

MR01

Particulars of a charge



Companies House

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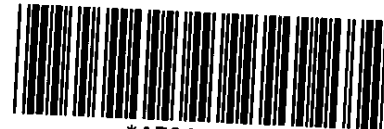


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www.gov.uk/companieshouse

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

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

☐ **What this form is for**
You may not use this form to
register a charge which is created
by an instrument. Use form MR02.



A21 *A7911B9S*
28/06/2018 #203
COMPANIES HOUSE

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



You **must** enclose a certified copy of the instrument with this form. This will be
scanned and placed on the public record. **Do not send the original.**

1 Company details

Company number 0 9 2 5 6 4 8 2

Company name in full Toto Energy Ltd.

For official use

→ Filling in this form

Please complete in typescript or in
bold black capitals.

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 2 6 0 6 2 0 1 8

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

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

Name Cirus Energy Holdings Inc.

Name

Name

Name

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

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

MR01

Particulars of a charge

4 Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument.

Brief description

N/A

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument".

Please limit the description to the available space.

5 Other charge or fixed security

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

☒ **Yes**

☐ **No**

6 Floating charge

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

☒ **Yes** Continue

☐ **No** Go to **Section 7**

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

☒ **Yes**

7 Negative Pledge

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

☒ **Yes**

☐ **No**

8 Trustee statement ^①

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

☐

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

9 Signature

Please sign the form here.

Signature

Signature

X *Willkie Farr & Gallagher (UK) LLP* X
(Solicitors to Crisis Energy Holdings Inc.)

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

MR01

Particulars of a charge



Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Lindsay Murray
Company name	Willkie Farr & Gallagher (UK) LLP
Address	Citypoint 1 Ropemaker Street
Post town	London
County/Region	
Postcode	E C 2 Y 9 A W
Country	
DX	
Telephone	02035804843



Certificate

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



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



How to pay

A fee of £23 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House.'



Where to send

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

For companies registered in England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

For companies registered in Scotland:

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

For companies registered in Northern Ireland:

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



Further information

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

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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9256482

Charge code: 0925 6482 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 26th June 2018 and created by TOTO ENERGY LTD. was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 28th June 2018.

Given at Companies House, Cardiff on 5th July 2018

②



Companies House



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

I hereby certify that this is a true and correct
copy of the original document.

27/06/18

Certified by Willkie Farr & Gallagher (UK) LLP

Willkie Farr & Gallagher (UK) LLP

CRS
Charles Russell
Speechlys

DATED 26 June

2018

(1) TOTO ENERGY LTD. (as Chargor)

(2) CRIUS ENERGY HOLDINGS INC. (as Chargee)

DEBENTURE

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THIS DEED is dated 26 June

2018

BETWEEN:

TOTO ENERGY LTD., a company incorporated and registered in England and Wales with company number 09256482 whose registered office is at 1st Floor Locksview East Lockside, Brighton Marina Village, Brighton, East Sussex, England, BN2 5HA (the "**Chargor**"); and

- (1) **CRIUS ENERGY HOLDINGS INC.** a company incorporated and registered in the state of Ontario, Canada, corporate file number 002347144, whose registered office is at 3400, 1 First Canadian Place, Toronto, ON, Canada M4T1A4 (the "**Chargee**").

BACKGROUND:

The Chargor enters into this Deed in connection with the Facility Agreement (as defined below).

IT IS AGREED as follows:

1 DEFINITIONS

In this Deed:

Account Bank	each bank, financial institution or other person with whom an Account is maintained;
Accounts	the account(s) details of which are specified in Schedule 3 (<i>Account Details</i>) as renumbered or redesignated from time to time, each replacement account or sub-account relating to any of them, all money from time to time standing to the credit of those accounts and all interest accruing in relation to them and the debt or debts represented by them and any other account held by the Chargor from time to time;
Administrator	any administrator appointed in respect of the Chargor whether by the Chargee, a court or otherwise;
Authorisation	an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;
Borrowers	<p>(a) Brighton and Leeds Utility Holdings Limited, a company incorporated and registered in England and Wales with company number 10210431 whose registered office is at First Floor Locksview East Lockside, Brighton Marina Village, Brighton, England, BN2 5HA; and</p> <p>(b) Toto Energy Ltd, a company incorporated and registered in England and Wales with company number 09256482 whose registered office is at 1st Floor Locksview East Lockside, Brighton Marina Village, Brighton, East Sussex, England, BN2 5HA;</p>

Chattels	all plant, machinery, vehicles, tools, computers, equipment, furniture and other chattels (excluding any for the time being forming part of the Chargor's stock in trade or work in progress) and any renewals or replacements of them together with the benefit of all warranties, guarantees, maintenance contracts, consents and licences relating to them;
Contracts	all present and future contracts and agreements entered into by the Chargor and all guarantees, warranties and indemnities issued in relation to any Contract and any other contract designated in writing as a "Contract" by the Chargee;
Deed of Priority	has the meaning given to it in the Facility Agreement;
Delegate	means any delegate, agent, attorney or co-trustee appointed by the Chargee and/or any Receiver (as appropriate);
Discharge Date	the date on which all the Secured Liabilities have been irrevocably discharged in full and no further Secured Liabilities are capable of arising;
Dividends	all dividends and distributions of any kind, interest and any other income received or receivable in relation to any of the Shares;
Event of Default	any event or circumstance specified as such in clause 11 (<i>Events of Default</i>) of the Facility Agreement;
Facility Agreement	the facility agreement dated on or about the date of this Deed between the Borrowers (as borrowers) and the Chargee (as lender);
Finance Document	has the meaning given to it in the Facility Agreement;
Group	a Chargor and its subsidiaries from time to time;
Initial Shares	those shares, stocks, debentures, bonds, warrants, coupons or other securities or investments described in Schedule 1 (<i>Initial Shares</i>);
Insolvency Act	the Insolvency Act 1986;
Intellectual Property	<p>(a) all present and future patents, trademarks, service marks, designs, business and trade names, copyrights, design rights, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests whether</p>

	registered or unregistered; and
	(b) the benefit of all applications, licences and rights to use the assets listed in paragraph (a) above;
LPA	the Law of Property Act 1925;
Monetary Claims	all book and other debts and monetary claims of any nature and however arising at any time owing to the Chargor or in which it has an interest and all proceeds of those debts and claims together with the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to the same;
Mortgaged Property	any freehold, leasehold or immovable property specified in Schedule 2 (<i>Mortgaged Property</i>);
Party	a party to this Deed;
Permitted Security	shall have the meaning given to this term in the Facility Agreement;
Planning Legislation	any legislation regulating the development or use of land or the erection and demolition of buildings and other structures on such land and all orders, regulations and permissions made, issued or granted under such legislation;
Policies	<p>(a) each insurance policy taken out by or on behalf of the Chargor or in respect of which it has an interest or a right to claim; and</p> <p>(b) any other insurance policy designated as a "Policy" by the Chargee;</p>
Real Property	<p>(a) any freehold, leasehold or immovable property in which any Chargor has an interest (including, for the avoidance of doubt, an option to purchase any property); and</p> <p>(b) any buildings, erections, fixtures, fittings (including trade fittings and machinery) and fixed plant and machinery from time to time situated on or forming part of the property listed in paragraph (a) above;</p>
Receiver	a receiver or receiver and manager or administrative receiver of the whole or any part of the Security Assets;
Regulations	the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226);

Related Rights	<p>as regards any asset, all present and future:</p> <ul style="list-style-type: none"> (a) money and proceeds of any nature paid or payable in relation to the asset, including sale proceeds and money paid by way of damages, award or judgment made in connection with that asset; (b) all rights and assets of any nature attaching to, deriving from or exercisable as a result of the Chargor's interest in or ownership or operation of the asset; and (c) all rights to make a demand or claim;
Relevant Currency	in relation to each of the Secured Liabilities, the currency in which it is from time to time denominated;
Relevant Jurisdiction	<p>in relation to the Chargor:</p> <ul style="list-style-type: none"> (a) its jurisdiction of incorporation; (b) any jurisdiction where any asset subject to or intended to be subject to the Transaction Security to be created by it is situated; (c) any jurisdiction where it conducts its business; or (d) the jurisdiction whose laws govern the perfection of any of the Security entered into by it;
Secured Liabilities	all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Borrowers to any Secured Party under each Finance Document;
Secured Party	the Chargee, a Receiver or Delegate;
Security	any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect;
Security Assets	all of the assets which from time to time are, or are expressed to be, the subject to the Security created by or pursuant to this Deed;
Shares	<ul style="list-style-type: none"> (a) the Initial Shares and all shares, stocks, debentures, bonds, any form of loan capital, warrants, coupons, interests in collective investment schemes and all other securities and

investments of any kind whatsoever (whether in certificated or uncertificated form) owned by the Chargor or in which it has an interest;

- (b) shares, stocks, debentures, bonds, any form of loan capital, warrants, coupons, securities, investments, money or other assets arising by way of conversion, exchange, substitution, rights issue, redemption, bonus, preference, option or otherwise in relation to any of the assets referred to in paragraph (a) above;
- (c) rights to subscribe for, purchase or otherwise acquire any of the assets referred to in paragraph (a) above through options, warrants or otherwise; and
- (d) rights relating to any of the assets referred to in paragraph (a) above which are deposited with or registered in the name of any depository, custodian, nominee, clearing house or investment manager or similar person whether on a fungible basis or otherwise and including all rights against that person;

Transaction Security means the Security created or evidenced or expressed to be created or evidenced under this Deed; and

Tax 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);

2 CONSTRUCTION

2.1 Unless defined in this Deed, a term defined in the Facility Agreement has the same meaning in this Deed and in any notice given under or in connection with this Deed.

2.2 Unless a contrary indication appears, a reference in this Deed to:

2.2.1 this Deed, a **"Finance Document"** or any other agreement or instrument is a reference to this Deed or that Finance Document or other agreement or instrument as amended, novated, supplemented, extended or restated;

2.2.2 a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);

2.2.3 a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;

- 2.2.4 "Security Asset", "Accounts", "Chattels", "Contracts", "Intellectual Property", "Shares", "Monetary Claims", "Policies" and "Real Property" includes:
- (a) any part of that asset;
 - (b) any present and future assets of that type; and
 - (c) all Related Rights relating to assets of that type;
- 2.2.5 "Secured Liabilities" is deemed to include a reference to any part of them;
- 2.2.6 the "Chargee", the "Chargor", or any "Party" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Chargee, any person for the time being appointed as Chargee in accordance with the Finance Documents;
- 2.2.7 a provision of law is a reference to that provision as amended or re-enacted;
- 2.2.8 the singular is deemed to include the plural and vice versa; and
- 2.2.9 a time of day is a reference to London time.
- 2.3 The term "Chargee" includes any subsidiary or group company or assignee of the Chargee *granting or continuing to grant facilities or accommodation to the Chargor.*
- 2.4 "Receivers" are references to receivers of whatsoever nature including, without limitation, receivers, managers and administrative receivers.
- 2.5 "Administrators" are references to administrators appointed under the Insolvency Act and include administrators appointed under the out of court procedure under the Insolvency Act.
- 2.6 Clause and Schedule headings are for ease of reference only.
- 2.7 A "Default" (other than an Event of Default) is "continuing" if it has not been remedied or waived and an Event of Default is "continuing" if it has not been waived.
- 2.8 Any undertaking given by the Chargor under this Deed remains in force until the Discharge Date and is given for the benefit of the Chargee.
- 2.9 The terms of the other Finance Documents and of any agreement, instrument or side letters between any parties to the Facility Agreement in relation to any Finance Document (as the case may be) are incorporated into this Deed to the extent required to ensure that any purported disposition or any agreement for the disposition of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with section 2(1) of the *Law of Property (Miscellaneous Provisions) Act 1989*.
- 2.10 The absence of or incomplete details of any Security Asset in any Schedule does not affect the validity or enforceability of any Security under this Deed.
- 2.11 Clauses 4.2 (*Land*) to 4.10 (*Miscellaneous*) shall be construed as creating a separate and distinct mortgage or fixed charge over each relevant asset within any particular class of assets defined under this Deed and the failure to create an effective mortgage or fixed charge (whether arising out of this Deed or any act or omission by any Party) on any one asset shall not affect the nature of any mortgage or fixed charge imposed on any other asset whether within that same class of assets or not.

- 2.12 It is intended that this Deed takes effect as a deed notwithstanding the fact that a Party may only execute this Deed under hand.
- 2.13 If the Chargee considers that an amount paid to it under any Finance Document or in relation to any Secured Liability is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- 2.14 In the event of a conflict between the terms of this Deed and the terms of the Facility Agreement, the terms of the Facility Agreement will prevail.
- 2.15 Notwithstanding any other term of this Deed, the Chargee and the Chargor acknowledge that the Chargor has provided prior first ranking security in favour of BP Gas Marketing Limited ("**Senior Creditor**") and that each of the Chargor, the Chargee, certain indirect shareholder lenders of Brighton and Leeds Utility Holdings Limited and the Senior Creditor has or will, on or around the date of this Deed enter into a deed of priority dated on or about the date of this Deed ("**Deed of Priority**") which shall, amongst other things, govern the priorities of the liabilities and security (as applicable) between the Senior Creditor, such indirect shareholder lenders of Brighton and Leeds Utility Holdings Limited and the Chargee. Each Party hereby agrees that to the extent there is any inconsistency between this Deed, such first ranking security and/or the Deed of Priority, the terms of the Deed of Priority shall prevail.

3 UNDERTAKING TO PAY

The Chargor covenants with the Secured Party on demand to pay, discharge and satisfy all the Secured Liabilities when due in accordance with their respective terms (or, if the relevant terms do not specify a time for payment, immediately on demand by the Secured Party) and to indemnify the Secured Party against any losses, costs, charges, expenses and liabilities arising from any breach or failure to pay, discharge and satisfy the Secured Liabilities in accordance with their respective terms.

4 SECURITY

4.1 Nature of the Security

4.1.1 All the Security created under this Deed:

- (a) is created in favour of the Chargee;
- (b) is a continuing security for the payment, discharge and performance of all the Secured Liabilities except for any Secured Liabilities which, if secured by this Deed, would cause such Security to be unlawful or prohibited by any applicable law; and
- (c) is granted with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

4.1.2 If the Chargor assigns its rights under an agreement (or charges those rights by way of first fixed charge) under this Deed and that assignment or charge breaches a term of that agreement because a third party's consent has not been obtained:

- (a) the Chargor shall notify the Chargee promptly;

- (b) until the consent is obtained, this Deed will secure all amounts of any nature which the Chargor may now or in future receive under or in connection with that agreement but rights under the agreement itself shall *not be secured under this Deed*. Upon receipt of the relevant consent, the relevant rights under the agreement shall stand assigned or charged as the case may be, to the Chargee under this Deed;
- (c) unless the Chargee otherwise requires, the Chargor shall use all reasonable endeavours to obtain the consent of the relevant party to rights under that agreement being secured in accordance with this Deed; and

4.1.3 The Chargor shall promptly supply the Chargee with a copy of any consent obtained by it.

4.2 Land

The Chargor charges:

- 4.2.1 by way of a first legal mortgage, all the Mortgaged Property and all rights under any licence or other agreement or document which gives such Chargor a right to occupy or use the Mortgaged Property; and
- 4.2.2 (to the extent that they are not the subject of a mortgage under paragraph 4.2.1 above) by way of first fixed charge, all the Real Property and all rights under any licence or other agreement or document which gives the Chargor a right to occupy or use Real Property.

4.3 Chattels

The Chargor charges by way of a first fixed charge all the Chattels owned by it and its interest in any Chattels in its possession excluding, for the avoidance of doubt, any chattels owned by the tenant under a lease document.

4.4 Shares

The Chargor charges by way of a first fixed charge all the Shares and Dividends.

4.5 Accounts

- 4.5.1 The Chargor assigns absolutely, by way of security, subject to reassignment by the Chargee in accordance with Clause 30 (*Release of Security*), all its rights in respect of the Accounts.
- 4.5.2 To the extent that they are not effectively assigned under paragraph 4.5.1 above, the Chargor charges by way of first fixed charge all of its rights and interest in and to the Accounts.

4.6 Monetary Claims

The Chargor charges by way of a first fixed charge all the Monetary Claims.

4.7 Contracts

4.7.1 The Chargor assigns absolutely, by way of security, subject to reassignment by the Chargee in accordance with Clause 30 (*Release of Security*), all its rights in respect of:

- (a) the Contracts;
- (b) any letter of credit issued in its favour; and
- (c) any bill of exchange or other negotiable instrument held by it.

4.7.2 To the extent that any Contract is not capable of assignment without infringing any provision of such Contract but is capable of being charged, the Chargor charges by way of fixed charge all of its rights and interest in such Contract.

4.7.3 To the extent that any contract is not capable of assignment or charge without infringing any provision of such Contract, the Chargor charges by way of fixed charge the proceeds of any Related Rights in respect of such Contract.

4.8 Insurances

4.8.1 The Chargor assigns absolutely, by way of security, subject to reassignment by the Chargee in accordance with Clause 30 (*Release of Security*), all amounts payable to it under or in connection with the Policies and all of its rights in connection with those amounts.

4.8.2 To the extent that they are not effectively assigned under paragraph 4.8.1 above, the Chargor charges by way of a first fixed charge the relevant amounts and rights described in paragraph 4.8.1 above.

4.9 Intellectual Property

The Chargor charges by way of first fixed charge all its rights in its Intellectual Property.

4.10 Miscellaneous

The Chargor charges by way of first fixed charge:

- 4.10.1 any beneficial interest, claim or entitlement it has in any pension fund;
- 4.10.2 all rights to recover any Taxes on any supplies made to it relating to any Security Asset and any sums so recovered;
- 4.10.3 its goodwill and uncalled capital; and
- 4.10.4 the benefit of any authorisation (statutory or otherwise) held in connection with its use of any Security Asset and the right to recover and receive compensation or any other sum payable in relation to any authorisation.

4.11 Floating charge

4.11.1 The Chargor charges by way of a first floating charge all of its assets whatsoever and wheresoever not at any time otherwise effectively mortgaged, charged or assigned by way of mortgage, fixed charge or assignment under this Clause 4.

4.11.2 Paragraph 14 of Schedule B1 to the Insolvency Act applies to the floating charge created pursuant to paragraph 4.11.1 which is a “qualifying floating charge” for the purpose of paragraph 14(1) of Schedule B1 of the Insolvency Act.

4.12 Crystallisation

4.12.1 The Chargee may at any time by notice in writing to the Chargor convert any floating charge created by the Chargor pursuant to Clause 4.11 (*Floating charge*) above into a fixed charge with immediate effect as regards any property or assets specified in the notice if:

- (a) the security constituted by this Deed has become enforceable in accordance with Clause 18 (*Enforcement of Security*); or
- (b) the Chargee considers any Security Asset to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or otherwise to be in jeopardy; or
- (c) the Chargee reasonably considers that it is necessary in order to protect the priority of its Security.

4.12.2 Notwithstanding paragraph 4.12.1 above and without prejudice to any rule of law which may have a similar effect, the floating charge created by Clause 4.11 (*Floating charge*) will automatically and immediately (without notice) convert into a fixed charge over all of the Chargor’s assets if:

- (a) the Chargor creates or attempts to create any Security over any of the Security Assets otherwise than in accordance with the terms of the Facility Agreement;
- (b) any person levies or attempts to levy any distress, execution or other process against any of the Security Assets;
- (c) a receiver or administrator is appointed in respect of the Chargor or a person entitled to appoint an administrator in respect of the Chargor gives notice of its intention to do so or files a notice of appointment with a court; or
- (d) any corporate action, legal proceedings or other procedure or step is taken in relation to the suspension of payments, winding up, dissolution or re-organisation of the Chargor other than a winding up petition which is stayed within 14 days of commencement.

4.12.3 Notwithstanding any other provision of this Deed, the floating charge created by Clause 4.11 (*Floating charge*) may not be converted into a fixed charge solely by reason of:

- (a) the obtaining of a moratorium; or
- (b) anything done with a view to obtaining a moratorium,

as a preliminary to a creditors voluntary arrangement by an eligible company (as determined under Schedule A1 of the Insolvency Act) under the Insolvency Act.

5 GENERAL REPRESENTATIONS AND WARRANTIES

The Chargor makes the representations and warranties in Clauses 5.1 to 5.9 (inclusive) to the Chargee on the dates specified in Clause 5.10 (*Repetition*).

5.1 Status

5.1.1 It is a limited liability corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.

5.1.2 It has the power to own its assets and carry on its business as it is being conducted.

5.2 Binding obligations

The obligations expressed to be assumed by it in this Deed are legal, valid, binding and enforceable obligations and this Deed creates the Security which it purports to create and that Security is valid and effective.

5.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, this Deed do not and will not conflict with:

5.3.1 any law or regulation applicable to it;

5.3.2 its constitutional documents; or

5.3.3 any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.

5.4 Power and authority

5.4.1 It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of this Deed and the transactions contemplated by this Deed.

5.4.2 No limit on its powers will be exceeded as a result of creating any Security or giving any indemnity contemplated by this Deed.

5.5 Validity and admissibility in evidence

All Authorisations required:

5.5.1 to enable it lawfully to enter into, exercise its rights under, and comply with its obligations in this Deed;

5.5.2 to make this Deed admissible in evidence in its Relevant Jurisdictions; and

5.5.3 to enable it to grant the Security constituted, or expressed to be constituted, by this Deed and to ensure that such Security has and will have the priority and ranking which it is expressed to have in this Deed,

have been obtained or effected and are in full force and effect, save for the making of any appropriate registrations of this Deed with the Registrar of Companies and at the Land Registry in England and Wales.

5.6 Governing law

5.6.1 The choice of governing law of this Deed will be recognised and enforced in its Relevant Jurisdictions.

5.6.2 Any judgment obtained in relation to this Deed in England and Wales will be recognised and enforced in its Relevant Jurisdictions.

5.7 Ranking

Subject to the requirements specified at the end of Clause 5.5 (*Validity and admissibility in evidence*) and the Deed of Priority, this Deed creates Security in favour of the Chargee and ranks in priority to any other creditors.

5.8 Legal and beneficial ownership

It is the sole legal and beneficial owner of the Security Assets over which it purports to grant Security and such Security Assets are free from any claims, third party rights or competing interests.

5.9 No existing Security

Except for the Security constituted by this Deed or legal mortgage or a Permitted Security, no Security exists in respect of any of the Security Assets.

5.10 Insolvency

No corporate action, legal proceeding or other procedure or creditors' process has been taken or, to the knowledge of a Chargor, threatened in relation to a member of the Group.

5.11 Repetition

Each of the representations and warranties made by the Chargor in this Clause 5 (*General Representations and Warranties*) and elsewhere in this Deed are made on the date of this Deed and are deemed to be repeated by the Chargor by reference to the facts and circumstances then existing on the execution date and on the first day of each Interest Period.

6 GENERAL UNDERTAKINGS

6.1 Compliance with laws and other obligations

The Chargor shall comply with all laws and regulations to which it may be subject relating to the Security Assets.

6.2 Authorisations

The Chargor shall promptly:

6.2.1 obtain, comply with and do all that is necessary to maintain in full force and effect;
and

6.2.2 supply certified copies to the Chargee of,

any Authorisation required under any law or regulation of a Relevant Jurisdiction to enable it to perform its obligations under this Deed and to ensure the legality, validity, enforceability or admissibility in evidence of this Deed.

7 NEGATIVE UNDERTAKINGS

7.1 Negative Pledge

Except as permitted by, and in accordance with the terms of, the Facility Agreement, the Chargor shall not create or permit to subsist any Security over any Security Asset other than pursuant to this Deed.

7.2 Disposals

Except as permitted by, and in accordance with the terms of, the Facility Agreement, the Chargor shall not sell, transfer, lease or otherwise dispose or purport or agree to dispose of any of the Security Assets.

7.3 Security not to be prejudiced

The Chargor shall not do, or permit to be done, anything which could prejudice the Security constituted or expressed to be constituted by this Deed.

7.4 Rights relating to Security Assets

The Chargor shall not take any action (or permit any action to be taken) which results or could result in any of its rights relating to any Security Asset being impaired.

7.5 Permitted Security

The provisions of this Clause 7 shall be without prejudice to the right of the Borrower to provide and maintain the Permitted Security.

8 REAL PROPERTY

8.1 Notices

The Chargor shall:

8.1.1 promptly give to the Chargee full particulars with respect to (and, if requested by the Chargee, a copy of) any notice, order, directive, designation, resolution or proposal which applies to any of its Real Property or to the area in which it is situate and which is issued:

- (a) by any planning authority or other public body or authority under or by virtue of any Planning Legislation;
- (b) pursuant to any law or regulation relating to the pollution or protection of the environment or harm to or the protection of human health or the health of animals or plants;
- (c) pursuant to section 146 of the LPA; or
- (d) pursuant to some other power conferred by law;

8.1.2 without delay and its own cost, make such objections or representations (or join with the Chargee in making such objections or representations) against or in respect of any such notice, order, directive, designation, resolution or proposal as the Chargee may direct (acting reasonably); and

8.1.3 take all steps necessary to comply with each such notice, order, directive, designation, resolution or proposal.

8.2 Deposit of title deeds

Save as agreed in any completion undertaking delivered in connection with first Utilisation, the Chargor shall immediately deposit with the Chargee all deeds and documents of title relating to its Real Property and all local land charges, land charge and Land Registry certificates and similar documents received by it or on its behalf.

8.3 Compliance

The Chargor shall comply with:

8.3.1 all laws for the time being in force; and

8.3.2 all notices, orders, directives, licences, consents and assurances given or made under any law or regulation by any person,

in each case, insofar as the same relate to its Real Property or the occupation and use of its Real Property.

8.4 Landlord Consent

If the consent of the landlord in whom the reversion of a lease is vested is required for the Chargor to grant Security over that lease pursuant to the terms of this Deed, that lease will not be subject to the Security created pursuant to the terms of this Deed until the Chargor has obtained the landlord's consent. The Chargor shall immediately request the relevant landlord's consent when required to do so by the Secured Party and shall use all reasonable endeavours to obtain that consent within 14 days of making the request.

8.5 Investigation of title

The Chargor shall grant the Chargee or its lawyers on request and on reasonable prior notice all facilities within the power of the Chargor to enable the Chargee or its lawyers (at the expense of the Chargor) to:

8.5.1 carry out investigations of title in relation to its Real Property; and

8.5.2 make such enquiries in relation to any part of its Real Property as a prudent mortgagee might carry out.

8.6 Compensation payments

Subject to the rights and claims of any person having prior rights to such compensation, all monies payable to the Chargor by way of compensation, whether under Section 25 of the Law of Property Act 1969 or under the Landlord and Tenant Acts 1927 to 1954 or otherwise, shall be paid to the Chargee (who shall be entitled to give good receipt for such monies) and applied in accordance with Clause 21.1 (*Order of application*) as though they were the proceeds of the enforcement of the Security constituted by this Deed, and any monies that

may be received by the Chargor shall, pending such payment, be held on trust for the Chargee.

8.7 Power to remedy

If the Chargor fails to comply with any of the undertakings contained in this Clause 8, the Chargor shall allow the Chargee or its agents and contractors:

- 8.7.1 on reasonable notice, to enter any part of its Real Property;
- 8.7.2 to comply with or object to any notice served on the Chargor in respect of its Real Property; and
- 8.7.3 to take any action as the Chargee may consider necessary or desirable to prevent or remedy the relevant breach or to comply with or object to any such notice.

The Chargor shall within three Business Days of demand by the Chargee pay the costs and expenses of the Chargee and its agents and contractors incurred in connection with any action taken under this sub-clause.

9 SHARES

9.1 Deposit of title documents

The Chargor undertakes to deposit with the Chargee or the Chargee's nominee:

- 9.1.1 on or before execution of this Deed, all share certificates or other documents of title relating to the Shares;
- 9.1.2 immediately upon its acquisition of any Shares, all share certificates and other documents of title relating to those Shares; and
- 9.1.3 promptly upon the accrual, offer or issue of any stocks, shares, warrants or other securities in respect of or derived from the Shares, all share certificates and other documents of title relating to each of such items,

together with stock transfer forms (or other appropriate transfer instruments) signed by the Chargor (or its nominee, where appropriate) as transferor but with details of the transferee, date and consideration left blank, on the basis that the Chargee may hold all those certificates, forms and documents until the Discharge Date.

9.2 Completion of transfers

The Chargee is entitled at any time after an Event of Default has occurred to complete the stock transfer forms (or other transfer instruments) on behalf of the Chargor in favour of the Chargee or its nominee, using the power of attorney contained in Clause 24 (*Power of attorney*) or otherwise.

9.3 Voting and Dividends

9.3.1 Voting and other rights prior to an Event of Default

Prior to the occurrence of an Event of Default:

- (a) subject to paragraph 9.3.2 below, the Chargor is entitled to exercise or direct the exercise of the voting and other rights attached to any Share as it sees fit provided that:
 - (i) it does so for a purpose not inconsistent with its obligations under any Finance Document; and
 - (ii) the exercise or failure to exercise those rights does not have an adverse effect on the value of the Shares and does not otherwise prejudice the Chargee's interests under this Deed.
- (b) the Chargor is entitled to receive and retain all Dividends.

9.3.2 Voting and other rights following an Event of Default

After an Event of Default has occurred:

- (a) the Chargee will be entitled to exercise or direct the exercise (or refrain from exercising or refrain from directing the exercise) of the voting and other rights attached to any Shares as it sees fit in its absolute discretion;
- (b) the Chargor shall comply, or procure compliance with, any directions of the Chargee in relation to the exercise of those rights and shall promptly execute and deliver to the Chargee all forms of proxy as the Chargee may require in connection with the exercise of those rights; and
- (c) all Dividends shall be paid or transferred to the Chargee (or to its order) and any Dividends received by the Chargor shall be held by the Chargor on trust for the Chargee and immediately paid by it to the Chargee or to any nominee designated by the Chargee. The Chargee will be entitled to apply those Dividends in such manner as it sees fit.

9.4 Limited obligations of the Chargee

At any time when any Security Assets are registered in the name of the Chargee or its nominee, the Chargee shall have no duty:

- 9.4.1 to make any payment or to ensure that any dividends, distributions, interest or other monies payable in respect of those Security Assets are duly and promptly paid or received by it or its nominee;
- 9.4.2 to verify that the amounts referred to in Clause 9.4.1 are the correct amounts paid or received;
- 9.4.3 to take any action in connection with the taking up of any (or any offer of any) stocks, shares, rights, monies or other property paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus rights, preference, option, warrant or otherwise on, or in respect of, or in substitution for, those Security Assets;
- 9.4.4 to perform any obligation of the Chargor in relation to those Security Assets; or
- 9.4.5 to present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Deed.

9.5 Nominee shareholders

If any Share is registered in the name of a nominee, the Chargor shall on demand, provide to the Chargee:

- 9.5.1 an equitable mortgage over such Shares or power of attorney or acknowledgement of rights created by this Deed of such Shares in favour of the Chargee in such terms as the Chargee may require duly executed by or on behalf of such nominee; and
- 9.5.2 an irrevocable power of attorney, expressed to be given by way of security and executed as a deed, by the person in whose name that Share is held. That power of attorney shall appoint the Chargee and every Receiver as the attorney of the holder in relation to those Shares and shall be in a form approved by the Chargee.

9.6 Acquisition of Shares

Unless permitted by the terms of the Facility Agreement, the Chargor shall not:

- 9.6.1 acquire or enter into any agreement to acquire, any Shares; and
- 9.6.2 permit the declaration of or payment of any Dividend.

9.7 Circulars

The Chargor shall promptly deliver to the Chargee a copy of every circular, notice, report set of documents received by it or its nominee in connection with the Shares.

9.8 Calls

The Chargor shall pay all calls and other payments due in relation to the Shares. If the Chargor fails to do so, the Chargee may pay those calls or other payments on the Chargor's behalf and the Chargor shall immediately on demand reimburse the Chargee for any such payment.

9.9 Alteration to rights

The Chargor shall not vary or agree to any variation in voting rights attaching to the Shares and shall not cause or permit any of the Shares to be consolidated, sub-divided or converted.

9.10 Other obligations in respect of Shares

- 9.10.1 The Chargor shall comply with all requests for information relating to any Shares which is within its actual or imputed knowledge and with which it is required to comply by their articles of association or by any law (including sections 793 and 820 to 825 of the Companies Act 2006).
- 9.10.2 The Chargor shall promptly supply a copy to the Chargee of any information referred to in Clause 9.10.1.
- 9.10.3 The Chargor shall comply with all other conditions and obligations assumed by them in respect of any Share.

10 CHATTELS

10.1 Maintenance

The Chargor shall:

- 10.1.1 keep all its Chattels in good repair, working order and condition;
- 10.1.2 give the Chargee such information concerning the location, condition, use and operation of its Chattels as the Chargee may require;
- 10.1.3 permit any persons designated by the Chargee to inspect and examine the *Chattels and the records relating to the Chattels at all reasonable times; and*
- 10.1.4 not permit any Chattels to be:
 - (a) used or handled other than by properly qualified and trained persons; or
 - (b) overloaded or used for any purpose for which it is not designed or reasonably suitable.

10.2 Notice of Charge

The Chargor shall take any action which the Chargee may reasonably require to evidence the interest of the Chargee in its Chattels; this includes a fixed nameplate on its Chattels in a prominent position stating that:

- 10.2.1 the Chattel is charged in favour of the Chargee; and
- 10.2.2 the Chattel must not be disposed of without the prior consent of the Chargee unless permitted under the Facility Agreement.

11 ACCOUNTS

11.1 Undertakings

11.1.1 Subject to the terms of the Facility Agreement, the Chargor shall:

- (a) not open or maintain any account other than the Accounts;
- (b) except as regards any account maintained with the Chargee, deliver to the Chargee details of each Account maintained by it promptly upon any redesignation or change in account details affecting any Account;
- (c) *promptly upon request by the Chargee, supply it with copies of all mandate letters, bank statements and other agreements relating to the Accounts; and*
- (d) not permit or agree to any variation of the terms and conditions relating to any Account or close any Accounts.

11.2 Operation of the Accounts

- 11.2.1 Subject to the terms of the Facility Agreement prior to the occurrence of an Event of Default that is continuing the Chargor shall be entitled to withdraw or transfer any sum standing to the credit of such Account.

11.2.2 After the occurrence of an Event of Default that is continuing, the Chargor shall not be entitled to make any withdrawals or transfers from any Account without the Chargee's prior written consent.

11.3 Notice to Account Banks

Upon request by the Chargee, the Chargor shall serve a notice of charge in the form of Part 1 of Schedule 5 (*Form of Notice to Account Bank*) on each Account Bank with whom an Account is held immediately upon crystallisation of the floating charge pursuant to Clause 4.12 (*Crystallisation*) and use all reasonable endeavours to procure that each Account Bank acknowledges that notice by signing and returning to the Chargee a letter of acknowledgement substantially in the form of Part 2 of Schedule 5 (*Form of Acknowledgement from Account Bank*) within 14 days of the date of such notice. Any instructions contained in a notice of charge sent by the Chargor pursuant to this clause may not be revoked or amended without the Chargee's prior written consent.

11.4 Time deposits

Without prejudice to any right of set off any Secured Party may have under any other Finance Document or otherwise, the balance of any Account constitutes a time deposit then, subject to any contrary instructions from the Chargee, that time deposit shall be successively redeposited for such periods and on such terms as may from time to time be agreed between the Chargee and the Chargor in writing (failing which agreement, for such periods and on such terms as the Chargee may in its discretion decide).

12 MONETARY CLAIMS

12.1 Collecting Monetary Claims

The Chargor shall promptly get in and realise all Monetary Claims and pay the proceeds of such Monetary Claims as the Chargee may direct in writing and pending that payment will hold those proceeds on trust for the Chargee.

12.2 Dealing with Monetary Claims

The Chargor shall not, without the prior written consent of the Chargee, assign, factor, discount, release, waive, compound or otherwise deal with any of the Monetary Claims or vary any term relating to a Monetary Claim.

12.3 Assignment

The Chargor shall, at the Chargee's request, execute a legal assignment of its Monetary Claims in favour of the Chargee on such terms as the Chargee may require and will sign and deliver written notice of that assignment, in a form acceptable to the Chargee, to each debtor which owes or may owe a Monetary Claim and will use all reasonable endeavours to procure that the notice is duly acknowledged by the debtors concerned in accordance with the terms of that assignment and that, following the date of such notice, each such debtor pays such Monetary Claims to the Chargee in accordance with the terms of the notice.

13 CONTRACTS

13.1 Notices of assignment

Upon the occurrence of an Event of Default, the Chargor shall promptly at the request of the Chargee serve a notice, substantially in the form of Part 1 of Schedule 6 (*Form of Notice to Counterparty*), on each counterparty to each such Contract to which it is a party and use all reasonable endeavours to procure that each such counterparty acknowledges that notice by signing and returning to the Secured Party a notice substantially in the form of Part 2 of Schedule 6 (*Form of Acknowledgement from Counterparty*) within 14 days of the date of the notice or, if later, the date of the relevant Contract. Any instructions contained in a notice sent to a counterparty pursuant to this clause may not be revoked or amended without the Secured Party's prior written consent.

13.2 Contracts - representations and warranties

The Chargor represents and warrants to the Chargee on each day up to the Discharge Date, that:

- 13.2.1 each Contract to which it is a party is in full force and effect and constitutes its legal, valid, binding and enforceable obligations;
- 13.2.2 its execution and performance of the Contracts to which it is a party does not conflict with any law or regulation applicable to it, its constitutional documents or any agreement or instrument binding on it or constitute a default or termination event (however described) under any such agreement or instrument;
- 13.2.3 it is not in default, nor, so far as it is aware, is any counterparty to a Contract in default, under the Contract to which it is a party;
- 13.2.4 all payments due to it from any party under the Contracts to which it is a party can be made without withholding or deduction on account of Tax;
- 13.2.5 all payments to it by any other party to any of the Contracts to which it is a party are not subject to any right of set off or similar right; and
- 13.2.6 there is no prohibition on assignment in the Contracts to which it is a party.

13.3 Undertaking

13.3.1 The Chargor shall not without the prior written consent of the Chargee:

- (a) amend, supplement or waive or agree to the amendment, supplement or waiver of any term of any Contract to which it is a party save for anything that has an inconsequential effect or terminate such Contract or allow such Contract to lapse (other than where a Contract expires in accordance with its terms and not by reason of default) and shall not do or permit anything to be done which may impair the enforceability of any term of any such Contract;
- (b) take any action which might jeopardise the existence or enforceability of any Contract to which it is a party.

13.3.2 The Chargor shall:

- (a) promptly perform all its obligations under each Contract to which it is a party;
- (b) diligently enforce its rights under each Contract to which it is a party;
- (c) inform the Chargee immediately if it serves any notice of default, or commences any legal proceeding, or receives any notice of default or of the initiation of any legal proceeding in relation to any Contract to which it is a party;
- (d) supply the Chargee with (i) a copy of each Contract to which it is a party, certified as being true and correct by a director of it and (ii) any other information and copies of any other documents relating to each Contracts to which it is a party which the Chargee, or any Receiver, requests.

13.4 Obligations

Notwithstanding the operation of Clause 4.7 (*Contracts*), the Chargor is and shall remain liable under any Contract to which it is a party to perform all its obligations under that Contract and no Secured Party shall be, or be deemed to be, under any obligation or liability under or in connection with such Contract by reason of this Deed or the exercise by any Secured Party of any rights, powers or remedies under this Deed.

14 INSURANCES

14.1 Notices of assignment

The Chargor shall promptly upon request by the Chargee serve a notice, substantially in the form of Part 1 of Schedule 7 (*Form of Notice to Insurer*), on each other party to each Policy and use all reasonable endeavours to procure that each such party acknowledges that notice by signing and returning to the Secured Party a letter of undertaking substantially in the form of Part 2 of Schedule 7 (*Form of Acknowledgement from insurer*) within 14 days of the date of this Deed or, if later, the date of entry into the relevant Policy. Any instructions contained in any notice sent by the Chargor pursuant to this clause may not be revoked or amended without the Chargee's prior written consent.

14.2 Enforcement of rights

The Chargor shall if required by the Chargee following the occurrence of an Event of Default which is continuing use its best efforts to cause each insurance policy or policies relating to the Security Assets other than any Policy which has been the subject of a notice of assignment pursuant to Clause 14.1 (*Notices of assignment*) to contain (in form and substance reasonably satisfactory to the Chargee) an endorsement naming the Chargee as sole loss payee in respect of all claims.

14.3 Insurance proceeds held on trust

All monies received under any Policies relating to the Security Assets shall (subject to the rights and claims of any person having prior rights to such monies), after the occurrence of an Event of Default (which is continuing), be held by the Chargor upon trust for the Chargee pending payment to the Chargee for application in accordance with Clause 21.1 (*Order of Application*) and the Chargor waives any right it may have to require that any such monies are applied in reinstatement of any part of the Security Assets.

15 INTELLECTUAL PROPERTY

15.1 Intellectual Property - representations and warranties

The Chargor represents and warrants to the Chargee on each date up until the Discharge Date that it:

15.1.1 is the sole legal and beneficial owner of or has licensed to it on normal commercial terms all of the Intellectual Property which is required by it in order to carry on its business as it is being conducted and has taken all formal and procedural actions (including but not limited to payment of fees) required to maintain such Intellectual Property; and

15.1.2 does not, in carrying on its business, infringe any Intellectual Property of any third party in any material respect.

15.2 Intellectual Property – positive undertakings

The Chargor shall:

15.2.1 do all such acts and things as are necessary or desirable to preserve and maintain the existence and validity of its Intellectual Property;

15.2.2 use all reasonable endeavours to prevent any theft, loss, destructions, infringement, unauthorised access, copying and use of its Intellectual Property and immediately after becoming aware of any such action, inform the Chargee of such action and (at its own cost and without prejudice to any other steps it may consider appropriate in the circumstances) take such steps as the Chargee may from time to time direct; and

15.2.3 make registrations and pay all registration fees and taxes necessary to maintain its Intellectual Property in full force and effect and record its interest in that Intellectual Property and produce to the Chargee on demand receipts or other evidence that the same have been paid.

15.3 Intellectual Property – negative undertakings

The Chargor shall not:

15.3.1 abandon, cancel or allow any of its Intellectual Property to become void, lapse or to become vulnerable to attack, whether for non-use or otherwise;

15.3.2 apply to amend the specification or drawing of any of the letters patent or registered trade or service marks forming part of its Intellectual Property or enter any conditions, restrictions or disclaimers in relation to any of its registered Intellectual Property; or

15.3.3 use or permit its Intellectual Property to be used in a way, or take any step or omit to take any step in respect of its Intellectual Property, which may materially and adversely affect the existence or value of the Intellectual Property or impair its right to use such property; and

15.3.4 discontinue the use of the Intellectual Property.

15.4 Preservation/protection

The Chargor must promptly, if requested to do so by the Chargee, sign or procure the signature of, and comply with all instructions of the Chargee in respect of, any document required to make entries in any public register of Intellectual Property (including the United Kingdom Trade Marks Register) which either record the existence of this Deed or the restrictions imposed by this Deed.

16 THE LAND REGISTRY

- 16.1 The Chargor consents to an application being made to the Land Registry to enter the following restriction on the Register of Title relating to any Real Property registered at the Land Registry:

"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 [] in favour of [●] referred to in the charges register or [conveyancer] or [specify appropriate details]".

- 16.2 The Chargor consents to an application being made to the Land Registry for a notice in the following terms to be entered on the Register of Title relating to any Real Property registered at the Land Registry:

"The lender under a facilities agreement dated [] is under an obligation (subject to the terms of that facilities agreement) to make further advances and the debenture referred to in the charges register dated [] in favour of [●] secures those further advances."

- 16.3 The Chargor shall not allow any person other than itself to be registered under the Land Registration Act 2002 as proprietor of any of the Real Property and will not, as regards any Real Property, create or permit to arise any overriding interest within the meaning of the Land Registration Act 2002 or the Land Registration Rules 2003 and more particularly set out in Schedule 1 or Schedule 3 of the Land Registration Act 2002.

- 16.4 The Chargor shall not permit any person to become entitled to any proprietary right or interest which might affect the value of any Real Property.

- 16.5 The Chargor shall promptly make all applications to and filings with the Land Registry which are necessary or desirable under the Land Registration Rules 2003 to protect the Security created by or pursuant to this Deed.

- 16.6 The Chargor authorises the Chargee and/or any solicitors or other agent acting on behalf of the Chargee to complete, execute and deliver on the Chargor's behalf (but at the cost of the Chargor) to the Land Registry any form, document or other information requested by the Land Registry with regard to the applications referred to in this Clause 16.

17 POWERS, PROTECTION AND DISCRETIONS OF THE CHARGE

17.1 Rights and powers etc

All the rights, powers, authorities and discretions which are expressly or impliedly conferred by this Deed on a Receiver may, after this Security has become enforceable, be exercised by the Chargee in respect of the Security Assets whether or not a Receiver has been or is later appointed.

17.2 Protections

All the protections and immunities which this Deed provides for a Receiver shall be available to the Chargee when the Chargee is exercising the rights, powers, authorities and discretions conferred on the Chargee by this Deed.

17.3 Curing of breaches and covenants

If the Chargor fails to comply with any provision of this Deed, then the Chargor shall allow and hereby authorises the Chargee or its nominee to do all such acts and things and take such action on behalf of the Chargor as may be necessary to secure compliance with that provision without becoming liable as a mortgagee in possession.

17.4 Indemnity

The Chargor shall promptly indemnify the Chargee against all losses, costs, charges and expenses incurred by the Chargee as a result of the failure by the Chargor to comply with any provision of this Deed and in connection with the exercise by the Chargee or its nominee of their respective rights contained in Clause 17.3 (*Curing of breaches and covenants*).

17.5 Expenses so incurred

All monies expended and all costs incurred by the Chargee or its nominee in carrying out any of their respective powers and discretions referred to in Clause 17.3 (*Curing of breaches and covenants*) shall be considered to have been properly incurred by the Chargee or its nominee, shall be secured by this Security and shall be payable on demand by the Chargor to the Chargee.

18 ENFORCEMENT OF SECURITY

18.1 Timing

The Security created by this Deed will be immediately enforceable at any time after the occurrence of:

18.1.1 an Event of Default which is continuing; or

18.1.2 a request being made by the Chargor to the Chargee that it exercise any of its powers under this Deed.

18.2 Enforcement

After this Security has become enforceable, the Chargee may, without notice to the Chargor or prior authorisation from any court, in its absolute discretion:

18.2.1 enforce all or any part of that Security (at any time and in any manner and on the terms it sees fit);

18.2.2 appoint a Receiver to all or any part of the Security Assets;

18.2.3 appoint one or more persons as an Administrator of the Chargor in accordance with Schedule B1 of the Insolvency Act;

18.2.4 take possession of and hold or dispose of all or any part of the Security Assets including, without limitation, all of the powers conferred on a mortgagee under

the LPA (as varied or extended by this Deed) or any of the powers conferred on a holder of a qualifying floating charge holder (as defined in the Insolvency Act);

- 18.2.5 secure and perfect its title to all or any part of a Security Asset and / or transfer any asset into the name of its nominee;
- 18.2.6 whether or not it has appointed a Receiver, exercise all or any of the rights, powers, authorisations and discretions conferred by the LPA (as varied and extended by this Deed) on mortgagees, by this Deed on any Receiver, or conferred by the Insolvency Act or any other law on mortgagees and Receivers;
- 18.2.7 subject to paragraph 4.12.3 (*Crystallisation*), by written notice to the Chargor convert the floating charge created by Clause 4.11 (*Floating Charge*) into a fixed charge as regards any assets specified in that notice;
- 18.2.8 may exercise the statutory power of sale and any other powers conferred by section 101 of the LPA and the statutory powers of leasing as amended and varied in the forgoing clauses and all other statutory powers in respect of the whole or any part of the Security Assets;
- 18.2.9 exercise all its rights, powers and remedies as assignee of the Accounts or any contracts and/or agreements and, in particular, the right to:
 - (a) demand and receive any interest or other monies payable in respect of any credit balance on any Account or any relevant contract or agreement; and
 - (b) withdraw sums standing to the credit of any Account (or, by notice to the bank with whom such Account is maintained, block the withdrawal of any such sums) and otherwise exercise all rights in relation to the Accounts as the Chargor may exercise (or, but for this Deed) might exercise; and
 - (c) apply, transfer or set-off any or all of the balances from time to time standing to the credit of the Accounts in or towards the payment or other satisfaction of all or part of the Secured Liabilities then due but unpaid in accordance with Clause 21.1 (*Order of application*).

18.3 Statutory powers

- 18.3.1 For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- 18.3.2 The statutory power of sale or other right of disposal conferred on the Chargee and on any Receiver by this Deed shall operate as a variation and extension of the statutory power of sale under section 101 of the LPA and such power shall arise (and the Secured Liabilities shall be deemed due and payable for that purpose) on execution of this Deed.
- 18.3.3 The statutory powers of leasing may be exercised by the Chargee at any time on or after this Deed has become enforceable and such powers are extended by this Deed so as to authorise the Chargee may make any lease or agreements for lease, accept surrenders of leases and grant options on such terms as the Chargee may think fit and without the need to comply with any restrictions imposed by law (including, but not limited to, under section 99 or section 100 of the LPA).

- 18.3.4 For the purposes of sections 99 and 100 of the LPA, the expression "Mortgagor" will include any incumbrancer deriving title under the Chargor and neither sub-section (18) of section 99 nor sub-section (12) of section 100 of the LPA will apply.
- 18.3.5 The Chargor shall not have, at any time up until the Discharge Date, the power pursuant to section 99 of the LPA to make any Lease in respect of any Real Property without the prior written consent of the Chargee unless permitted pursuant to the terms of the Facility Agreement.
- 18.3.6 The restrictions contained in section 93 and section 103 of the LPA shall not apply to the Security constituted by this Deed.
- 18.3.7 Each Receiver and the Chargee is entitled to all the rights, powers and privileges and immunities conferred by the LPA and the Insolvency Act on mortgagees and Receivers.
- 18.3.8 Neither the Chargee nor any Receiver will be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

18.4 Access on enforcement

- 18.4.1 At any time after the Security has become enforceable, the Chargor will allow any of the Secured Parties, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Security Asset and for that purpose to enter on any premises where a Security Asset is situated (or where any Secured Party reasonably believes a Security Asset to be situated) without incurring any liability to the Chargor for, or by any reason of, that entry.
- 18.4.2 At all times, the Chargor must use its best endeavours to allow any Secured Party access to any premises for the purpose of Clause 18.4.1 (*Obtaining any necessary consents or permits of other persons*) and ensure that its employees and officers do the same.

19 RECEIVER

19.1 Appointment of Receiver

- 19.1.1 After this Deed has become enforceable the Chargee may without prior notice, appoint:
- (a) any one or more persons to be a Receiver of all or any part of the Security Assets; or
 - (b) two or more Receivers of separate parts of the Security Assets; or
 - (c) appoint another person(s) as an additional Receiver(s).
- 19.1.2 Any appointment under paragraph 19.1.1 above may be by deed, under seal or in writing under its hand.

19.1.3 Any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the LPA) does not apply to this Deed.

19.1.4 At any time, if so requested by the Chargor, without further notice, the Chargee may appoint a Receiver to all or any part of the Security Assets as if the Chargee had become entitled under the LPA to exercise the power of sale conferred under the LPA.

19.1.5 The Chargee is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under section A1 of the Insolvency Act.

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

19.2 Statutory powers of appointment

The powers of appointment of a Receiver pursuant to Clause 19.1 (*Appointment of Receiver*) above shall be in addition to all statutory and other powers of appointment of the Chargee under the LPA (as extended by this Deed), the Insolvency Act or otherwise and such powers shall remain exercisable from time to time by the Chargee in respect of any part of the Security Assets and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA or otherwise.

19.3 Removal

The Chargee may from time to time by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver who has been removed for any reason.

19.4 Remuneration

The Chargee may from time to time fix the remuneration of any Receiver appointed by it and any maximum rate imposed by any law (including under section 109(6) and (8) of the LPA) will not apply. Any remuneration of any Receiver will form part of the Secured Liabilities.

19.5 Agent of the Chargor

19.5.1 A Receiver will be deemed to be the agent of the Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the LPA. The Chargor is solely responsible for the remuneration, expenses, contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver.

19.5.2 No Secured Party will incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

19.5.3 No Receiver shall at any time act as agent for any other Secured Party.

20 POWERS OF RECEIVER

20.1 Statutory powers

20.1.1 A Receiver (subject to any restrictions in the instrument appointing him but notwithstanding any winding up or dissolution of the Chargor) has (to the extent permitted by law):

- (a) all of the rights, powers, remedies and discretions of an administrative receiver under Schedule 1 of the Insolvency Act, as if such Schedule and all relevant definitions set out in the Insolvency Act were set out in this Deed; and
- (b) otherwise, all the rights, powers, remedies and discretions conferred on a mortgagor, a mortgagee in possession and on a Receiver (or a receiver and manager) appointed under the LPA or the Insolvency Act.

20.1.2 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) or together with any other person appointed or substituted as a Receiver.

20.2 Additional powers

In addition to those powers, rights and discretions set out in paragraphs 20.1.1(a) and 20.1.1(b) above, a Receiver shall have the following rights, powers and discretions:

20.2.1 Possession

A Receiver may take immediate possession of, get in and collect the Security Assets or any part thereof.

20.2.2 Carry on business

A Receiver may carry on, manage or concur in carrying on or managing the whole or any part of the business of the Chargor as he in his discretion may think fit.

20.2.3 Protection of assets

A Receiver may:

- (a) manage, insure, repair, decorate, maintain, alter, improve, develop, construct, modify, refurbish, renew or add to the Security Assets or concur in so doing;
- (b) commence, continue or complete any new works, unfinished work, building operations, construction, reconstruction, maintenance, furnishing, finishing or fitting-out on the Property; and
- (c) apply for and maintain any planning permissions, building regulations, approvals and any other permissions, consents or licences,

in each case as he in his discretion may think fit.

20.2.4 Employees

- (a) A Receiver may appoint and discharge managers, directors and secretaries for the purposes of this Deed upon such terms as to remuneration or otherwise as he thinks fit.
- (b) A Receiver may discharge any person appointed by the Chargor.

20.2.5 Sale of assets

- (a) A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which he thinks fit.
- (b) The consideration for the sale of any Security Asset may consist 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 any period which the Receiver thinks fit.
- (c) Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the Chargor.

20.2.6 Let, hire or lease

A Receiver may:

- (a) let, hire or lease (with or without premium) and accept surrenders of leases or tenancies or concur in so doing;
- (b) grant rights, options or easements over and otherwise deal with or dispose of and exercise all rights, powers and discretions incidental to, the ownership of the Security Assets; and
- (c) exchange or concur in exchanging the Security Assets,

in each such case in such manner and generally on such terms as he may in discretion think fit, with all the powers of an absolute beneficial owner. The Receiver may exercise any such power by effecting such transaction in the name or on behalf of the Chargor or otherwise.

20.2.7 Registration

A Receiver may use the Chargor's name to effect any registration or election for tax or other purposes.

20.2.8 Insurances

A Receiver may effect, review or vary insurances.

20.2.9 Borrowing

A Receiver may for the purposes of exercising any of the powers, authorities or discretions conferred on him by or pursuant to this Deed or of defraying any costs (including, without limitation, his remuneration) which are incurred by him in the exercise of such powers, authorities or discretions or for any other purpose, raise

and borrow money or incur any other liability either unsecured or secured on the Security Assets, either in priority to the Security created by this Deed or otherwise, and generally on such terms as he in his discretion may think fit. No person lending such money is to be concerned to enquire as to the propriety or purpose of the exercise of such power or as to the application of money so raised or borrowed.

20.2.10 Advance credit

A Receiver may advance credit, in the ordinary course of the Chargor's business, to any person.

20.2.11 Make calls

A Receiver may make, or require the directors of the Chargor to make such calls upon the shareholders of the Chargor in respect of any uncalled capital of the Chargor as the Receiver in his discretion may require and enforce payment of any call so made by action (in the name of the Chargor or the Receiver as the Receiver in his discretion may think fit) or otherwise.

20.2.12 Compromise, legal action and mediation

A Receiver may:

- (a) settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of any Chargor or relating in any way to any Security Asset;
- (b) bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which he thinks fit; and
- (c) refer to mediation any question in relation to any Security Asset that he thinks fit.

20.2.13 Subsidiaries

A Receiver may:

- (a) promote the formation of any subsidiary of the Chargor with a view to such subsidiary purchasing, leasing, licensing or otherwise acquiring an interest in the Security Assets;
- (b) arrange for the purchase, lease, licence or acquisition of an interest in the Security Assets by any such subsidiary for any valuable consideration, including, without limitation, cash, shares, debentures, loan stock, convertible loan stock or other securities, profits or a sum calculated by reference to profits, turnover, royalties, licence fees or otherwise, whether or not secured on the undertaking or assets of such subsidiary and whether or not such consideration is payable or receivable in a lump sum or at any time or any number of times by instalments spread over such period, as the Receiver in his discretion may think fit; and
- (c) arrange for such subsidiary to trade or cease to trade as the Receiver in his discretion may think fit.

20.2.14 Receipts

A Receiver may give valid receipts for all monies and execute all assurances and things which he in his discretion may think proper or desirable for realising the Security Assets.

20.2.15 Environment

A Receiver may conduct and complete all investigations studies, sampling and testing and all remedial, removal and other actions, whether required under *Environmental Law* or by the Chargee or otherwise and comply with all lawful orders and directives relating to *Environmental Law*.

20.2.16 Mediation

A Receiver may refer to mediation any question in relation to any Security Asset that he thinks fit.

20.2.17 Delegation

A Receiver may delegate his power in accordance with this Deed.

20.2.18 Lending

A Receiver may lend money or advance credit to any customer of the Chargor.

20.2.19 Other powers

A Receiver may:

- (a) do all other acts and things which he may consider desirable or necessary for realising any Security Asset or incidental or conducive to any of the rights, powers, remedies or discretions conferred on the Chargee or any Receiver under or by virtue of this Deed or by law;
- (b) exercise every power which the Receiver in its absolute discretion considers desirable for maintaining or enhancing the value of the Security Assets or in connection with the enforcement of the Security created by this Deed or the realisation of any Security Asset;
- (c) exercise in relation to any Security Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute legal and beneficial owner of that Security Asset; and
- (d) use the name of the Chargor for any of the purposes set out in this Clause 20.

20.3 Powers to be additional

The powers conferred by this Deed in relation to the Security Assets on the Receiver shall be in addition to, and not in substitution for, the powers conferred on receivers under the LPA and the Insolvency Act.

20.4 Powers to be exercisable by the Chargee

20.4.1 The Chargee may exercise all powers granted by the Receiver by this Deed whether as attorney of the Chargor or otherwise.

20.4.2 The powers of the Receiver set out above are in addition to, and without prejudice to, all statutory and other powers of the Chargee as provided in Clause 18.3 (*Statutory powers*) or otherwise and so that, *inter alia*, such powers are and remain exercisable by the Chargee in respect of that part of the Security Assets in respect of which no appointment of a Receiver by the Chargee is from time to time subsisting.

20.5 Conflict

If and to the extent that there is any ambiguity or conflict between:

20.5.1 the powers conferred on the Receiver by the Act and those powers listed in Schedule 1 of the Insolvency Act; and

20.5.2 the powers conferred by this Clause 20,

the powers conferred by this Clause 20 shall prevail.

21 APPLICATION OF PROCEEDS

21.1 Order of application

Subject to Clause 21.2 (*Prospective liabilities*), all amounts from time to time received or recovered by the Chargee pursuant to the terms of any Finance Document or in connection with the realisation or enforcement of all or any part of the Transaction Security (for the purposes of this Clause 21, the "**Recoveries**") shall be held by the Chargee on trust to apply them at any time as the Chargee (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this Clause 21), in the following order:

21.1.1 in discharging any sums owing to the Chargee, any Receiver or any Delegate;

21.1.2 in payment of all costs and expenses incurred by any Secured Party in connection with any realisation or enforcement of the Transaction Security taken in accordance with the terms of this Deed;

21.1.3 in payment to the Chargee for application in accordance with clause 31.5 (*Partial payments*) of the Facility Agreement; and

21.1.4 the balance (if any) will be applied as required by law.

21.2 Prospective liabilities

Following enforcement of any of the Transaction Security the Chargee may, in its discretion, hold any amount of the Recoveries in an interest bearing suspense or impersonal account(s) in the name of the Chargee with such financial institution (including itself) and for so long as the Chargee shall think fit (the interest being credited to the relevant account) for later application under Clause 21.1 (*Order of application*) in respect of:

21.2.1 any sum to the Chargee, any Receiver or any Delegate; and

21.2.2 any part of the Secured Liabilities,

21.2.3 that the Chargee reasonably considers, in each case, might become due or owing at any time in the future.

21.3 Share of proceeds

Prior to the application of the proceeds of the Recoveries in accordance with Clause 21.1 (Order of application) the Chargee may, in its discretion, hold all or part of those proceeds in an interest bearing suspense or impersonal account(s) in the name of the Chargee with such financial institution (including itself) and for so long as the Chargee shall think fit (the interest being credited to the relevant account) pending the application from time to time of those monies in the Chargee's discretion in accordance with the provisions of this Clause 21.3.

21.4 Currency Conversion

21.4.1 For the purpose of, or pending the discharge of, any of the Secured Liabilities the Chargee may convert any monies received or recovered by the Chargee from one currency to another, at a market rate of exchange.

21.4.2 The obligations of the Chargor to pay in the due currency shall only be satisfied to the extent of the amount of the due currency purchased after deducting the costs of conversion.

21.5 Permitted Deductions

The Chargee shall be entitled, in its discretion:

21.5.1 to set aside by way of reserve amounts required to meet, and to make and pay, any deductions and withholdings (on account of taxes or otherwise) which it is or may be required by any applicable law to make from any distribution or payment made by it under this Deed; and

21.5.2 to pay all Taxes which may be assessed against it in respect of any of the Security Assets, or as a consequence of performing its duties, or by virtue of its capacity as Chargee under any of the Finance Documents or otherwise (other than in connection with its remuneration for performing its duties under this Deed).

22 PROTECTION OF PURCHASERS

22.1 No purchaser or other person dealing with any Secured Party shall be bound to enquire:

22.1.1 whether the Secured Liabilities have become due and/or payable;

22.1.2 whether any event has happened upon which any of the powers conferred by this Deed may have arisen or be exercisable or is being properly exercised;

22.1.3 whether any money remains due under the Finance Documents; or

22.1.4 how any money paid to the Chargee or to that Receiver is to be applied.

22.2 No purchaser dealing with any Secured Party or the Security is to be concerned to enquire whether any power exercised or purported to be exercised by the Secured Parties has become exercisable, or as to the propriety or regularity of any sale by, or other dealing with the Secured Parties. Any such sale or dealing is deemed to be within the powers conferred by

this Deed and to be valid and effective accordingly. All the protection to purchasers contained in section 104 and section 107 of the LPA and section 42(3) of the Insolvency Act apply to any purchaser.

- 22.3 The receipt of any Secured Party shall be conclusive discharge to any purchaser and, in making any sale or disposal of any of the Security Assets or making any acquisition, the Chargee or any Receiver may do for such consideration, in such manner and on such terms as it thinks fit.

23 LIABILITY OF CHARGEES AND RECEIVERS

23.1 Liability

Neither the Chargee, any Receiver nor any of their respective Delegates and sub-delegates, (whether as mortgagee in possession or otherwise) shall either by reason of:

23.1.1 taking possession of or realising all or any part of the Security Assets; or

23.1.2 taking any action permitted by this Deed,

be liable to the Chargor or any other person for any costs, losses or liabilities relating to any of the Security Assets or for any act, default, omission or misconduct of the Chargee, any Receiver or their respective Delegates and sub-delegates in relation to the Security Assets or otherwise.

23.2 Exoneration

Neither the Chargee, any Receiver nor any of their respective Delegates and sub delegates shall have any duty:

23.2.1 to perform the Chargor's obligations or exercise any rights in relation to any Security Asset;

23.2.2 to ensure that any Related Rights are made available and to ensure that the correct amount has been received in relation to any Related Right;

23.2.3 to take up any offer in relation to any Security Asset;

23.2.4 the status, propriety or validity of the acts of the Receiver or Chargee;

23.2.5 to give any notification to anyone in relation to any Security Asset; or

23.2.6 to take any action to enforce any other person's obligations as regards any Security Asset.

23.3 Protection of the Receiver

The Receiver shall be entitled to all the rights, powers, privileges and immunities which the LPA confers on mortgagees and receivers duly appointed under the LPA.

24 POWER OF ATTORNEY

- 24.1 The Chargor, by way of security for the performance of its obligations under this Deed, irrevocably and severally appoints the Chargee, each Receiver and each of their respective Delegates and sub-delegates to be its attorney (with full power of substitution and delegation) and in its name, on its behalf and as its act and deed to:

24.1.1 execute, deliver and perfect all other documents, deeds and agreements and do all such things which the attorney may consider to be required or desirable for:

- (a) carrying out any obligation imposed on any Chargor by this Deed or any agreement binding on any Chargor to which the Chargee is a party (including, but not limited to, the execution and delivery of any charges, assignments or other security and any transfers of the Security Assets and perfecting and/or releasing the Security created or intended to be created in respect of the Security Assets); and
- (b) enabling the Chargee and any Receiver to exercise any of the rights, powers and authorities conferred on them pursuant to this Deed or by law (including, after the Security constituted by this Deed has become enforceable as provided in this Deed, the exercise of any right of a legal or beneficial owner of the Security Assets or any part of the Security Assets);

24.1.2 the Chargor shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers under this Deed; and

24.1.3 the Chargor covenants (for the purpose of the irrevocable nature of the power of attorney granted in this Clause 24) with each Receiver appointed pursuant to this Deed, to join in and concur with the exercise by such Receiver of any powers of such Receiver to act on behalf of the Chargor.

25 DELEGATION AND DISCRETION

25.1 Delegation

25.1.1 The Chargee and/or any Receiver may delegate by power of attorney or in any other manner all or any of the powers, authorities and discretions which are conferred and are exercisable by it under this Deed to any person or persons on such terms and conditions as it sees fit.

25.1.2 No such delegation pursuant to this Clause 25 shall preclude either the subsequent exercise of such power, authority or discretion by the Chargee or a Receiver itself or any subsequent delegation or revocation of such power, authority or discretion.

25.1.3 Neither the Chargee nor any Receiver will have any liability to the Chargor or any other person for any loss or liability arising from any act, default, omission or misconduct by any Delegate.

25.2 Discretion

Any right or power which may be exercised or any determination which may be made under this Deed by the Chargee or any Receiver may be exercised by it in its absolute and unfettered discretion, without any obligation to give reasons.

26 EFFECTIVENESS OF SECURITY

26.1 Continuing Security

The Security constituted by this Deed shall remain in full force and effect as continuing security for the Secured Liabilities until the Discharge Date and shall not be released before then by any intermediate payment, discharge or satisfaction of all or any of the Secured Liabilities or for any other reason.

26.2 Cumulative rights

The Security created by or pursuant to this Deed and the rights, powers and remedies of the Chargee under this Deed shall be cumulative and shall be in addition to and independent of every other Security, guarantee, right, power or remedy which the Chargee may at any time have in connection with the Secured Liabilities, including the rights, powers and remedies provided by law, and accordingly, the Chargee shall not be obliged before exercising any such rights, powers or remedies:

26.2.1 to make any demand of, or take any action or obtain any judgment in any court against, the Chargor;

26.2.2 to make or file any claim or proof in winding-up or dissolution of the Chargor; or

26.2.3 to enforce or seek to enforce any other Security held by it in respect of the Secured Liabilities.

26.3 No merger of Security

No prior Security held by the Chargee (whether in its capacity as trustee or otherwise) or any other Secured Party over the whole or any other part of the Security Assets shall merge with the Security constituted by this Deed.

26.4 No prejudice

The Security created by or pursuant to this Deed shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to the Chargor or any other person, or the Chargee or by any variation of the terms of the trust upon which the Chargee holds the Security created by or pursuant to this Deed or by any other thing which might otherwise prejudice that Security.

26.5 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of the Chargee, any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any of the Finance Documents. No election to affirm any Finance Document on the part of the Chargee shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in each Finance Document are cumulative and not exclusive of any rights or remedies provided by law.

26.6 Partial invalidity

26.6.1 If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality,

validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired.

26.6.2 If any part of the Security created or intended to be created by or pursuant to this Deed is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the Security constituted under this Deed.

26.7 Tacking

26.7.1 For the purposes of section 94(1)(c) of the LPA and section 49(3) of the Land Registration Act 2002, the Chargee confirms on behalf of the Secured Parties that the Secured Parties will comply with their obligations to make further advances under the Facility Agreement subject to the terms of the Finance Documents.

26.7.2 *The Chargor consents to an application being made to the Land Registry to enter the obligation to make further advances on the charges register of any registered land forming part of the Real Property.*

26.8 Further assurance

26.8.1 The Chargor shall promptly, at its own cost, do whatever the Chargee requires:

- (a) to create, perfect and/or protect the Security created or intended be created by this Deed;
- (b) to create, perfect and/or protect the priority of the Security created or intended be created by this Deed;
- (c) to facilitate the exercise of any rights, powers and remedies vested in the Chargee or any Receiver (or their respective Delegates) by this Deed and/or by the law; and/or
- (d) to facilitate the realisation of the Security Assets.

26.8.2 In order to satisfy its obligations under paragraph 26.8.1 above, the Chargor shall immediately, upon the request of the Chargee, execute any transfer, conveyance, mortgage, charge, assignment or assurance over all or any of the assets intended to constitute the Security Assets (whether in favour of the Chargee or its nominee or otherwise) and make any registration or notarisation and give any notice, instructions, order or direction in respect of the Security Assets.

27 PRIOR SECURITY INTERESTS

27.1 In the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking Security against any of the Security Assets or in case of exercise by the Chargee or any Receiver of any power of sale under this Deed, the Chargee may redeem such prior Security or procure the transfer of such Security to itself.

27.2 The Chargee may settle and agree the accounts of the holder of the prior Security and any accounts so settled and agreed will be conclusive and binding on the Chargor.

27.3 All principal monies, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by the Chargor to the Chargee on demand together with accrued

interest on such sums as well as before judgement at the rate from time to time applicable to unpaid sums specified in the Facility Agreement from the time or respective times of the same having been paid or incurred until payment of such sums (as well as after as before judgment).

28 SUBSEQUENT SECURITY INTERESTS

If the Chargee receives, or is deemed to be affected by, notice whether actual or constructive of any subsequent Security Asset or other interest other than as permitted by the Facility Agreement affecting the Security Assets, it may open a new account for the Chargor in its books. If the Chargee does not open a new account, it shall nevertheless be treated as if it had done so at the time it received or was deemed to be affected by such notice. Unless the Chargee gives express written notice to the contrary to the Chargor, all payments made by the Chargor to the Chargee will, as from that time, be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Liabilities.

29 SUSPENSE ACCOUNT

29.1 Contingencies

If this Security is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, the Chargee (or the Receiver) may pay the proceeds of any recoveries effected by it into a suspense account in which event, Clause 29.2 (*Suspense account*) shall apply to such proceeds.

29.2 Suspense account

All monies received, recovered or realised by the Chargee under this Deed (including the proceeds of any conversion of currency) may in the absolute discretion of the Chargee be credited to any interest bearing suspense or impersonal account(s) maintained with a bank, building society or financial institution (including itself) for so long as it may think fit (the interest being credited to the relevant account) pending their application from time to time at the Chargee's absolute discretion, in or towards the discharge of any of the Secured Liabilities.

30 RELEASE OF SECURITY

30.1 Upon the occurrence of the Discharge Date and subject always to Clause 30.2, the Chargee shall, at the request and cost of the Chargor, release and cancel the security constituted by this Deed and procure the reassignment to the Chargor of the property and assets assigned to the Chargee pursuant to this Deed, in each case without recourse to, or any representation or warranty by, Chargee or any of its Delegates.

30.2 Following any discharge of the Chargor made by the Chargee, in reliance on any payment or security, the Chargee may retain the security constituted by this Deed (and all documents of title or other documents necessary to protect such Security) until the expiry of the maximum period within which such payment or security can be avoided, reduced or invalidated for any reason. If the person other than the Chargor making such payment or giving such security goes into liquidation or administration or equivalent proceedings in any foreign jurisdiction within that period the Chargee may retain the security constituted by this Deed for as long as it sees fit.

31 **SET-OFF**

The Chargee may set off any matured obligation due from the Chargor under this Deed (to the extent beneficially owned by the Chargee) against any matured obligation owed by the Chargee to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Chargee may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

32 **FINANCIAL COLLATERAL**

32.1 To the extent that any of the Security Assets constitute "financial collateral" and this Deed constitutes a "security financial collateral arrangement" (as those terms are defined in the Regulations), the Chargee shall, upon the Security created by this Deed becoming enforceable pursuant to Clause 18.2 and to the extent permitted by the Regulations, have the right to appropriate all or any part of the Security Assets in or towards the discharge of the Secured Liabilities without obtaining any court authorisation and in such order as the Chargee may in its absolute discretion determine.

32.2 The Parties agree that the value of any Security Asset appropriated in accordance with sub-clause 32.1 above shall be:

32.2.1 in the case of cash denominated in the currency of denomination of the Secured Liabilities, the amount of such cash plus any accrued but unposted interest attributable to such cash on the date of appropriation;

32.2.2 in the case of any other cash, the amount of the currency of denomination of the Secured Liabilities that the Chargee could purchase with the amount of such cash (plus any accrued but unposted interest attributable to such cash) on the date of appropriation at its spot rate of exchange for such purchase in the Relevant Interbank Market at or about 11:00 a.m. on that date; or

32.2.3 in the case of Shares, the price of those Shares at the time the right of appropriation is exercised as listed on any recognised market index, independent valuation or as determined by such other method as the Chargee may select.

32.3 The Parties agree that the method of valuation provided for in this Clause 32 (*Financial collateral*) is commercially reasonable for the purposes of the Regulations.

33 **CURRENCY**

33.1 **Relevant Currency**

The Chargor is obliged under this Deed to discharge the Secured Liabilities in the Relevant Currency.

33.2 **Receipt in wrong currency**

If at any time the Chargee receives a payment (including by set-off) referable to any of the Secured Liabilities from any source in a currency other than the Relevant Currency, then that payment will take effect as a payment to the Chargee of the amount in the Relevant Currency which the Chargee is able to purchase (after deduction of any relevant costs) with the amount

of the payment so received at its spot rate of exchange for such purchase in the Relevant Market at or about 11:00 a.m. on that date.

33.3 Currency indemnity

33.3.1 If any sum due from the Chargor under this Deed (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which the Sum is payable into another currency (the "**Second Currency**") for the purposes of:

- (a) making or filing a claim against the Chargor; or
- (b) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Chargor shall, as an independent obligation, within three Business Days of demand, indemnify the Chargee against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (a) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (b) the rate or rates of exchange available to the Chargee at the time of receipt of that Sum.

33.3.2 The Chargor waives any right it may have in any jurisdiction to pay any amount under this Deed in a currency or currency unit other than in which it is expressed to be payable.

34 PAYMENTS TO BE MADE WITHOUT DEDUCTION

34.1 No deductions

All sums payable by the Chargor under this Deed shall be paid in the Relevant Currency in immediately available funds and shall be paid to the credit of such account as the Chargee may designate. All such payments shall be made in full without set-off of any sum owing by the Chargee to the Chargor or counterclaim and free and clear of any deductions of or withholding for or on account of any Tax or for any other reason, except to the extent that any such deduction or withholding is required by law.

34.2 Grossing-up

If at any time the Chargor is required by law to make any deduction or withholding from any payment due from the Chargor to the Chargee, the Chargor shall simultaneously pay to the Chargee whatever additional amount is necessary to ensure that the Chargee receives a net sum equal to the payment it would have received had no deduction or withholding been made.

35 CERTIFICATES AND DETERMINATIONS

A certificate or determination by the Chargee or a Receiver of a rate or an amount under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

36 ASSIGNMENT AND TRANSFER

36.1 Chargor consents to assignment/transfer by Chargee

The Chargor consents to the assignment and/or transfer by the Chargee of any one or more of its rights and/or obligations under this Deed. The Chargee may, without consulting with or obtaining consent from the Chargor at any time charge, assign or otherwise create Security in or over its rights, benefits and interests under this Deed to secure any obligations of any Secured Party.

36.2 No assignment/transfer by Chargor

The Chargor may not assign or transfer any one or more of its rights, benefits and/or obligations under this Deed.

36.3 Confidentiality

The Chargee shall be entitled to disclose any information concerning the Chargor and this Deed as it considers appropriate to:

36.3.1 any person permitted in accordance with Clause 38 (*Confidential Information*) of the Facility Agreement;

36.3.2 any person proposing to take an assignment and/or transfer from the Chargee;

36.3.3 any person proposing to enter into contractual relations with the Chargee with respect to this Deed; and

36.3.4 any person to whom information may be required to be disclosed by an applicable law.

37 INDEMNITY TO SECURED PARTIES

37.1 The Chargor shall promptly indemnify the Chargee and every Receiver and Delegate against any cost, loss or liability incurred by any of them as a result of:

37.1.1 any failure by the Chargor to comply with its obligations under Clause 38 (*Costs and expenses*);

37.1.2 acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;

37.1.3 the taking, holding, protection or enforcement of the Security constituted under this Deed;

37.1.4 the exercise of any of the rights, powers, discretions and remedies vested in the Chargee, each Receiver and their Delegate and sub-delegates by this Deed or by law;

37.1.5 any default by the Chargor in the performance of any of the obligations expressed to be assumed by it in this Deed;

37.1.6 instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under the Finance Documents; or

37.1.7 acting as Chargee, Receiver or Delegate under this Deed or which otherwise relates to any of the Security Assets (otherwise, in each case, than by reason of the relevant Chargee's, Receiver's or Delegate's gross negligence or wilful misconduct).

37.2 The Chargee may indemnify itself out of the Security Assets in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this Clause 37 (*Indemnity to the Secured Party*) and shall have a lien on the Security constituted under this Deed and the proceeds of the enforcement of such Security for all monies payable to it.

38 COSTS AND EXPENSES

38.1 Transaction expenses

The Chargor shall within 5 Business Days of demand pay the Chargee the amount of all costs and expenses (including legal fees) reasonably incurred by it in connection with the negotiation, preparation, printing, execution, and perfection of this Deed, any other documents referred to in this Deed and the Security constituted by this Deed.

38.2 Amendment costs

If the Chargor requests an amendment, waiver or consent in connection with this Deed, the Chargor shall, within 5 Business Days of demand, reimburse the Chargee for the amount of all costs and expenses (including legal fees) reasonably incurred by the Secured Parties in responding to, evaluating, negotiating or complying with that request or requirement.

38.3 Enforcement and preservation costs

The Chargor shall, within 5 Business Days of demand, pay to the Chargee the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of or the preservation of any rights under this Deed and any proceedings instituted by or against any Secured Party as a consequence of taking or holding the Security constituted by this Deed or enforcing these rights.

39 MISCELLANEOUS

39.1 Variations

No variation of the terms of this Deed shall be valid unless such variation is in writing and signed by the Chargor and the Chargee.

39.2 Third party rights

Other than any Secured Party a person who is not a Party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.

39.3 Perpetuity period

The trusts created by this Deed have a perpetuity period of 125 years.

39.4 Counterparts

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

40 NOTICES

40.1 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.

40.2 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:

40.2.1 in the case of the Chargee, that identified by its name below; and

40.2.2 in the case of the Chargor, that notified in writing to the Chargee on or prior to the date on which it became a Party,

or any substitute address fax number or department or officer as the Chargor may notify to the Chargee (or the Chargee may notify to the Chargor, if a change is made by the Chargee) by not less than five Business Days' notice.

40.3 Delivery

40.3.1 Any communication or document made or delivered by the Chargee to the Chargor under or in connection with this Deed shall only be effective:

- (a) if by way of fax, when received in legible form; or
- (b) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to the relevant party at that address,

and, in the case of the Chargee, if a particular department or officer is specified as part of its address details provided under Clause 40.2 (*Addresses*), if addressed to that department or officer.

40.3.2 Any communication or document to be made or delivered to the Chargee will be effective only when actually received by the Chargee and then only if it is expressly marked for the attention of the department or officer certified in Clause 40.2 (*Addresses*) (or any substitute department or officer as the Chargee will specify for this purpose).

40.3.3 Any communication or document which becomes effective, in accordance with paragraphs 40.3.1 and 40.3.2 above after 5.00pm in the place of receipt shall be deemed to only become effective on the following day.

40.4 English language

40.4.1 Any notice given under or in connection with this Deed must be in English.

40.4.2 All other documents provided under or in connection with this Deed must be:

- (a) in English; or

- (b) if not in English, and if so required by the Chargee, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

41 GOVERNING LAW AND JURISDICTION

41.1 Governing law

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

41.2 Jurisdiction of English courts

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

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

41.2.3 This Clause 41.2 is for the benefit of the Chargee only. As a result, the Chargee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Chargee may take concurrent proceedings in any number of jurisdictions.

This Deed is executed as a deed by the Chargor and is signed for and on behalf of the Chargee and is delivered and takes effect on the date at the beginning of this Deed.

SCHEDULE 1

- INITIAL SHARES

Company	Description and Number of Shares held	Jurisdiction
Nil	Nil	Nil

**SCHEDULE 2
- MORTGAGED PROPERTY**

County and District/London Borough	Description of Property	Title Number
None	None	None

SCHEDULE 3
- ACCOUNT DETAILS

<i>Name of Account Bank</i>	<i>Name of Account Holder</i>	<i>Sort Code</i>	<i>Account Number</i>
HSBC Bank plc	Toto Energy Ltd	[REDACTED]	[REDACTED]

SCHEDULE 4
INSURANCE POLICIES

Policy holder: Toto Energy Ltd.

Insurer: Allianz Insurance plc

Period: 14 August 2017 to 14 August 2018

Policy Number: [REDACTED]

SCHEDULE 5
FORM OF NOTICE AND ACKNOWLEDGEMENT TO ACCOUNT BANK

PART 1

Form of Notice to Account Bank

[On the Letterhead of the Chargor]

To: [name and address of third party bank]

Attention:

Copy to: [Secured Party details]

Date: []

Dear Sirs

Debenture dated [] (the "Debenture") between [] (the "Chargor") and [] (the "Secured Party")

This letter constitutes notice to you that, pursuant to the Debenture, we have [assigned to]/charged (by way of first fixed charge) in favour] of the Secured Party all our present and future rights and interest in and to account number [] in our name with you (the "**Account**") together with all money from time to time standing to the credit of that Account, all interest accruing in relation to such Account and all Related Rights.

In this notice, "**Related Rights**" means, in respect of the Account, all present and future:

- (a) money and proceeds of any nature paid or payable in relation to the Account, including sale proceeds and money paid by way of damages, award or judgment made in connection with that Account; and
- (b) all rights and assets of any nature attaching to, deriving from or exercisable as a result of an interest in or ownership or operation of the Account.

We irrevocably instruct and authorise you to:

1. credit to the Account all interest from time to time earned on the sums of money held in the Account;
2. deal only with the Chargor in relation to the Account unless you receive written instructions from the Secured Party to the contrary;
3. comply with the terms of any written notice or instructions (including payment instructions) relating to the Account or the sums standing to the credit of the Account from time to time which you may receive from the Secured Party without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instructions;
4. disclose to the Secured Party, without any reference to or further authority from us and without any enquiry by you as to the justification for such disclosure, such information relating to the Account and the sums in the Account as the Secured Party may from time to time request; and

5. send copies of all notices and communications relating to the Account to the Secured Party as well as to us.

Please note that we are and will remain liable to perform all the obligations assumed by us under any mandate or other agreement relating to the Account and that neither the Secured Party, any Receiver nor any of their agents will at any time have any liability to you regarding the Account.

We are not permitted, without the Secured Party's prior written consent, to permit or agree to any variation of the terms and conditions relating to the Account or to close the Account.

The instructions in this notice may not be revoked or varied without the prior written consent of the Secured Party.

This notice is governed by English law.

Please confirm your agreement to the above by sending the attached acknowledgement to [identify Secured Party officer] at [insert address details of Secured Party] with a copy to us at the above address.

Yours faithfully

[Authorised signatory of Chargor]

PART 2

Form of Acknowledgement from Account Bank

[On the Letterhead of the Counterparty]

To: [Secured Party]

Attention: []

Copy to: []

Date: []

Dear Sirs

Debenture dated [] (the "Debenture") between [] (the "Chargor") and [] (the "Secured Party")

We confirm receipt from the Chargor of a notice dated [] 201() (the "Notice") of the creation of [an assignment/a first fixed charge], pursuant to the terms of the Debenture, of all the Chargor's present and future rights and interest in and to account number [] held with us in the name of [the Chargor] (the "Account") together with all money from time to time standing to the credit or that Account, all interest accruing in relation to such Account and all Related Rights (as defined in the Notice).

We confirm that:

1. the balance on the Account as at today's date is £[];
2. we accept the instructions and authorisations contained in the Notice and undertake to comply with the terms of the Notice;
3. we have not received notice of the creation of any other assignment or security regarding the Account or of the creation of any third party interest in the Account or in the sums of money held in the Account or the debts represented by those sums and we will notify you promptly should we receive any such notice;
4. we do not have and will not in future create, accept or enforce any security interest or right of set-off or combination or other right in respect of the Account, the sums of money held in the Account or the debts represented by those sums; and
5. we will not amend the terms or conditions upon which the Account is operated or close the Account without your prior written consent.

This letter is governed by English law.

Yours faithfully

for and on behalf of
[third party bank]

SCHEDULE 6
FORM OF NOTICE AND ACKNOWLEDGEMENT FOR COUNTERPARTY

PART 1
Form of Notice to Counterparty

[On the Letterhead of the Chargor]

To: [Contract counterparty]

Copy to: [Secured Party details]

Date: []

Dear Sirs

Debenture dated [] between [] (the "Chargor") and [] (the "Secured Party")
(the "Debenture")

This letter constitutes notice to you that pursuant to the Debenture we have assigned to the Secured Party by way of security all our present and future rights under or in connection with [insert details of Contract] (the "**Contract**") (including under any guarantee, warranty or indemnity granted in relation to the Contract) and all Related Rights.

In this notice, "Related Rights" means, in respect of the Contract, all present and future:

- (a) money and proceeds of any nature paid or payable in relation to the Contract, including sale proceeds and money paid by way of damages, award or judgement made in connection with that Contract; and
- (b) all rights and assets of any nature attaching to, deriving from or exercisable as a result of an interest in or ownership or operation of the Contract.

We irrevocably authorise and instruct you to:

- 1. disclose to the Secured Party without any reference to or further authority from us (and without any enquiry by you as to the justification for such disclosure), such information relating to the Contract as the Secured Party may at any time request;
 - 1.1 deal with us in relation to the Contracts; and
 - 1.2 pay to us all sums from time to time due and payable by you under the Contract,
until such time as you receive notice from the Secured Party instructing you otherwise (an "**Instruction Notice**") following which you shall comply with all instructions contained in such Instruction Notice or in any subsequent notice or instructions relating to the Contract or the debts represented by such Contract which you receive from the Secured Party without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction;
- 2. send copies of all notices and communications relating to the Contract to the Secured Party as well as to us.

We further instruct you that upon receipt of notice from the Secured Party that an Event of Default has occurred and is continuing:

1. all remedies provided for in the Contract or available at law or in equity are exercisable by the Secured Party (provided that the Secured Party shall have no greater rights under this notice than we have under the Contract);
2. all rights to compel performance of the Contract are exercisable by the Secured Party although the Company shall remain liable to perform all of the obligations assumed by it under the Contract; and
3. all rights, interests and benefits whatsoever accruing to or for the benefit of us arising from the Contract belong to the Secured Party to the exclusion of the Chargor.

Please note that we are and will remain liable to perform all the obligations assumed by us under the Contract and that neither the Secured Party, any Receiver nor any of their agents will at any time have any liability to you under the Contract.

The instructions in this notice may not be revoked or amended without the prior written consent of the Secured Party.

This notice is governed by English law.

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

Yours faithfully

For and on behalf of
[Chargor]

[On the Letterhead of the Counterparty]

[Address]

Date: []

Debenture dated [] between [] (the "Chargor") and [] (the "Secured Party")
(the "Debenture")

We confirm that:

- This letter is governed by English law.

For and on behalf of
[Counterparty]

**SCHEDULE 7
FORM OF ACKNOWLEDGEMENT FOR INSURER**

**PART 1
Form of Notice to Insurer**

[On the Letterhead of the Chargor]

To: [insert name and address of insurer]

Copy to: [Secured Party details]

Date: []

Dear Sirs

**Debenture dated [] between [] (the "Chargor") and [] (the "Secured Party")
(the "Debenture")**

This letter constitutes notice to you that, pursuant to the Debenture, we have assigned to the Secured Party by way of security all amounts payable to us under or in connection with the policies described below (the "**Policies**"), all our rights in connection with those amounts and all Related Rights.

In this notice, "**Related Rights**" means, in respect of the Policies, all present and future:

- (a) money and proceeds of any nature paid or payable in relation to the Policies, including sale proceeds and money paid by way of damages, award or judgement made in connection with that Policy; and
- (b) all rights and assets of any nature attaching to, deriving from or exercisable as a result of an interest in or ownership or operation of the Policies.

[Describe insurances]

We irrevocably authorise and instruct you to:

- 1. disclose to the Secured Party without any reference to or further authority from us (and without any enquiry by you as to the justification for such disclosure), such information relating to the Policies as the Secured Party may at any time request;
- 2. comply with the terms of any notice or instructions relating to the Policies which you receive from the Secured Party (without any reference to or further authority from us and without any enquiry from you as to the justification for or validity of such notice or instruction);
- 3. note on the Policies the Secured Party's interest as assignee of (i) all amounts payable under the Policies; and (ii) all rights in connection with those amounts and to identify the Secured Party as co-Insured in respect of each Policy; and
- 4. send copies of all notices issued under the Policies to the Secured Party as well as to us.

Please note that we are and will remain liable to perform all the obligations assumed by us under the Policies and that neither the Secured Party, any Receiver nor any of their agents nor any other person will have any liability to you under the Policies.

The instructions in this notice may not be revoked or amended without the prior written consent of the Secured Party.

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

This notice is governed by English law.

Yours faithfully

For and on behalf of
[Chargor]

Form of Acknowledgement from insurer

To: [Secured Party]

Copy to: [Chargor]

Dear Sirs

We acknowledge receipt from the Chargor of a notice dated [] (the "**Notice**") of an assignment, pursuant to the terms of the Debenture, of (i) all amounts payable to the Chargor under or in connection with the Policies; (ii) all the Chargor's rights in connection with those amounts; and (iii) all Related Rights, as defined in the Debenture (as defined in the Notice).

1. we accept the instructions and authorisations contained in the Notice and undertake to act in accordance with and comply with the terms of the Notice;
2. we [will note/have noted] your interest as assignee of the amounts and rights referred to above and have identified you as co-insured and sole loss payee on the Policies;
3. we have not received notice of the creation of any other assignment of or any security over rights or proceeds arising under the Policies in favour of any third party or the creation of any other third party interest in those rights or proceeds;
4. we agree to notify you if the Chargor breaches the terms of any Policy or otherwise gives us grounds to declare any Policy void or voidable and, where the breach is capable of being remedied, to allow you or your agents to remedy the relevant breach; and
5. we have not claimed or exercised, and have no outstanding right to claim or exercise, any right of set-off or counterclaim, or other right, in relation to any sum paid or payable under the Policy.

Yours faithfully

For and on behalf of
[Name of insurance company]

EXECUTION PAGES TO THE DEBENTURE

CHARGOR

EXECUTED as a DEED by TOTO ENERGY)
LTD.)

by CHRIS ALLEN being a)
director, in the presence of:)

Director

Signature of Witness

Name (in BLOCK CAPITALS)..... S. P. BULLER

Address

BRANHAMSS Cottage
BNS 172

Witness occupation: CEO

Notice details

Address: First Floor Locksview East Lockside, Brighton Marina Village, Brighton,
England, BN2 5HA

Attention: Chris Allen

Email: Chris.Allen@totoenergy.com

CHARGE

EXECUTED as a DEED by CRIUS ENERGY)
HOLDING [REDACTED] INC.)
[REDACTED] being an)
authorised signatory, in the presence of:

Authorised Signatory

Signature of Witness [REDACTED]

Name (in BLOCK CAPITALS).....MARTINE TRINKA

Address535 CONNECTICUT AVE
.....NORWALK, CT 06854 USA

Witness occupation:COUNSEL.....

Notice details

Address: 3400, 1 First Canadian Place, Toronto, ON, Canada M4T1A4.

Attention: Barbara Clay (copy to: Mark Getachew)

Email: bclay@criusenergy.com and mgetachew@willkie.com