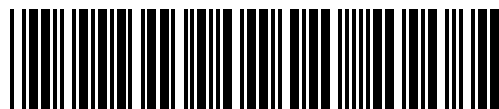




**Registration of a Charge**

Company Name: **HPC LASER HOLDINGS LIMITED**

Company Number: **08457449**



XB1DH3TE

Received for filing in Electronic Format on the: **06/04/2022**

**Details of Charge**

Date of creation: **01/04/2022**

Charge code: **0845 7449 0004**

Persons entitled: **CHRISTOPHER HALDON JACOBS AND CHARLOTTE LISA JACOBS**

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: **CLARION SOLICITORS**



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

Company number: 8457449

Charge code: 0845 7449 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 1st April 2022 and created by HPC LASER HOLDINGS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 6th April 2022 .

Given at Companies House, Cardiff on 11th April 2022

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**

# Clarion

**DATED**

**1 April 2022**

---

**(1) THE COMPANIES LISTED IN SCHEDULE 1**

**AND**

**(2) CHRISTOPHER HALDON JACOBS AND CHARLOTTE LISA JACOBS**

---

## **COMPOSITE GUARANTEE AND DEBENTURE**

relating to

**LOAN NOTE SECURITY**

---

Clarion Solicitors Limited  
Elizabeth House  
13-19 Queen Street  
Leeds  
LS1 2TW

Ref: AAC/MCR/47169.2

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THIS GUARANTEE AND DEBENTURE is made is on

1 April 2022

## BETWEEN

- (1) THE COMPANIES LISTED IN Schedule 1 (together, the "Chargors" and each a "Chargor") and
- (2) CHRISTOPHER HALDON JACOBS and CHARLOTTE LISA JACOBS of [REDACTED] (together, the "Beneficiaries" and each a "Beneficiary").

## BACKGROUND

- (A) The Noteholders have agreed to subscribe for the Loan Notes on the terms and subject to the conditions set out in the ICD and the Loan Note Instrument.
- (B) It is a condition precedent to the subscription of the Loan Notes that the Chargors shall have executed and delivered this deed.
- (C) The Board of Directors of each Chargor is satisfied that the relevant Chargor is entering into this deed for the purposes of its business and that its doing so benefits that Chargor.

## AGREED TERMS

### 1 Definitions and Interpretation

- 1.1 In this deed, the following words and expressions shall have the following meanings, unless otherwise stated:

<b>"Account"</b>	any account now or in the future opened or maintained by any of the Chargors with a bank or other financial institution (and any replacement account or subdivision or subaccount of that account), all amounts from time to time standing to the credit of, or accrued or accruing on, such account and all Related Rights;
<b>"Acknowledgement"</b>	a duly completed acknowledgement of assignment or charge in the form set out in the relevant part of Schedule 3 being: <ol style="list-style-type: none"> <li>(a) Part 2 in the case of Insurances;</li> <li>(b) Part 4 in the case of Charged Accounts; and</li> <li>(c) Part 6 in the case of Material Contracts;</li> </ol>
<b>"Authorisation"</b>	an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;
<b>"Bank"</b>	TC Loans Limited (company number: 13031559) acting in its capacity as both Security Trustee and Lender's Agent;
<b>"Charged Accounts"</b>	<ol style="list-style-type: none"> <li>(a) each Account identified in Part 5 of Schedule 2; and</li> <li>(b) any other Account maintained by a Chargor and designated in writing as a Charged Account;</li> </ol>
<b>"Default Rate"</b>	the rate specified in paragraph 1.5 of Part 1 ( <i>Interest, repayment and payment</i> ) of schedule 2 ( <i>Conditions</i> ) of the Loan Note Instrument;
<b>"Electron"</b>	Electron Group Ltd (company number: 13981016);

<b>"Encumbrance"</b>	a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;
<b>"Event of Default"</b>	has the meaning given to that phrase in the Loan Note Instrument;
<b>"Fixtures"</b>	in relation to any Real Property, all fixtures and fittings (including trade fixtures and fittings) and fixed plant, machinery and equipment and other items attached to the relevant Real Property whether or not constituting a fixture at law;
<b>"ICD"</b>	means the intercreditor deed dated on or around the date of the Loan Note Instrument entered into between (1) the Bank, (2) the Chargors and (3) the Beneficiaries;
<b>"Insurances"</b>	all contracts and policies of insurance of whatever nature which are, from time to time, taken out by or on behalf of any Chargor or (to the extent of such interest) in which any Chargor has an interest;
<b>"Intellectual Property"</b>	all patents, trade marks, service marks, designs, design rights, utility models, business names, topographical or similar rights, copyrights, moral rights, database rights, rights in inventions, domain names, computer software, know-how, trade secrets and confidential information and other intellectual property rights and any interests (including by way of licence) subsisting anywhere in the world in any of the foregoing (in each case whether registered or not and including all applications for the same) owned by the Chargor;
<b>"Investments"</b>	<p>(a) the Shares and any other shares, stocks, debentures, bonds, notes, commercial paper, certificates of deposit, interests in collective investment schemes and other securities and investments of any kind whatsoever; and</p> <p>(b) all warrants, options or other rights to subscribe for, purchase or otherwise acquire any securities and investments,</p> <p>in each case whether held directly by or to the order of any Chargor or by any custodian, nominee, fiduciary, clearance system or other similar person on its behalf (and all rights against any such person);</p>
<b>"Liability"</b>	any present or future obligation or liability for the payment of money, whether in respect of principal, interest or otherwise, whether actual or contingent, whether owed jointly or severally and whether as principal or surety or in any other capacity and including any amount which would constitute such a liability but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings;
<b>"Loan Note Documents"</b>	<p>(a) the Loan Note Instrument;</p> <p>(b) the Loan Notes;</p> <p>(c) this deed;</p> <p>(d) any other document which creates or purports to create Security for the Secured Obligations; and</p> <p>(e) any other document designated as such by the Beneficiaries;</p>
<b>"Loan Note Instrument"</b>	the instrument pursuant to which the Loan Notes are, or are to be, constituted;

<b>"Loan Notes"</b>	the £ [REDACTED] of Electron and constituted by the Loan Note Instrument;
<b>"Material Adverse Effect"</b>	<p>in the opinion of the Beneficiaries a material adverse effect on:</p> <ul style="list-style-type: none"> <li>(a) the business, operations, property, condition (financial or otherwise) or prospects of a Chargor or its group of companies taken as a whole; or</li> <li>(b) the ability of a Chargor to perform its obligations under the Loan Note Documents; or</li> <li>(c) the validity or enforceability of, or the effectiveness or ranking of any Security granted or purporting to be granted pursuant to any of, the Loan Note Documents or the rights or remedies of the Secured Parties under any of the Loan Note Documents;</li> </ul>
<b>"Material Contracts"</b>	<ul style="list-style-type: none"> <li>(a) the contracts (if any) detailed in Schedule 2;</li> <li>(b) any other contract from time to time designated in writing as a Material Contract by the Beneficiaries;</li> </ul>
<b>"Notice"</b>	<p>a duly completed notice of assignment or charge in the form set out in the relevant part of Schedule 3 being:</p> <ul style="list-style-type: none"> <li>(a) Part 1, in the case of Insurances;</li> <li>(b) Part 3, in the case of Charged Accounts; and</li> <li>(c) Part 5, in the case of Material Contracts;</li> </ul>
<b>"Planning Acts"</b>	the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991, the Planning and Compulsory Purchase Act 2004 and the Highways Act 1980 and any re-enactment, variation or modification of any of them and any orders, regulations or permissions made, issued or granted under or by virtue of the foregoing Acts or any of them;
<b>"Real Property"</b>	<ul style="list-style-type: none"> <li>(a) any freehold, leasehold or immovable property and all rights, easements and privileges from time to time attached thereto; and</li> <li>(b) any buildings, Fixtures from time to time situated on or forming part of that freehold, leasehold or immovable property;</li> </ul>
<b>"Receiver"</b>	a receiver and manager or any other receiver (whether appointed pursuant to this deed or any statute, by a court or otherwise) of all or any of the Secured Assets and shall, where permitted by law, include an administrative receiver;
<b>"Registered Intellectual Property"</b>	patents, petty patents, utility models, registered trade marks, registered designs and registered copyright, including applications for any of the same in any part of the world;
<b>"Related Rights"</b>	<p>in relation to any asset:</p> <ul style="list-style-type: none"> <li>(a) the proceeds of sale of all or any part of that asset;</li> </ul>

	<p>(b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;</p> <p>(c) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of that asset; and</p> <p>(d) any monies, proceeds or income paid or payable in respect of that asset;</p>
<b>"Secured Assets"</b>	all of the assets, rights, title, interests and benefits of the Chargors from time to time subject to the Security;
<b>"Secured Obligations"</b>	all present and future Liabilities of the Chargors to the Beneficiaries (or any of them) under or in relation to any one or more of the Loan Note Documents (including, without limitation, all Liabilities arising out of any extension, variation, modification, restatement or novation of such Loan Note Documents whatsoever) provided that no Liability shall be included in the definition of "Secured Obligations" to the extent that, if it were so included, the Security (or any part thereof) or any other provision of this deed would be unlawful or prohibited by any applicable law;
<b>"Secured Parties"</b>	each of the Noteholders, the Beneficiaries and any Receiver;
<b>"Secured Real Property"</b>	all of the Real Property from time to time subject to the Security;
<b>"Security"</b>	the security created or intended to be created by this deed;
<b>"Security Period"</b>	<p>the period beginning on the date of this deed and ending on the date upon which the Beneficiaries is satisfied that:</p> <p>(a) none of the Secured Parties is under any obligation (whether actual or contingent) to make advances or provide other financial accommodation to any Chargor under any of the Loan Note Documents; and</p> <p>(b) all Secured Obligations have been unconditionally and irrevocably paid and discharged in full;</p>
<b>"Shares"</b>	the shares identified in Schedule 2 (if any) and all other shares in the capital of any company now or in the future legally or beneficially owned by any Chargor and/or any nominee on its behalf;
<b>"Subsidiary"</b>	a subsidiary within the meaning of section 1159 of the Companies Act 2006; and
<b>"Tax"</b>	any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

## 1.2 Defined Terms

Unless this deed provides otherwise or the context otherwise requires, a term which is defined (or expressed to be subject to a particular construction) in the Loan Note Instrument shall have the same meaning (or be subject to the same construction) in this deed, provided that in the event that the Loan Note Instrument is terminated, all such defined terms contained in the Loan Note Instrument immediately prior to such termination shall be deemed to be included in this deed as if set forth herein.

## 1.3 Incorporation of Terms



The terms of the Loan Note Documents and any side letters between the Chargors and the Secured Parties are incorporated into this deed to the extent required for any purported disposition contained in this deed to be a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

#### 1.4 Certificates

Any certification or determination by a Secured Party of a rate or amount of any Secured Obligation owed to it shall be, in the absence of manifest error, conclusive evidence of the existence and amount of such Secured Obligation.

#### 1.5 Implied Covenants

In accordance with Rule 68 of the Land Registration Rules 2003:

- 1.5.1 the covenants set out in Section 3(1) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to clauses 4, 5 and 6 save for the words "*other than any charges, encumbrances or rights which that person does not and could not reasonably be expected to know about*";
- 1.5.2 the covenants set out in Section 3(2) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to clauses 4, 5 and 6 save for the words "*except to the extent that such liabilities and rights are, by reason of (i) being, at the time of the disposition, only potential liabilities and rights in relation to the property or (ii) being liabilities and rights imposed or conferred in relation to property generally, not such as to constitute defects in title*"; and
- 1.5.3 the exclusions set out in Section 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 shall not extend to clauses 4, 5 and 6.

#### 1.6 Nominees

If the Beneficiaries cause or require Shares or any other asset to be registered in the name of a nominee for the Beneficiaries, any reference in this deed to the Beneficiaries shall, if the context so permits or requires, be construed as a reference to each Beneficiary and such nominee.

#### 1.7 Third Party Rights

- 1.7.1 The terms of this deed may be enforced only by a party to it and the operation of the Contracts (Rights of Third Parties) Act 1999 is excluded, provided that any Receiver and any other Secured Party may rely on and enforce this deed.
- 1.7.2 The parties to this deed may vary or rescind this deed without the consent of any third party.

#### 1.8 Clause and Schedule Headings

- 1.8.1 Unless otherwise stated, any reference in this deed to a clause or a schedule shall be construed as a reference to a clause of or a schedule to this deed.
- 1.8.2 Clause and schedule headings are for ease of reference only and shall not affect the construction of this deed.

#### 1.9 ICD

This deed should be read and construed subject to the terms of the ICD. In the event of any inconsistency between the terms of this deed and the ICD, the terms of the ICD shall prevail.

## **2 Guarantee and Indemnity**

### **2.1 Guarantee and Indemnity**

Each Chargor irrevocably and unconditionally jointly and severally:

- 2.1.1 guarantees to each Secured Party punctual performance by each other Chargor of all that Chargor's obligations under the Loan Note Documents;
- 2.1.2 undertakes with each Secured Party that whenever another Chargor does not pay any amount when due under or in connection with any Loan Note Document, that Chargor shall immediately on demand pay that amount as if it was the principal obligor; and
- 2.1.3 agrees with each Secured Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Secured Party immediately on demand against any cost, loss or liability it incurs as a result of a Chargor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Loan Note Document on the date when it would have been due. The amount payable by a Chargor under this indemnity will not exceed the amount it would have had to pay under this clause 2.1 if the amount claimed had been recoverable on the basis of a guarantee.

### **2.2 Continuing Guarantee**

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Chargor under the Loan Note Documents, regardless of any intermediate payment or discharge in whole or in part.

### **2.3 Reinstatement**

If any discharge, release or arrangement (whether in respect of the obligations of any Chargor or any security for those obligations or otherwise) is made by a Secured Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Chargor under this clause 2 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

### **2.4 Waiver of Defences**

The obligations of each Chargor under this clause 2 will not be affected by an act, omission, matter or thing which, but for this clause 2, would reduce, release or prejudice any of its obligations under this clause 2 (without limitation and whether or not known to it or any Secured Party) including:

- 2.4.1 any time, waiver or consent granted to, or composition with, any Chargor or other person;
- 2.4.2 the release of any other Chargor or any other person under the terms of any composition or arrangement with any creditor of any Chargor;
- 2.4.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Chargor 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;
- 2.4.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Chargor or any other person;

- 2.4.5 any amendment, novation, supplement, extension restatement (however fundamental and whether or not more onerous) or replacement of a Loan Note Document or any other document or security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Loan Note Document or other document or security;
- 2.4.6 any unenforceability, illegality or invalidity of any obligation of any person under any Loan Note Document or any other document or security; or
- 2.4.7 any insolvency or similar proceedings.

## **2.5 Chargor Intent**

Without prejudice to the generality of clause 2.4, each Chargor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Loan Note Documents and/or any facility or amount made available under any of the Loan Note Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

## **2.6 Immediate Recourse**

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

## **2.7 Appropriations**

Until all amounts which may be or become payable by the Chargors under or in connection with the Loan Note Documents have been irrevocably paid in full, each Secured Party (or any trustee or agent on its behalf) may:

- 2.7.1 refrain from applying or enforcing any other moneys, security or rights held or received by that Secured Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Chargor shall be entitled to the benefit of the same; and
- 2.7.2 hold in an interest-bearing suspense account any moneys received from any Chargor or on account of any Chargor's liability under this clause 2.

## **2.8 Deferral of Chargors' Rights**

Until all amounts which may be or become payable by the Chargors under or in connection with the Loan Note Documents have been irrevocably paid in full and unless the Beneficiaries otherwise directs, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under the Loan Note Documents or by reason of any amount being payable, or liability arising, under this guarantee:

- 2.8.1 to be indemnified by a Chargor;
- 2.8.2 to claim any contribution from any other guarantor of any Chargor's obligations under the Loan Note Documents;
- 2.8.3 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Loan Note Documents or

of any other guarantee or security taken pursuant to, or in connection with, the Loan Note Documents by any Secured Party;

- 2.8.4 to bring legal or other proceedings for an order requiring any Chargor to make any payment, or perform any obligation, in respect of which any Chargor has given a guarantee, undertaking or indemnity under clause 2.1;
- 2.8.5 to exercise any right of set-off against any Chargor; and/or
- 2.8.6 to claim or prove as a creditor of any Chargor in competition with any Secured Party.

If a Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Parties by the Chargors under or in connection with the Loan Note Documents to be repaid in full on trust for the Secured Parties and shall promptly pay or transfer the same to the Beneficiaries or as the Beneficiaries may direct for application in accordance with the Loan Note Documents.

## **2.9 Release of Chargors' Right of Contribution**

If any Chargor (a "**Retiring Chargor**") ceases to be a Chargor in accordance with the terms of the Loan Note Documents for the purpose of any sale or other disposal of that Retiring Chargor then on the date such a Retiring Chargor ceases to be a Chargor:

- 2.9.1 that Retiring Chargor is released by each other Chargor from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Chargor arising by reason of the performance by any other Chargor of its obligations under the Loan Note Documents; and
- 2.9.2 each other Chargor waives any rights it may have by reason of the performance of its obligations under the Loan Note Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under any Loan Note Document or of any other security taken pursuant to, or in connection with, any Loan Note Document where such rights or security are granted by or in relation to the assets of the Retiring Chargor.

## **2.10 Additional Security**

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Secured Party.

## **2.11 Guarantee Limitations**

This guarantee does not apply to any liability to the extent that it would result in this guarantee constituting unlawful financial assistance within the meaning of sections 678 or 679 of the Companies Act 2006 or any equivalent and applicable provisions under the laws of the jurisdiction of incorporation of the relevant Chargor.

## **3 Covenant to Pay**

### **3.1 Covenant to Pay**

Each Chargor agrees, as primary obligor and not only as a surety, that it will pay and discharge the Secured Obligations as and when they fall due or, if no time for payment is specified in respect of the same, promptly on demand of the Beneficiaries.

### **3.2 Interest**

Any Secured Obligation which is owed by a Chargor under this deed and is not paid when due shall bear interest at the Default Rate from the due date until the date on which such Secured Obligation is unconditionally and irrevocably paid in full and such interest shall

accrue from day to day (after as well as before judgment) and be payable by the relevant Chargor on demand of the Beneficiaries.

#### **4 Fixed Charges**

4.1 Each Chargor, with full title guarantee and as continuing security for the payment and discharge of the Secured Obligations, charges in favour of the Beneficiaries to hold the same on trust for the Secured Parties:

- 4.1.1 by way of first legal mortgage, all of the Real Property (if any) specified in Schedule 2 and all other Real Property now vested in that Chargor;
- 4.1.2 by way of first fixed charge all such Chargor's present and future right, title and interest in and to and the benefit of (but in the case of clauses 4.1.2.5 and 4.1.2.6 only if and to the extent the rights in question have not been effectively assigned pursuant to clause 5 or such rights have been effectively assigned but such assignment has not been perfected by the service of the appropriate Notice):
  - 4.1.2.1 to the extent not effectively charged pursuant to clause 4.1.1, all estates or interests in any Real Property (whether such interests are freehold, leasehold or licences) vested in, or acquired by, it;
  - 4.1.2.2 to the extent not effectively charged pursuant to clause 4.1.1 or 4.1.2.1, all plant and machinery, equipment, computers, vehicles and other chattels (excluding any for the time being forming part of that Chargor's stock-in-trade or work in progress) owned by that Chargor or (to the extent of such interest) in which that Chargor has an interest and the benefit of all contracts and warranties relating to the same;
  - 4.1.2.3 all Charged Accounts;
  - 4.1.2.4 all Investments and all Related Rights;
  - 4.1.2.5 the Insurances and all Related Rights;
  - 4.1.2.6 to the extent that the same do not fall within any other sub-clause of this clause 4.1.2, the Material Contracts and all Related Rights;
  - 4.1.2.7 any pension fund (to the extent permitted by law);
  - 4.1.2.8 all Authorisations (statutory or otherwise) held in connection with the business of that Chargor or the use of any asset of that Chargor and the right to recover and receive all compensation which may at any time become payable to it in respect of the same;
  - 4.1.2.9 all goodwill and uncalled capital of that Chargor; and
  - 4.1.2.10 all of the Registered Intellectual Property (if any) specified in Schedule 2 and all other Registered Intellectual Property of that Chargor.

#### **5 Assignments**

##### **5.1 Assignments**

Subject to clause 5.2, each Chargor, with full title guarantee and as continuing security for the payment and discharge of the Secured Obligations, assigns absolutely to the Beneficiaries to hold the same on trust for the Secured Parties all its present and future right, title and interest in and to and the benefit of:

- 5.1.1 the Insurances and all Related Rights;

5.1.2 all the Material Contracts and all Related Rights; and

5.1.3 to the extent not charged under the provisions of clause 4.1.2.9, all Intellectual Property.

## **5.2 Non-assignable rights**

Each Chargor declares that to the extent that any right, title, interest or benefit in or in respect of any asset described in clause 5.1 cannot be or is not effectively assigned pursuant to clause 5.1 for whatever reason, the relevant Chargor shall:

5.2.1 promptly notify the Beneficiaries of the same and the reasons therefor;

5.2.2 hold the benefit of the same on trust for the Beneficiaries as security for the payment and discharge of the Secured Obligations; and

5.2.3 take such steps as the Beneficiaries may require to remove such impediment to an assignment.

## **5.3 License-back of Intellectual Property**

The Beneficiaries hereby grants to each Chargor an exclusive, royalty-free licence to use and to have used on its behalf and to sub-license all Intellectual Property assigned under this clause 5 at any time prior to the Security becoming enforceable. The grant of licence under this clause 5.3 includes the grant to each Chargor of the sole right to take action against, and compromise or make settlements with, any third parties infringing the Intellectual Property in satisfaction of the relevant Chargor's obligations under clause 14.2.2.

## **6 Floating charges**

### **6.1 Creation of Floating Charges**

6.1.1 Each Chargor, with full title guarantee and as continuing security for the payment and discharge of the Secured Obligations, charges in favour of the Beneficiaries to hold the same on trust for the Secured Parties by way of a first floating charge all its undertaking and assets whatsoever and wheresoever both present and future, not effectively charged pursuant to clause 4 or effectively assigned pursuant to clause 5.

6.1.2 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created pursuant to this clause 6.

### **6.2 Conversion of Floating Charge**

6.2.1 The Beneficiaries may, by notice to the relevant Chargor, convert the floating charge created under this deed with immediate effect into a fixed charge if:

6.2.1.1 the Security becomes enforceable in accordance with clause 19;

6.2.1.2 the Beneficiaries in good faith considers any of the Secured Assets to be in danger of being seized or sold under or pursuant to any form of distress, attachment, execution or other legal process or otherwise to be in jeopardy; or

6.2.1.3 the Beneficiaries consider such conversion to be necessary or desirable to protect the priority of the Security,

and such fixed charge shall apply to all assets subject to the floating charge unless and to the extent that such notice otherwise specifies.

6.2.2 The floating charges created under this deed shall (in addition to the circumstances in which the same will occur under general law) automatically be converted into a fixed charge (without notice) as regards all the assets subject to the floating charge at such time:

6.2.2.1 upon the convening of a meeting of the members of any Chargor to consider a resolution to wind up that Chargor;

6.2.2.2 upon the presentation of a petition to wind up any Chargor or the presentation or making of an application for a warrant of execution or a third party debt order or charging order in respect of any of the Secured Assets subject to the floating charges under this deed;

6.2.2.3 upon the issue and notice of distraint by HM Revenue and Customs or other competent authority, or upon any steps being taken to distrain for rent against any property of any Chargor; or

6.2.2.4 if any Chargor fails to comply with its covenant in clause 10.2 of this deed,

provided that nothing in this deed shall cause the floating charge to crystallise by reason of any Chargor obtaining or of anything being done with a view to that Chargor obtaining a moratorium under Section 1A of and Schedule A1 to the Insolvency Act 1986.

6.2.3 The giving of notice by the Beneficiaries pursuant to clause 6.2.1 in relation to any of the Secured Assets shall not be construed as a waiver or abandonment of the right of the Beneficiaries to serve similar notices in respect of any other of the Secured Assets or of any other of the rights of the Secured Parties (or any of them) under any Loan Note Document.

## **7 Notice of Assignment or Charge**

7.1 Each Chargor shall promptly upon the request of the Beneficiaries, give notice of the assignments effected pursuant to clause 5.1 by sending a Notice to:

7.1.1 in relation to the Insurances, each of the insurers party to each such Insurance;

7.1.2 in relation to the Charged Accounts, each bank or other financial institution with which each such Charged Account is maintained; and

7.1.3 in relation to the Material Contracts, each debtor or obligor party to each such Material Contract (including any relevant landlord or tenant),

and each Chargor shall use all its reasonable endeavours to procure that within 28 days of the date of the relevant Notice the recipient thereof acknowledges the same in the form of the relevant Acknowledgement.

## **8 Continuing Security**

### **8.1 Continuing and Independent Security**

The Security shall constitute and be continuing security which shall not be released or discharged by any intermediate payment or settlement of all or any of the Secured Obligations, shall continue in full force and effect until the end of the Security Period and is in addition to and independent of, and shall not prejudice or merge with, any other security (or any right of set-off) which the Beneficiaries or any other Secured Party may hold at any time for the Secured Obligations or any of them.

### **8.2 New Accounts**

If the Beneficiaries receives notice of any Encumbrance created or arising after the date of this deed in respect of the Secured Assets or any of them or makes demand of a Chargor for payment of any or all of the Secured Obligations:

- 8.2.1 the Beneficiaries may open a new account or accounts in respect of any or all of the Secured Obligations (and if it does not do so it shall be treated as if it had done so at the time it received such notice or made such demand); and
- 8.2.2 thereafter any amounts paid to the Beneficiaries' bank account in respect of the Secured Obligations, or realised or recovered by the Beneficiaries under this deed, shall be credited to a new account (or be treated as having been so credited) and not applied (or be treated as having been applied) in or towards payment of all or any of the Secured Obligations.

### **8.3 Avoidance of Payments**

Where any release, discharge or other arrangement in respect of any Secured Obligation or any Encumbrance which any Secured Party may hold for such Secured Obligation is given or made in reliance on any payment or other disposition which is avoided or must be repaid in an insolvency, liquidation or otherwise, and whether or not such Secured Party has conceded or compromised any claim that any such payment or other disposition will or should be avoided or repaid, this deed and the Security shall continue as if such release, discharge or other arrangement had not been given or made.

### **8.4 Immediate Recourse**

Neither the Beneficiaries nor any other Secured Party shall be obliged before exercising any of the rights conferred on it by this deed or by law to seek to recover amounts due from any Chargor or to exercise or enforce any other rights or security it may have or hold in respect of the Secured Obligations or any of them.

### **8.5 Waiver of Defences**

Neither the obligations of any Chargor under this deed, nor the Security and the rights, powers and remedies conferred on the Beneficiaries by this deed or by law shall be discharged, impaired or otherwise affected by:

- 8.5.1 the winding-up, dissolution, administration or reorganisation of any Chargor or any other person or any change in the status, function, control or ownership of any Chargor or any such person;
- 8.5.2 any of the Secured Obligations or any other security held by the Beneficiaries or any other Secured Party in respect thereof being or becoming illegal, invalid, unenforceable or ineffective in any respect;
- 8.5.3 any time or other indulgence being granted or agreed to or with any Chargor or any other person in respect of the Secured Obligations or any of them or in respect of any other security held by the Beneficiaries or any other Secured Party in respect thereof;
- 8.5.4 any amendment to, or any variation, waiver or release of, the Secured Obligations or any of them or any other security, guarantee or indemnity held by the Beneficiaries or any other Secured Party in respect thereof;
- 8.5.5 any total or partial failure to take or perfect any security proposed to be taken in respect of the Secured Obligations or any of them;
- 8.5.6 any total or partial failure to realise the value of, or any release, discharge, exchange or substitution of, any other security, guarantee or indemnity held by the Beneficiaries or any other Secured Party in respect of the Secured Obligations or any of them; or



- 8.5.7 any other act, event or omission which might operate to discharge, impair or otherwise affect the obligations of any Chargor under this deed, the Security or any of the rights, powers and remedies conferred on the Beneficiaries and the other Secured Parties by this deed or by law.

## **8.6 No Competition**

Any right which a Chargor may have by way of subrogation, contribution or indemnity in relation to the Secured Obligations, or otherwise to claim or prove as a creditor of any Chargor or any other person or its estate in competition with the Beneficiaries or any other Secured Party, shall be exercised by the relevant Chargor only if and to the extent that the Beneficiaries so requires and in such manner and upon such terms as the Beneficiaries may specify and such Chargor shall hold any moneys, rights or security held or received by it as a result of the exercise of any such rights on trust for the Beneficiaries for application in accordance with the terms of this deed as if such moneys, rights or security were held or received by the Beneficiaries under this deed.

## **8.7 Appropriation**

Neither the Beneficiaries nor any other Secured Party shall be obliged to apply any sums held or received by it in respect of the Secured Obligations in or towards payment of the Secured Obligations and any such sum shall be held by or paid to the Beneficiaries for application pursuant to the terms of this deed provided that any such sum may be credited to a suspense or impersonal account and held in such account pending the application from time to time of such sums in or towards discharge of the Secured Obligations.

## **9 Representations and Warranties**

Each Chargor makes the representations and warranties set out in clauses 9.1 to 9.7 to each Secured Party and acknowledges that each of the Secured Parties has entered into the Loan Note Documents to which it is party in reliance on such representations and warranties.

### **9.1 Status and Due Authorisation**

It is a limited company incorporated under the laws of England with power to enter into this deed and to exercise its rights and perform its obligations under this deed and all corporate and other action required to authorise its execution of this deed and its performance of its obligations under this deed has been duly taken.

### **9.2 Binding Obligations**

The obligations expressed to be assumed by it in this deed are legal and valid obligations binding on and enforceable against it in accordance with the terms of this deed and no limit on its powers will be exceeded as a result of the creation of the Security or the performance of its obligations under this deed.

### **9.3 No Conflict**

Its execution of this deed and the exercise of its rights and performance of its obligations under this deed do not and will not conflict with:

- 9.3.1 any agreement, mortgage, bond or other instrument or treaty to which it is a party or which is binding upon it or any of its assets or, except as provided in this deed or the other Transaction Security Documents, result in a requirement for the creation of any Encumbrance over any of its assets in any way;
- 9.3.2 its constitutional documents; or
- 9.3.3 any applicable law, regulation or official or judicial order.

### **9.4 All Actions Taken**

All acts, conditions and things required to be done, fulfilled and performed in order to:

- 9.4.1 enable it lawfully to enter into, exercise its rights under and perform and comply with the obligations expressed to be assumed by it in this deed;
  - 9.4.2 ensure that the obligations expressed to be assumed by it in this deed are legal, valid, binding and enforceable; and
  - 9.4.3 make this deed admissible in evidence in England,
- have been done, fulfilled and performed.

## **9.5 Investments**

- 9.5.1 It is the sole beneficial owner of each of its Investments and any Related Rights and it and/or its nominee is the legal owner of its Investments and all such Related Rights.
- 9.5.2 Its Investments and all Related Rights are within its disposition and control and the terms of each Investment and each Related Right, if applicable, and of the memorandum and articles of association or other constitutional documents of each issuer of such Investments do not restrict or otherwise limit its ability to transfer, mortgage, charge or otherwise grant security in respect of any of its Investments and/or the Related Rights.
- 9.5.3 It will not take any action whereby the rights attaching to, or the Security over, its Investments and the Related Rights are altered, diluted or otherwise adversely affected except with the prior written consent of the Beneficiaries.
- 9.5.4 As at the date of this deed, its Investments are fully paid or credited as fully paid and no calls have been made in respect of them which remain unpaid.
- 9.5.5 Save as otherwise expressly permitted under the Loan Note Documents, it has not sold or granted any rights of pre-emption over or agreed to sell or grant any right of pre-emption over or otherwise disposed of or agreed to dispose of the benefit of all or any of its rights, title, interests or benefits in, to or in respect of all or any of its Investments or any of the Related Rights.

## **9.6 Account Terms**

The terms on which its Accounts are maintained do not restrict or otherwise limit its right to transfer or charge such Accounts.

## **9.7 No Security from any Chargor**

It has not requested or taken any Encumbrance from any Chargor for any obligations or Liabilities of any Chargor to it.

## **9.8 Repetition**

The representations and warranties set out in clauses 9.1 to 9.7:

- 9.8.1 shall survive the execution of each Loan Note Document and each drawdown under the Loan Note Documents; and
- 9.8.2 are made on the date of this deed and, save in the case of clause 9.5.4, are deemed to be repeated on each date during the Security Period upon which Loan Notes are issued or upon which interest on the Loan Notes is paid or capitalised with reference to the facts and circumstances then existing.

## **10 General Undertakings**

### **10.1 Authorisations**

Each Chargor shall obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all Authorisations required in or by the laws of England to enable it lawfully to enter into and perform its obligations under this deed and to ensure the legality, validity, enforceability and admissibility in evidence in England of this deed.

### **10.2 Negative Pledge and Disposals**

No Chargor will:

- 10.2.1 create or permit to subsist any Encumbrance over all or any of its present or future assets other than:
  - 10.2.1.1 Encumbrances constituted by or created pursuant to any of the Loan Note Documents;
  - 10.2.1.2 other Encumbrances expressly permitted under the terms of the Loan Note Documents; or
  - 10.2.1.3 Encumbrances expressly permitted by the ICD; and
- 10.2.2 dispose of any of its assets except to the extent and in the manner expressly permitted under the Loan Note Documents.

### **10.3 No Prejudicial Action and Maintenance**

- 10.3.1 No Chargor shall:
  - 10.3.1.1 take any action which would cause any of the representations made in clause 9 to be untrue or incorrect in any respect at any time during the Security Period; or
  - 10.3.1.2 do or permit to be done anything which could reasonably be expected to prejudice the Security.
- 10.3.2 Each Chargor shall:
  - 10.3.2.1 notify the Beneficiaries of the occurrence of any event which results in (or could reasonably be expected to result in) any of the representations contained in clause 9 being untrue or incorrect in any respect when made or when deemed to be repeated;
  - 10.3.2.2 keep or cause to be kept all the Secured Assets in good working order and condition (fair wear and tear arising from the use of the Secured Assets in the ordinary course of its business excepted); and
  - 10.3.2.3 ensure that representatives of the Beneficiaries (with or without surveyors, workmen or others) are able at all reasonable times and on reasonable notice to view the condition of any of the Secured Assets.

## **11 Accounts and Receipts**

### **11.1 Accounts General**

- 11.1.1 Each Chargor will:
  - 11.1.1.1 deliver to the Beneficiaries on the date of this deed details of each of its Accounts (and, if any change in such detail (including any renewal

or redesignation of any such Account) occurs after the date of this deed or any new Account is opened, details of such change or new Account on the date of such change or opening); and

11.1.1.2 not, without the prior written consent of the Beneficiaries, permit or agree to any variation of the rights attaching to, or close, any such Account.

11.1.2 Without prejudice and in addition to clause 10.2, no Chargor will assign (whether by way of sale or mortgage), charge or otherwise seek to deal with or dispose of all or any part of any Charged Account (other than pursuant to this deed) without the prior written consent of the Beneficiaries.

## **11.2 Withdrawals**

No Chargor shall make any withdrawal from any Charged Account without the prior written consent of the Beneficiaries.

## **11.3 Book and Other Debts After Security Becomes Enforceable**

If and to the extent that the Beneficiaries so specify, at any time after the Security has become enforceable, each Chargor shall pay the proceeds of payment or realisation of such of that Chargor's assets comprising temporary and other investments, book and other debts, royalties, fees and income of like nature or other monies received by that Chargor as the Beneficiaries may require into such Account(s) as the Beneficiaries may from time to time specify and pending such payment shall hold all such receipts on trust for the Beneficiaries.

## **11.4 Accounts after Security Becomes Enforceable**

Upon the Security becoming enforceable, the Beneficiaries shall be deemed to have designated in writing all Accounts as Charged Accounts and at any time thereafter, the Beneficiaries may:

11.4.1 require each relevant Chargor to, and each such Chargor shall immediately on request, serve a Notice in the appropriate form on each bank or other financial institution with which any such Account is maintained and each such Chargor shall comply with its obligation under clause 7 to obtain an Acknowledgement of each such Notice; and

11.4.2 exercise from time to time, all rights, powers and remedies of each relevant Chargor in relation to any or all of its Accounts, including to demand and receive all and any monies standing to the credit of any such Accounts.

## **12 Material Contracts**

### **12.1 Documents**

Each Chargor will deliver to the Beneficiaries promptly following execution of the same such documents relating to the Material Contracts as the Beneficiaries may, following request, reasonably require.

### **12.2 No Amendments**

No Chargor will:

12.2.1 amend, supplement, supersede or waive any provision of any Material Contract, exercise any right to rescind, cancel or terminate any Material Contract or release any counterparty from any obligations under any Material Contract; or

12.2.2 waive any breach by any counterparty or consent to any act or omission which would otherwise constitute such a breach,

except as permitted by the terms of the other Loan Note Documents.

### 12.3 Performance

Each Chargor will:

- 12.3.1 duly and promptly perform its obligations and, unless the Beneficiaries shall otherwise require, diligently pursue its rights and remedies under each Material Contract; and
- 12.3.2 notify the Beneficiaries of any material breach of or default under a Material Contract by it or any other party and any right that arises entitling it or any other party to terminate or rescind a Material Contract, promptly on becoming aware of the same.

### 12.4 Restriction on Dealing

Without prejudice and in addition to clause 10.2, no Chargor will assign, transfer, charge or otherwise deal with or dispose of any Material Contract or any of its rights, title, interest and benefits in, to and in respect of any Material Contract.

## 13 Investments

### 13.1 Deposit of Certificates

Following request by the Beneficiaries each Chargor will:

- 13.1.1 in respect of the Shares specified in clause Part 3 of Schedule 2 (***Details of Certain Assets***) and on the date of acquisition in respect of any additional Shares deliver to the Beneficiaries:
  - 13.1.1.1 the share certificates; and
  - 13.1.1.2 stock transfer forms,

(duly executed in blank by or on behalf of each Chargor or its nominee as appropriate); and
- 13.1.2 on the date of this deed, or if later, on the date of acquisition of any Investment:
  - 13.1.2.1 deposit with the Beneficiaries (or as the Beneficiaries may direct) all other certificates and documents of title or evidence of ownership in relation to such Investments and any Related Rights; and
  - 13.1.2.2 execute and deliver to the Beneficiaries all such other transfer forms and documents as may be requested by the Beneficiaries in order to enable the Beneficiaries (or their nominee) to become registered as the owner, or otherwise obtain legal title to such Investments and Related Rights.

### 13.2 Not Prejudice

Without prejudice and in addition to clause 10.3, no Chargor shall, by the exercise of any voting rights or otherwise, permit or agree to:

- 13.2.1 any variation of the rights attaching to or conferred by all or any part of its Investments, or
- 13.2.2 any increase in the issued share capital of any company whose shares are charged pursuant to this deed; or

13.2.3 any other matter,

in each case which, in the opinion of the Beneficiaries would, or would be reasonably likely to, impair the value of, or prejudice the ability of the Beneficiaries to realise, the Security or otherwise prejudice the interests of any Secured Party under any Loan Note Document.

### **13.3 Calls and Other Payments**

Each Chargor shall pay when due all calls or other requests for payments made in respect of any of its Investments and the Related Rights but if any Chargor fails to make any such payment, the Beneficiaries may (but shall not be obliged to) make such payment on behalf of such Chargor and if the Beneficiaries does so, the relevant Chargor shall promptly on demand of the Beneficiaries pay to the Beneficiaries an amount equal to such payment.

### **13.4 Notices**

Each Chargor shall, promptly upon receipt by it, deliver to the Beneficiaries copies of any notices, reports, accounts, statements, circulars or any other documents relating to any of its Investments or the Related Rights.

### **13.5 Rights Before Security Enforceable**

Unless and until the Security has become enforceable, each Chargor shall continue to be entitled:

13.5.1 to receive and retain all dividends, interest and other monies arising from the Investments and the Related Rights; and

13.5.2 subject to clause 13.2, to exercise all voting rights in relation to the Investments.

### **13.6 Rights After Security Enforceable**

At any time after the Security has become enforceable, the Beneficiaries may at its discretion (in the name of each relevant Chargor or otherwise and without any further consent or authority from any Chargor):

13.6.1 complete all stock transfer forms and other documents of title then held by the Beneficiaries pursuant to this deed in the name of the Beneficiaries (or its nominee) and each Chargor shall extend the fullest co-operation to the Beneficiaries to secure the prompt registration of such transfer and the prompt issue of a new certificate or certificates for the relevant Investments in the name of the Beneficiaries (or its nominee);

13.6.2 exercise (or refrain from exercising) any voting rights in respect of any Chargor's Investments and all other powers and rights conferred on or exercisable by a legal or beneficial owner of the Investments;

13.6.3 apply all dividends, interest and other monies arising from or pursuant to any Chargor's Investments as if they were proceeds of sale under this deed; and

13.6.4 exercise or refrain from exercising the rights of a legal owner of the Investments, including the right, in relation to any company whose shares or other securities are included in the Investments, to concur or participate in:

13.6.4.1 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 thereof);

13.6.4.2 the realisation, modification or variation of any rights or liabilities attaching to any such shares or securities; and

13.6.4.3 the exercise, renunciation or assignment of any right to subscribe for any such shares or securities,

in each case in such manner and on such terms as the Beneficiaries may think fit.

## **14 Intellectual Property**

### **14.1 Notification**

Each Chargor will promptly notify the Beneficiaries of:

14.1.1 details of all Registered Intellectual Property (including applications for registration) granted to or filed by or on behalf of that Chargor that come into existence after the date of this deed; and

14.1.2 any existing or future contract for it to acquire (by licence or otherwise) any Intellectual Property.

### **14.2 Protection**

Each Chargor will:

14.2.1 make such applications for patents and for registration of designs, trade marks or service marks and pay such application, search, translation, registration and renewal fees, and similar amounts as are necessary fully to protect and to keep in force all of its Intellectual Property; and

14.2.2 take such steps as may be necessary (including, without limitation, the institution of legal proceedings) to prevent third parties infringing any of its Intellectual Property (including but not limited to the Registered Intellectual Property set out in Schedule 2 and the Intellectual Property assigned to the Beneficiaries under clause 5.1.3).

### **14.3 Not Prejudice**

Without prejudice and in addition to clause 10.3, other than as permitted by the Loan Note Instrument, no Chargor will without the prior written consent of the Beneficiaries:

14.3.1 sell, assign, transfer, license, mortgage or otherwise dispose of or encumber all or any part of its Intellectual Property; or

14.3.2 permit any such Intellectual Property to be abandoned or cancelled, to lapse or to be liable to any claim of revocation for non-use or otherwise.

### **14.4 Registration**

In respect of:

14.4.1 the Registered Intellectual Property specified in Schedule 2; and

14.4.2 any future Registered Intellectual Property granted to the Chargor at any time after the date of this deed,

in each case, against which this deed may be recorded, each Chargor shall promptly file with the patent or other intellectual property office in the jurisdiction where such Registered Intellectual Property is registered or has been applied for such form (together with the payment of any required fee) as is necessary properly to register the existence of this deed and the rights and interests created by it within any applicable time periods. For the avoidance of doubt, all costs incurred by either a Chargor or the Beneficiaries (including but not limited to official fees and legal fees) in connection with such registrations and recordings shall be borne by the Chargors.

## 15 Real Property

### 15.1 Each Chargor shall:

- 15.1.1 keep or cause to be kept in good and substantial repair, decoration and good working order all buildings and erections on its Real Property and other plant, machinery, implements and other effects for the time being owned by it and where necessary replace the same with items of similar quality and value;
- 15.1.2 ensure that the Beneficiaries or any authorised representative of the Beneficiaries is able at all reasonable times, and on receipt of reasonable notice, to inspect and enter into or onto (as the case may be) any of its Real Property;
- 15.1.3 not fix or permit the affixing of any property to any of its Real Property which property is not itself a Secured Asset;
- 15.1.4 duly and punctually perform and at all times observe all covenants and stipulations (restrictive or otherwise) affecting all or any part of its Real Property and indemnify each Secured Party in respect of any breach thereof (or if the lessor and, to the extent necessary, ensure that all such matters to be complied with by any third party are so complied with) and not do or suffer to be done any act or thing whereby any lease or leases comprising such Real Property may become liable to forfeiture or otherwise be determined or agree any variation, surrender or termination thereof without the prior written consent of the Beneficiaries;
- 15.1.5 promptly notify the Beneficiaries in writing upon the acquisition by any Chargor of any Real Property after the date of this deed and of any Encumbrance existing in respect of any Real Property acquired by it after the date of this deed and, on demand of the Beneficiaries and at the cost of the relevant Chargor, execute and deliver to the Beneficiaries a charge by way of legal mortgage (or such other security as the Beneficiaries may require) in favour of the Beneficiaries of any Real Property and all Fixtures relating thereto which becomes vested in it after the date of this deed to secure the payment or discharge of the Secured Obligations in such form as the Beneficiaries may require; in the case of any leasehold property in relation to which the consent of the landlord is required in order for the relevant Chargor to perform any of the foregoing obligations, that Chargor shall use its reasonable endeavours to obtain such consent promptly and shall notify the Beneficiaries in writing upon receipt of such consent;
- 15.1.6 use its Real Property only for such purpose or purposes as may for the time being be authorised as the permitted use or user thereof under or by virtue of the Planning Acts;
- 15.1.7 not without the prior written consent of the Beneficiaries, carry out or permit to be carried out on any part of its Real Property any development (within the meaning of that expression in the Planning Acts and being a development in respect of which the permission of the local planning authority is required) or make any application for planning permission;
- 15.1.8 not, without the prior written consent of the Beneficiaries:
  - 15.1.8.1 grant or agree to grant or otherwise suffer to be created (whether in exercise or independently of, any statutory power) any lease, tenancy, contractual licence or interest to occupy or permit to assign, underlet or part with possession of all or any part of its Real Property;
  - 15.1.8.2 accept a surrender of any lease, tenancy, contractual licence or interest to occupy;
  - 15.1.8.3 agree any reduction in the rent payable to it or release, defer, waive or vary any obligation under, or the terms of, or exercise any option or power to break, determine or extend any lease;



- 15.1.8.4 commence any forfeiture proceedings in respect of any lease;
- 15.1.8.5 agree to any rent review in respect of any lease;
- 15.1.8.6 consent to any assignment of any tenant's interest under any lease; or
- 15.1.8.7 grant any sublease or confer upon any person any contractual licence or right to occupy all or any part of its Real Property;
- 15.1.9 in respect of any Real Property which is acquired after the date of this deed by or on behalf of any Chargor, the title to which is or is required to be registered at the Land Registry under the Land Registration Act 2002, promptly notify the Beneficiaries of the title number(s), make the necessary application to the Land Registry for the registration of the relevant Chargor as the Registered Proprietor thereof, and contemporaneously with the making of such application to the Land Registry, apply to the Chief Land Registrar to enter an agreed notice in respect of the legal mortgage referred to in clause 15.1.5 in the charges register and to enter the restriction set out in clause 35 (as repeated in the said legal mortgage) in the Proprietorship Register in each case in respect of each such registrable title, and shall procure that each such notice and each such restriction is so entered;
- 15.1.10 deposit with the Beneficiaries (who shall be entitled to hold the same during the Security Period):
  - 15.1.10.1 all deeds and documents of title relating to its Real Property (whenever acquired by the Chargor);
  - 15.1.10.2 all Local Land Charges, Land Charges and Land Registry Search Certificates and similar documents received by or on behalf of the relevant Chargor within the 3 months immediately prior to the date of this deed or, in the event any Real Property is acquired after the date of this deed, within the 3 months prior to the acquisition of such Real Property; and
  - 15.1.10.3 any leases and agreements for lease granted by or to the Chargor from time to time;
- 15.1.11 grant the Beneficiaries, or its lawyers on request, all facilities within the power of the relevant Chargor to enable such lawyers to carry out investigations of title of all or any part of the Real Property of any Chargor which is or may become subject to this Security, and enquiries into such matters in connection therewith as would usually be carried out by a prudent mortgagee; all such investigations and enquiries shall be at the expense of the relevant Chargor;
- 15.1.12 not, without the prior written consent of the Beneficiaries, enter into any negotiations with any competent authority with regard to the compulsory acquisition of any of its Real Property or consent to the compulsory acquisition of any of its Real Property, and, if so requested by the Beneficiaries, permit the Beneficiaries or its authorised representatives to conduct such negotiations or to give such consent on the relevant Chargor's behalf; or
- 15.1.13 within 14 days after the receipt by any relevant Chargor of any application, requirement, order or notice served or given by any public, local or other authority with respect to any of the Real Property (or any part of it) deliver a copy to the Beneficiaries and inform the Beneficiaries of the steps taken or proposed to be taken to comply with the relevant requirement;
- 15.1.14 if any Chargor fails to observe or perform any undertaking affecting any of the Real Property (or any part of it), allow the Beneficiaries or its agents and contractors to:
  - 15.1.14.1 enter into any part of the Real Property;

15.1.14.2 comply with or object to any notice served on any Chargor in respect of the Real Property; and

15.1.14.3 take any action as the Beneficiaries may reasonably consider necessary or desirable to prevent or remedy any breach of any such term or to comply with or object to any such notice,

and the relevant Chargor shall immediately on request by the Beneficiaries pay the costs and expenses of the Beneficiaries or its agents and contractors incurred in connection with any action taken by it under this clause 15.1.14; and

15.1.15 perform all its obligations under any law or regulation in any way related to or affecting the Real Property.

## **16 Insurances**

### **16.1 Insured Risks**

Each Chargor shall insure and keep insured those of the Secured Assets of an insurable nature against loss or damage by fire and other risks normally insured against by persons carrying on the same class of business as that carried on by it (including insurance against business interruption, loss of profits, product liability, professional indemnity, pollution and public liability) and such other risks as the Beneficiaries shall from time to time in writing reasonably require, in a sum or sums not less than the replacement value thereof if and to the extent appropriate, and otherwise for a reasonable and prudent amount in the circumstances with such reputable insurance company or underwriters as the Beneficiaries shall approve.

### **16.2 Note of Interest**

Each Chargor shall procure that a note of the interest of the Beneficiaries is endorsed upon all Insurances which shall at any time during the subsistence of this Security be effected, maintained or held by that Chargor or any person.

### **16.3 Avoidance of Insurance and Premiums**

Each Chargor shall:

16.3.1 not do or omit to do, or permit or suffer to be done or omitted to be done, anything which might render any of the Insurances void, voidable or unenforceable; and

16.3.2 promptly pay or procure payment of all premiums and do all other things necessary to keep all of the Insurances in force and, on demand of the Beneficiaries, produce to the Beneficiaries on demand the policy, certificate or cover note relating to each Insurance and related premium receipts.

## **17 Further Assurance**

Each Chargor shall from time to time and at its own expense, give all such assurances and do all such things as the Beneficiaries may require or consider desirable to enable the Beneficiaries to perfect, preserve or protect the Security or the priority of the Security or to exercise any of the rights conferred on the Beneficiaries or the Secured Parties by this deed or by law and to that intent each Chargor shall execute all such instruments, deeds and agreements, obtain all consents, approvals and other authorisations necessary to create legally and validly, without any breach of contract or duty, the fixed charges and to effect the assignments envisaged under clauses 4 and 5 respectively, and shall give all such notices and directions as the Beneficiaries may consider expedient.

## **18 Power to Remedy**

Without prejudice to the Beneficiaries' rights under clause 10, if any Chargor fails to comply with any of its obligations in relation to any of its assets under this deed, or the Beneficiaries

reasonably considers that any Chargor has failed to comply with any such obligations, the Beneficiaries 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 relevant Chargor will co-operate with and will grant the Beneficiaries or its agents or contractors such access as the Beneficiaries may require to the relevant assets or otherwise in order to facilitate the taking of such steps.

## **19 Enforcement of Security**

### **19.1 Security Enforceable**

The Security shall become immediately enforceable:

- 19.1.1 if an Event of Default has occurred and is continuing;
- 19.1.2 after a proposal has been made for a voluntary arrangement (save where any moratorium under the Insolvency Act 2000 is applied for or is in force, when no demand shall be made until any application is rejected or upon the expiry of such moratorium) in respect of any Chargor;
- 19.1.3 if any Chargor requests the Beneficiaries to appoint an administrator pursuant to Schedule B1 of the Insolvency Act 1986 or a Receiver;
- 19.1.4 if so requested by any Chargor; or
- 19.1.5 any corporate action or other steps are taken or legal proceedings are started by or in respect of in respect of any Chargor with a view to the appointment of an administrator pursuant to Schedule B1 of the Insolvency Act 1986.

### **19.2 Enforcement**

At any time after the Security has become enforceable, the Beneficiaries may in its absolute discretion enforce all or any part of the Security and exercise any of the rights conferred on it by this deed or by law at such times and in such manner as it thinks fit.

### **19.3 Rights of a Chargor on Enforcement**

Upon the Security becoming enforceable, no Chargor may, without the prior written consent of the Beneficiaries, withdraw any monies from any Account, compromise, compound, vary, discharge, postpone or release any of its rights to receive monies or otherwise waive any rights of action in relation thereto or do or omit to do anything which may delay or prejudice the full recovery thereof other than, save to the extent the Beneficiaries otherwise instructs the relevant Chargor in writing:

- 19.3.1 granting extensions to normal trade credit in accordance with its reasonable; and
- 19.3.2 in the circumstances then prevailing, prudent management of its debtors on a normal commercial basis.

### **19.4 Power of Sale**

At any time after the Security has become enforceable, the Beneficiaries may (without notice to any Chargor) sell or otherwise dispose of the Secured Assets or any of them and shall be entitled to apply the proceeds of such sale or other disposal in paying the costs of such sale or disposal and thereafter in or towards the discharge of the Secured Obligations or otherwise as provided for in this deed.

### **19.5 Statutory Powers**

For the purposes of all powers implied by statute, the Secured Obligations shall be deemed to have become due and payable on the date of this deed.

## 19.6 Law of Property Act

Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this deed or to any exercise by the Beneficiaries of its right to consolidate mortgages or its power of sale. The statutory powers of leasing conferred on the Beneficiaries shall be extended so as to authorise the Beneficiaries to lease, make agreements for leases, accept surrenders of leases and grant such options as the Agent shall think fit and without the need to comply with any of the provisions of Sections 99 and 100 of the Law of Property Act 1925, and clause 19.2 shall operate as a variation and extension of Section 101 of such Act.

## 19.7 Appropriation of Financial Collateral

To the extent that the Secured Assets constitute "financial collateral" and this deed constitutes a "security financial collateral arrangement" (as defined in the Financial Collateral Arrangements (No.2) Regulations 2003 (*SI 2003 No. 3226*)), the Beneficiaries may appropriate all or any part of the Secured Assets in or towards satisfaction of the Secured Obligations, 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 Beneficiaries shall determine in a commercially reasonable manner.

## 20 Administrators and Receivers

### 20.1 Appointment of Administrator

At any time after the Security has become enforceable, the Beneficiaries may appoint an administrator pursuant to the power contained in paragraph 14 of Schedule B1 to the Insolvency Act 1986.

### 20.2 Appointment of Receivers

At any time after the Security has become enforceable or if any Chargor requests it to do so, the Beneficiaries may, by written instrument and without notice to the relevant Chargor, appoint any one or more persons as Receiver of such part of the Secured Assets as may be permitted by law.

### 20.3 Status of Receivers

Each Receiver shall:

- 20.3.1 be entitled to act individually as well as jointly with any other person appointed as Receiver; and
- 20.3.2 for all purposes be deemed to be the agent of the relevant Chargor (and no Receiver shall at any time act as agent for the Beneficiaries) and shall as such agent be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Law of Property Act 1925.

### 20.4 Powers of a Receiver

- 20.4.1 Every Receiver appointed pursuant to clause 20.2 shall have and be entitled to exercise all of the powers set out in clause 20.4.2 in addition to:
  - 20.4.1.1 all the powers conferred by the Law of Property Act 1925 (as extended by this deed) on any receiver appointed under such Act; and
  - 20.4.1.2 (whether or not such Receiver is an administrative receiver) all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986.
- 20.4.2 The powers referred to in the first sentence of clause 20.4.1 are:

- 20.4.2.1 to take immediate possession of, get in and collect all or any part of the Secured Assets over which he is appointed;
- 20.4.2.2 to carry on the business of the relevant Chargor insofar as it relates to the Secured Assets over which he is appointed as it may think fit, including the entering into of contracts and the repudiation, rescission or variation of any contract to which the relevant Chargor is a party, and the acquisition or hiring of assets;
- 20.4.2.3 to make and effect all repairs and insurances and do all other acts which the relevant Chargor might do in the ordinary course of its business or is obliged to do under the terms of this deed whether for the protection or for the improvement of the Secured Assets over which he is appointed and to commence and/or complete any building operations on the relevant Chargor's Real Property over which he is appointed and to apply for and maintain any planning permissions, building regulation approvals and any other permissions, consents or licences, in each case as it may in his absolute discretion think fit;
- 20.4.2.4 to appoint, discharge and vary the terms of employment or other engagement of managers, officers, agents, accountants, servants, workmen and others for the purposes of this deed upon such terms as to remuneration or otherwise as it may think proper;
- 20.4.2.5 for the purpose of exercising any of the powers, authorities and discretions conferred on it by or pursuant to this deed and/or of defraying any costs, charges, losses or expenses (including remuneration) which shall be incurred by it in the exercise thereof or for any other purpose, to raise and borrow money either unsecured or on the security of all or any part of the Secured Assets over which he is appointed either in priority to the Security or otherwise and generally on such terms and conditions as it may think fit and no person lending such money shall be concerned to enquire as to the propriety or purpose of the exercise of such power or to see to the application of any money so raised or borrowed;
- 20.4.2.6 to sell, lease, exchange, grant options or licences over, convert into money and realise or otherwise deal with, all or any part of the Secured Assets over which he is appointed by public auction or private contract and generally in such manner and on such terms as it shall think proper. Without prejudice to the generality of the foregoing, it may do any of these things for a consideration consisting of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over such period as it may think fit. Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the relevant Chargor;
- 20.4.2.7 to let all or any part of the Real Property over which he is appointed for such term and at such rent (with or without a premium) as it may think proper and to accept a surrender of any lease or tenancy thereof on such terms as it may think fit (including the payment of money to a lessee or tenant on a surrender);
- 20.4.2.8 to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the relevant Chargor or relating in any way to the Secured Assets over which he is appointed or any part thereof;
- 20.4.2.9 to bring, prosecute, enforce, defend and abandon any actions, suits and proceedings in relation to the Secured Assets over which he is appointed or any part thereof as may seem to it to be expedient;

- 20.4.2.10 to give valid receipts for all moneys and execute all assurances and things which it may think proper or desirable for realising the Secured Assets over which he is appointed;
- 20.4.2.11 to form a Subsidiary or Subsidiaries of the relevant Chargor (whether by acquisition or otherwise) and to supervise and manage the same and to transfer or otherwise dispose to any such Subsidiary all or any part of the Secured Assets over which he is appointed;
- 20.4.2.12 to make or require the directors of the relevant Chargor to make calls upon the holders of share capital in that Chargor and to enforce payment of any unpaid calls as it sees fit;
- 20.4.2.13 to enter into or otherwise grant guarantees, indemnities or otherwise incur obligations in respect of the liabilities of third parties and to make payments due in relation to the same; and
- 20.4.2.14 to do all such other acts and things as it may consider desirable or necessary for realising all or any part of the Secured Assets over which he is appointed or incidental or conducive to any of the matters, powers or authorities conferred on a Receiver under or by virtue of this deed; to exercise in relation to all or any part of the Secured Assets over which he is appointed all such powers, authorities and things as it would be capable of exercising if it were the absolute beneficial owner of the same; and to use the name of the relevant Chargor for all or any of such purposes.

## **20.5 Removal and Remuneration**

- 20.5.1 The Beneficiaries may whenever it may deem it expedient (and so far as it is lawfully able), by written instrument:
    - 20.5.1.1 remove any Receiver appointed by it; and
    - 20.5.1.2 appoint a new Receiver in the place of any Receiver whose appointment has been terminated,
- and may from time to time fix the remuneration of any Receiver appointed by it without the limitations imposed by Section 109 of the Law of Property Act 1925.
- 20.5.2 The relevant Chargor shall be solely responsible for the payment of the remuneration of any Receiver appointed pursuant to this deed.

## **20.6 Beneficiaries' Rights**

To the fullest extent permitted by law, all or any of the powers, authorities and discretions which are conferred by this deed (either expressly or impliedly) upon a Receiver in respect of the Secured Assets may, after the Security has become enforceable, be exercised by the Beneficiaries in relation to the whole or any part of the Secured Assets irrespective of whether or not a Receiver of all or any part of such Secured Assets has been appointed.

## **21 Application of Proceeds**

Any moneys held or received by the Beneficiaries or by any Receiver under or pursuant to this deed shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied by the Beneficiaries or by such Receiver in accordance with the terms of the ICD.

## **22 Power of Attorney**

### **22.1 Appointment**

By way of security for the performance of its obligations under this deed, each Chargor irrevocably appoints the Beneficiaries and any Receiver (and their respective delegates and sub-delegates) to be its attorney acting severally (or jointly with any other such attorney or attorneys) and on its behalf and in its name or otherwise to do any and every thing which that Chargor is obliged to do under the terms of this deed or which such attorney considers necessary or desirable in order to exercise the rights conferred on it by or pursuant to this deed or by law.

## **22.2 Ratification**

Each Chargor ratifies and confirms and agrees to ratify and confirm whatever any attorney appointed under this deed shall do in its capacity as such.

## **23 Protection of Beneficiaries and Receivers**

### **23.1 No Liability as Mortgagee in Possession**

Neither the Beneficiaries nor any Receiver shall, by reason of it or such Receiver entering into possession of all or any part of the Secured Assets or taking any action permitted by this deed, be liable to account as mortgagee in possession or otherwise be liable for any loss of any kind or for any default or omission for which a mortgagee in possession might be liable.

### **23.2 Receivers and Mortgagees**

Each Receiver and the Beneficiaries shall be entitled to all the rights, powers, privileges and immunities conferred by the Law of Property Act 1925 (as extended by this deed) on mortgagees and receivers when such receivers have been duly appointed thereunder and the relevant Chargor alone shall be responsible for the Beneficiaries' and each Receiver's contracts, engagements, acts, omissions, defaults and losses and for all liabilities incurred by either of them and none of the Secured Parties shall incur any liability therefor (either to any Chargor or to any other person).

## **24 Protection of Third Parties**

No purchaser, mortgagee or other person or company dealing with the Beneficiaries or any Receiver or the agents of any of them shall have any need to enquire whether the Secured Obligations have become due and payable, or whether any power which the Beneficiaries or any Receiver is purporting to exercise has become exercisable or whether any of the Secured Obligations remains outstanding nor to have regard to the application of any money paid to the Beneficiaries or to such Receiver.

## **25 Delegation by Beneficiaries**

The Beneficiaries may at any time and from time to time delegate by power of attorney or in any other manner to any person or persons all or any of the powers, authorities and discretions which are for the time being exercisable by the Beneficiaries under this deed in relation to all or any part of the Secured Assets. Any such delegation may be made upon such terms (including power to sub-delegate) and subject to such regulations as the Beneficiaries may think fit. The Beneficiaries shall not be in any way liable or responsible to any Chargor for any loss or damage arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate.

## **26 Redemption of Prior Mortgages**

The Beneficiaries may, at any time after the Security has become enforceable, redeem any prior Encumbrance over all or any part of the Secured Assets or procure the transfer of such Encumbrance to itself and may settle and pass the accounts of the prior mortgagee, chargee or encumbrancer. Any accounts so settled and passed shall be conclusive and binding on the Chargors. All principal moneys, interest, costs, charges and expenses of and incidental to such redemption and transfer shall be paid by the Chargors to the Beneficiaries on demand.

**27 Release of the Security****27.1 Release of Secured Assets**

After the end of the Security Period, the Beneficiaries shall, at the request and cost of the Chargors, execute all such documents and do such other things as may be required to release the Secured Assets from the Security and procure the reassignment to the relevant Chargors of the property and assets assigned to the Beneficiaries pursuant to this deed, in each case subject to clause 33.2 and without recourse to or any representation or warranty by or from the Beneficiaries.

**27.2 Re-assignment of Intellectual Property**

All Intellectual Property assigned to the Beneficiaries under clause 5.1.3 shall, at the end of the Security Period without recourse or warranty, be re-assigned unconditionally to the relevant Chargor and this clause 27.2 shall operate as an assignment of such Intellectual Property effective as of the date of the end of the Security Period.

**28 Payments****28.1 Grossing Up**

All payments by the Chargors under this deed shall be made free and clear of, and without deduction for or on account of, Tax except, in the latter case, to the extent that a Chargor is required by law to make payment subject to Tax. If any Tax or amounts in respect of Tax must be deducted, or any other deductions must be made, from any amounts payable or paid by a Chargor, or paid or payable by the Beneficiaries to any Secured Party, under this deed, the relevant Chargor shall pay such additional amounts as may be necessary to ensure that the relevant Secured Party receives a net amount equal to the full amount which it would have received had payment not been made subject to Tax.

**28.2 No Set-off**

All payments by the Chargors under this deed shall be made free and clear of and without deduction for or on account of any set-off or counterclaim.

**28.3 Manner of Payment**

Each payment made by the Chargors under this deed shall be paid in the manner in which payments are to be made by Electron under Loan Note Instrument.

**29 Costs and expenses****29.1 Transaction Costs**

The Chargors shall from time to time within three Business Days of demand reimburse the Beneficiaries on a full indemnity basis for all costs and expenses (including legal fees), incurred by, or any remuneration payable to, the Beneficiaries in connection with the negotiation, preparation, execution and perfection of this deed and the implementation of the arrangements contemplated in this deed.

**29.2 Preservation and Enforcement Costs**

The Chargors shall, from time to time within three Business Days of demand by the Beneficiaries, reimburse each Secured Party on a full indemnity basis for all costs and expenses (including legal fees) incurred in or in connection with the preservation and/or enforcement of any of the rights of such Secured Party under this deed.

**29.3 Taxes**

The Chargors shall promptly pay all stamp, registration, documentary and other Taxes, including any penalties, fines, supplements, surcharges or interest relating to such Taxes,



to which this deed or any judgment given in connection with this deed is or at any time may be subject and shall from time to time on demand of the Beneficiaries indemnify each Secured Party against any liabilities, costs, claims and expenses (including legal fees) resulting from any failure to pay or any delay in paying any such Tax.

#### **29.4 Indemnity**

The Chargors shall indemnify and hold harmless the Beneficiaries and any and every Receiver on demand from and against any and all costs, claims, losses, expenses (including legal fees) and liabilities, and any VAT thereon, which the Beneficiaries or a Receiver may incur as a result of the occurrence of any Event of Default, the enforcement of the Security or the exercise or enforcement by the Beneficiaries or a Receiver of any of the rights conferred on it or them by this deed or by law.

#### **29.5 Value Added Tax**

29.5.1 All amounts expressed to be payable under this deed by the Chargors to a Secured Party shall be exclusive of any VAT. If VAT is chargeable on any supply made by a Secured Party to a Chargor under this deed (whether that supply is taxable pursuant to the exercise of an option or otherwise), that Chargor shall pay to that Secured Party (in addition to and at the same time as paying that consideration) an amount equal to the amount of the VAT as further consideration.

29.5.2 No payment or other consideration to be made or furnished to any Chargor pursuant to or in connection with this deed may be increased or added to by reference to (or as a result of any increase in the rate of) any VAT which shall be or may become chargeable in respect of any taxable supply.

29.5.3 Where this deed requires any party to reimburse a Secured Party for any costs or expenses, that party shall also pay any amount of those costs or expenses incurred referable to VAT charged thereon.

### **30 Assignments and Transfers**

#### **30.1 The Chargors' Rights**

None of the rights and benefits of a Chargor under this deed shall be capable of being assigned or transferred and each Chargor undertakes not to seek to assign or transfer all or any of such rights and benefits.

#### **30.2 The Beneficiaries' rights**

The Beneficiaries may assign or transfer all or any of its rights and benefits under this deed without the consent of any Chargor.

### **31 Remedies and Waivers**

No failure by the Beneficiaries to exercise, nor any delay by the Beneficiaries in exercising, any right or remedy under this deed shall operate as a waiver thereof nor shall any single or partial exercise of any such right or remedy prevent any further or other exercise thereof or the exercise of any other such right or remedy.

### **32 Set-off**

#### **32.1 Right to Set-off**

Each Secured Party may (to the extent that the same is beneficially owned by it), but shall not be obliged to, set off its rights in respect of any matured Secured Obligation against any matured obligation owed by such Secured Party to any Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, such Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of effecting such set-off.

### 32.2 Time Deposits

Without prejudice to clause 32.1, if any time deposit matures on any Account a Chargor has with any Secured Party at a time within the Security Period when:

32.2.1 the Security has become enforceable; and

32.2.2 no amount of the Secured Obligations is due and payable,

such time deposit shall automatically be renewed for such further period as such Secured Party in its absolute discretion considers appropriate.

## 33 Additional Provisions

### 33.1 Partial Invalidity

If at any time any provision of this deed is or becomes illegal, invalid or unenforceable in any respect or any or all of the Security is or becomes ineffective in any respect under the law of any jurisdiction, such illegality, invalidity, unenforceability or ineffectiveness shall not affect:

33.1.1 the legality, validity or enforceability of the remaining provisions of this deed or the effectiveness in any other respect of such Security; or

33.1.2 the legality, validity or enforceability of such provision or the effectiveness of such Security under the laws of any other jurisdiction.

### 33.2 Potentially Avoided Payments

If the Beneficiaries determines that an amount paid to a Secured Party under any Loan Note Document is capable of being avoided, reduced or otherwise set aside on the liquidation or administration of the person by whom such amount was paid, then for the purposes of this deed, such amount shall be regarded as not having been paid and the liability of each relevant Chargor under this deed and the Security shall continue.

### 33.3 Currency Conversion

In order to apply any sum held or received by the Beneficiaries or a Receiver in or towards payment of the Secured Obligations, the Beneficiaries or such Receiver may purchase an amount in another currency and the rate of exchange to be used shall be that at which, at such time as it considers appropriate, the Beneficiaries or such Receiver is able to effect such purchase.

### 33.4 Currency Indemnity

If any sum due from a Chargor under this deed or any order or judgment given or made in relation to this deed has to be converted from the currency ("**first currency**") in which the same is payable under this deed or under such order or judgment into another currency ("**second currency**") for the purpose of:

33.4.1 making or filing a claim or proof against that Chargor;

33.4.2 obtaining an order or judgment in any court or other tribunal; or

33.4.3 enforcing any order or judgment given or made in relation to this deed,

the relevant Chargor shall indemnify and hold harmless each Secured Party from and against any loss it suffers or incurs as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Secured Party may in the ordinary course of business purchase the first currency with the second currency upon

receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

### **33.5 Rights Cumulative**

The rights and remedies provided by this deed are cumulative and not exclusive of any rights or remedies provided by law.

### **33.6 Unfettered Discretion**

Any liberty or power which may be exercised or any determination which may be made under this deed by the Beneficiaries or any Receiver may, subject to the terms and conditions of the ICD, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

## **34 Notices**

### **34.1 Communications in Writing**

Any communication to be made under or in connection with this deed shall be made in writing and, unless otherwise stated, may be made by fax or letter.

### **34.2 Addresses**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each party for any communication or document to be made or delivered under or in connection with this deed is that identified with its name below or any substitute address, fax number or department or officer as the party may notify to the other by not less than 5 Business Days' notice.

### **34.3 Delivery**

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

34.3.1 if by way of fax, when received in legible form; or

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

and, if a particular department or officer is specified as part of its address details provided under clause 34.2, if addressed to that department or officer.

### **34.4 Delivery to Beneficiaries**

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

### **34.5 Deemed Receipt**

Any communication or document which becomes effective, in accordance with clauses 34.1 to 34.4, after 5.00pm in the place of receipt shall be deemed only to become effective on the following day.

## **35 The Land Registry**

In respect of the Real Property specified in Schedule 2 the title to which is registered at the Land Registry and in respect of any other registered title(s) against which this deed may be

noted, each Chargor hereby undertakes to make or procure that there is made a due and proper application to the Land Registry (with the Beneficiaries' consent as proprietor of the relevant registered charge):

- 35.1.1 for a restriction in the following terms to be entered on the Proprietorship Register relating thereto:

*"No disposition or dealing 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 ..... 2022 in favour of the Beneficiaries referred to in the charges register or their conveyancer."*

- 35.1.2 to enter a note of the obligation to make further advances by the Secured Parties on the charges register of any registered land forming part of the Secured Assets; and

- 35.1.3 to note this deed on the charges register.

## **36 Enforcement**

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

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

- 36.1.3 This clause 36 is for the benefit of the Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

## **37 Counterparts and Effectiveness**

### **37.1 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. Transmission of an executed counterpart of this letter by fax or email shall constitute effective delivery of that counterpart.

### **37.2 Effectiveness**

This deed is intended to be a deed even if any party's execution is not in accordance with the formalities required for the execution of deeds. This deed shall take effect and be delivered as a deed on the date on which it is stated to be made.

## **38 Governing Law and Jurisdiction**

This deed and any non-contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, English law.

This deed has been entered into as a deed on the date stated at the beginning of it.

**Schedule 1 - The Chargors**

<b>Company Name</b>	<b>Registered Number</b>
Electron Group Limited	13981016
Acuwave Limited	10923484
HPC Laser Holdings Limited	08457449
HPC Laser Ltd	06146300
HPC Enterprises Limited	10920972

**Schedule 2 - Details of Certain Assets**

**Part 1 - Real Property**

Intentionally left blank.

**Part 2 - Registered Intellectual Property**

Intentionally left blank.

**Part 3 - Shares**

Intentionally left blank.

**Part 4 - Material Contracts**

Intentionally left blank.

**Part 5 - Charged Accounts**

Intentionally left blank.

## Schedule 3 - Forms of Notice and Acknowledgement of Assignment

## Part 1 - Form of Notice to Insurer

To: {Insert name of Insurer}  
 {Address}  
 {Address}  
 {Address}

{Date}

Dear Sirs

We hereby give you notice that, pursuant to a Debenture dated {●} we have charged and assigned to {●} (as beneficiaries for the Secured Parties referred to in the Debenture, the "**Beneficiaries**") all our rights, title, interests and benefits in, to or in respect of the insurance policies with you detailed in Part 1 of the Schedule attached hereto ("**Insurances**") including all claims and returns of premiums in respect thereof to which we are, or may at any future time become, entitled.

With effect from your receipt of this notice we hereby request and instruct that:

1. you immediately name the Secured Parties (details of whom are set out in Part 2 of the Schedule attached hereto) and the Beneficiaries (in its capacity as Beneficiaries) as loss payee in respect of each of the Insurances;
2. upon the security granted by the Debenture in respect of the Insurances becoming enforceable (as notified to you by the Beneficiaries):
  - 2.1 all payments under or arising from the Insurances are to be made to the Beneficiaries or to its order;
  - 2.2 all remedies provided for in the Insurances or available at law or in equity are to be exercisable by the Beneficiaries;
  - 2.3 all rights to compel the performance of the Insurances are to be exercisable by the Beneficiaries; and
  - 2.4 all rights, title, interests and benefits whatsoever accruing to or the benefit of ourselves arising from the Insurances shall belong to the Beneficiaries; and
3. you give notice to the Beneficiaries promptly in writing:
  - 3.1 if we propose to cancel or give notice of cancellation of any Insurance, at least 30 days before such cancellation is to take effect;
  - 3.2 of any material alteration or the termination or expiry of any such Insurance, at least 30 days before such alteration, termination or expiry is to take effect; and
  - 3.3 of any default in the payment of any premium or failure to renew any such Insurance and shall give the Beneficiaries not less than 30 days in which to pay the defaulted premium without cancelling the policy during such 30-day period.

Please confirm your receipt of this notice and your acknowledgement of the matters and instructions set out above by signing and dating the Acknowledgement of Assignment set out on the enclosed copy of this notice, and returning the same to the Beneficiaries with a copy to ourselves.

Yours faithfully

.....  
(Authorised signatory)  
{CHARGOR}



**Schedule**

**Part 1: Relevant Insurance Policies**

*{List All Policies in respect of which notice given}*

**Part 2: Secured Parties**

*{List Secured Parties}*

**Part 2 - Form of Acknowledgment of Assignment**

To: {●} (as Beneficiaries)  
{Address}  
{Address}  
{Address}

Attention: {●}

Dear Sirs

We hereby acknowledge receipt of a notice in the terms set out above ("**Notice**").

We confirm that we shall hereafter act in accordance with the Notice and that we have not received any other notice of any other third party interests whether by way of assignment or charge in respect of any of the Insurances.

We further confirm that no amendment or termination of any of the Insurances shall be effective unless we have given you 30 days' prior written notice of our intention to so amend or terminate the same.

Yours faithfully

.....  
(Authorised signatory)  
{INSURER}

Date:

Part 3 - Form of Notice to Beneficiaries with whom Account Maintained

To: {Account Beneficiaries}  
{Address}  
{Address}  
{Address}

Dear Sirs

We hereby give you notice that pursuant to a Debenture dated {●} we have charged to {●} (as Beneficiaries for the Secured Parties referred to in the Debenture, the "**Beneficiaries**") all of our rights, title, interests and benefits in, to or in respect of account number {●}, account name {●} maintained with you (including any renewal or redesignation thereof) ("**Account**") and all monies standing to the credit of that Account from time to time.

With effect from the date of your receipt of this notice we hereby instruct you that:

1. {any existing payment instructions affecting the Account are to be terminated and all payments and communications in respect of the Account should be made only to the Beneficiaries or to its order (with a copy to ourselves)}/{*insert agreed operating procedures in relation to relevant Account, which should be stated to be revocable at any time but only on notice from the Beneficiaries*}; and
2. all rights, interests and benefits whatsoever accruing to or arising from the Account shall be exercisable by the Beneficiaries.

Please acknowledge receipt of this notice by signing and dating the acknowledgement printed on the enclosed copy of this Notice and returning it to the Beneficiaries.

Yours faithfully

.....  
for and on behalf of  
{CHARGOR}

**Part 4 - Form of Acknowledgement of Charge**

To: {●} (as Beneficiaries)  
{Address}  
{Address}  
{Address}

Attention: {●}

Dear Sirs

We hereby acknowledge receipt of a notice in the terms set out above.

We confirm that:

1. no fees or periodic charges are payable in respect of the Account and there are no restrictions on:
  - 1.1 the payment of the credit balance on the Account {(except the expiry of the relevant notice period)}; or
  - 1.2 the charging of the Account to the Beneficiaries or any third party;
2. we have not received notice of any assignment of, charge over or trust or other third party interests in respect of the Account and we will not, without the Beneficiaries' consent:
  - 2.1 exercise any right of combination, consolidation or set-off which we may have in respect of the Account; or
  - 2.2 amend or vary any rights attaching to the Account; and
3. we will act only in accordance with the instructions given by the Beneficiaries or persons authorised by the Beneficiaries and we shall send all statements and other notices given by us relating to the Account to the Beneficiaries.

Yours faithfully

.....  
For and on behalf of {●}

By:

Date:

Part 5 - Form of Notice to Material Contract Party

To: {●}  
{Address}  
{Address}  
{Address}

Dear Sirs

We hereby give you notice that pursuant to a Debenture dated {●} we have charged and assigned to {●} (as Beneficiaries for the Secured Parties under the Debenture ("**Beneficiaries**")), all our rights, title, interests and benefits in, to or in respect of {*details of contract*} ("**Contract**") including all monies which may be payable in respect of the Contract.

With effect from your receipt of this notice we hereby give you notice that we have agreed that:

1. all payments to be made to us under or arising from the Contract should be made {to the Beneficiaries or to its order as it may specify in writing from time to time}/{to {*specify Beneficiaries account*}};
2. all remedies provided for in the Contract or available at law or in equity shall be exercisable by the Beneficiaries;
3. all rights to compel performance of the Contract shall be exercisable by the Beneficiaries (although the Chargor shall remain liable to perform all the obligations assumed by it under the Contract); and
4. all rights, title, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Contract belong to the Beneficiaries and no changes may be made to the terms of the Contract nor may the Contract be terminated without the Beneficiaries' consent.

You are hereby authorised and instructed, without requiring further approval from us, to provide the Beneficiaries with such information relating to the Contract as it may from time to time request and to send copies of all notices issued by you under the Contract to the Beneficiaries as well as to us.

These instructions may not be revoked, nor may the terms of the Contract be amended, varied or waived without the prior written consent of the Beneficiaries.

Please acknowledge receipt of this notice by signing and dating the acknowledgement set out on the enclosed copy and returning it to the Beneficiaries.

Yours faithfully

.....  
for and on behalf of  
{CHARGOR}

**Part 6 - Form of Acknowledgement of Assignment**

To: {●} (as Beneficiaries)  
{Address}  
{Address}  
{Address}

Attention:

Dear Sirs

We acknowledge receipt of a notice in the terms set out above ("**Notice**"). We confirm that we have not received notice of any previous assignments or charges of or over any of the rights, title, interests and benefits in, to or in respect of the Contract and that we will comply with the terms of the Notice.

We further agree and confirm that:

1. no amendment, waiver or release of any provision of the Contract shall be effective without the prior written consent of the Beneficiaries; and
2. we will not terminate the Contract or take any action in relation to any breach thereof by the Chargor unless we have given the Beneficiaries 30 days' prior written notice of our intention to do so specifying the action necessary by the Chargor or the Beneficiaries to avoid such termination or action.

Yours faithfully

.....  
For and on behalf of {●}

By:

Date:

## Signatures

### The Chargors

**EXECUTED** as a **DEED** by **ELECTRON GROUP LIMITED** acting by

DocuSigned by:  
[Redacted Signature]  
57B9E8CB436342D... Director

Neil Anthony Stewardson  
....., a director  
in the presence of:

Witness Signature:

DocuSigned by:  
[Redacted Signature]  
8F07F05A1ADB47F...

Witness Name:

Lynne Dixon

Witness Address:

[Redacted Address]

Witness Occupation:

Unemployed

Notices

Address:

Fax:

Attention:

**EXECUTED** as a **DEED** by **ACUWAVE LIMITED**  
acting by

DocuSigned by:  
[Redacted Signature]  
57B9E8CB436342D... Director

Neil Anthony Stewardson  
....., a  
director in the presence of:

Witness Signature:

DocuSigned by:  
[Redacted Signature]  
8F07F05A1ADB47F...

Witness Name:

Lynne Dixon

Witness Address:

[Redacted Address]

Witness Occupation:

Unemployed

Notices:

Address:

Fax:

Attention:

**EXECUTED** as a **DEED** by **HPC LASER HOLDINGS LIMITED** acting by

DocuSigned by:  
[Redacted Signature]  
57B9E8CB435342D... Director

Neil Anthony Stewardson ..... a  
director in the presence of

Witness Signature: [Redacted Signature] 8F07F05A1ADB47F...

Witness Name: Lynne Dixon .....

Witness Address: [Redacted Address]

Witness Occupation: Unemployed .....

Notices:

Address:

Fax:

Attention:

**EXECUTED** as a **DEED** by **HPC LASER LTD** acting by

DocuSigned by:  
[Redacted Signature]  
57B9E8CB435342D... Director

Neil Anthony Stewardson ..... a  
director in the presence of

Witness Signature: [Redacted Signature] 8F07F05A1ADB47F...

Witness Name: Lynne Dixon .....

Witness Address: [Redacted Address]

Witness Occupation: Unemployed .....

Notices:

Address:

Fax:

Attention:



**EXECUTED** as a **DEED** by **HPC ENTERPRISES LIMITED** acting by

DocuSigned by:  
[Redacted Signature]  
57B9E8CB435342D... Director

Neil Anthony Stewardson  
....., a director  
in the presence of:

Witness Signature: [Redacted Signature]

Witness Name: Lynne Dixon

Witness Address: [Redacted Address]

Witness Occupation: Unemployed

Notices:

Address:

Fax:

Attention:

**The Beneficiaries**

**SIGNED** as a **DEED** by **CHRISTOPHER HALDON JACOBS** in the presence of:

.....

Witness Signature: .....

Witness Name: .....

Witness Address: .....

Witness Occupation: .....

Notices:

Address:

Fax:

Attention:

**EXECUTED** as a **DEED** by **HPC ENTERPRISES LIMITED** acting by

.....  
Director

....., a director  
in the presence of:

Witness Signature: .....

Witness Name: .....

Witness Address: .....

Witness Occupation: .....

Notices:

Address:

Fax:

Attention:

#### The Beneficiaries

**SIGNED** as a **DEED** by **CHRISTOPHER HALDON JACOBS** in the presence of:

DocuSigned by:  
.....  


Witness Signature: 

Witness Name: **Stephen Mark Kitching**

Witness Address: 

Witness Occupation: **Chartered Accountant**  
.....

Notices: 

Address: 

Fax:

Attention: **Christopher Jacobs**

SIGNED as a DEED by CHARLOTTE LISA  
JACOBS in the presence of:

DocuSigned by:

DocuSigned by:

Witness Signature:

0B6D7537C3D3468...

Witness Name:

Stephen Mark Kitching

Witness Address:

Witness Occupation: Chartered Accountant

Notices:

Address:

Fax:

Attention: Charlotte Jacobs