



**Registration of a Charge**

Company name: **CLS CLOCKWORK LIMITED**

Company number: **08584233**



X8JQL562

Received for Electronic Filing: **06/12/2019**

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**Details of Charge**

Date of creation: **27/11/2019**

Charge code: **0858 4233 0003**

Persons entitled: **THE LAW DEBENTURE TRUST CORPORATION P,L.C.**

Brief description: **FREEHOLD PROPERTY KNOWN AS THE CLOCKWORK BUILDING,  
RIVERVIEW HOUSE, BEAVOR LAND, LONDON, W6 9AR AND  
REGISTERED AT THE LAND REGISTRY WITH TITLE NUMBER LN71142.**

**Contains fixed charge(s).**

**Contains negative pledge.**

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**Authentication of Form**

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

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**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:

**ANISHA DIWAN**



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

Company number: 8584233

Charge code: 0858 4233 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 27th November 2019 and created by CLS CLOCKWORK LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 6th December 2019 .

Given at Companies House, Cardiff on 9th December 2019

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

## **SECURITY AGREEMENT**

**Dated** 27 November ..... 2019

**CLS CLOCKWORK LIMITED**

**as Chargor**

**and**

**THE LAW DEBENTURE TRUST CORPORATION P.L.C.**

**as Trustee**

**Subject to a Trust Deed dated 3 December, 2013**

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THIS DEED is dated 27 November 2019

**BETWEEN:**

- (1) CLS CLOCKWORK LIMITED, a company incorporated in England and Wales with registered number 08584233, whose registered office is at 16 Tinworth Street, London, England, SE11 5AL (the **Chargor**); and
- (2) THE LAW DEBENTURE TRUST CORPORATION P.L.C., a company incorporated in England and Wales with registered number 01675231, whose registered office is at 100 Wood Street, Fifth Floor, London, EC2V 7EX as trustee of the security constituted under this Deed for itself and the Secured Parties (as defined below) in accordance with the Trust Deed (the **Trustee**, which expression shall include any person or company for the time being appointed as trustee or as an additional trustee of the security hereby created and any subsequent successors, transferees and assigns thereof).

**IT IS AGREED** as follows:

1. Interpretation

1.1 Definitions

In this Deed:

**Constitutional Documents** means the Chargor's memorandum and articles of association, as may be amended from time to time;

**Enforcement Event** means the service by the Trustee of a notice to the Issuer that the Notes are due and payable served in accordance with Condition 11 (*Events of Default and Enforcement*);

**Fixtures** means, in relation to any freehold or leasehold property charged by or pursuant to this Deed, all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery from time to time thereon owned by the Chargor;

**Insurances** means all contracts and policies of insurance of whatever nature which are from time to time taken out by or with the authority and on behalf of the Chargor in connection with the Mortgaged Property;

**Issuer** means CLS UK Properties plc;

**Letting Document** means any lease, tenancy or licence to occupy or any agreement for any of the same from time to time granted or entered into by the Chargor or any predecessor in title of the Chargor in respect of the Mortgaged Property referred to in Clause 2 (*First Fixed Charge*) and any licence, consent or approval given thereunder;

**Mortgaged Property** means the property hereby legally mortgaged and any other freehold or leasehold property charged by it by way of fixed charge under this Deed;

**Planning Acts** means the **Consolidating Acts** as defined in the Planning (Consequential Provisions) Act 1990 and shall include any orders, rules and regulations made under or by virtue of such Acts or any of them;

**Premises** means all buildings and erections for the time being comprised within the definition of **Security Assets**;

**Receiver** means an administrative receiver, a receiver and manager or a receiver, in each case appointed under this Deed;

**Relevant Agreement** has the meaning given to it in Clause 3 (*Assignment*);

**Secured Obligations** means all moneys and other liabilities payable or owing (whether present, future, contingent or otherwise) by the Issuer to the Secured Parties under the Transaction Documents;

**Secured Party** has the meaning given to it in the Trust Deed;

**Security Assets** means all assets, rights, property and undertakings of the Chargor mortgaged, charged, assigned or the subject of any security created by it pursuant to this Deed;

**Security Interest** means any mortgage, pledge, lien, charge, assignment, hypothecation or security interest, or any other agreement having the effect of conferring security;

**Security Period** means the period beginning on the date hereof and ending on the date upon which the Trustee determines (acting reasonably) that all the Secured Obligations which have arisen or may arise have been unconditionally and irrevocably paid and discharged in full or the security hereby created has been unconditionally and irrevocably released and discharged;

**Taxes** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any related penalty or interest);

**Transaction Documents** has the meaning given to it in the Trust Deed; and

**Trust Deed** means the trust deed dated 3 December 2013 between CLS Holdings plc (as Parent), the Issuer, the subsidiaries of the Issuer named therein (and as acceded to by the Chargor on or about the date of this Deed) and the Trustee, constituting certain senior secured notes due 3 December 2022 of the Issuer.

## 1.2 Construction

- (a) The provisions of Clause 1.2 of the Trust Deed apply to this Deed as though they were set out in full in this Deed except that references to **these presents** shall be construed as references to this Deed.
- (b) Unless otherwise defined or the contrary intention appears, a term used in the Trust Deed or in any notice given under, or in connection with, the Trust Deed has the same meaning in this Deed as in the Trust Deed or notice.
- (c) Unless otherwise defined or the contrary intention appears, a term used in any other Transaction Document or in any notice given under, or in connection with, any Transaction Document has the same meaning in this Deed as in that Transaction Document or notice.
- (d) The terms of the documents under which the Secured Obligations arise and of any side letters between the parties hereto in relation thereto are incorporated herein to the extent required for any purported disposition of the Mortgaged Property contained herein to be a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989 (but for no other purpose and to no greater extent).
- (e) If the Trustee, having taken legal advice from a reputable firm of solicitors, considers that an amount paid to the Trustee for application in or towards repayment of the Secured Obligations is capable of being, and is likely to be, avoided or otherwise set aside on the liquidation or administration of the Chargor or the Issuer or otherwise, then such amount shall not be considered to have been irrevocably paid for the purposes hereof

- (f) The rights, obligations, liabilities, responsibilities, protections, powers, exoneration of, and exercise of any discretion and standard of care to be expected from, the Trustee are in each case subject to the Trust Deed and, in the event of conflict between this Deed and the Trust Deed, the Trust Deed will prevail in all respects.
- (g) All the security created under this Deed is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994, save that:
  - (i) the covenants implied under the Law of Property (Miscellaneous Provisions) Act 1994 shall be subject to and qualified by reference to an applicable Certificate of Title and, with regard to any agreements, contracts or security referred to in Clause 3 (*Assignment*), subject to and qualified by reference to the applicable agreement, contract or security;
  - (ii) the covenant implied under Section 3(1)(a) of the Law of Property (Miscellaneous Provisions) Act 1994 shall be subject to and qualified by reference to any Security Interest created by operation of law or any lien permitted under the Transaction Documents; and
  - (iii) the covenant implied under Section 4(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 that there is no subsisting breach of a condition or tenant's obligation shall be limited to the extent of the undertakings made in this Deed.

### **1.3 Certificates**

A certificate of the Trustee setting forth the amount of any Secured Obligations due from the Issuer shall be *prima facie* evidence of such amount against the Chargor in the absence of manifest error.

## **2. FIRST FIXED CHARGES**

The Chargor, with full title guarantee and as security for the payment and discharge of all Secured Obligations, charges by way of collateral security in favour of the Trustee (for the benefit of itself and the Secured Parties):

- (a) by way of a first legal mortgage all the property listed in the Schedule to this Deed (*Mortgaged Property*) together with all buildings and Fixtures, erections and structures thereon, or in the course of construction thereon, the proceeds of sale of all or any part thereof and (so far as the same are capable of being mortgaged) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor and any monies paid or payable in respect of such covenants; and
- (b) by way of first fixed charge:
  - (i) all Fixtures now or in the future owned by it and its interest in any fixed plant or machinery in its possession, in each case which form part of the Mortgaged Property;
  - (ii) all benefits in respect of the Insurances and all claims and returns of premiums in respect of the Mortgaged Property (other than those that (i) are payable or refundable to the tenants of such Mortgaged Property in accordance with the terms of an Occupational Lease, (ii) must be applied in the repair, reinstatement and/or replacement of the assets in respect of which the relevant



claim was made or reimbursement pursuant to a Letting Document or (iii) are payable to a third party under the relevant Insurance policy);

- (iii) the benefit of all present and future licences, consents and authorisations (statutory or otherwise) held in connection with its business so far as it relates to its Security Assets or the use of any of its Security Assets specified in paragraph (a) and subparagraph (i) above and the right to recover and receive all compensation which may at any time become payable to it in respect thereof; and
- (iv) if and in so far as the legal mortgages set forth in paragraph (a) above or the assignments set forth in Clause 3 (*Assignment*) shall for any reason be ineffective as legal mortgages or assignments, the assets referred to in those clauses.

### **3. ASSIGNMENT**

The Chargor, with full title guarantee and as security for payment and discharge of all Secured Obligations, assigns by way of collateral security to the Trustee (for the benefit of itself and the Secured Parties), with a proviso for reassignment on redemption, all of its rights, title and interest in and to:

- (a) the personal agreements and covenants by the tenants, lessees, licensees or other parties under the Letting Documents and by all guarantors in respect thereof and all security held by it in respect of the obligations of the tenants, lessees, licensees or other parties under the Letting Documents (including, without limiting the generality of the foregoing, all moneys due and owing to it or which may become due and owing to it at any time in the future in connection therewith);
- (b) all agreements, now or from time to time entered into or to be entered into for the sale, letting or other disposal or realisation of, or in connection with the management, ownership, refurbishment, development, repair, improvement or servicing of, the whole or any part of the Mortgaged Property charged by it (including, without limiting the generality of the foregoing, all moneys due and owing to it or which may become due and owing to it at any time in the future in connection therewith);
- (c) all agreements, contracts, deeds, licences, undertakings, guarantees, covenants, warranties, representations and other documents (including all documents entered into now or in the future so as to enable it to perfect its rights under this Deed or any such agreement, contract, deed, licence, undertaking, guarantee, covenant, warranty, representation or other documents) now or hereafter entered into by or given to it in respect of the Mortgaged Properties and all claims, remedies, awards or judgments paid or payable to it (including, without limitation, all liquidated and ascertained damages payable to it under the above) in each case relating to its Mortgaged Properties;
- (d) all licences held now or in the future in connection with its Mortgaged Property and also the right to recover and receive all compensation which may at any time become payable to it in relation to its Mortgaged Property;
- (e) all rights and claims to which it is now or may hereafter become entitled in relation to any development, construction project, redevelopment, refurbishment, repair or improvement of or on its Mortgaged Property;

- (f) all guarantees, warranties, bonds and representations given or made now or hereafter by, and any rights or remedies against, all or any of the designers, builders, contractors, surveyors, valuers, professional advisers, sub-contractors, manufacturers, suppliers and installers of any Fixtures in respect of the relevant Mortgaged Property; and
- (g) all rental income and disposal proceeds in each case relating to its Mortgaged Property which has not been assigned as set forth in (a), (b) or (c) above and the right to make demand for and receive the same (together with the agreements and covenants referred to in paragraphs (a) to (f) above, a **Relevant Agreement** and together the **Relevant Agreements**).

PROVIDED ALWAYS that, until an Enforcement Event has occurred (but subject to the terms of the Transaction Documents), all rights and remedies, any discretions or judgements, the giving of any waivers or consents and any entitlement to proceeds and claims under or in connection with each Relevant Agreement shall be exercised by and at the sole discretion of the Chargor,

AND PROVIDED FURTHER THAT the Trustee shall not give any notice of the assignment contained in this Clause 3 to any person unless and until an Enforcement Event has occurred.

#### **4. NOTICES OF ASSIGNMENT**

The Chargor shall promptly after a request by the Trustee (which will only be made if an Enforcement Event has occurred), serve notice on any person referred to in Clause 3 upon whom the Chargor can be required to serve notice pursuant thereto, in such form as the Trustee may require.

#### **5. CONTINUING SECURITY, ETC.**

##### **5.1 Continuing security**

The security constituted by this Deed shall be continuing and will extend to the ultimate balance of all Secured Obligations, regardless of any intermediate payment or discharge in whole or in part.

##### **5.2 Reinstatement**

- (a) Where any discharge (whether in respect of the obligations of the Chargor or any security for those obligations or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise without limitation, the liability of the Chargor under this Deed shall continue as if the discharge or arrangement had not occurred.
- (b) The Trustee may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

##### **5.3 Immediate recourse**

The Chargor waives any right it may have of first requiring the Trustee to proceed against or enforce any other rights or security or claim payment from any other person before enforcing the security constituted hereby.

##### **5.4 Additional security**

This Deed is in addition to and is not in any way prejudiced by any other guarantee or security now or hereafter held by the Trustee or any of the Secured Parties.

**6. REPRESENTATIONS AND WARRANTIES**

**6.1 To whom made**

The Chargor makes the representations and warranties set out in this Clause 6 to the Trustee (for the benefit of itself and the Secured Parties).

**6.2 Matters represented**

**(a) The Mortgaged Property**

Save as disclosed in any Certificate of Title (and in relation to paragraphs (iv), (v) and (vi) below, any Valuation) relating to the Mortgaged Property provided on or prior to the date of this Deed and subject to the terms of the Transaction Documents:

- (i) it is the legal and beneficial owner of the property set out in the Schedule to this Deed;
- (ii) all factual information supplied by it or on its behalf to its solicitors for the purposes of each Certificate of Title was true and accurate in all material respects as at its date or (if appropriate) as at the date (if any) at which it was stated to be given;
- (iii) planning permission has been obtained or is deemed to have been granted in accordance with statute for the purposes of the Planning Acts and, so far as the Chargor is aware, has been complied with in all material respects in respect of any development and the existing use of the Mortgaged Property and, so far as the Chargor is aware, the Planning Acts have been complied with in all material respects in respect of all developments, alterations and improvements to the Mortgaged Property and they have also been complied with in respect of the use of the Mortgaged Property;
- (iv) so far as the Chargor is aware, there are no covenants, agreements, stipulations, reservations, conditions, interest, rights or other matters whatsoever affecting the Mortgaged Property which materially affect or are reasonably likely materially to affect the value of the Mortgaged Property taken as a whole or any part of it;
- (v) save for the Letting Documents, so far as the Chargor is aware, nothing has arisen or been created or is subsisting which would be an overriding interest or an unregistered interest which overrides first registration or registered dispositions over the Mortgaged Property which materially affects or is reasonably likely materially to affect the value of the Mortgaged Property taken as a whole or any part of it;
- (vi) so far as the Chargor is aware, no facilities necessary for the enjoyment and use of the Mortgaged Property are enjoyed by the Mortgaged Property on terms entitling any person to terminate or curtail its or their use which materially affects or is reasonably likely materially to affect the value of the Mortgaged Property taken as a whole or any part of it;
- (vii) the Chargor has received no valid notice of any adverse claims by any person in respect of the ownership of the Mortgaged Property or any interest therein, nor has any acknowledgement been given to any person in respect thereof;

- (viii) all information in relation to the Mortgaged Property (including the list of Mortgaged Property owned by the Chargor and the nature of ownership by the Chargor) provided by the Chargor to the Valuer to provide each valuation of the Mortgaged Property in connection with the Transaction Documents is full, accurate and complete as at the date of the relevant valuation; and
- (ix) the Mortgaged Property will, from the date hereof, be free from any Security Interest or any tenancies or licences other than those permitted under the Transaction Documents.

**(b) Security**

Subject to registration at Companies House and at the Land Registry or in the Land Charges Register (as appropriate), this Deed creates those Security Interests it purports to create ranking as set out above and there is no reason why any of them is liable to be avoided or otherwise set aside on the liquidation or administration of the Chargor or otherwise.

**(c) Other**

The Chargor represents that it is permitted to enter into this Deed and to perform its obligations under the Transaction Documents to which it is a party and that it will not amend its Constitutional Documents in this respect.

**6.3 Times for making representations and warranties**

The representations and warranties set out in this Clause 6 are made on the date of this Deed and shall be deemed to be repeated by the Chargor on the date on which any Further Notes are issued pursuant to the Trust Deed with reference to the facts and circumstances then existing.

**7. UNDERTAKINGS**

**7.1 Duration and with whom made**

The undertakings in this Clause 7:

- (a) shall remain in force throughout the Security Period; and
- (b) are given by the Chargor to the Trustee for the benefit of itself and the other Secured Parties.

**7.2 Maintenance of Property**

The Chargor will:

- (a) **Repair:** keep the Premises in good and tenantable repair and condition (save for fair wear and tear) or procure the same and keep the Fixtures and all plant, machinery, implements and other effects for the time being owned by it and which are in or upon the Premises or elsewhere in a good state of repair and in good working order and condition (save for fair wear and tear) or procure the same, or (in each case) procure that a tenant is available against whom repair and maintenance covenants could be enforced to procure compliance with the foregoing;
- (b) **Insurance:** (save where (i) in accordance with the terms of a Letting Document a tenant self-insures in respect of a Premises by being liable for insurance risk in respect of that Premises but not taking out a corresponding insurance policy and/or (ii) the tenant insures the Premises pursuant to the terms of a Letting Document or otherwise) insure

and keep insured or procure the insurance of the Premises therein 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 in a sum or sums not less than the replacement cost thereof (meaning the total cost of entirely rebuilding, reinstating or replacing the Premises and such other assets in the event of their being completely destroyed together with architects' and surveyors' fees) with a reputable insurance company or underwriters on fair and reasonable terms and subject to all fair and reasonable excesses imposed by the insurers or underwriters. All moneys which may at any time hereafter be received or receivable under any insurance in respect of the Premises whether or not effected pursuant to the foregoing provisions shall be applied in replacing, restoring or reinstating the Premises destroyed or damaged or, after the occurrence of an Enforcement Event if the Trustee so directs and the terms of the relevant insurances so permit, in or towards satisfaction of the Secured Obligations subject always to such application or direction being in accordance with the terms of any Occupational Lease and (in respect of any Premises that are leasehold) any applicable headlease. The Chargor shall (or, in the case of any insurance which is not maintained by the Chargor, shall use reasonable endeavours to):

- (i) cause every policy of such insurance (other than any policy of title insurance) to be endorsed with a memorandum of the interest of the Trustee as mortgagee; and
  - (ii) promptly following such endorsement, deliver to the Trustee details of the relevant insurers;
- (c) **Taxes and outgoings:** pay or procure to be paid as and when the same shall become payable all Taxes, rates, duties, charges, assessments and outgoings whatsoever (whether parliamentary, parochial, local or of any other description) which shall be assessed, charged or imposed upon or payable in respect of the Mortgaged Property or any part thereof but not in respect of the occupier thereof (save to the extent that payment of the same is being contested in good faith);
- (d) **User:** use or permit the Mortgaged Property to be used 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;
- (e) **Notices:** within 30 days after the receipt by the Chargor of any application, requirement, order or notice served or given by any public or local or any other authority in relation to the Mortgaged Property (or any part thereof) where the cost of compliance with that application, order or notice when aggregated with others outstanding at that time in respect of the Mortgaged Properties is in excess of £100,000 give written notice thereof to the Trustee and also (within seven days after demand) produce the same or a copy thereof to the Trustee and inform it of the steps taken or proposed to be taken (i) to comply with any such requirement thereby made or implicit therein or (ii) (if appropriate) to challenge the notice;
- (f) **Statutes:** duly and punctually perform and observe or procure to be performed and observed all its obligations in connection with its Security Assets under any present or future statute or any regulation, order or notice made or given thereunder;
- (g) **Leases:** enforce and not waive or release the covenants, conditions, agreements and obligations contained in or imposed by any of the Letting Documents or any guarantee

in respect of the obligations of the tenants, lessees, licensees or other parties thereunder which materially affects or is reasonably likely to affect materially the value of the Mortgaged Property taken as a whole or any part of it;

(h) **Land Registry:**

(i) in respect of any freehold or leasehold property which is hereafter acquired by the Chargor and which is part of the Mortgaged Property the title to which is registered at the Land Registry or the title to which is required to be so registered, give the Land Registry written notice of this Deed and procure that notice of these presents is duly noted in the Register to each such title; and

(ii) if the Chargor's solicitors have not complied with their obligations to lodge applications at the Land Registry (with full and proper payment in respect of fees and all necessary documents) for registration of this Deed as a first legal charge of the Mortgaged Property, by the date which is ten working days prior to the expiry of the priority period allowed by the searches referred to in the Letter of Undertaking, the Chargor shall notify the Trustee forthwith and shall, at the request of the Trustee, irrevocably instruct its solicitors to deliver forthwith to Mayer Brown International LLP at its offices at 201 Bishopsgate, London, EC2M 3AF all fees (subject to the Chargor's solicitors having received such fees from the Chargor) and necessary documents to enable Mayer Brown International LLP to make such applications within the remainder of the priority period at the Chargor's expense;

(i) **Deposit of title deeds:** provide the Trustee with an undertaking to hold all deeds and documents of title relating to the Mortgaged Property to the order of the Trustee and to deliver them to the Trustee on demand (and it is hereby agreed that the Trustee shall be entitled to hold the same during the Security Period except to the extent that a Mortgaged Property is released by the Trustee pursuant to the terms of the Security Trust Deed);

(j) **Compliance with covenants:** duly and punctually perform and observe or procure to be performed and observed in all material respects all covenants and stipulations restrictive or otherwise affecting all or any part of the Mortgaged Property;

(k) **Investigation of title:** after the occurrence of an Enforcement Event, grant the Trustee or its lawyers on request all such facilities within the power of the Chargor to enable such lawyers to carry out investigations of title to the Mortgaged Property and other property which is or may be subject to this security and enquiries into matters in connection therewith as may be carried out by a prudent mortgagee. All expenses incurred by the Trustee in relation to such investigations and enquiries shall be paid by the Chargor;

(l) **Report on title:** after the occurrence of an Enforcement Event, as soon as practicable after demand by the Trustee, provide the Trustee with a report as to the title of the Chargor to the Mortgaged Property and other property which is or may be subject to this security and related matters concerning the items which may properly sought to be covered by a prudent mortgagee in a lawyer's report of this nature provided that no such report may be required where there has already been an investigation of title under paragraph (k) above;

- (m) **Shares:** not issue any shares other than to the Issuer and provided that such shares also become subject to the Transaction Security constituted by the Issuer English Law Security Agreement; and
- (n) **Certificates of Title:**
  - (i) give written notice to the Trustee immediately upon becoming aware of any change to the certifications contained in the Certificates of Title that would comprise adverse matters relating to the Mortgaged Property which would materially and adversely affect any of the use, marketability or value of the Mortgaged Property taken as a whole or any part or parts of them; and
  - (ii) give written notice to the Trustee immediately upon becoming aware that any of the information in relation to the Mortgaged Property (including the list of Mortgaged Property owned by the Chargor and the nature of ownership by the Chargor) provided by the Chargor to a Valuer to provide any valuation of the Mortgaged Property in connection with the Transaction Documents were not when given full, accurate and complete in all material respects and immediately upon becoming aware that any properties subject to any valuation are not the Mortgaged Property charged pursuant to this Deed.

### **7.3 Negative Pledge and Disposals**

- (a) The Chargor shall not create or permit to subsist any Security Interest on any of the Security Assets except for those Security Interests which are created or permitted under the Transaction Documents.
- (b) The Chargor shall not:
  - (i) dispose of the equity of redemption of its Mortgaged Property (other than in accordance with Condition 4(b) (Disposals); or
  - (ii) sell, transfer or otherwise dispose of all or any part of its Security Assets without the prior written consent of the Trustee or as permitted under the Conditions and the Trust Deed.

## **8. POWER TO REMEDY**

In case of default by the Chargor in repairing or keeping in repair or insuring the Mortgaged Property or any material part thereof or in observing or performing any of the covenants or stipulations affecting the same as set out in this Deed, the Chargor will permit the Trustee or its agents and contractors (subject to the terms of the Letting Documents) to enter on the Mortgaged Property and to comply with or object to any notice served on the Chargor in respect of the Mortgaged Property and to effect such repairs or insurance or generally do such things or pay all such costs, charges and expenses as the Trustee may consider necessary to prevent or remedy any breach of covenant or stipulation or to comply with or object to any notice. The Chargor will indemnify and keep the Trustee indemnified and/or secured and/or pre-funded against all losses, costs, charges and expenses incurred in connection with the exercise of the powers contained in this Clause 8.

**9. WHEN SECURITY BECOMES ENFORCEABLE**

At any time after the occurrence of an Enforcement Event, the security created by or pursuant to this Deed will be immediately enforceable and the Trustee may, without notice to the Chargor or any prior authorisation from any court, in its absolute discretion:

- (a) enforce all or any part of that security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Security Assets; and
- (b) whether or not it has appointed a Receiver, exercise all or any of the powers, authorities and discretions conferred by the Law of Property Act 1925 (as varied or extended by this Deed) on mortgagees and by this Deed on any Receiver or otherwise conferred by law on mortgagees or Receivers.

**10. ENFORCEMENT OF SECURITY**

**10.1 General**

For the purposes of all powers implied by statute the Secured Obligations shall be deemed to have become due and payable on the date hereof, but the security created hereby shall not be enforceable until after the occurrence of an Enforcement Event. Section 103 of the Law of Property Act 1925 (restricting the power of sale) and Section 93 of the same Act (restricting the right of consolidation) shall not apply to this security and such powers may be exercised by the Trustee at any time following the occurrence of an Enforcement Event. The statutory powers of leasing conferred on the Trustee shall be extended so as to authorise the Trustee to lease, make agreements for leases, accept surrenders of leases and grant options as the Trustee shall think fit and without the need to comply with any of the provisions of sections 99 and 100 of the said Act.

**11. RECEIVER**

**11.1 Appointment of Receiver**

Except as provided below, at any time after the security constituted by this Deed becomes enforceable or if the Chargor so requests the Trustee in writing at any time, the Trustee may without further notice appoint under seal or in writing under hand any one or more persons to be a Receiver of all or any part of the Security Assets in like manner in every respect as if the Trustee had become entitled under the Law of Property Act 1925 to exercise the power of sale thereby conferred. If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receivers.

**11.2 Powers of Receiver**

Every Receiver appointed in accordance with Clause 11.1 (*Appointment of Receiver*) shall have and be entitled to exercise all of the powers set out below in addition to those conferred by the Law of Property Act 1925 on any receiver appointed thereunder.

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause in addition to those conferred on it by any law, this includes all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the 1925 Act and the Insolvency Act 1986.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers



conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

The powers referred to above are:

- (i) **Take possession:** to take immediate possession of, get in and collect the Security Assets or any part thereof;
- (ii) **Carry on business:** to carry on the business of the Chargor relating to its Security Assets as he may think fit;
- (iii) **Protection of assets:** to make and effect all repairs and insurances and do all other acts which the Chargor might do in the ordinary conduct of its business as well for the protection as for the improvement of the Security Assets and to commence and/or complete any building operations on the Mortgaged Property and to apply for and maintain any planning permissions, building regulation approvals and any other permissions, consents or licences, in each case as he may in his absolute discretion think fit;
- (iv) **Employees:** to appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes hereof upon such terms as to remuneration or otherwise as he may think proper and to discharge any such persons appointed by the Chargor;
- (v) **Borrow money:** for the purpose of exercising any of the powers, authorities and discretions conferred on him by or pursuant to this Deed and/or of defraying any costs, charges, losses or expenses (including his remuneration) which shall be incurred by him in the exercise thereof or for any other purpose, to raise and borrow money either unsecured or on the security of the Security Assets or any part thereof either in priority to the security constituted by this Deed or otherwise and generally on such terms and conditions as he 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;
- (vi) **Sell assets:** to sell, exchange, convert into money and realise all or any part of the Security Assets by public auction or private contract and generally in such manner and on such terms as he shall think proper. Without prejudice to the generality of the foregoing he 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 he may think fit. Fixtures, other than landlords' or tenants' fixtures, may be severed and sold separately from the property containing them without the consent of the Chargor;
- (vii) **Leases:** to let all or any part of the Security Assets for such term and at such rent (with or without a premium), risk free period or other inducement as he may think proper and to vary the terms of such leases to accept a surrender of any lease or tenancy thereof on such terms as he may think fit (including the payment of money to a lessee or tenant on a surrender);
- (viii) **Compromise:** 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 Chargor or relating in any way to the Security Assets or any part thereof;

- (ix) **Legal Actions:** to bring, prosecute, enforce, defend and abandon all such actions, suits and proceedings in relation to the Security Assets or any part thereof as may seem to him to be expedient;
- (x) **Receipts:** to give valid receipts for all moneys and execute all assurances and things which may be proper or desirable for realising the Security Assets; and
- (xi) **General powers:** to do all such other acts and things as he may consider desirable or necessary for realising the Security Assets or any part thereof 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 the Security Assets or any part thereof all such powers, authorities and things as he would be capable of exercising if he were the absolute beneficial owner of the same and to use the name of the Chargor for all or any of such purposes.

### 11.3 Trustee may exercise

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 of the Security Assets may be exercised after the security hereby created becomes enforceable by the Trustee in relation to the whole of such Security Assets or any part thereof without first appointing a Receiver of such Security Assets or any part thereof or notwithstanding the appointment of a Receiver of such Security Assets or any part thereof.

## 12. APPLICATION OF PROCEEDS

After the security hereby constituted shall have become enforceable, any moneys received by the Trustee or by any Receiver appointed by it pursuant to this Deed and/or under the powers hereby conferred shall be applied by the Trustee in the order set out in Clause 15 (*Application of Moneys*) of the Trust Deed.

## 13. NO LIABILITY AS MORTGAGEE IN POSSESSION

The Trustee and the Secured Parties shall not nor shall any Receiver appointed as aforesaid by reason of the Trustee, the Secured Parties or Receiver entering into possession of the Security Assets or any part thereof be liable to account as mortgagee in possession or be liable for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable. Every Receiver duly appointed by the Trustee under the powers in that behalf herein contained shall be deemed to be the agent of the Chargor for all purposes and shall as such agent for all purposes be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Law of Property Act 1925. If a liquidator of the Chargor is appointed, the Receiver will act as principal and not as agent of the Trustee. The Chargor alone shall be responsible for his contracts, engagements, acts, omissions, defaults and losses and for Liabilities incurred by him and neither the Trustee nor the Secured Parties shall incur any Liability therefor (either to the Chargor or to any other person whatsoever) by reason of the Trustee's making his appointment as such Receiver or for any other reason whatsoever. Every such Receiver and the Trustee and the Secured Parties shall be entitled to all the rights, powers, privileges and immunities by the said Act conferred on mortgagees and receivers when such receivers have been duly appointed under the said Act but so that Section 103 of that Act shall not apply.

**14. PROTECTION OF THIRD PARTIES**

No purchaser, mortgagee or other person or company dealing with the Trustee or the Receiver or its or his agents shall be concerned to enquire whether the Secured Obligations have become payable or whether any power which the Receiver is purporting to exercise has become exercisable or whether any money remains due under the Transaction Documents or to see to the application of any money paid to the Trustee or to such Receiver.

**15. EXPENSES**

The amount of all such fees, claims, damages, demands, liabilities, costs, charges and expenses (including Taxes) incurred by and payments made by the Trustee or any Receiver appointed hereunder in the lawful exercise of the powers hereby conferred whether or not occasioned by any act, neglect or default of the Chargor shall be payable by the Chargor promptly on demand, in accordance with the terms of the Trust Deed.

**16. INDEMNITY**

The Trustee and the Secured Parties and every Delegate (each an **Indemnified Party**) shall be entitled to be indemnified and/or secured out of the Security Assets in respect of all Liabilities and expenses incurred by them in the execution, or purported execution, of any of the powers, authorities or discretions vested in them pursuant hereto or pursuant to the Trust Deed or any other Transaction Security Document and against all Liabilities, actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to the Security Assets (save where the same has arisen from gross negligence, wilful default or fraud of the Trustee, such Secured Party and/or such Delegate respectively) and the Trustee, the Secured Parties and any such Delegate may retain and pay all sums in respect of the same out of any moneys received under the powers hereby conferred.

**17. DELEGATION BY TRUSTEE**

The Trustee 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 Trustee under this Deed in relation to the Security Assets or any part thereof. Any such delegation may be made upon such terms (including power to sub-delegate) and subject to such regulations as the Trustee may think fit. The Trustee shall not be in any way liable or responsible to the Chargor for any Liability, loss or damage arising from any act, default, omission or misconduct on the part of any such Delegate or sub-Delegate.

**18. FURTHER ASSURANCES**

The Chargor shall at its own expense execute and do all such assurances, acts and things as the Trustee may require for perfecting or protecting the security intended to be created hereby over its Security Assets or any part thereof or for facilitating the realisation of its Security Assets or any part thereof and in the exercise of all powers, authorities and discretions vested in the Trustee or any Receiver of the Security Assets or any part thereof or in any such Delegate or sub-Delegate as aforesaid. To that intent, the Chargor shall in particular execute all transfers, conveyances, assignments and assurances of such property whether to the Trustee or to its nominees and give all notices, orders and directions and make all registrations which the Trustee may think expedient.

**19. REDEMPTION OF PRIOR MORTGAGES**

The Trustee may, at any time after the security hereby constituted has become enforceable, redeem any prior Security Interest against the Security Assets or any part thereof or procure the transfer thereof 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 Chargor save for manifest error. All principal moneys, interest, costs, charges and expenses of and incidental to such redemption and transfer shall be paid by the Chargor to the Trustee on demand.

**20. POWER OF ATTORNEY**

**20.1 Appointment**

The Chargor hereby by way of security and in order more fully to secure the performance of its obligations hereunder irrevocably appoints the Trustee and every Receiver of its Security Assets or any part thereof appointed hereunder and every such Delegate or sub-Delegate as aforesaid to be its attorney acting severally, and on its behalf and in its name or otherwise, to execute and do all such assurances, acts and things which it is required to do under the covenants and provisions contained in this Deed (including, without limitation, to make any demand upon or to give any notice or receipt to any person owing moneys to the Chargor and to execute and deliver any charges, legal mortgages, assignments or other security and any transfers of securities) and generally in its name and on its behalf to exercise all or any of the powers, authorities and discretions conferred by or pursuant to this Deed or by statute on the Trustee or any such Receiver, Delegate or sub-Delegate and (without prejudice to the generality of the foregoing) to seal and deliver and otherwise perfect any deed, assurance, agreement, instrument or act which it or he may deem proper in or for the purpose of exercising any of such powers, authorities and discretions.

**20.2 Ratification**

The Chargor hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney as is mentioned in Clause 20.1 (*Appointment*) shall do, or purport to do, in the exercise or purported exercise of all or any of the powers, authorities and discretions referred to in such.

**21. NEW ACCOUNTS**

If the Trustee or any Secured Party receives or is deemed to be affected by notice whether actual or constructive of any subsequent charge or other interest affecting any part of the Security Assets and/or the proceeds of sale thereof, it may open a new account or accounts with the Chargor. If it does not do so then it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice and as from that time all payments made to the Trustee or the relevant Secured Party shall be credited or be treated as having been credited to the new account and shall not operate to reduce the amount for which this Deed is security.

**22. STAMP DUTIES**

The Chargor shall pay and, forthwith on demand, indemnify the Trustee and the Secured Parties against any liability they incur in respect of any stamp, registration and similar Tax which is or becomes payable in connection with the entry into, performance or enforcement of this Deed.

**23. CHANGE OF TRUSTEE**

The Trustee may assign and transfer all of its respective rights and obligations hereunder to a replacement Trustee in accordance with the Trust Deed. Upon such assignment and transfer taking effect, the replacement Trustee shall be and be deemed to be acting as trustee for the Secured Parties (as well as for itself) for the purposes of this Deed in place of the old Trustee.

**24. WAIVERS, REMEDIES CUMULATIVE**

The rights of the Trustee under this Deed:

- (a) may be exercised as often as necessary;
- (b) are cumulative and not exclusive of its rights under general law; and
- (c) may be waived only in writing and specifically.

Delay in exercising or non-exercise of any such right is not a waiver of that right.

**25. SET-OFF**

Following the occurrence of an Enforcement Event, the Trustee may (to the extent that the same is beneficially owned by it) set off any matured obligation owed by the Chargor under the Transaction Documents against any matured obligation owed by the Trustee to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Trustee may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

**26. SEVERABILITY**

If a provision of this Deed is or becomes illegal, invalid or unenforceable, that shall not affect the validity or enforceability of any other provision of this Deed.

**27. COUNTERPARTS**

This Deed may be executed in any number of counterparts, and by the Parties on separate counterparts, each of which shall constitute an original but all of which taken together shall be deemed to constitute one and the same instrument.

**28. NOTICES**

The provisions of Clause 30 (*Notices*) of the Trust Deed are incorporated into this Deed as if set out fully herein.

**29. LAND REGISTRY**

In respect of the Mortgaged Property listed in the Schedule to this Deed 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, the Chargor hereby applies to the Chief Land Registrar for a restriction in the following terms to be entered on the Proprietorship Register at the Register of Title relating thereto:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being

of the charge dated, 27 November.....2019 in favour of The Law Debenture Trust Corporation p.l.c. referred to in the charges register or their conveyancer."

**30. RELEASE**

During the Security Period, the Trustee shall (at the request and cost of the Chargor) when required to do so under and in accordance with the Trust Deed release the relevant assets (or part thereof) constituting the Security Assets from the security constituted by this Deed to the extent that the Chargor is permitted to dispose of or have released to it any of its Security Assets by the terms of the Trust Deed and consequently the Trustee is required by the terms of the Trust Deed to release, or procure the release of, such security.

Upon the expiry of the Security Period, the Trustee shall, at the request and cost of the Chargor, take whatever action is necessary to release and reassign to the Chargor the Security Assets from the security constituted by this Deed.

**31. SUBMISSION TO JURISDICTION**

The Chargor irrevocably agrees for the benefit of the Trustee that the courts of England are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Deed (including a dispute relating to any non-contractual obligations arising out of or in connection with this Deed) and accordingly submits to the exclusive jurisdiction of the English courts. The Chargor waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Trustee may take any suit, action or proceeding arising out of or in connection with this Deed (including any suit, action or proceedings relating to any non-contractual obligations arising out of or in connection with this Deed) (together referred to as **Proceedings**) against the Chargor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions, provided that the Trustee shall only be entitled to take Proceedings in courts other than the courts of England to the extent necessary or desirable (in the opinion of the Trustee) in connection with any relevant companies or assets which are located outside England.

**32. GOVERNING LAW**

This Deed, and any non-contractual obligations or matters arising from or connected with it, shall be governed by, and construed in accordance with, English law.

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

**SCHEDULE  
MORTGAGED PROPERTY**

**Registered Land**

The whole of the land registered at the Land Registry under the title numbers listed directly below:

<b>Property Address</b>	<b>Town</b>	<b>Postcode</b>	<b>Title Number</b>	<b>Tenure</b>
The Clockwork Building, Riverview House, Beavor Lane	London,	W6 9AR	LN71142	Freehold


SIGNATORIES

The Chargor

Executed as a deed by )  
**CLS CLOCKWORK LIMITED** )  
acting by MAIN MILET )  
a director ) Director  
in the presence of: )



Name of witness: KAREN SOAN

Signature of witness: 

Address: 16 TINWORTH STREET  
LONDON SE11 5AL

Occupation: SOLICITOR

The Trustee

Signed as a Deed for and on behalf of )  
**THE LAW DEBENTURE TRUST** )  
**CORPORATION P.L.C.** )  
acting by: ) Name:

Director

Name:  
Representing Law Debenture  
Corporate Services Limited as  
Secretary



**SIGNATORIES**

**The Chargor**

Executed as a deed by )  
**CLS CLOCKWORK LIMITED** )  
acting by ) .....  
a director ) **Director**  
in the presence of: )

Name of witness: .....

Signature of witness: .....

Address: .....

Occupation: .....

**The Trustee**

Signed as a Deed for and on behalf of )  
**THE LAW DEBENTURE TRUST** )  
**CORPORATION P.L.C.** )  
acting by: )

.....  
Name: **Eliot Solarz**  
Director **Director**

.....  
Name: **Katy LeClos**  
Representing **Law Debenture**  
**Corporate Services Limited** as  
Secretary