall have the same meanings in this Deed.

## 1.3 **Construction**

- 1.3.1 The principles of Construction set out in clause 1.2 (*Construction*) of the Facility Agreement shall apply to this Deed insofar as they are relevant to it.
- 1.3.2 Unless the context otherwise requires, a reference to a **"Finance Document"** or any other agreement, deed or instrument is a reference to that Finance Document or other agreement, deed or instrument as amended, novated, supplemented, restated or replaced (however fundamentally) and includes any increase in, extension of, or change to, any facility made available under that Finance Document or other agreement, deed or instrument and includes any increase in, extension of or change to any facility made available under that Finance Document or other agreement, deed or instrument.
- 1.3.3 The liabilities of the Chargors under this Deed are joint and several.

## 1.4 **Effect as a deed**

This Deed shall take effect as a deed even if it is signed under hand on behalf of the Lender.

## 1.5 **Law of Property (Miscellaneous Provisions) Act 1989**

The terms of the other Finance Documents and of any side letters between any parties in relation to any Finance Document are incorporated in this Deed to the extent required to ensure that any purported disposition of an interest in Land contained in this Deed is a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

**1.6 Chargor's agent**

Each Chargor (other than the Borrower) by its execution of this Deed or a Security Accession Deed irrevocably appoints the Borrower (acting through one or more authorised signatories) to act on its behalf as its agent in relation to this Deed.

**1.7 Third party rights**

1.7.1 Unless expressly provided to the contrary in this Deed, a person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.

1.7.2 Notwithstanding any term of any Finance Document, the Parties and any Receiver may rescind, vary, waive, release, assign, novate or otherwise dispose of all or any of their respective rights or obligations under this Deed without the consent of any person who is not a Party.

**1.8 Nominees**

If the Lender causes or requires Shares or any other asset to be registered in the name of its nominee, any reference in this Deed to the Lender shall, if the context permits or requires, be construed as a reference to the Lender and its nominee.

**1.9 Inconsistency between this Debenture and the Facility Agreement**

If there is any conflict or inconsistency between any provision of this Deed and any provision of the Facility Agreement, the provision of the Facility Agreement shall prevail.

**2. COVENANT TO PAY**

**2.1 Secured Liabilities**

Each Chargor covenants that it will on demand pay and discharge the Secured Liabilities when due.

**2.2 Interest**

Each Chargor covenants to pay interest at the Default Rate to the Lender on any sum not paid in accordance with Clause 2.1 (*Secured Liabilities*) until payment (both before and after judgment).

**3. CREATION OF SECURITY**

**3.1 Land**

3.1.1 Each Chargor charges:

(a) by way of first legal mortgage all Land described in Schedule 2 (*Details of Land*); and

(b) by way of first fixed charge:

(i) all Land vested in any Chargor on the date of this Deed to the extent not effectively mortgaged by Clause (a);

(ii) all licences to enter upon or use Land and the benefit of all other agreements relating to Land; and

(iii) all Land acquired by any Chargor after the date of this Deed.

(c) There shall be excluded from the charge created by Clause 3.1.1 any leasehold property held by the Chargor under a lease which either precludes absolutely or conditionally (including requiring the consent of any third party) the Chargor from creating any charge over its leasehold interest in that property.

### **3.2 Shares**

Each Chargor mortgages or (if or to the extent that this Deed does not take effect as a mortgage) charges by way of fixed charge the Shares and all Related Rights under or in connection with the Shares.

### **3.3 Securities**

Each Chargor mortgages or (if or to the extent that this Deed does not take effect as a mortgage) charges by way of first fixed charge the Securities and all Related Rights under or in connection with the Securities.

### **3.4 Intellectual Property**

3.4.1 Each Chargor charges by way of first fixed charge the Intellectual Property and all Related Rights under or in connection with the Intellectual Property.

3.4.2 There shall be excluded from the charge created by Clause 3.4.1 any Intellectual Property in which the Chargor has an interest under any licence or other agreement which either precludes absolutely the Chargor from creating any charge over its interest in that Intellectual Property.

### **3.5 Book Debts**

Each Chargor charges by way of first fixed charge the Book Debts and all Related Rights under or in connection with the Book Debts.

### **3.6 Charged Accounts**

Each Chargor charges by way of first fixed charge:

3.6.1 all amounts standing to the credit of the Charged Accounts; and

3.6.2 all Related Rights under or in connection with the Charged Accounts.

### **3.7 Plant and Equipment**

Each Chargor charges by way of first fixed charge:

3.7.1 the Plant and Equipment (to the extent not effectively charged by Clauses 3.1.1(a) or 3.1.1(b)) other than any Plant and Equipment which is for the time being part of any Chargor's stock-in-trade or work-in-progress; and

3.7.2 all Related Rights under or in connection with the Plant and Equipment.

### **3.8 Goodwill**

Each Chargor charges by way of first fixed charge its present and future goodwill.

### **3.9 Uncalled capital**

Each Chargor charges by way of first fixed charge its uncalled capital.

**3.10 Authorisations**

Each Chargor charges by way of first fixed charge the benefit of all licences, consents, agreements and Authorisations held by or used in connection with the business of such Chargor or the use of any of its assets.

**3.11 Insurances**

Each Chargor assigns absolutely (subject to a proviso for reassignment on redemption) all its rights and interests under all of the Insurances.

**3.12 Hedging Agreements**

Each Chargor assigns absolutely (subject to a proviso for reassignment on redemption) all its rights and interests under the Hedging Agreements.

**3.13 Lease Documents**

Each Chargor assigns absolutely (subject to a proviso for reassignment on redemption) all its rights and interests:

3.13.1 under the Lease Documents; and

3.13.2 in relation to its Rental Income.

**3.14 Floating Charge**

3.14.1 Each Chargor charges by way of first floating charge all of its present and future business, undertaking and assets wherever situated, which are not for any reason effectively mortgaged, charged or assigned by way of fixed security by this Deed, including, without limitation, any heritable property situated in Scotland.

3.14.2 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 will apply to any floating charge created by this Deed.

**3.15 Trust**

If or to the extent that for any reason the assignment or charging of any Security Asset is prohibited, the relevant Chargor shall hold it on trust for the Lender as security for the payment and discharge of the Secured Liabilities.

**3.16 Nature of Security created**

3.16.1 The Security created under this Deed is created:

- (a) as a continuing security to secure the payment and discharge of the Secured Liabilities and shall not be released or discharged by any intermediate payment or settlement of all or any of the Secured Liabilities;
- (b) in favour of the Lender; and
- (c) with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994 but in each case with all covenants therein pursuant to that Act being subject to and qualified by reference to any Permitted Security.

- 3.16.2 The Security created under this Deed over any Hedging Agreement shall apply net of set-off or combination of accounts owed under, and in accordance with the terms of, that Hedging Agreement.

#### **4. CRYSTALLISATION OF FLOATING CHARGE**

##### **4.1 Crystallisation: By Notice**

- 4.1.1 The Lender may at any time where a Declared Default which is continuing by notice in writing to any Chargor convert the floating charge created by Clause 3.11 (*Floating Charge*) into a fixed charge with immediate effect as regards any property or assets specified in the notice if:

- (a) the Security created by or pursuant to this Deed becomes enforceable in accordance with Clause 12.1 (Enforcement); or
- (b) the Lender considers that any Security Asset may be in jeopardy or in danger of being seized, attached, charged, taken possession of or sold under any form of distress, sequestration, execution or other process or otherwise be in jeopardy; or
- (c) the Lender considers that it is necessary in order to protect the priority of the Security created by or pursuant to this Deed.

- 4.1.2 If no specific assets subject to the floating charge in Clause 3.11 (*Floating charge*) are identified in the notice referred to in Clause 4.1.1 then the crystallisation shall take effect over all of the assets subject to the floating charge in Clause 3.11 (*Floating charge*).

##### **4.2 Crystallisation: Automatic**

The floating charge created by a Chargor under Clause 3.11 (*Floating Charge*) will automatically be converted (without notice) with immediate effect into a fixed charge as regards all of the undertaking and assets of that Chargor subject to the floating charge:

- 4.2.1 if that Chargor creates or attempts to create any Security (other than Permitted Security (as defined in the Facility Agreement) over any of the Security Assets; or
- 4.2.2 if any person levies or attempts to levy any distress, execution or other process against any of the Security Assets; or
- 4.2.3 if the Lender receives notice of an intention to appoint an administrator of that Chargor; or
- 4.2.4 if any step is taken (including the presentation of a petition, the passing of a resolution or the making of an application) to appoint a liquidator, provisional liquidator, administrator or Receiver in respect of that Chargor, over all or any part of its assets, or if such person is appointed; or
- 4.2.5 on the crystallisation of any other floating charge over the Security Assets; or
- 4.2.6 in any other circumstance provided by law.

**4.3 Assets acquired post-crystallisation**

Any assets acquired by a Chargor after crystallisation has occurred (and that are not effectively charged by way of legal mortgage or fixed charge, or assigned under Clause 3 (*Creation of Security*)), shall become subject to the floating charge created by Clause 3.11 (*Floating charge*) so that the crystallisation shall be effective as if such assets were owned by the Chargor at the date of crystallisation.

**4.4 Crystallisation: Moratorium where directors propose voluntary arrangement**

The floating charge created by Clause 3.11 (*Floating Charge*) may not be converted into a fixed charge solely by reason of:

- 4.4.1 the obtaining of a moratorium; or
- 4.4.2 anything done with a view to obtaining a moratorium,

under Schedule A1 to the Insolvency Act 1986.

**4.5 Partial crystallisation**

The giving of a notice by the Lender pursuant to Clause 4.1 (*Crystallisation: By Notice*) in relation to any class of assets of any Chargor shall not be construed as a waiver or abandonment of the rights of the Lender to serve similar notices in respect of any other class of assets or of any other right of the Lender.

**4.6 De-crystallisation of floating charge**

Any charge that has crystallised under this Clause may by notice in writing (given at any time by the Lender to the Borrower), be reconverted into a floating charge in relation to the assets or class of assets specified in that notice.

**5. PERFECTION OF SECURITY**

**5.1 Account Banks**

5.1.1 Each Chargor shall, in respect of its Charged Accounts held with an Account Bank (other than the Lender):

- (a) promptly after execution of this Deed, or (as the case may be) promptly after the designated in writing by the Lender and the Borrower of a Bank Account as a Charged Account, as Charged Account, give notice to the Account Bank in the form set out in Schedule 8 (*Form of notice to Account Banks*);
- (b) use all commercially reasonable endeavours to procure that each Account Bank served with a notice under sub-clause (a) above countersigns and returns it to the Lender within 14 days of the execution of this Deed or, in the case of Bank Accounts designated as Charged Accounts after the date of this Deed, within 14 days of the date of the designation. For the avoidance of doubt if, having taken all such commercially reasonable endeavours, the relevant Account Bank does not countersign such notice, the relevant Chargor shall be under no further obligation under this paragraph (b).

**5.2 Insurances**

5.2.1 Each Chargor shall:

- (a) promptly after the execution of this Deed, or (as the case may be) promptly after the execution of any Insurance entered into after the date of this Deed, give notice to the other parties to the Insurances substantially in the form set out in in Schedule 9 (*Form of notice to Insurers*) and deliver to the Lender a copy of each notice;
- (b) use all commercially reasonable endeavours to procure that each party served with a notice under sub-clause (a) above countersigns and returns it to the Lender within 14 days of the execution of this Deed or, in the case of Insurances entered into after the date of this Deed, within 14 days of the date of the inception of the Insurance. For the avoidance of doubt if, having taken all such commercially reasonable endeavours, such party does not countersign such notice, the relevant Chargor shall be under no further obligation under this paragraph (b).

### 5.3 Hedging Agreements

#### 5.3.1 Each Chargor shall:

- (a) promptly after the execution of this Deed, or (as the case may be) promptly after the execution of any Hedging Agreement entered into after the date of this Deed, give notice to the counterparty to the Hedging Agreement substantially in the form set out in set out in Schedule 10 (*Form of notice to Hedge Counterparties*) and deliver to the Lender a copy of each notice; and
- (b) use all commercially reasonable endeavours to procure that each counterparty served with a notice under sub-clause (a) above countersigns and returns it to the Lender within 14 days of the execution of this Deed or, in the case of Hedging Agreements entered into after the date of this Deed, within 14 days of the date of the execution of the Hedging Agreement. For the avoidance of doubt if, having taken all such commercially reasonable endeavours, such counterparty does not countersign such notice, the relevant Chargor shall be under no further obligation under this paragraph (b).

### 5.4 Lease Documents

#### 5.4.1 Subject to Clause 5.4.2, each Chargor shall:

- (a) promptly after the execution of this Deed, or (as the case may be) promptly after the execution of any Lease Document entered into after the date of this Deed, give notice to the other parties to the Lease Documents substantially in the form set out in Schedule Schedule 11 (*Form of notice to Tenants/Licensee*) and deliver to the Lender a copy of each notice; and
- (b) use all commercially reasonable endeavours to procure that each party served with a notice under sub-clause (a) above countersigns and returns it to the Lender within 14 days of the execution of this Deed or, in the case of Lease Documents entered into after the date of this Deed, within 14 days of the date of the execution of the Lease Document. For the avoidance of doubt if, having taken all such commercially reasonable endeavours, such party does not countersign such notice, the relevant Chargor shall be under no further obligation under this paragraph (b).

#### 5.4.2 If a Chargor is a counterparty to a Lease Document then by its execution of this Deed it acknowledges receipt of the notice referred to in Clause 5.4.1(a)

and will comply with the terms of the notice as if it had countersigned it as required by Clause 5.4.1(b).

## **5.5 Documents of Title**

### **5.5.1 Land**

The Chargors shall upon the execution of this Deed or any Security Accession Deed, and within 30 days of completion of the acquisition by any Chargor of any interest in any Land deliver (or procure delivery) to the Lender of all deeds, certificates and other documents relating to such Land (which the Lender shall be entitled to hold and retain at the expense and risk of the Chargors).

### **5.5.2 Shares**

The Chargors shall upon the execution of this Deed or any Security Accession Deed (or, if later, promptly upon the accrual, offer or issue of any stocks, shares, warrants or other securities in respect of or derived from the Shares) and upon the acquisition by any Chargor of any interest in any Shares deliver (or procure delivery) to the Lender of:

- (a) all stock and share certificates and other documents of or evidencing title to the Shares;
- (b) signed and undated transfers (or other instruments of transfer) in respect of the Shares, completed in blank on behalf of the applicable Chargor and, if the Lender so requires, pre-stamped; and
- (c) any other documents which the Lender may from time to time require for perfecting its title, or the title of any purchaser, in respect of the Shares,

all of which the Lender is entitled to hold at the expense and risk of the Chargors.

### **5.5.3 Securities**

As soon as any Securities are registered in, or transferred into the name of, a Chargor, or held by or in the name of the Lender or a nominee (and in any event as soon as the Lender so requests), such Chargor shall deposit with the Lender, in respect of or in connection with those Securities:

- (a) all stock and share certificates and other documents of or evidencing title to the Securities;
- (b) signed and undated transfers (or other instruments of transfer) in respect of the Securities, completed in blank on behalf of the applicable Chargor and, if the Lender so requires, pre-stamped; and
- (c) any other documents which the Lender may from time to time require for perfecting its title, or the title of any purchaser, in respect of the Securities,

all of which the Lender is entitled to hold at the expense and risk of the Chargors.

## 5.6 **Application to the Land Registry**

Each Chargor and the Lender apply to the Land Registry for the following to be entered on the registered title to any Land now or in the future owned by it a restriction in the following terms:

"No disposition of the registered estate by the proprietor of the registered estate [or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction,] is to be registered without a written consent signed by the proprietor for the time being of the charge dated [*insert date*] in favour of HSBC UK Bank plc referred to in the charges register (Form P)".

## 6. **COVENANTS**

### 6.1 **Further assurance**

Each Chargor shall, from time to time and at its own expense, promptly do whatever the Lender requires to:

- 6.1.1 give effect to the requirements of this Deed;
- 6.1.2 perfect, preserve or protect the Security created or expressed to be created by this Deed, or its priority; or
- 6.1.3 once the Security created by this Deed has become enforceable, facilitate the realisation of the Security Assets or the exercise of any rights vested in the Lender or any Receiver by this Deed or by law,

including executing any transfer, conveyance, charge, assignment or assurance of or in respect of the Security Assets (whether to the Lender or its nominees or otherwise), making any registration and giving any notice, order or direction. The obligations of the Chargors under this Clause 6.1 are in addition to the covenants for further assurance deemed to be included by virtue of the Law of Property (Miscellaneous Provisions) Act 1994.

### 6.2 **Negative pledge**

Each Chargor undertakes that it shall not create or permit to subsist any Security over any Security Assets, nor do anything else prohibited by clause 23.14 (*Negative pledge*) of the Facility Agreement, except as expressly permitted under the terms of the Finance Documents.

### 6.3 **Disposals**

Each Chargor undertakes that it shall not enter into or agree to enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, license, sub-license, transfer or otherwise dispose of any Security Assets except as permitted by clause 23.15 (*Disposals*) of the Facility Agreement.

### 6.4 **Land**

To the extent permitted under the terms of the Facility Agreement, each Chargor shall promptly notify the Lender in writing if it intends to acquire any estate or interest in Land and shall promptly on request by the Lender (at the cost of that Chargor) execute a legal mortgage in favour of the Lender of that property in any form which the Lender may require. If the title to any such estate or interest is registered (or required to be registered) at the Land Registry, the relevant Chargor will procure the registration of the legal mortgage at the Land Registry.

**7. SHARES AND SECURITIES**

**7.1 Shares: when no Declared Default is continuing**

When no Declared Default is continuing, the Chargors:

- 7.1.1 may receive and retain all dividends, interest and other moneys arising from the Shares provided that they are paid into a Bank Account;
- 7.1.2 may exercise all voting rights in relation to the Shares for any purpose not inconsistent with the terms of the Finance Documents;
- 7.1.3 shall promptly upon receipt, forward to the Lender copies of all notices and other communications received in connection with the Shares;
- 7.1.4 shall promptly comply with (and copy to the Lender) all requests for information which is within its knowledge and which are made under section 793 of the Companies Act 2006 or any similar provision in any articles of association or other constitutional documents relating to any Shares; and
- 7.1.5 shall comply with all other conditions and obligations assumed by it in respect of any of the Shares where failure to do so could adversely affect the interests of the Lender.

**7.2 Shares: when a Declared Default is continuing**

When a Declared Default is continuing, the Lender may at its discretion require the Chargor to (or may itself in the name of any Chargor or otherwise and without any further consent or authority from any Chargor):

- 7.2.1 exercise (or refrain from exercising) any voting rights in respect of the Shares;
- 7.2.2 apply all dividends, interest and other moneys arising from the Shares in accordance with Clause 14 (*Application of moneys*);
- 7.2.3 transfer the Shares into its name or the name of its nominee(s); and
- 7.2.4 exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Shares, including the right, in relation to any company whose shares or other securities are included in the Security Assets, to concur or participate in:
  - (a) the reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence of such reconstruction, amalgamation, sale or other disposal);
  - (b) the release, modification or variation of any rights or liabilities attaching to such shares or securities; and
  - (c) the exercise, renunciation or assignment of any right to subscribe for any shares or securities,

in each case in such manner and on such terms as the Lender may think fit, and the proceeds of any such action shall form part of the Security Assets.

**7.3 Securities and Shares: payment of calls**

The Chargors shall pay when due all calls or other payments which may be or become due in respect of any of the Securities and Shares which are not fully paid (unless reasonably contested), and in any case of default by any Chargor in such payment, the Lender may, if it thinks fit, make such payment on behalf of such Chargor in which case any sums paid by the Lender shall be reimbursed by the Chargor to the Lender on demand and shall carry interest from the date of payment by the Lender until reimbursed at the rate notified to the Chargor by the Lender.

**7.4 Securities: exercise of rights**

To the extent prohibited by the terms of the Facility Agreement, the Chargors shall not exercise any of their respective rights and powers in relation to any of the Securities in any manner which, in the opinion of the Lender, would prejudice the effectiveness of, or the ability of the Lender to realise, the Security created by or pursuant to this Deed.

**8. BOOK DEBTS**

8.1 Save to the extent required by the terms of the Facility Agreement, the Chargors shall get in and realise the Book Debts in the ordinary course of business.

8.2 The Chargors shall not at any time during the subsistence of this Deed, without the prior written consent of the Lender (such consent not to be unreasonably withheld or delayed) or otherwise as permitted pursuant to the terms of the Finance Documents, sell, factor, discount, transfer, assign, lend or otherwise dispose of any of the Book Debts or enter into any agreement to do so except as permitted under the Facility Agreement.

8.3 If and to the extent that the Lender so specifies, at any time after a Declared Default is continuing, each Chargor shall pay the proceeds of payment or realisation of its assets comprising temporary and other investments, book and other debts, royalties, fees and income of like nature or other moneys received by that Chargor as the Lender may require into such Bank Account(s) as the Lender may from time to time specify and pending such payment shall hold all such receipts on trust for the Lender.

**9. BANK ACCOUNTS**

**9.1 General**

9.1.1 Each Chargor shall:

(a) deliver to the Lender:

(i) on the date of this Deed (or the date of any Security Accession Deed, if applicable), details of each of its Bank Accounts (other than those with the Lender); and

(ii) if any change in such detail (including any renewal or redesignation of any such Bank Account) occurs after the date of this Deed or any new Bank Account (other than those with the Lender) is opened as permitted under the terms of the Facility Agreement, details of such change or new Account within 5 business days of the date of such change or opening;

(b) not, without the prior written consent of the Lender, agree to: (i) any variation of the rights attaching to any Bank Account (other than those with the Lender), or (ii) close any Bank Account; and

- (c) following a Declared Default which is continuing, open such new Bank Accounts as the Lender may require.

- 9.1.2 Without prejudice to and in addition to Clauses 6.2 (*Negative pledge*) and 6.3 (*Disposals*), each Chargor agrees that it will not assign (whether by sale or mortgage), charge or otherwise seek to deal with or dispose of all or any part of any Charged Account without the prior written consent of the Lender.

## 9.2 Charged Accounts

### 9.2.1 Charged Accounts: before security enforceable

The Chargors shall, when no Declared Default is continuing, be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Charged Account.

### 9.2.2 Charged Accounts: when any Declared Default is continuing

The Chargors shall not, after the occurrence of a Declared Default which is continuing, be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Charged Account without the prior written consent of the Lender except in or towards the payment or other satisfaction of all or part of the Secured Liabilities in accordance with Clause 14 (*Application of moneys*).

## 10. INSURANCE

### 10.1 Insurance

The Chargors shall at all times during the subsistence of this Deed keep the Security Assets insured in accordance with the terms of the Finance Documents.

### 10.2 Application of Insurance Proceeds

- 10.2.1 All moneys received under any Insurance relating to the Security Assets shall be applied in accordance with the terms of the Finance Documents.

- 10.2.2 When the Security created by this Deed has become enforceable, the Chargors shall hold such moneys upon trust for the Lender pending payment to the Lender for application in accordance with Clause 14 (*Application of moneys*) and each Chargor waives any right it may have to require that any such moneys are applied in reinstatement of any part of the Security Assets.

### 10.3 Power to remedy

If any Chargor fails to comply with any of its obligations in relation to any of its assets subject to Security pursuant to this Deed, or the Lender reasonably considers that a Chargor has failed to comply with any such obligations, the Lender may, if it thinks fit (but without any obligation) take such steps as it deems appropriate to remedy such failure (including, without limitation, the carrying out of repairs, the putting in place of insurance or the payment of costs, charges or other expenses) and the Chargors will co-operate with and will grant the Lender or its agents or contractors such access as the Lender may require to the relevant assets or otherwise in order to facilitate the taking of such steps.

## 11. HEDGING AGREEMENTS

- 11.1 Each Chargor shall:

- 11.1.1 deliver to the Lender, promptly following execution of the same, copies of all documents entered into by it relating to the Hedging Agreements;
  - 11.1.2 perform all its obligations under the Hedging Agreements in a diligent and timely manner; and
  - 11.1.3 notify the Lender of any breach by any party of or default by any party under a Hedging Agreement and any right arising to terminate or rescind a Hedging Agreement, promptly upon becoming aware of it.
- 11.2 The Chargors shall not, without the prior written consent of the Lender:
  - 11.2.1 amend, supplement, supersede or waive any provision (or agree to do so) of any Hedging Agreement; or
  - 11.2.2 exercise any right to rescind, cancel, terminate or release any counterparty from any obligations (or agree to do so) in respect of any Hedging Agreement,except as permitted by the terms of the Finance Documents.
- 11.3 Save as expressly restricted pursuant to the terms of the Finance Documents, before the Security created by this Deed has become enforceable, the relevant Chargor may exercise all its rights in respect of the Hedging Agreements to which it is a party including receiving and exercising all rights relating to proceeds of that Hedging Agreement.

## **12. DEMAND AND ENFORCEMENT**

### **12.1 Enforcement**

The Security created by this Deed shall become enforceable upon:

- 12.1.1 the occurrence of a Declared Default which is continuing;
- 12.1.2 any request being made by a Chargor to the Lender for the appointment of a Receiver or an administrator, or for the Lender to exercise any other power or right available to it; or
- 12.1.3 the occurrence of any event causing, or purporting to cause, the floating charge created by this Deed to become fixed in relation to any Security Asset.

### **12.2 Powers on enforcement**

At any time after the Security created by this Deed has become enforceable, the Lender may (without prejudice to any other rights and remedies and without notice to the Chargors) do all or any of the following:

- 12.2.1 exercise the power of sale under section 101 of the LPA together with all other powers and rights conferred on mortgagees by the LPA, as varied and extended by this Deed, without the restrictions contained in sections 103 or 109(1) of the LPA;
- 12.2.2 exercise the power of leasing, letting, entering into agreements for leases or lettings or accepting or agreeing to accept surrenders of leases in relation to any Security Assets, without the restrictions imposed by sections 99 and 100 of the LPA;

12.2.3 to the extent that any Security Asset constitutes "Financial Collateral" and this Deed constitutes a "security financial collateral arrangement" each as defined in the Regulations, appropriate all or any part of the Security Assets in or towards satisfaction of the Secured Liability (including transferring the title in and to it to the Lender insofar as not already transferred, subject to paragraphs (1) and (2) of Regulation 18), the value of the property so appropriated being the amount standing to the credit of the relevant Account (where the property is the benefit of an Account) or, in any other case, such amount as the Lender shall determine in a commercially reasonable manner;

12.2.4 subject to Clause 13.1 (*Method of appointment or removal*), appoint one or more persons to be a Receiver or Receivers of all or any of the Security Assets; and

12.2.5 appoint an administrator of any Chargor.

### 12.3 **Disposal of the Security Assets**

In exercising the powers referred to in Clause 12.2 (*Powers on enforcement*), the Lender or any Receiver may sell or dispose of all or any of the Security Assets at the times, in the manner and order, on the terms and conditions and for the consideration determined by it.

### 12.4 **Same rights as Receiver**

Any rights conferred by any Finance Document upon a Receiver may be exercised by the Lender, or to the extent permitted by law, an administrator, after the Security created by this Deed has become enforceable, whether or not the Lender shall have taken possession or appointed a Receiver of the Security Assets.

### 12.5 **Delegation**

The Lender may delegate in any manner to any person any rights exercisable by the Lender under any Finance Document. Any such delegation may be made upon such terms and conditions (including power to sub-delegate) as the Lender thinks fit.

## 13. **RECEIVERS**

### 13.1 **Method of appointment or removal**

Every appointment or removal of a Receiver, any delegate or any other person by the Lender under this Deed shall be in writing under the hand of any officer or manager of the Lender (subject to any requirement for a court order in the case of the removal of an administrative receiver).

### 13.2 **Removal**

The Lender may (subject to the application of section 45 of the Insolvency Act 1986) remove any person from office in relation to all or any part of the Security Assets of which he is the Receiver and at any time (before or after any person shall have vacated office or ceased to act as Receiver in respect of any of such Security Assets) appoint a further or other Receiver or Receivers over all or any part of such Security Assets.

### 13.3 **Powers**

Every Receiver shall have and be entitled to exercise all the powers:

13.3.1 of the Lender under this Deed;

- 13.3.2 conferred by the LPA on mortgagees in possession and on receivers appointed under the LPA (in each case as extended by this Deed);
- 13.3.3 in relation to, and to the extent applicable to, the Security Assets or any of them, of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986, whether or not the Receiver is an administrative receiver;
- 13.3.4 in relation to any Security Assets, which he would have if he were its only beneficial owner; and
- 13.3.5 to do all things incidental or conducive to any functions, powers, authorities or discretions conferred or vested in the Receiver.

**13.4 Receiver as agent**

The Receiver shall be the agent of the relevant Chargor (and that Chargor shall be solely liable for the Receiver's acts, defaults, remuneration, losses and liabilities) unless and until such Chargor goes into liquidation, from which time the Receiver shall act as principal and shall not become the agent of the Lender.

**13.5 Joint or several**

If two or more persons are appointed as Receivers of the same assets, they may act jointly and/or severally so that (unless any instrument appointing them specifies to the contrary) each of them may exercise individually all the powers and discretions conferred on Receivers by this Deed.

**13.6 Receiver's remuneration**

Every Receiver shall be entitled to remuneration for his services at a rate to be fixed by the Lender and the maximum rate specified in section 109(6) of the LPA shall not apply.

**14. APPLICATION OF MONEYS**

**14.1 Application of moneys**

All sums received by virtue of this Deed and/or any other Transaction Security Documents by the Lender or any Receiver shall, subject to the payment of any claim having priority to this Deed, be paid or applied in the following order of priority:

- 14.1.1 **first**, in or towards satisfaction pro rata of, or the provision pro rata for, all costs, charges and expenses incurred and payments made by the Lender in relation to the Transaction Security Documents, or by any Receiver (including legal expenses), together with interest at the Default Rate (both before and after judgment) from the date those amounts became due until the date they are irrevocably paid in full;
- 14.1.2 **secondly**, in or towards the payment pro rata of, or the provision pro rata for, any unpaid fees, commission or remuneration of the Lender or any Receiver;
- 14.1.3 **thirdly**, in or towards payment of the Secured Liabilities in accordance with the Facility Agreement;
- 14.1.4 **fourthly**, in the payment of the surplus (if any), to the Chargor concerned or any other person entitled to it,

and section 109(8) of the LPA shall not apply to this Deed.

15. **POWER OF ATTORNEY**

15.1 **Appointment**

Each Chargor irrevocably and by way of security appoints:

- 15.1.1 the Lender (whether or not a Receiver has been appointed);
- 15.1.2 any delegate or sub delegate of, or other person nominated in writing by, an officer of the Lender; and
- 15.1.3 (as a separate appointment) each Receiver,

severally as such Chargor's attorney and attorneys with power to do any act, and execute and deliver any deed or other document, on behalf of and in the name of such Chargor, which such Chargor could be required to do or execute under any provision of this Deed, or which the Lender in its sole opinion may consider necessary or desirable for perfecting its title to any of the Security Assets or enabling the Lender or the Receiver to exercise any of its rights or powers under this Deed.

15.2 **Ratification**

Each Chargor ratifies and confirms and agrees to ratify and confirm whatever any attorney appointed pursuant to Clause 15.1 (*Appointment*) does or purports to do in the exercise or purported exercise of all or any of the powers, acts or other matters referred to in Clause 15.1 (*Appointment*).

16. **CONSOLIDATION**

16.1 **Combination of accounts**

In addition to any general lien, right to combine accounts, right of set-off or other right which it may at any time have, the Lender may at any time, without notice to the Chargor, combine or consolidate all or any accounts which it then has in relation to such Chargor (in whatever name) and any Secured Liabilities owed by such Chargor to the Lender, and/or set-off or transfer any amounts standing to the credit of one or more accounts of such Chargor in or towards satisfaction of any Secured Liabilities owed it on any other account or otherwise.

16.2 **Application**

The Lender's rights under Clause 16.1 (*Combination of accounts*) apply:

- 16.2.1 whether or not any demand has been made under this Deed, or any liability concerned has fallen due for payment;
- 16.2.2 whether or not any credit balance is immediately available or subject to any restriction;
- 16.2.3 irrespective of the currencies in which any balance or liability is denominated, and the Lender may for the purpose of exercising its right elect to convert any sum or liability in one currency into any other at its spot rate applying at or about 11.00am on the date of conversion; and
- 16.2.4 in respect of any Secured Liabilities owed by the relevant Chargor, whether owed solely or jointly, certainly or contingently, presently or in the future, as principal or surety, and howsoever arising.

**17. PROTECTION OF THIRD PARTIES**

**17.1 Statutory powers**

In favour of any purchaser, the statutory powers of sale and of appointing a Receiver which are conferred upon the Lender, as varied and extended by this Deed, and all other powers of the Lender, shall be deemed to arise (and the Secured Liabilities shall be deemed due and payable for that purpose) immediately after the execution of this Deed.

**17.2 Purchasers**

No purchaser from or other person dealing with the Lender, any person to whom it has delegated any of its powers, or the Receiver shall be concerned:

- 17.2.1 to enquire whether any of the powers which the Lender or a Receiver have exercised has arisen or become exercisable;
- 17.2.2 to enquire whether the Secured Liabilities remain outstanding or whether any event has happened to authorise the Receiver to act;
- 17.2.3 as to the propriety or validity of the exercise of those powers; or
- 17.2.4 with the application of any moneys paid to the Lender, any Receiver or to any other person,

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

**17.3 Receipts**

All the protection to purchasers contained in sections 104 and 107 of the LPA, section 42(3) of the Insolvency Act 1986 or in any other applicable legislation shall apply to any person purchasing from or dealing with the Lender, any Receiver or any person to whom any of them have delegated any of their powers.

**18. PROTECTION OF THE LENDER AND ANY RECEIVER**

**18.1 No liability**

None of the Lender, any Receiver or any of their respective officers, employees or delegates shall be liable in respect of any cost, liability, expense, loss or damage which arises out of the exercise, or attempted or purported exercise of, or the failure to exercise, any of their respective rights under this Deed.

**18.2 Not mortgagee in possession**

Without prejudice to any other provision of this Deed, entry into possession of any Security Assets shall not render the Lender, any Receiver or any of their respective officers or employees liable:

- 18.2.1 to account as mortgagee in possession;
- 18.2.2 for any loss on realisation; or
- 18.2.3 for any default or omission for which a mortgagee in possession might be liable,

and if and whenever the Lender or any Receiver enters into possession of any Security Assets it shall be entitled at any time it or he thinks fit to relinquish possession.

**18.3 Indemnity**

Each Chargor shall indemnify and keep indemnified the Lender, any Receiver, and their respective officers, employees and delegates, against all claims, costs, expenses and liabilities incurred by them in respect of all or any of the following:

- 18.3.1 any act or omission by any of them in relation to all or any of the Security Assets;
- 18.3.2 any payment relating to or in respect of all or any of the Security Assets which is made at any time by any of them;
- 18.3.3 any stamp, registration or similar Tax or duty which becomes payable in connection with the entry into, or the performance or enforcement of, this Deed;
- 18.3.4 exercising or purporting to exercise or failing to exercise any of the rights, powers and discretions conferred on them or permitted under this Deed; and
- 18.3.5 any breach by the relevant Chargor of any of its covenants or other obligations to the Lender,

except in the case of gross negligence or wilful misconduct on the part of that person.

**18.4 Interest**

Each Chargor shall pay interest at the Default Rate on the sums payable under this Clause 18 (*Protection of the Lender and any Receiver*) from the date on which the liability was incurred to the date of actual payment (both before and after judgment).

**18.5 Indemnity out of the Security Assets**

The Lender, any Receiver and their respective officers, employees and delegates shall be entitled to be indemnified out of the Security Assets in respect of the actions, proceedings, demands, claims, costs, expenses and liabilities referred to in Clause 18.3 (*Indemnity*).

**18.6 Liability of Chargors related to Security Assets**

Notwithstanding anything contained in this Deed or implied to the contrary, each Chargor remains liable to observe and perform all conditions and obligations assumed by it in relation to the Security Assets. Neither the Lender nor any Receiver is under any obligation to perform or fulfil any such condition or obligation or to make any payment in respect of any such condition or obligation.

**18.7 Continuing protection**

The provisions of this Clause 18 (*Protection of the Lender and any Receiver*) shall continue in full force and effect notwithstanding any release or discharge of this Deed or the discharge of any Receiver from office.

**19. PROVISIONS RELATING TO THE LENDER**

**19.1 Powers and discretions**

The rights, powers and discretions given to the Lender in this Deed:

- 19.1.1 may be exercised as often as, and in such manner as, the Lender thinks fit;

19.1.2 are cumulative, and are not exclusive of any of its rights under the general law; and

19.1.3 may only be waived in writing and specifically, and any delay in exercising, or non-exercise of, any right, is not a waiver of it.

**19.2 Certificates**

A certificate by an officer of the Lender:

19.2.1 as to any amount for the time being due to the Lender or any of them; or

19.2.2 as to any sums payable to the Lender under this Deed,

shall (save in the case of manifest error) be conclusive and binding upon the Chargors for all purposes.

**19.3 Trusts**

The perpetuity period for any other constituted by this Deed shall be 125 years.

**20. PRESERVATION OF SECURITY**

**20.1 Continuing Security**

This Deed shall be a continuing security to the Lender and shall remain in force until expressly discharged in writing by the Lender notwithstanding any intermediate settlement of account or other matter or thing whatsoever.

**20.2 Additional Security**

This Deed is without prejudice and in addition to, and shall not merge with, any other right, remedy or Security of any kind which the Lender may have now or at any time in the future for or in respect of any of the Secured Liabilities.

**20.3 Waiver of Defences**

Neither the Security created by this Deed nor the obligations of the Chargor under this Deed will be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice that Security or any of those obligations (whether or not known to it, the Lender) including:

20.3.1 any time, waiver or consent granted to, or composition with, any Obligor or other person;

20.3.2 the release of any Obligor or any other person under the terms of any composition or arrangement with any person;

20.3.3 the taking, variation, compromise, exchange, renewal, enforcement or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over, assets of any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;

20.3.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Obligor or any other person;

20.3.5 any amendment (however fundamental), replacement, variation, novation, assignment or the avoidance or termination of a Finance Document or any other document or Security;

20.3.6 any unenforceability, illegality or invalidity of any obligation of, or any Security created by, any person under any Finance Document or any other document; or

20.3.7 an insolvency, liquidation, administration or similar procedure.

#### **20.4 Immediate recourse**

Each Chargor waives any right it may have of first requiring the Lender (or any trustee or agent on its behalf) to proceed against or enforce any other rights of Security or claim payment from any person before claiming from a Chargor under this Deed. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

#### **20.5 Appropriations**

During the Security Period the Lender may:

20.5.1 refrain from applying or enforcing any moneys, Security or rights held or received by it (or any trustee or agent on its behalf) in respect of the Secured Liabilities, or, subject to Clause 14.1 (*Application of moneys*), apply and enforce the same in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and the relevant Chargor shall not be entitled to the same; and

20.5.2 hold in an interest-bearing suspense account any moneys received from the relevant Chargor on or account of the Secured Liabilities.

#### **20.6 New accounts**

If the Lender receives notice (whether actual or otherwise) of any subsequent Security over or affecting any of the Security Assets or if a petition is presented or a resolution passed in relation to the winding up of a Chargor, the Lender may close the current account or accounts and/or open a new account or accounts for such Chargor. If the Lender does not open a new account or accounts immediately it shall nevertheless be treated as if it had done so at the time when the relevant event occurred, and as from that time all payments made by such Chargor to the Lender shall be credited or be treated as having been credited the new account or accounts and shall not operate to reduce the Secured Liabilities.

#### **20.7 Tacking**

The Lender must perform its obligations under the Facility Agreement (including any obligation to make available further advances).

#### **20.8 Deferral of Chargor's rights**

During the Security Period and unless the Lender otherwise directs, no Chargor shall exercise any rights which it may have by reason of performance by its obligations under this Deed or the enforcement of the Security created by this Deed:

20.8.1 to receive or claim payment from, or be indemnified by an Obligor;

20.8.2 to claim any contribution from any guarantor of, or provider of Security in respect of, any Obligor's obligations under the Finance Documents;

20.8.3 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender under any Finance Document or of any guarantee or Security taken pursuant to, or in connection with, the Finance Documents by Lender;

20.8.4 to exercise any right of set-off against any Obligor; and/or

20.8.5 to claim or prove as a creditor of any Obligor in competition with the Lender.

## **21. RELEASE**

### **21.1 Release**

Upon the irrevocable and unconditional payment and discharge in full of the Secured Liabilities and the termination of all facilities which might give rise to Secured Liabilities, the Lender shall, or shall procure that its appointees will, at the request and cost of the Chargors:

21.1.1 release the Security Assets from this Deed; and

21.1.2 re-assign the Security Assets that has been assigned to the Lender under this Deed.

### **21.2 Reinstatement**

If the Lender considers that any amount paid or credited to it under any Finance Document (whether in respect of the obligations of any Obligor or any Security for those obligations or otherwise) is capable of being avoided, reduced or otherwise set aside:

21.2.1 that amount shall not be considered to have been paid for the purposes of determining whether the Secured Liabilities have been irrevocably and unconditionally paid and discharged; and

21.2.2 the liability of the relevant Chargor and the Security created by this Deed shall continue as if that amount had not been paid or credited.

### **21.3 Consolidation**

Section 93 of the LPA dealing with the consolidation of mortgages shall not apply to this Deed.

## **22. MISCELLANEOUS PROVISIONS**

### **22.1 Severability**

If any provision of this Deed is illegal, invalid or unenforceable in any jurisdiction, that shall not affect:

22.1.1 the validity or enforceability of any other provision, in any jurisdiction; or

22.1.2 the validity or enforceability of that particular provision, in any other jurisdiction.

### **22.2 Information**

The Lender may from time to time seek from any other person having dealings with the Chargors such information about the Chargors and their affairs as the Lender may think fit and each Chargor agrees to request any such person to provide any such information to the Lender and agrees to provide such further authority in this regard as the Lender or any such third party may from time to time require.

**22.3 Joint and several liability**

Unless the context otherwise requires, all covenants, agreements, representations and warranties on the part of the Chargors contained in this Deed are given by them jointly and severally and shall be construed accordingly.

**22.4 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.

**22.5 Security Accession Deeds**

22.5.1 The Borrower and each of the Chargors shall procure that each company which is required by the Finance Documents to accede to this Deed shall, within the timeframe allotted by the Finance Documents, execute and deliver a Security Accession Deed.

22.5.2 Each of the Parties agrees that:

- (a) each Security Accession Deed shall be supplemental to this Deed and be binding on and enure to the benefit of all the parties to this Deed;
- (b) the execution of any Security Accession Deed will not prejudice or affect the Security granted by each other Chargor under (and the covenants given by each of them in) this Deed or any previous Security Accession Deed and that this Deed shall remain in full force and effect as supplemented by any such Security Accession Deed; and
- (c) the property and assets mortgaged, charged or assigned to the Lender (whether by way of legal mortgage, assignment or fixed or floating charge) by or pursuant to any Security Accession Deed shall form part of the Security Assets and references in this Deed to the Security created by or pursuant to the Deed will be deemed to include the Security created by or pursuant to any Security Accession Deed.

22.5.3 Delivery of a Security Accession Deed constitutes confirmation by the New Chargor (as such term is defined in the relevant Security Accession Deed) that the Repeating Representations are true and correct to the extent applicable to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

**23. NOTICES**

Any communication to be made under or in connection with this Deed shall be made in accordance with Clause 32 of the Facility Agreement.

**24. GOVERNING LAW**

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

25. **ENFORCEMENT**

25.1 **Jurisdiction of English Courts**

- 25.1.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "**Dispute**").
- 25.1.2 The parties to this Deed agree that the courts of England are the most appropriate and convenient courts to settle disputes and accordingly no such party will argue to the contrary.
- 25.1.3 This Clause 25.1 is for the benefit of the Lender only. As a result, the Lender shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Lender may take concurrent proceedings in any number of jurisdictions.

**EXECUTED AND DELIVERED AS A DEED** on the date set out at the beginning of this Deed.

**Schedule 1****THE CHARGORS**

<b>Name</b>	<b>Company Number</b>
<b><u>Company Name</u></b>	<b><u>Registered Number and Original Jurisdiction</u></b>
SDI Group Plc	06385396, England & Wales
Astles Control Systems Limited	02490943, England & Wales
Atik Cameras Limited	05948849, England & Wales
Applied Thermal Control Limited	03079409, England & Wales
Monmouth Scientific Limited	04716008, England & Wales
MPB Industries Limited	04966728, England & Wales
Sentek Limited	02753857, England & Wales
Synoptics Limited	01874861, England & Wales
Graticules Optics Limited	01395088, England & Wales
Chell Instruments Limited	02693453, England & Wales

**Schedule 2**

**DETAILS OF LAND**

**REGISTERED LAND**

[Intentionally blank]

**Schedule 3****DETAILS OF SHARES**

<b>Name of company and Company Number</b>	<b>Description and Number of Shares</b>	<b>Chargor</b>
Synoptics Limited	2,041,320 ordinary shares of £0.01 each	SDI Group plc Beacon House Nuffield Road Cambridge Cambs CB4 1TF
Atik Cameras Limited	2 ordinary shares of £1 each	SDI Group plc Beacon House Nuffield Road Cambridge Cambs CB4 1TF
Opus Instruments Ltd	100 ordinary shares of £1 each	SDI Group plc Beacon House Nuffield Road Cambridge Cambs CB4 1TF
Sentek Limited	100 ordinary shares of £1 each	SDI Group plc Beacon House Nuffield Road Cambridge Cambs CB4 1TF
Astles Control Systems Limited	100 ordinary shares of £1 each	SDI Group plc Beacon House Nuffield Road Cambridge Cambs CB4 1TF
Applied Thermal Control Limited	73,009 ordinary shares of £1 each	SDI Group plc Beacon House Nuffield Road Cambridge Cambs CB4 1TF
Fistreem International Limited	12,700 ordinary shares of £0.01 each	SDI Group plc Beacon House Nuffield Road Cambridge Cambs CB4 1TF
Thermal Exchange Limited	9000 A ordinary shares of £0.01 each 1000 B ordinary shares of £0.01 each	SDI Group plc Beacon House Nuffield Road Cambridge Cambs CB4 1TF
Graticules Optics Limited	100 ordinary shares of £1 each	SDI Group plc Beacon House Nuffield Road Cambridge

<b>Name of company and Company Number</b>	<b>Description and Number of Shares</b>	<b>Chargor</b>
		Cambs CB4 1TF
MPB Industries Limited	100 ordinary shares of £1 each 600 non-voting shares A-H of £1 each	SDI Group plc Beacon House Nuffield Road Cambridge Cambs CB4 1TF
Chell Instruments Limited	42,105 ordinary shares of £1 each 10,526 ordinary E shares of £1 each	SDI Group plc Beacon House Nuffield Road Cambridge Cambs CB4 1TF
Monmouth Scientific Limited	100 ordinary shares of £1 each	SDI Group plc Beacon House Nuffield Road Cambridge Cambs CB4 1TF
Ducthub Limited	1 ordinary share of £1	SDI Group plc Beacon House Nuffield Road Cambridge Cambs CB4 1TF
Labhub Limited	100 ordinary shares of £1 each	SDI Group plc Beacon House Nuffield Road Cambridge Cambs CB4 1TF

**Schedule 4**

**INTELLECTUAL PROPERTY**

<b>Name of Owner</b>	<b>Client ID</b>	<b>Trade Mark Reference</b>	<b>Mark Text</b>	<b>Renewal Date</b>
Atik Cameras Limited	1053637	UK00917357443	ATIK	17.10.2027
Monmouth Scientific Limited	1632516	UK00003146933	cleantent clean-tent Clean-Tent Clean Tent	29.01.2026
Synoptics Limited	1407729	UK00918179433	AutoCOL	10.01.2030

**Schedule 5****DETAILS OF CHARGED ACCOUNTS**

<b>Account Bank</b>	<b>Sort code</b>	<b>Account number</b>	<b>Chargor</b>
HSBC UK Bank plc	40-12-76		MPB Industries Limited
HSBC UK Bank plc	40-12-76		MPB Industries Limited
HSBC UK Bank plc	40-12-76		Fistreem International Limited
HSBC UK Bank plc	40-12-76		Atik Cameras Limited
HSBC UK Bank plc	40-12-76		Atik Cameras Limited
HSBC UK Bank plc	40-12-76		Synoptics Limited
HSBC UK Bank plc	40-12-76		Synoptics Limited
HSBC UK Bank plc	40-12-76		Applied Thermal Control Limited
HSBC UK Bank plc	40-12-76		Applied Thermal Control Limited
HSBC UK Bank plc	40-12-76		SDI Group PLC
HSBC UK Bank plc	40-12-76		SDI Group PLC
HSBC UK Bank plc	40-12-76		Sentek Limited
HSBC UK Bank plc	40-12-76		Sentek Limited
HSBC UK Bank plc	40-12-76		Astles Control Systems Limited
HSBC UK Bank plc	40-12-76		Astles Control Systems Limited
HSBC UK Bank plc	40-12-76		Graticules Optics Limited
HSBC UK Bank plc	40-12-76		Graticules Optics Limited
HSBC UK Bank plc	40-12-76		Chell Instruments Limited
HSBC UK Bank plc	40-12-76		Chell Instruments Limited
HSBC UK Bank plc	40-12-76		Monmouth Scientific Limited
HSBC UK Bank plc	40-12-76		Monmouth Scientific Limited
HSBC UK Bank plc	40-16-08		Sentek Limited
HSBC UK Bank plc	40-16-08		Atik Cameras Limited
HSBC UK Bank plc	40-16-08		Monmouth Scientific Limited
HSBC UK Bank plc	40-16-08		Uniform Engineering Limited
HSBC UK Bank plc	40-16-08		Chell Instruments Limited
HSBC UK Bank plc	40-16-08		Applied Thermal Control Limited
HSBC UK Bank plc	40-16-08		SDI Group PLC
HSBC UK Bank plc	40-16-08		Graticules Optics Limited
HSBC UK Bank plc	40-16-08		Synoptics Limited
HSBC UK Bank plc	40-16-08		Astles Control Systems Limited
HSBC UK Bank plc	40-30-24		Fistreem International Limited

HSBC UK Bank plc	40-44-20		MPB Industries Limited
Lloyds Bank PLC	30-91-20		Monmouth Scientific Limited
Lloyds Bank PLC	30-15-99		Monmouth Scientific Limited

**Schedule 6****DETAILS OF INSURANCES**

<b>Policy Type</b>	<b>Policy Number</b>	<b>Insurer</b>	<b>Policy Period</b>	<b>Chargor</b>
Motor Fleet	HL FLE 2751054	Axa Insurance UK Plc	Expires 30/04/2022	SDI Group Plc Synoptics Limited Astles Control Systems Limited Applied Thermal Control Limited Sentek Limited MPB Industries Limited
Engineering Inspection	ESIS130	Engineering Safety Inspection Services Limited	Expires 30/04/2022	SDI Group Plc
Directors & Officers Liability	UKDRNC99754	Chubb European Group SE	Expires 30/04/2022	SDI Group Plc
Cyber Liability	ESJ0131279717	Cfc Underwriting Ltd	Expires 30/04/2022	SDI Group Plc
Travel	L000001681	Royal & Sun Alliance Plc	Expires 30/04/2022	SDI Group Plc and Subsidiaries
Marine Transit	KF086802	Zurich Insurance Plc	Expires 30/04/2022	SDI Group Plc and UK Subsidiaries
Commercial Combined	UC TSR 3919820	Travelers Insurance Company Limited	Expires 30/04/2022	SDI Group Plc Atik Cameras Limited Opus Instruments Limited Graticules Optics Limited
Commercial Combined	UCTSR5574240	Travelers Insurance Company	Expires 30/04/2022	Applied Thermal Control Limited Thermal Exchange Limited
Commercial Combined	P/CCK/10309	Pen Underwriting Limited	Expires 30/04/2022	Astles Control Systems Limited
Personal Accident	L000001496	Royal & Sun Alliance Plc	Expires 30/04/2022	Astles Control Systems Limited
Commercial Combined	UKINTD05918	Chubb European Group SE	Expires 30/04/2022	Chell Instruments Limited
Commercial Combined	PC153726	Zurich Insurance Plc	Expires 30/04/2022	MPB Industries Limited
Commercial Combined	A20H4G8P	Eaton Gate Commercial	Expires 17/12/2021	Monmouth Scientific Limited
Commercial Combined	PC161168	Zurich Insurance Plc	Expires 30/04/2022	Sentek Limited

Computer	201140534	Aviva Insurance Limited	Expires 30/04/2022	Sentek Limited
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**Schedule 7**

**SECURITY ACCESSION DEED**

**THIS DEED** is made on [ ]

**BETWEEN:**

- (1) [ ] (the "**New Chargor**"), a company incorporated in England and Wales with the registration number [ ] whose registered office is at [ ];
- (2) **[•] LIMITED** (the "**Borrower**"), a company incorporated in England and Wales with the registration number [•] whose registered office is at [•], for itself and as agent for and on behalf of each of the other Chargors (as defined in the Debenture referred to below); and
- (3) **[•]** as the Lender.

**INTRODUCTION**

- (A) The New Chargor is, or will on the date of this Deed become, a [wholly-owned] Subsidiary of the Borrower.
- (B) This Deed is supplemental to a deed dated [ ] (as supplemented and amended from time to time, the "**Debenture**") between, among others, the Borrower, each of the companies named in the Debenture as Chargors, and [•] as Lender.
- (C) The New Chargor at the request of the Borrower and in consideration of the Lender making or continuing to make facilities available to the Borrower or any other member of its group has agreed to enter into this Deed and become a Chargor under the Debenture.

**IT IS AGREED** as follows:

**1. DEFINITIONS AND INTERPRETATION**

- 1.1 Terms defined in the Debenture have the same meaning in this Deed.
- 1.2 The principles of interpretation set out in Clause 1.3 (*Construction*) of the Debenture apply to this Deed insofar as they are relevant to it, as they apply to the Debenture.

**2. ACCESSION**

The New Chargor agrees to become a party to and to be bound by the terms of the Debenture with immediate effect and so that the Debenture shall be read and construed for all purposes as if the New Chargor had been an original party to it as a Chargor.

**3. SECURITY**

The New Chargor mortgages, charges and assigns to the Lender all its business, undertaking and assets on the terms of Clause 3 (*Creation of Security*) of the Debenture, provided that:

- 3.1 [the Land charged by way of legal mortgage shall be the Land referred to in Schedule 1 (*Land*);]
- 3.2 [the Shares mortgaged or (if or to the extent that the mortgage does not take effect as a mortgage) charged shall include the Shares referred to in Schedule 2 (*Shares*);]

- 3.3 [the Intellectual Property charged shall include the Intellectual Property referred to in Schedule 3 (*Intellectual Property*);]
- 3.4 [the Charged Accounts shall include the Charged Accounts referred to in Schedule 4 (*Charged Accounts*);]
- 3.5 [the Insurances assigned shall include the Insurances referred to in Schedule 5 (*Insurances*);] [and]
- 3.6 [the Hedging Agreements charged by way of fixed charge shall include those referred to in Schedule 6 (*Hedging Agreements*)].

#### 4. **CONSENT OF EXISTING CHARGORS**

The Borrower by its execution of this Deed confirms the consent of the existing Chargors to the terms of this Deed and their agreement that this Deed will in no way prejudice or affect their obligations under, or the covenants they have given, or the Security created by, the Debenture.

#### 5. **EFFECT ON DEBENTURE**

- 5.1 The Debenture and this Deed shall be read and construed as one document so that references in the Debenture to "this Deed", "herein", and similar phrases will be deemed to include this Deed.
- 5.2 For the purposes of this Deed and the Debenture and with effect from the date of this Deed, the property and assets of the New Chargor mortgaged, charged or assigned to the Lender (whether by way of legal mortgage, assignment or fixed or floating charge) by or pursuant to this Deed shall form part of the Security Assets and references in the Debenture to the Security created by or pursuant to the Debenture will be deemed to include the Security created by or pursuant to this Deed.

#### 6. **GOVERNING LAW**

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

**EXECUTED AS A DEED AND DELIVERED** on the date set out at the beginning of this Deed.

**[SCHEDULE 1  
LAND]**

**[SCHEDULE 2  
SHARES]**

**[SCHEDULE 3  
INTELLECTUAL PROPERTY]**

**[SCHEDULE 4  
CHARGED ACCOUNTS]**

**[SCHEDULE 5  
INSURANCES]**

**[SCHEDULE 6  
HEDGING AGREEMENTS]**

**SIGNATURE PAGES TO SECURITY ACCESSION DEED**

**The New Chargor**

**EXECUTED** as a Deed )  
by **[NAME OF COMPANY] [LIMITED] [PLC]** )  
acting by two Directors or a Director and its )  
Secretary: )  
)

Director

Director/Secretary

Address: [ ]

Facsimile number [ ]

**OR**

**EXECUTED** as a Deed )  
by **[NAME OF COMPANY] [LIMITED] [PLC]** )  
)  
acting by \_\_\_\_\_, )  
a Director, in the presence of: )

Director

Signature of witness:

Name of witness:

Address:

Occupation:

Address: [ ]

Facsimile number [ ]

**The Borrower**  
  
**EXECUTED** as a Deed  
by **SDI GROUP PLC**  
  
acting by \_\_\_\_\_,  
a Director,  
in the presence of: Director

Signature of witness:

Name of witness:

Address:

Occupation:

**The Lender**  
  
**SIGNED** for and on behalf of  
**HSBC UK BANK PLC**

**Schedule 8**

**FORM OF NOTICE TO ACCOUNT BANKS**

**To be printed on the headed notepaper of the relevant Chargor**

To: [Account Bank]

Copy: HSBC UK Bank PLC

[Date]

Dear Sirs,

**Debenture dated [ ] between [Chargor]  
and HSBC UK Bank PLC (the "Debenture")**

This letter constitutes notice to you that under the Debenture we have charged (by way of a first fixed charge) in favour of HSBC UK Bank PLC (the "**Lender**") all our rights in respect of any account, and any amount standing to the credit of any account, maintained by us with you (the "**Accounts**").

We irrevocably instruct and authorise you to disclose to the Lender any information relating to any Account requested from you by the Lender.

We are permitted to withdraw any amount from the Accounts for any purpose unless and until you receive a notice from the Lender to the contrary stating that a Declared Default (as such term is defined in the Debenture) is continuing in relation to the security under the Debenture and that we are no longer permitted to withdraw any amount from any Accounts without its consent. If and from the date on which you receive any such notice, we will not be permitted to withdraw any amount from any Accounts without the prior written consent of the Lender. Thereafter, we irrevocably instruct and authorise you to comply with the terms of any written notice or instruction relating to any Account received by you from the Lender.

We acknowledge that you may comply with the instructions in this letter without any further permission from us.

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

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

Please confirm your agreement to the above by sending the attached acknowledgement to the Lender at [address] with a copy to us.

Yours faithfully,

.....  
(Authorised Signatory)  
[Chargor]

**ACKNOWLEDGEMENT OF ACCOUNT BANK**

To: HSBC UK Bank PLC

Copy: [Chargor]

[Date]

Dear Sirs,

**Debenture dated [ ] between [Chargor]  
and HSBC UK Bank PLC (the "Debenture")**

We confirm receipt from [Chargor] (the "**Chargor**") of a notice dated [ ] (the "**Notice**") of a charge upon the terms of the Debenture over all the rights of the Chargor to any amount standing to the credit of any of the Chargor's accounts with us (the "**Accounts**").

We confirm that we:

- (a) accept the instructions contained in the Notice and agree to comply with the Notice;
- (b) have not received notice of any prior security over, or the interest of any third party in, any Account;
- (c) have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of any Account;
- (d) after receipt of a notice from you stating that a Declared Default (as such term is defined in the Debenture) is continuing in relation to the security under the Debenture, will not permit any amount to be withdrawn from any Account without your prior written consent; and
- (e) thereafter, will comply with any notice we may receive from the Lender in respect of the Accounts.

The Accounts maintained with us are:

*[Specify accounts and account numbers]*

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

Yours faithfully,

.....  
(Authorised signatory)  
[Account Bank]

**Schedule 9**

**FORM OF NOTICE TO INSURERS**

**To be printed on the headed notepaper of the relevant Chargor**

To: [Insurer]

Copy: HSBC UK Bank PLC

[Date]

Dear Sirs,

**Debenture dated [ ] between [Chargor]  
and HSBC UK Bank PLC] (the "Debenture")**

This letter constitutes notice to you that under the Debenture we have assigned absolutely, subject to a proviso for re-assignment on redemption, to HSBC UK Bank PLC (the "**Lender**") all our rights in respect of [insert details of contract of insurance] (the **Insurance**).

We confirm that:

- (a) we will remain liable under the Insurance to perform all the obligations assumed by us under the Insurance; and
- (b) none of the Lender, 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 Insurance (unless, and to the extent, otherwise expressly provided for in the Insurance).

We will also remain entitled to exercise all our rights, powers and discretions under the Insurance, and you should continue to give notices and make payments under the Insurance to us (unless, and to the extent, otherwise expressly provided for in the Insurance or in any insurer letter you may have issued to the Lender in respect of the Insurance), unless and until you receive notice from the Lender to the contrary stating that a Declared Default (as such term is defined in the Debenture) is continuing in relation to the security under the Debenture. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Lender or as it directs (unless, and to the extent, otherwise expressly provided for in the Insurance or in any insurer letter you may have issued to the Lender in respect of the Insurance).

We irrevocably instruct and authorise you to disclose to the Lender any information relating to the Insurance requested from you by the Lender.

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

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

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Lender at [address] with a copy to us.

Yours faithfully,

.....  
(Authorised signatory)  
[Chargor]

**ACKNOWLEDGEMENT OF INSURER**

To: HSBC UK Bank PLC

Copy: [Chargor]

[Date]

Dear Sirs,

**Debenture dated [ ] between [Chargor]  
and HSBC UK Bank PLC (the "Debenture")**

We confirm receipt from [Chargor] (the "**Chargor**") of a notice dated [ ] (the "**Notice**") of an assignment on the terms of the Debenture of all the Chargor's rights in respect of [insert details of the contract of insurance] (the "**Insurance**").

We confirm that we:

- (a) accept the instructions contained in the Notice and agree to comply with the Notice; and
- (b) will give notices and make payments under the Insurance as directed in the Notice.

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

Yours faithfully,

.....  
(Authorised signatory)  
[Insurer]

**Schedule 10**

**FORM OF NOTICE TO HEDGE COUNTERPARTIES**

To: [Hedge Counterparty]

Copy: HSBC UK Bank PLC

[Date]

Dear Sirs,

**Debenture dated [ ] between [Chargor]  
and HSBC UK Bank PLC (the "Debenture")**

This letter constitutes notice to you that under the Debenture we assigned absolutely, subject to a proviso for re-assignment on redemption, to HSBC UK Bank PLC (the "**Lender**") all our rights under any hedging agreements between you and us (the **Hedging Agreements**).

We confirm that:

- (c) we will remain liable under the Hedging Agreements to perform all the obligations assumed by us under the Hedging Agreements; and
- (d) none of the Lender, 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 Hedging Agreements.

We will also remain entitled to exercise all our rights, powers and discretions under the Hedging Agreements, and you should continue to give notices and make payments under the Hedging Agreements to us, unless and until you receive notice from the Lender to the contrary stating that a Declared Default (as such term is defined in the Debenture) is continuing in relation to the security under the Debenture. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Lender or as it directs.

We irrevocably instruct and authorise you to disclose to the Lender any information relating to the Hedging Agreements which the Lender may request from you.

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

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

Please confirm your agreement to the above by signing the attached acknowledgement and returning it to the Lender at [address] with a copy to us.

Yours faithfully,

.....  
(Authorised signatory)  
[Chargor]

**ACKNOWLEDGEMENT OF HEDGE COUNTERPARTY**

To: HSBC UK Bank PLC

Copy: [Chargor]

[Date]

Dear Sirs,

**Debenture dated [ ] between [Chargor]  
and HSBC UK Bank PLC (the "Debenture")**

We confirm receipt from [Chargor] (the "**Chargor**") of a notice dated [ ] (the "**Notice**") of an assignment upon the terms of the Debenture of all the Chargor's rights under the Hedging Agreements (as defined in the Notice).

We confirm that we:

- (a) accept the instructions contained in the Notice and agree to comply with the Notice;
- (a) have not received notice of any prior security over, or the interest of any third party in, the Hedging Agreements; and
- (c) will give notices and make payments under the Hedging Agreements as directed in the Notice.

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

Yours faithfully,

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

**Schedule 11**

**FORM OF NOTICE TO TENANT/LICENSEE**

To: [Tenant/Licensee]

Copy: HSBC UK Bank PLC

[Date]

Dear Sirs,

Re: [Property address]

**Debenture dated [ ] between [Chargor]  
and HSBC UK Bank PLC (the "Debenture")**

We refer to the [lease/licence] dated [ ] and made between [ ] and [ ] (the ["Lease"/"Licence"]).

This letter constitutes notice to you that under the Debenture we have assigned absolutely (subject to a proviso for re-assignment on redemption) HSBC UK Bank PLC (the "**Lender**") all our rights under the [Lease/Licence].

We confirm that:

- (a) we will remain liable under the [Lease/Licence] to perform all the obligations assumed by us under the [Lease/Licence]; and
- (b) none of the Lender, 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 [Lease/Licence].

We will also remain entitled to exercise all our rights, powers and discretions under the [Lease/Licence], and you should continue to give notices and make payments under the [Lease/Licence] to us, unless and until you receive notice from the Lender to the contrary stating that the security under the Debenture has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and all notices must be given and payments must be made to, the Lender or as it directs.

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

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

Please confirm your agreement to the above by signing the attached acknowledgement and returning it to the Lender at [address] with a copy to us.

Yours faithfully,

.....  
(Authorised Signatory)  
[Chargor]

**ACKNOWLEDGEMENT OF TENANT/LICENSEE**

To: HSBC UK Bank PLC

Copy: [Chargor]

[Date]

Dear Sirs,

Re: [Property address]

**Debenture dated [ ] between [Chargor]  
and HSBC UK Bank PLC (the "Debenture")**

We confirm receipt from [Chargor] (the "**Chargor**") of a notice dated [ ] (the "**Notice**") in relation to the [Lease/Licence] (as defined in the Notice).

We confirm that we:

- (a) accept the instructions contained in the Notice and agree to comply with the Notice;
- (b) have not received any notice of any prior security over the [Lease/Licence] or that any third party has or will have any right or interest in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Chargor under or in respect of the [Lease/Licence]; and
- (c) will give notices and make payments under the [Lease/Licence] as directed in the Notice.

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

Yours faithfully,

.....  
For  
[Tenant/Licensee]



EXECUTED as deed by **MONMOUTH  
SCIENTIFIC LIMITED** acting by  
\_\_\_\_\_  
Jon Abell, a  
director, and  
\_\_\_\_\_  
Mike Creedon, a  
director

.....  
[Redacted Signature]

Director [Redacted Signature]  
.....  
Director

EXECUTED as deed by **SENTEK  
LIMITED** acting by  
\_\_\_\_\_  
Jon Abell, a  
director, and  
\_\_\_\_\_  
Mike Creedon, a  
director

.....  
[Redacted Signature]

Director [Redacted Signature]  
.....  
Director

EXECUTED as deed by **SYNOPTICS  
LIMITED** acting by  
\_\_\_\_\_  
Jon Abell, a  
director, and  
\_\_\_\_\_  
Mike Creedon, a  
director

.....  
[Redacted Signature]

Director [Redacted Signature]  
.....  
Director

EXECUTED as deed by **GRATICULES  
OPTICS LIMITED** acting by  
\_\_\_\_\_  
Jon Abell, a  
director, and  
\_\_\_\_\_  
Mike Creedon, a  
director

.....  
[Redacted Signature]

Director [Redacted Signature]  
.....  
Director


EXECUTED as deed by **CHELL**  
**INSTRUMENTS LIMITED** acting by  
\_\_\_\_\_  
Jon Abell, a  
director,  
\_\_\_\_\_  
Mike Creedon, a  
director

.... 

Director   
.....  
Director

EXECUTED as deed by **MPB**  
**INDUSTRIES LIMITED** acting by  
\_\_\_\_\_  
Jon Abell, a  
director,  
\_\_\_\_\_  
Mike Creedon, a  
director

..... 

Director   
.....  
Director

LENDER

Signed by Alison Barry )  
for and on behalf of **HSBC UK BANK PLC** )  
 )  
 ) .....  
Signature

Address: HSBC UK Bank plc  
50 - 60 Station Road  
Cambridge  
CB12JH  
Attention: Chris Teale