



**Registration of a Charge**

Company name: **ZIP WORLD GROUP HOLDINGS LIMITED**

Company number: **11105554**



X7WMDLS3

Received for Electronic Filing: **07/01/2019**

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**Details of Charge**

Date of creation: **24/12/2018**

Charge code: **1110 5554 0002**

Persons entitled: **LDC (MANAGERS) LIMITED**

Brief description:

**Contains fixed charge(s).**

**Contains floating charge(s) .**

**Contains negative pledge.**

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**Authentication of Form**

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

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**Authentication of Instrument**

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

Certified by:

**GELDARDS LLP**



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

Company number: 11105554

Charge code: 1110 5554 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 24th December 2018 and created by ZIP WORLD GROUP HOLDINGS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 7th January 2019 .

Given at Companies House, Cardiff on 9th January 2019

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



**Companies House**



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES

DATED

24<sup>th</sup> December 2018

(1) ZIP WORLD GROUP HOLDINGS LIMITED

and

(2) LDC (MANAGERS) LIMITED (AS SECURITY TRUSTEE)

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DEBENTURE

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This Debenture is subject to the terms of the Intercreditor Agreement

**Geldards**  
law firm

## **CONTENTS**

1.	Definitions and interpretation	1
2.	Covenant to pay	7
3.	Grant of security	7
4.	Liability of the Company	10
5.	Representations and warranties	10
6.	General covenants	11
7.	Property covenants	14
8.	Investments covenants	15
9.	Equipment covenants	17
10.	Book Debts covenants	17
11.	Designated Accounts	18
12.	Powers of the Security Trustee	18
13.	When security becomes enforceable	20
14.	Enforcement of security	20
15.	Receiver	23
16.	Powers of Receiver	24
17.	Delegation	27
18.	Application of proceeds	27
19.	Costs and indemnity	28
20.	Further assurance	29
21.	Power of attorney	29
22.	Release	29
23.	Assignment and transfer	30
24.	Set-off	30
25.	Amendments, waivers and consents	30
26.	Severance	31
27.	Counterparts	31

28.	Third party rights	32
29.	Further provisions	32
30.	Notices	33
31.	Governing law and jurisdiction	34
	Schedule 1 - Property	36
	Schedule 2 - Relevant Agreements	37
	Schedule 3 - Notice and acknowledgement - Relevant Agreement	38
	Schedule 4 - Notice and acknowledgement - Insurance Policy	41
	Schedule 5 - Notice and acknowledgement - bank account	44

THIS DEED IS MADE ON 24<sup>th</sup> December 2018

**BETWEEN:**

- (1) **ZIP WORLD GROUP HOLDINGS LIMITED** incorporated and registered in England and Wales with company number 11105554 whose registered office is at 8<sup>th</sup> Floor, One Central Square, Cardiff CF10 1FS (the "**Company**"); and
- (2) **LDC (Managers) Limited** incorporated and registered in England and Wales with company number 02495714 whose registered office is at One Vine Street, London W1J 0AH (the "**Security Trustee**") which expression shall include any person appointed as a security trustee or as an additional trustee in accordance with the Security Trust Deed.

**WHEREAS:**

- A The Parent has created £6,833,500 in nominal value of secured loan notes £6,833,500 of which have been issued to the Noteholders.
- B The Noteholders have, pursuant to the Security Trust Deed appointed the Security Trustee as security trustee in respect of this debenture.
- C Under this Deed, the Company provides security to the Security Trustee (on behalf of the Noteholders) for the repayment of the Loan Notes.

**IT IS AGREED AS FOLLOWS:**

**1. Definitions and interpretation**

**1.1 Definitions**

The following definitions apply in this Deed:

<b>Administrator</b>	means an administrator appointed to manage the affairs, business and property of the Company pursuant to clause 12.6;
<b>Book Debts</b>	means all present and future book and other debts, and monetary claims due or owing to the Company, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Company in relation to any of them;
<b>Business Day</b>	means a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;
<b>Delegate</b>	means any person appointed by the Security Trustee or by any Receiver pursuant to clause 17 and any person appointed as attorney of the Security Trustee, Receiver or Delegate;

<b>Designated Account</b>	means any account of the Company nominated by the Security Trustee as a designated account for the purposes of this Deed;
<b>Equipment</b>	means all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property for the time being owned by the Company, including any part of it and all spare parts, replacements, modifications and additions;
<b>Event of Default</b>	has the meaning given to that expression in Schedule 1 of the Loan Note Instrument;
<b>Financial Collateral</b>	has the meaning given to that expression in the Financial Collateral Regulations;
<b>Financial Collateral Regulations</b>	means the Financial Collateral Arrangements (No 2) Regulations 2003 ( <i>SI 2003/3226</i> );
<b>Guarantee</b>	means a corporate guarantee dated on or about the date hereof and entered into between amongst others the Company and the Security Trustee in respect of certain obligations of the Parent to the Security Trustee;
<b>Hedging Agreement</b>	means any master agreement, confirmation, schedule or other agreement entered into or to be entered into by the Company for the purpose of hedging liabilities and/or risks from time to time;
<b>Insurance Policy</b>	means each contract and policy of insurance effected or maintained by the Company from time to time in respect of its assets or business (including, without limitation, any contract or policy of insurance relating to the Properties or the Equipment);
<b>Intellectual Property</b>	means the Company's present and future patents, utility models, rights to inventions, copyright and neighbouring and related rights, moral rights, trademarks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off <i>or unfair</i> competition, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets) and all other intellectual property rights, in each case whether

registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world;

**Intercreditor Agreement**

means the intercreditor deed entered into on or about the date hereof and made between amongst others, the Parent, HSBC Bank Plc as agent and security agent, HSBC UK Bank Plc as arranger and lender, the Security Trustee and various subordinated creditors as may be amended, varied, waived, restated, modified or supplemented from time to time;

**Investments**

means all present and future certificated stocks, shares, loan capital, securities, bonds and investments (whether or not marketable) for the time being owned (at law or in equity) by the Company, including any:

- (a) dividend, interest or other distribution paid or payable in relation to any of the Investments; and
- (b) right, money, shares or property accruing, offered or issued at any time in relation to any of the Investments by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise.

**Loan Notes**

means the Series A1 secured loan notes in a nominal amount of £6,833,500 constituted by the Loan Note Instrument;

**Loan Note Instrument**

means the instrument created by the Parent dated on or about the date hereof constituting the secured Loan Notes;

**LPA 1925**

means the Law of Property Act 1925;

**Noteholders**

means the holders for the time being of the Loan Notes;

**Parent**

means ZWPV Limited (11639745);

**Properties**

means all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or in the future (and from time to time) owned by the

	Company, or in which the Company holds an interest (including, but not limited to, the properties specified in Schedule 1 if any), and <b>Property</b> means any of them;
<b>Receiver</b>	means a receiver, receiver and manager or administrative receiver of any or all of the Secured Assets appointed by the Security Trustee under clause 15;
<b>Relevant Agreement</b>	means each agreement (if any) specified in Schedule 2;
<b>Secured Assets</b>	means all the assets, property and undertaking for the time being subject to the Security created by, or pursuant to, this Deed (and references to the Secured Assets shall include references to any part of them);
<b>Secured Liabilities</b>	means all present and future monies, obligations and liabilities of the Parent to the Security Trustee and/or the Noteholders, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity under or in connection with the Security Trust Deed, Loan Note Instrument, the Loan Notes or the Guarantee (but in respect of the Guarantee only in respect of the Loan Notes) (including, without limitation, those arising under clause 29.3(b)), together with all interest (including, without limitation, default interest) accruing in respect of those monies, obligations or liabilities;
<b>Security Financial Collateral Arrangement</b>	has the meaning given to that expression in the Financial Collateral Regulations;
<b>Security</b>	means 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;
<b>Security Period</b>	means the period starting on the date of this Deed and ending on the date on which the Security Trustee is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding;

<b>Security Trust Deed</b>	means a security trust deed dated on or about the date hereof entered into between the Company, the Security Trustee and the Noteholders (or by and through their nominees);
<b>Senior Discharge Date</b>	has the meaning given to that term in the Intercreditor Agreement;
<b>Senior Facilities Agreement</b>	has the meaning given to that term in the Intercreditor Agreement.

## 1.2 Interpretation

In this Deed:

- (a) clause, Schedule and paragraph headings shall not affect the interpretation of this Deed;
- (b) a reference to a **person** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality);
- (c) unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- (d) unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- (e) a reference to a party shall include that party's successors, permitted assigns and permitted transferees and this Deed shall be binding on, and enure to the benefit of, the parties to this Deed and their respective personal representatives, successors, permitted assigns and permitted transferees;
- (f) a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- (g) a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- (h) a reference to **writing** or **written** includes fax and email;
- (i) an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- (j) a reference to **this Deed** (or any provision of it) or to any other agreement or document referred to in this Deed is a reference to this Deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this Deed) from time to time;

- (k) unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this Deed and a reference to a paragraph is to a paragraph of the relevant Schedule;
- (l) any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- (m) a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly);
- (n) a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- (o) a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- (p) a reference to **continuing** in relation to an Event of Default means an Event of Default that has not been waived;
- (q) a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it; and
- (r) a reference to 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 regulatory, self-regulatory or other authority or organisation.

### 1.3 Clawback

If the Security Trustee considers that an amount paid by the Company in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Company or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.

### 1.4 Nature of security over real property

A reference in this Deed to a charge or mortgage of or over any Property includes:

- (a) all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) that are situated on or form part of that Property at any time;
- (b) the proceeds of the sale of any part of that Property and any other monies paid or payable in respect of or in connection with that Property;

- (c) the benefit of any covenants for title given, or entered into, by any predecessor in title of the Company in respect of that Property, and any monies paid or payable in respect of those covenants; and
- (d) all rights under any licence, agreement for sale or agreement for lease in respect of that Property.

### **1.5 Perpetuity period**

If the rule against perpetuities applies to any trust created by this Deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

### **1.6 Schedules**

The Schedules form part of this Deed and shall have effect as if set out in full in the body of this Deed. Any reference to this Deed includes the Schedules.

### **1.7 Intercreditor Agreement**

- (a) This Deed, the Security Trustee's rights and any Noteholder's rights under this Deed, and the obligations of the Company under this Deed, shall at all times prior to the Senior Discharge Date, be subject to the terms of, and the subordination created by, the Intercreditor Agreement.
- (b) In the event of any conflict between the provisions of this Deed and the Intercreditor Agreement, the obligations of the Company and all rights of the Security Agent and the Noteholders hereunder and thereunder, the terms of the Intercreditor Agreement shall prevail.

## **2. Covenant to pay**

The Company shall, on demand, pay to the Security Trustee (as security trustee for the Noteholders) and discharge the Secured Liabilities when they become due.

## **3. Grant of security**

### **3.1 Legal mortgage**

As a continuing security for the payment and discharge of the Secured Liabilities, the Company with full title guarantee charges to the Security Trustee, by way of first legal mortgage, each Property specified in Schedule 1.

### **3.2 Fixed charges**

As a continuing security for the payment and discharge of the Secured Liabilities, the Company with full title guarantee charges to the Security Trustee by way of first fixed charge:

- (a) all Properties acquired by the Company in the future;

- (b) all present and future interests of the Company not effectively mortgaged or charged under the preceding provisions of this clause 3 in, or over, freehold or leasehold property;
- (c) all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to each Property;
- (d) all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Company's business or the use of any Secured Asset, and all rights in connection with them;
- (e) all its present and future goodwill;
- (f) all its uncalled capital;
- (g) all the Equipment;
- (h) all the Intellectual Property;
- (i) all the Book Debts;
- (j) all the Investments;
- (k) all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person (including each Designated Account), together with all other rights and benefits accruing to or arising in connection with each account (including, but not limited to, entitlements to interest);
- (l) all its rights in respect of each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy, to the extent not effectively assigned under clause 3.3; and
- (m) all its rights in respect of each Relevant Agreement and all other agreements, instruments and rights relating to the Secured Assets, and all other present or future agreements to which the company is a party to the extent not effectively assigned under clause 3.3.

### **3.3 Assignment**

As a continuing security for the payment and discharge of the Secured Liabilities, the Company with full title guarantee assigns to the Security Trustee absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities:

- (a) all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy; and
- (b) the benefit of each Relevant Agreement and any other agreement designated as a Relevant Agreement between the Company and the Security Agent.

### **3.4 Floating charge**

As a continuing security for the payment and discharge of the Secured Liabilities, the Company with full title guarantee charges to the Security Trustee, by way of first floating charge, all the undertaking, property, assets and rights of the Company at any time not effectively mortgaged, charged or assigned pursuant to clause 3.1 to clause 3.3 inclusive.

### **3.5 Qualifying floating charge**

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 3.4.

### **3.6 Automatic crystallisation of floating charge**

The floating charge created by clause 3.4 shall automatically and immediately (without notice) convert into a fixed charge over the assets subject to that floating charge if:

- (a) the Company:
  - (i) creates, or attempts to create, without the prior written consent of the Security Trustee, Security or a trust in favour of another person over all or any part of the Secured Assets (except as expressly permitted by the terms of this Deed; or
  - (ii) disposes, or attempts to dispose of, all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains uncrystallised);
- (b) any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets; or
- (c) a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Company.

### **3.7 Crystallisation of floating charge by notice**

The Security Trustee may, in its sole discretion, by written notice to the Company, convert the floating charge created under this Deed into a fixed charge as regards any part of the Secured Assets specified by the Security Trustee in that notice if:

- (a) an Event of Default occurs and is continuing; or
- (b) the Security Trustee reasonably considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

### **3.8 Assets acquired after any floating charge has crystallised**

Any asset acquired by the Company after any crystallisation of the floating charge created under this Deed that, but for that crystallisation, would be subject to a floating charge under this Deed, shall (unless the Security

Trustee confirms otherwise to the Company in writing) be charged to the Security Trustee by way of first fixed charge.

#### **4. Liability of the Company**

##### **4.1 Liability not discharged**

The Company's liability under this Deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

- (a) any security, guarantee, indemnity, remedy or other right held by, or available to, the Security Trustee that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- (b) the Security Trustee renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or
- (c) any other act or omission that, but for this clause 4.1, might have discharged, or otherwise prejudiced or affected, the liability of the Company.

##### **4.2 Immediate recourse**

The Company waives any right it may have to require the Security Trustee to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this Deed against the Company.

#### **5. Representations and warranties**

##### **5.1 Representations and warranties**

The Company makes the representations and warranties set out in this clause 5 to the Security Trustee.

##### **5.2 Ownership of Secured Assets**

The Company is the sole legal and beneficial owner of the Secured Assets.

##### **5.3 Enforceable security**

This Deed constitutes and will constitute the legal, valid, binding and enforceable obligations of the Company, and is, and will continue to be, effective security over all and every part of the Secured Assets in accordance with its terms.

##### **5.4 Investments**

- (a) The Investments are fully paid and are not subject to any option to purchase or similar rights.
- (b) No constitutional document of an Company of an Investment, nor any other agreement:

- (i) restricts or inhibits any transfer of the Investments on creation or enforcement of the security constituted by this Deed; or
  - (ii) contains any rights of pre-emption in relation to the Investments.
- (c) The Company has not appointed any nominee to exercise or enjoy all or any of its rights in relation to the Investments.

## **5.5 Times for making representations and warranties**

The representations and warranties set out in clause 5.2 to clause 5.4 are made by the Company on the date of this Deed and are deemed to be repeated with reference to the facts and circumstances existing at the time of repetition on:-

- (a) prior to the Senior Discharge Date, the date of each Utilisation Request, on each Utilisation Date and on the first day of each Interest Period (each as defined in the Senior Facilities Agreement); and
- (b) thereafter, on each date on which any payment is due under the Loan Note Instrument.

## **6. General covenants**

### **6.1 Negative pledge and disposal restrictions**

The Company shall not at any time, except with the prior written consent of the Security Trustee:

- (a) create, purport to create or permit to subsist any Security on, or in relation to, any Secured Asset other than any Security created by this Deed;
- (b) sell, assign, transfer, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Secured Assets (except, in the ordinary course of business, Secured Assets that are only subject to an uncrystallised floating charge) except as permitted by the Intercreditor Agreement.

### **6.2 Preservation of Secured Assets**

The Company shall not do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Security Trustee, or materially diminish the value of any of the Secured Assets or the effectiveness of the security created by this Deed.

### **6.3 Compliance with laws and regulations**

- (a) The Company shall:
  - (i) comply with the requirements of any law and regulation relating to or affecting the Secured Assets or the use of it or any part of them; and

- (ii) obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Secured Assets or their use or that are necessary to preserve, maintain or renew any Secured Asset.

#### 6.4 Notice of misrepresentation and breaches

The Company shall, promptly on becoming aware of any of the same, notify the Security Trustee in writing of:

- (a) any representation or warranty set out in clause 5 which is incorrect or misleading in any material respect when made or deemed to be repeated; and
- (b) any breach of any covenant set out in this Deed.

#### 6.5 Title documents

Subject to the terms of the Intercreditor Agreement the Company shall, on the execution of this Deed (or, if later, the date of acquisition of the relevant Secured Asset), deposit with the Security Trustee and the Security Trustee shall, for the duration of this Deed be entitled to hold:

- (a) all deeds and documents of title relating to the Secured Assets that are in the possession or control of the Company (and if these are not within the possession or control of the Company, the Company undertakes to obtain possession of all these deeds and documents of title);
- (b) all Insurance Policies and any other insurance policies relating to any of the Secured Assets that the Company is entitled to possess;
- (c) all deeds and documents of title (if any) relating to the Book Debts as the Security Trustee may specify from time to time; and
- (d) copies of all the Relevant Agreements, certified to be true copies by either a director of the Company or by the Company's solicitors.

#### 6.6 Insurance

- (a) The Company shall insure and keep insured (or where, in the case of any leasehold property, insurance is the responsibility of the landlord under the terms of the lease, either procure that the landlord insures and keeps insured or, if and to the extent that the landlord does not do so, itself insure and keep insured) the Secured Assets against the risks and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Company.
- (b) The Company shall, if requested by the Security Trustee, produce to the Security Trustees each policy, certificate or cover note relating to the insurance required by clause 6.6(a) (or where, in the case of any leasehold property, that insurance is effected by the landlord, such evidence of insurance as the Company is entitled to obtain from the landlord under the terms of the relevant lease).

- (c) The Company shall, if requested by the Security Trustee, procure that the Security Trustees interest is noted on all insurance policies in respect of the Security Assets from time to time.

#### **6.7 Insurance premiums**

The Company shall:

- (a) promptly pay all premiums in respect of each insurance policy maintained by it in accordance with clause 6.6(a) and do all other things necessary to keep that policy in full force and effect; and
- (b) (if the Security Trustee so requires) produce to the Security Trustee the receipts for all premiums and other payments necessary for effecting and keeping up each insurance policy maintained by it in accordance with clause 6.6(a)(or where, in the case of leasehold property, insurance is effected by the landlord, such evidence of the payment of premiums as the Company is entitled to obtain from the landlord under the terms of the relevant lease).

#### **6.8 No invalidation of insurance**

The Company shall not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any insurance policy maintained by it in accordance with clause 6.6(a).

#### **6.9 Proceeds of insurance policies**

After the Senior Discharge Date all monies exceeding £100,000 payable under any insurance policy maintained by it in accordance with clause 6.6(a) at any time (whether or not the security constituted by this Deed has become enforceable) shall:

- (a) immediately be paid to the Security Trustee;
- (b) if they are not paid directly to the Security Trustee by the insurers be held, pending such payment, by the Company as trustee of the same for the benefit of the Security Trustee; and
- (c) at the option of the Security Trustee, be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received or in, or towards, discharge or reduction of the Secured Liabilities.

#### **6.10 Notices to be given by the Company**

The Company shall:

- (a) on the earlier of the Senior Discharge Date and as so requested by the Security Trustee from time to time:
  - (i) give notice to each counterparty to a Relevant Agreement in the form set out in Part 1 of Schedule 3; and
  - (ii) use its reasonable endeavours to procure that each counterparty provides to the Security Trustee an

acknowledgement of the notice substantially in the form set out in Part 2 of Schedule 3;

- (b) on the earlier of the Senior Discharge Date and as so requested by the Security Trustee from time to time:
  - (i) give notice to each insurer under an Insurance Policy in the form set out in Part 1 of Schedule 4; and
  - (ii) use its reasonable endeavours to procure that each insurer provides to the Security Trustee an acknowledgement of the notice substantially in the form set out in Part 2 of Schedule 4; and
- (c) on the earlier of the Senior Discharge Date and as so requested by the Security Trustee from time to time:
  - (i) give notice to each bank, financial institution or other person (other than the Security Trustee) with whom the Company holds an account (including each Designated Account) in the form set out in Part 1 of Schedule 5; and
  - (ii) use its reasonable endeavours to procure that each such bank, financial institution or other person provides to the Security Trustee an acknowledgement of the notice substantially in the form of Part 2 of Schedule 5.

#### **6.11 Information**

The Company shall give the Security Trustee such information concerning the location, condition, use and operation of the Secured Assets as the Security Trustee may reasonably require;

#### **6.12 Payment of outgoings**

The Company shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Secured Assets and, on demand, produce evidence of payment to the Security Trustee.

### **7. Property covenants**

#### **7.1 Maintenance**

The Company shall keep all premises and fixtures and fittings on each Property in good and substantial repair and condition (fair wear and tear accepted).

#### **7.2 Compliance with covenants and payment of rent**

The Company shall:

- (a) observe and perform all covenants, stipulations and conditions to which each Property, or the use of it, is or may be subjected; and

- (b) diligently enforce all covenants, stipulations and conditions benefiting each Property and shall not (and shall not agree to) waive, release or vary any of the same.

### **7.3 Payment of rent and outgoings**

The Company shall:

- (a) where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time; and
- (b) pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed on each Property or on its occupier.

### **7.4 Registration at the Land Registry**

The Company consents to an application being made by the Security Trustee to the Land Registrar for the following restriction in Form P to be registered against its title to each Property:

"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 [DATE] in favour of [NAME OF PARTY] referred to in the charges register [or [their conveyancer or specify appropriate details]]."

## **8. Investments covenants**

### **8.1 Deposit of title documents**

- (a) The Company shall:
  - (i) after the Senior Discharge Date deliver to the Security Trustee, or as the Security Trustee may direct, all stock or share certificates and other documents of title or evidence of ownership relating to any Investments owned by the Company at that time; and
  - (ii) after the Senior Discharge Date on the purchase or acquisition by it of Investments after the date of this Deed, deposit with the Security Trustee, or as the Security Trustee may direct, all stock or share certificates and other documents of title or evidence of ownership relating to those Investments.
  - (iii) not appoint any nominees to exercise or enjoy all or any of its rights in relation to the Investments.
- (b) At the same time as depositing documents with the Security Trustee, or as the Security Trustee may direct, in accordance with clause 8.1(a), the Company shall also deposit with the Security Trustee, or as the Security Trustee may direct:

- (i) all stock transfer forms relating to the relevant Investments duly completed and executed by or on behalf of the Company, but with the name of the transferee, the consideration and the date left blank; and
- (ii) any other documents (in each case duly completed and executed by or on behalf of the Company) that the Security Trustee may request to enable it or any of its nominees, or any purchaser or transferee, to be registered as the owner of, or otherwise obtain a legal title to, or to perfect its security interest in any of the relevant Investments,

so that the Security Trustee may, at any time after an Event of Default which is continuing and without notice to the Company, complete and present those stock transfer forms and other documents to the Company of the Investments for registration.

## **8.2 Voting rights before enforcement**

- (a) Before the security constituted by this Deed becomes enforceable, the Company may exercise all voting and other rights and powers in respect of the Investments or, if any of the same are exercisable by the Security Trustee of any of its nominees, to direct in writing the exercise of those voting and other rights and powers provided that:
  - (i) it shall not do so in any way that would breach any provision of the Senior Facilities Agreement (or following the Senior Discharge Date) the Loan Note Instrument or this Deed or for any purpose inconsistent with the Loan Note Instrument or this Deed; and
  - (ii) the exercise of, or the failure to exercise, those voting rights or other rights and powers would not, in the Security Trustee's opinion, have an adverse effect on the value of the Investments or otherwise prejudice the Security Trustee's security under this Deed.
  - (iii) it would, or might reasonably be expected to, affect any rights or powers of the Company arising from its legal and beneficial ownership of the Investments.
- (b) The Company shall indemnify the Security Trustee against any loss or liability incurred by the Security Trustee (or its nominee) as a consequence of the Security Trustee (or its nominee) acting in respect of the Investments at the direction of the Company.

## **8.3 Dividends and voting rights after enforcement**

Following the Senior Discharge Date after an Event of Default which is continuing:

- (a) all dividends and other distributions paid in respect of the Investments and received by the Company shall be held by the Company on trust for the Security Trustee and immediately paid into a Designated

Account or, if received by the Security Trustee, shall be retained by the Security Trustee; and

- (b) all voting and other rights and powers attaching to the Investments shall be exercised by, or at the direction of, the Security Trustee and the Company shall, and shall procure that its nominees shall, comply with any directions the Security Trustee may give, in its absolute discretion, concerning the exercise of those rights and powers.

#### **8.4 Calls on Investments**

Notwithstanding the security created by this Deed, the Company shall promptly pay all calls, instalments and other payments that may be or become due and payable in respect of all or any of the Investments. The Company acknowledges that the Security Trustee shall not be under any liability in respect of any such calls, instalments or other payments.

### **9. Equipment covenants**

#### **9.1 Maintenance of Equipment**

The Company shall maintain the Equipment in good and serviceable condition (except for expected fair wear and tear) in compliance with all relevant manuals, handbooks, manufacturer's instructions and recommendations and maintenance or servicing schedules.

### **10. Book Debts covenants**

#### **10.1 Realising Book Debts**

- (a) The Company shall as an agent for the Security Trustee, collect in and realise all Book Debts, pay the proceeds into a Designated Account immediately on receipt and, pending that payment, hold those proceeds in trust for the Security Trustee;
- (b) The Company shall not, without the prior written consent of the Security Trustee, withdraw any amounts standing to the credit of any Designated Account.
- (c) The Company shall, if called on to do so by the Security Trustee, execute a legal assignment of the Book Debts to the Security Trustee on such terms as the Security Trustee may require and give notice of that assignment to the debtors from whom the Book Debts are due, owing or incurred.

#### **10.2 Preservation of Book Debts**

The Company shall not (except as provided by clause 10.1 or with the prior written consent of the Security Trustee) release, exchange, compound, set off, grant time or indulgence in respect of, or in any other manner deal with, all or any of the Book Debts.

This clause 10 will be subject to the terms of the Senior Facilities Agreement until the Senior Discharge Date.

## **11. Designated Accounts**

- (a) The Company shall comply with the terms of the Intercreditor Agreement, Senior Facilities Agreement and any Transaction Security (as defined in the Senior Facilities Agreement) in relation to any Designated Account and after the Senior Discharge Date the Company shall not except with the prior written consent of the Security Trustee withdraw or attempt or be entitled to withdraw from Designated Account all or any monies standing to the credit of any Designated Account.
- (b) Subject to the terms of the Intercreditor Agreement, Senior Facilities Agreement and any Transaction Security (as defined in the Senior Facilities Agreement) at any time when an Event of Default is continuing, if the Security Trustee has served written notice on the Company requiring the same, the Company shall not, except with the prior written consent of the Security Trustee, withdraw or attempt or be entitled to withdraw from any of its bank accounts all or any monies standing to the credit such bank accounts.

## **12. Powers of the Security Trustee**

### **12.1 Power to remedy**

- (a) The Security Trustee shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Company of any of its obligations contained in this Deed.
- (b) The Company irrevocably authorises the Security Trustee and its agents to do all things that are necessary or desirable for that purpose.
- (c) Any monies expended by the Security Trustee in remedying a breach by the Company of its obligations contained in this Deed shall be reimbursed by the Company to the Security Trustee on a full indemnity basis and shall carry interest in accordance with clause 19.1.

### **12.2 Security Trustee has Receiver's powers**

To the extent permitted by law, any right, power or discretion conferred by this Deed on a Receiver may, after the security constituted by this Deed has become enforceable, be exercised by the Security Trustee in relation to any of the Secured Assets whether or not it has taken possession of any Secured Assets and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

### **12.3 Conversion of currency**

- (a) For the purpose of, or pending the discharge of, any of the Secured Liabilities, the Security Trustee may convert any monies received, recovered or realised by it under this Deed (including the proceeds of any previous conversion under this clause 12.3) from their existing currencies of denomination into any other currencies of denomination that the Security Trustee may think fit.

- (b) Any such conversion shall be effected at HSBC UK Bank Plc's then prevailing spot selling rate of exchange for such other currency against the existing currency.
- (c) Each reference in this clause 12.3 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

#### **12.4 New accounts**

- (a) If the Security Trustee receives, or is deemed to have received, notice of any subsequent Security, or other interest, affecting all or part of the Secured Assets, the Security Trustee may open a new account for the Company in the Security Trustee's books. Without prejudice to the Security Trustee's right to combine accounts, no money paid to the credit of the Company in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.
- (b) If the Security Trustee does not open a new account immediately on receipt of the notice, or deemed notice, under clause 12.4(a), then, unless the Security Trustee gives express written notice to the contrary to the Company, all payments made by the Company to the Security Trustee shall be treated as having been credited to a new account of the Company and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt or deemed receipt of the relevant notice by the Security Trustee.

#### **12.5 Indulgence**

The Security Trustee may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this Deed (whether or not any such person is jointly liable with the Company) in respect of any of the Secured Liabilities, or of any other security for them without prejudice either to this Deed or to the liability of the Company for the Secured Liabilities.

#### **12.6 Appointment of an Administrator**

- (a) The Security Trustee may, without notice to the Company, appoint any one or more persons to be an Administrator of the Company pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this Deed becomes enforceable.
- (b) Any appointment under this clause 12.6 shall:
  - (i) be in writing signed by a duly authorised signatory of the Security Trustee; and
  - (ii) take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.
- (c) The Security Trustee may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this clause 12.6 appoint a replacement for any Administrator who

has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

### **13. When security becomes enforceable**

#### **13.1 Security becomes enforceable on Event of Default**

The security constituted by this Deed shall become immediately enforceable if an Event of Default occurs and is continuing.

#### **13.2 Discretion**

After the security constituted by this Deed has become enforceable, the Security Trustee may, in its absolute discretion, enforce all or any part of that security at the times, in the manner and on the terms it thinks fit, and take possession of and hold or dispose of all or any part of the Secured Assets.

### **14. Enforcement of security**

#### **14.1 Enforcement powers**

- (a) 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.
- (b) The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this Deed) shall be immediately exercisable at any time after the security constituted by this Deed has become enforceable under clause 13.1.
- (c) Section 103 of the LPA 1925 does not apply to the security constituted by this Deed.

#### **14.2 Extension of statutory powers of leasing**

The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the Security Trustee and any Receiver, at any time after the security constituted by this Deed has become enforceable, whether in its own name or in that of the Company, to:

- (a) grant a lease or agreement to lease;
- (b) accept surrenders of leases; or
- (c) grant any option of the whole or any part of the Secured Assets with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of the Company, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Security Trustee or Receiver thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

#### **14.3 Access on enforcement**

- (a) At any time after the Security Trustee or any Noteholder has demanded payment of the Secured Liabilities or if the Company defaults in the performance of its obligations under this Deed or the Loan Note Instrument, the Company will allow the Security Trustee or its Receiver, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Secured Asset and for that purpose to enter on any premises where a Secured Asset is situated (or where the Security Trustee or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to the Company for, or by any reason of, that entry.
- (b) At all times, the Company must use its best endeavours to allow the Security Trustee or its Receiver access to any premises for the purpose of clause 14.3(a) (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

#### **14.4 Prior Security**

- (a) At any time after the security constituted by this Deed has become enforceable, or after any powers conferred by any Security having priority to this Deed shall have become exercisable, the Security Trustee may:
  - (i) redeem that or any other prior Security;
  - (ii) procure the transfer of that Security to it; and
  - (iii) settle and pass any account of the holder of any prior Security.
- (b) The settlement and passing of any such account passed shall, in the absence of any manifest error, be conclusive and binding on the Company. All monies paid by the Security Trustee to an encumbrancer in settlement of any of those accounts shall, as from its payment by the Security Trustee, be due from the Company to the Security Trustee and shall bear interest at the default rate of interest specified in the Loan Note Instrument and be secured as part of the Secured Liabilities.

#### **14.5 Protection of third parties**

No purchaser, mortgagee or other person dealing with the Security Trustee, any Receiver or Delegate shall be concerned to enquire:

- (a) whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
- (b) whether any power the Security Trustee, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable; or

- (c) how any money paid to the Security Trustee, any Receiver or any Delegate is to be applied.

#### **14.6 Privileges**

Each Receiver and the Security Trustee is entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers.

#### **14.7 No liability as mortgagee in possession**

Neither the Security Trustee, any Receiver, any Delegate nor any Administrator shall be liable, by reason of entering into possession of a Security Asset or for any other reason, to account as mortgagee in possession in respect of all or any of the Secured Assets, nor shall any of them be liable for any loss on realisation of, or for any act, neglect or default of any nature in connection with, all or any of the Secured Assets for which a mortgagee in possession might be liable as such.

#### **14.8 Conclusive discharge to purchasers**

The receipt of the Security Trustee, or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Secured Assets or in making any acquisition in the exercise of their respective powers, the Security Trustee, and every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit.

#### **14.9 Right of appropriation**

- (a) To the extent that:

- (i) the Secured Assets constitute Financial Collateral; and
- (ii) this Deed and the obligations of the Company under it constitute a Security Financial Collateral Arrangement,

the Security Trustee shall have the right, at any time after the security constituted by this Deed has become enforceable, to appropriate all or any of those Secured Assets in or towards the payment or discharge of the Secured Liabilities in any order that the Security Trustee may, in its absolute discretion, determine.

- (b) The value of any Secured Assets appropriated in accordance with this clause shall be:

- (i) in the case of cash, the amount standing to the credit of each of the Company's accounts with any bank, financial institution or other person, together with all interest accrued but unposted, at the time the right of appropriation is exercised; and
- (ii) in the case of Investments, the price of those Investments at the time the right of appropriation is exercised as listed on any recognised market index or determined by any other method

that the Security Trustee may select (including independent valuation).

- (c) The Company agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

## **15. Receiver**

### **15.1 Appointment**

At any time after the security constituted by this Deed has become enforceable, or at the request of the Company, the Security Trustee may, without further notice, appoint by way of deed, or otherwise in writing, any one or more persons to be a Receiver of all or any part of the Secured Assets.

### **15.2 Removal**

The Security Trustee may, without further notice (subject to section 45 of the Insolvency Act 1986 in the case of an administrative receiver), from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

### **15.3 Remuneration**

The Security Trustee may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925, and the remuneration of the Receiver shall be a debt secured by this Deed, to the extent not otherwise discharged.

### **15.4 Power of appointment additional to statutory powers**

The power to appoint a Receiver conferred by this Deed shall be in addition to all statutory and other powers of the Security Trustee under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

### **15.5 Power of appointment exercisable despite prior appointments**

The power to appoint a Receiver (whether conferred by this Deed or by statute) shall be, and remain, exercisable by the Security Trustee despite any prior appointment in respect of all or any part of the Secured Assets.

### **15.6 Agent of the Company**

Any Receiver appointed by the Security Trustee under this Deed shall be the agent of the Company and the Company shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each Receiver shall continue until the Company goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Security Trustee.

## **16. Powers of Receiver**

### **16.1 General**

- (a) Any Receiver appointed by the Security Trustee under this Deed shall, in addition to the powers conferred on it by statute, have the powers set out in clause 16.2 to clause 16.23.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing it states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.
- (c) Any exercise by a Receiver of any of the powers given by clause 16 may be on behalf of the Company, the directors of the Company (in the case of the power contained in clause 16.16) or itself.

### **16.2 Repair and develop Properties**

A Receiver may undertake or complete any works of repair, building or development on the Properties and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

### **16.3 Surrender leases**

A Receiver may grant, or accept surrenders of, any leases or tenancies affecting any Property and may grant any other interest or right over any Property on any terms, and subject to any conditions, that it thinks fit.

### **16.4 Employ personnel and advisers**

A Receiver may provide services and employ or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that it thinks fit. A Receiver may discharge any such person or any such person appointed by the Company.

### **16.5 Make VAT elections**

A Receiver may make, exercise or revoke any value added tax option to tax as it thinks fit.

### **16.6 Remuneration**

A Receiver may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by it) that the Security Trustee may prescribe or agree with it.

### **16.7 Realise Secured Assets**

A Receiver may collect and get in the Secured Assets or any part of them in respect of which it is appointed, and make any demands and take any proceedings as may seem expedient for that purpose, and take possession of the Secured Assets with like rights.

**16.8 Manage or reconstruct the Company's business**

A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Company.

**16.9 Dispose of Secured Assets**

A Receiver may sell, exchange, convert into money and realise all or any of the Secured Assets in respect of which it is appointed in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as it thinks fit. Any sale may be for any consideration that the Receiver thinks fit and a Receiver may promote, or concur in promoting, a company to purchase the Secured Assets to be sold.

**16.10 Sever fixtures and fittings**

A Receiver may sever and sell separately any fixtures or fittings from any Property without the consent of the Company.

**16.11 Sell Book Debts**

A Receiver may sell and assign all or any of the Book Debts in respect of which it is appointed in any manner, and generally on any terms and conditions, that it thinks fit.

**16.12 Valid receipts**

A Receiver may give valid receipt for all monies and execute all assurances and things that may be proper or desirable for realising any of the Secured Assets.

**16.13 Make settlements**

A Receiver may make any arrangement, settlement or compromise between the Company and any other person that it may think expedient.

**16.14 Bring proceedings**

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Secured Assets as it thinks fit.

**16.15 Improve the Equipment**

A Receiver may make substitutions of, or improvements to, the Equipment as it may think expedient.

**16.16 Make calls on Company members**

A Receiver may make calls conditionally or unconditionally on the members of the Company in respect of uncalled capital with (for that purpose and for the purpose of enforcing payments of any calls so made) the same powers as are conferred by the articles of association of the Company on its directors in respect of calls authorised to be made by them.

#### **16.17 Insure**

A Receiver may, if it thinks fit, but without prejudice to the indemnity in clause 19, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Company under this Deed.

#### **16.18 Powers under the LPA 1925**

A Receiver may exercise all powers provided for in the LPA 1925 in the same way as if it had been duly appointed under the LPA 1925, and exercise all powers provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986.

#### **16.19 Borrow**

A Receiver may, for any of the purposes authorised by this clause 16, raise money by borrowing from the Security Trustee (or from any other person) either unsecured or on the security of all or any of the Secured Assets in respect of which it is appointed on any terms that it thinks fit (including, if the Security Trustee consents, terms under which that security ranks in priority to this Deed).

#### **16.20 Redeem prior Security**

A Receiver may redeem any prior Security and settle and pass the accounts to which the Security relates. Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Company, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

#### **16.21 Delegation**

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

#### **16.22 Absolute beneficial owner**

A Receiver may, in relation to any of the Secured Assets, exercise all powers, authorisations and rights it would be capable of exercising, and do all those acts and things, as an absolute beneficial owner could exercise or do in the ownership and management of the Secured Assets or any part of the Secured Assets.

#### **16.23 Incidental powers**

A Receiver may do any other acts and things that it:

- (a) may consider desirable or necessary for realising any of the Secured Assets;
- (b) may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this Deed or law; or
- (c) lawfully may or can do as agent for the Company.

## **17. Delegation**

### **17.1 Delegation**

The Security Trustee or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this Deed (including the power of attorney granted under clause 21.1).

### **17.2 Terms**

The Security Trustee and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that it thinks fit.

### **17.3 Liability**

Neither the Security Trustee nor any Receiver shall be in any way liable or responsible to the Company for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

## **18. Application of proceeds**

### **18.1 Order of application of proceeds**

All monies received by the Security Trustee, a Receiver or a Delegate pursuant to this Deed, after the security constituted by this Deed has become enforceable, shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority:

- (a) in or towards payment of or provision for all costs, charges and expenses incurred by or on behalf of the Security Trustee (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this Deed, and of all remuneration due to any Receiver under or in connection with this Deed;
- (b) in or towards payment of or provision for the Secured Liabilities in any order and manner that the Security Trustee determines; and
- (c) in payment of the surplus (if any) to the Company or other person entitled to it.

### **18.2 Appropriation**

Neither the Security Trustee, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

### **18.3 Suspense account**

All monies received by the Security Trustee, a Receiver or a Delegate under this Deed:

- (a) may, at the discretion of the Security Trustee, Receiver or Delegate, be credited to any suspense or securities realised account;
- (b) shall bear interest, if any, at the rate agreed in writing between the Security Trustee and the Company; and
- (c) may be held in that account for so long as the Security Trustee, Receiver or Delegate thinks fit.

## **19. Costs and indemnity**

### **19.1 Costs**

The Company shall, on demand, pay to, or reimburse, the Security Trustee and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Security Trustee, any Receiver or any Delegate in connection with:

- (a) this Deed or the Secured Assets;
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Security Trustee's, a Receiver's or a Delegate's rights under this Deed; or
- (c) taking proceedings for, or recovering, any of the Secured Liabilities,

together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost or expense arose until full discharge of that cost or expense (whether before or after judgment, liquidation, winding up or administration of the Company) at the rate and in the manner specified in the Loan Note Instrument.

### **19.2 Indemnity**

The Company shall indemnify the Security Trustee, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:

- (a) the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this Deed or by law in respect of the Secured Assets;
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this Deed; or
- (c) any default or delay by the Company in performing any of its obligations under this Deed.

Any past or present employee or agent may enforce the terms of this clause 19.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

## **20. Further assurance**

### **20.1 Further assurance**

### **20.2** The Company shall, at its own expense, take whatever action the Security Trustee or any Receiver may reasonably require for:

- (a) creating, perfecting or protecting the security intended to be created by this Deed;
- (b) facilitating the realisation of any Secured Asset; or
- (c) facilitating the exercise of any right, power, authority or discretion exercisable by the Security Trustee or any Receiver in respect of any Secured Asset,

including, without limitation (if the Security Trustee or Receiver thinks it expedient) the execution of any transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Secured Assets (whether to the Security Trustee or to its nominee) and the giving of any notice, order or direction and the making of any registration.

## **21. Power of attorney**

### **21.1 Appointment of attorneys**

By way of security, the Company irrevocably appoints the Security Trustee, every Receiver and every Delegate separately to be the attorney of the Company and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things that:

- (a) the Company is required to execute and do under this Deed; or
- (b) any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this Deed or by law on the Security Trustee, any Receiver or any Delegate.

### **21.2 Ratification of acts of attorneys**

The Company ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 21.1.

## **22. Release**

### **22.1** Subject to clause 29.3, on the expiry of the Security Period (but not otherwise), the Security Trustee shall, at the request and cost of the Company, take whatever action is necessary to:

- (a) release the Secured Assets from the security constituted by this Deed;  
and
- (b) reassign the Secured Assets to the Company.

## **23. Assignment and transfer**

### **23.1 Assignment by Security Trustee**

- (a) At any time, without the consent of the Company, the Security Trustee may assign or transfer any or all of its rights and obligations under this Deed.
- (b) The Security Trustee may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Company, the Secured Assets and this Deed that the Security Trustee considers appropriate.

### **23.2 Assignment by Company**

The Company may not assign any of its rights, or transfer any of its rights or obligations, under this Deed.

## **24. Set-off**

### **24.1 Security Trustee's right of set-off**

The Security Trustee may at any time set off any liability of the Company to the Security Trustee against any liability of the Security Trustee to the Company, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this Deed. If the liabilities to be set off are expressed in different currencies, the Security Trustee may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Security Trustee of its rights under this clause 24 shall not limit or affect any other rights or remedies available to it under this Deed or otherwise.

### **24.2 No obligation to set off**

The Security Trustee is not obliged to exercise its rights under clause 24.1. If, however, it does exercise those rights it shall notify the Company of the set-off that has been made.

### **24.3 Exclusion of Company's right of set-off**

All payments made by the Company to the Security Trustee under this Deed shall be made in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

## **25. Amendments, waivers and consents**

### **25.1 Amendments**

No amendment of this Deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

## **25.2 Waivers and consents**

- (a) A waiver of any right or remedy under this Deed or by law, or any consent given under this Deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.
- (b) A failure to exercise, or a delay in exercising, any right or remedy provided under this Deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this Deed. No single or partial exercise of any right or remedy provided under this Deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this Deed by the Security Trustee shall be effective unless it is in writing.

## **25.3 Rights and remedies**

The rights and remedies provided under this Deed are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

## **26. Severance**

### **26.1 Severance**

If any provision (or part of a provision) of this Deed is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this Deed.

## **27. Counterparts**

### **27.1 Counterparts**

- (a) This Deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.
- (b) Transmission of an executed counterpart of this Deed by fax or email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this Deed. If either method of delivery is adopted, without prejudice to the validity of the deed thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.

## **28. Third party rights**

### **28.1 Third party rights**

- (a) Except as expressly provided elsewhere in this Deed, a person who is not a party to this Deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this Deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.
- (b) The rights of the parties to rescind or agree any amendment or waiver under this Deed are not subject to the consent of any other person.

## **29. Further provisions**

### **29.1 Independent security**

The security constituted by this Deed shall be in addition to, and independent of, any other security or guarantee that the Security Trustee may hold for any of the Secured Liabilities at any time. No prior security held by the Security Trustee over the whole or any part of the Secured Assets shall merge in the security created by this Deed.

### **29.2 Continuing security**

The security constituted by this Deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Security Trustee discharges this Deed in writing.

### **29.3 Discharge conditional**

Any release, discharge or settlement between the Company and the Security Trustee shall be deemed conditional on no payment or security received by the Security Trustee in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:

- (a) the Security Trustee or its nominee may retain this Deed and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Security Trustee deems necessary to provide the Security Trustee with security against any such avoidance, reduction or order for refund; and
- (b) the Security Trustee may recover the value or amount of such security or payment from the Company subsequently as if the release, discharge or settlement had not occurred.

### **29.4 Certificates**

A certificate or determination by the Security Trustee as to any amount for the time being due to it from the Company under this Deed and the Loan Note

Instrument shall be, in the absence of any manifest error, conclusive evidence of the amount due.

#### **29.5 Consolidation**

The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this Deed.

#### **29.6 Small company moratorium**

Notwithstanding anything to the contrary in this Deed, neither the obtaining of a moratorium by the Company under schedule A1 to the Insolvency Act 1986 nor the doing of anything by the Company with a view to obtaining such a moratorium (including any preliminary decision or investigation) shall be, or be construed as:

- (a) an event under this Deed which causes any floating charge created by this Deed to crystallise;
- (b) an event under this Deed which causes any restriction which would not otherwise apply to be imposed on the disposal of any property by the Company; or
- (c) a ground under this Deed for the appointment of a Receiver.

#### **30. Notices**

##### **30.1 Delivery**

Each notice or other communication required to be given to a party under or in connection with this Deed shall be:

- (a) in writing;
- (b) delivered by hand, by pre-paid first-class post or other next working day delivery service or sent by fax or email; and
- (c) sent to:

- (i) the Company at:

ZIP World Base Camp, Denbigh Street, Llanrwst LL26 0LL

Fax:

Email: *emma.owendavies@zipworld.co.uk*

Attention: *Emma Owen-davies*

- (ii) the Security Trustee at:

One Vine Street, London W1J 0AH

Fax:

Email: *notices@ldc.co.uk*

*Geddy's LLP*

Attention: *Devi Hughes*

or to any other address, fax number or email address as is notified in writing by one party to the other from time to time.

**30.2 Receipt by Company**

Any notice or other communication that the Security Trustee gives to the Company shall be deemed to have been received:

- (a) if delivered by hand, at the time it is left at the relevant address;
- (b) if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting; and
- (c) if sent by fax or email, when received in legible form.

A notice or other communication given as described in clause 30.2(a) or clause 30.2(c) on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

**30.3 Receipt by Security Trustee**

Any notice or other communication given to the Security Trustee shall be deemed to have been received only on actual receipt.

**30.4 Service of proceedings**

This clause 30 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

**31. Governing law and jurisdiction**

**31.1 Governing law**

This Deed and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.

**31.2 Jurisdiction**

Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Deed or its subject matter or formation. Nothing in this clause shall limit the right of the Security Trustee to take proceedings against the Company in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

### **31.3 Other service**

The Company irrevocably consents to any process in any legal action or proceedings under clause 31.2 being served on it in accordance with the provisions of this Deed relating to service of notices. Nothing contained in this Deed shall affect the right to serve process in any other manner permitted by law.

**This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.**

**Schedule 1 - Property**

**Part 1 - Registered Property**

None

**Part 2 - Unregistered Property**

None

## **Schedule 2 - Relevant Agreements**

None

### **Schedule 3 - Notice and acknowledgement - Relevant Agreement**

#### **Part 1 - Form of notice**

*[On the letterhead of the Company]*

**[Name of counterparty]**

**[Address]**

**[Date]**

Dear Sirs,

**Debenture (Debenture) dated [Date] between [Company] and [Security Trustee]**

We refer to the **[Description] (Contract)**.

This letter constitutes notice to you that under the Debenture [(a copy of which is attached)] we have [charged **OR** assigned, by way of security,] to **[Security Trustee]** (Security Trustee) all our rights in respect of the Contract.

We confirm that:

- We will remain liable under the Contract to perform all the obligations assumed by us under the Contract.
- None of the Security Trustee, any delegate appointed by the Security Trustee or any receiver will at any time be under any obligation or liability to you under or in respect of the Contract.

Neither the Debenture nor this notice releases, discharges or otherwise affects your liability and obligations in respect of the Contract.

Subject to the above, we will remain entitled to exercise all our rights, powers and discretions under the Contract and you may continue to deal with us in relation to the Contract and give notices under the Contract to us unless and until you receive written notice to the contrary from the Security Trustee. Thereafter, all such rights, powers and discretions shall be exercisable by, and notices shall be given to, the Security Trustee or as it directs and we will cease to have any right to deal with you in relation to the Contract and you must deal only with the Security Trustee.

Please note that we have agreed that we will not amend or waive any provision of or terminate the Contract without the prior written consent of the Security Trustee.

The instructions in this notice may only be revoked or amended with the prior written consent of the Security Trustee.

Please confirm that you agree to the terms of this notice, and to act in accordance with its provisions, by sending the attached acknowledgement to the Security Trustee at **[Address of Security Trustee]**, with a copy to us.

This notice, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

Yours faithfully,

.....  
[Company]

## Part 2 - Form of acknowledgement

[On the letterhead of the counterparty]

[Name of Security Trustee]

[Address]

[Date]

Dear Sirs,

**Debenture (Debenture) dated [Date] between [Company] and [Security Trustee]**

We confirm receipt from [Company] (Company) of a notice (Notice) dated [Date] of [a charge **OR** an assignment, by way of security,] of all the Company's rights under [Description of relevant agreement] (Contract).

[Terms defined in the Notice shall have the same meaning when used in this acknowledgement.]

We confirm that:

- We shall act in accordance with the Notice.
- There has been no amendment, waiver or release of any rights or interests in the Contract [Acquisition Agreement] since the date of the Contract [Acquisition Agreement].
- [We will not agree to any amendment, waiver or release of any provision of the Acquisition Agreement without the prior written consent of the Security Trustee (excluding in the case of the Acquisition Agreement any consent requirements under clauses 10.2, 10.5.3(c), 11.3.5, 11.4 and schedule 4, paragraph 8 of Acquisition Agreement)];

OR

- [We will not agree to any amendment waiver or release of any provision of the Contract without the prior written consent of the Security Trustee]
- We will not cancel, avoid, release or otherwise allow the Contract [Acquisition Agreement] to lapse without giving the Security Trustee at least 30 days' prior written notice.
- We have not, as at the date of this acknowledgement, received notice that the Company has assigned its rights under the Contract [Acquisition Agreement] to a third party, or created any other interest (whether by way of security or otherwise) in the Contract [Acquisition Agreement] in favour of a third party.
- The Security Trustee will not in any circumstances have any liability in relation to the Contract [Acquisition Agreement]
- As at the date of this acknowledgement we are not aware of any breach by the Company of the terms of the Contract [Acquisition Agreement].
- The Contract [Acquisition Agreement] shall not be rendered void, voidable or unenforceable by reason of any non-disclosure by the Security Trustee.

This letter, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

Yours faithfully,

.....  
**[Name of counterparty]**

## Schedule 4 - Notice and acknowledgement - Insurance Policy

### Part 1 - Form of notice

*[On the letterhead of the Company]*

**[Name of Insurer]**

**[Address]**

**[Date]**

Dear Sirs,

**Debenture (Debenture) dated [Date] between [Company] and [Security Trustee]**

We refer to the **[Description of policy and policy number] (Policy)**.

This letter constitutes notice to you that under the Debenture [(a copy of which is attached)] we have [charged **OR** assigned, by way of security,] to **[Security Trustee]** (**Security Trustee**) all our rights in respect of the Policy (including all claims and all returns of premium in connection with the Policy).

We irrevocably instruct and authorise you to:

- [Note the Security Trustee's interest on the Policy as **[Describe notation e.g. "First Mortgagee"]** and first loss payee **OR** Name the Security Trustee on the Policy as co-insured].
- Comply with the terms of any written instructions received by you from the Security Trustee relating to the Policy, without notice or reference to, or further authority from, us and without enquiring as to the justification or the validity of those instructions.
- Hold all sums from time to time due and payable by you to us under the Policy to the order of the Security Trustee.
- Pay, or release, all monies to which we are entitled under the Policy to the Security Trustee, or to such persons as the Security Trustee may direct.
- Disclose information in relation to the Policy to the Security Trustee on request by the Security Trustee.

Neither the Debenture nor this notice releases, discharges or otherwise affects your liability and obligations in respect of the Policy.

Subject to the foregoing, you may continue to deal with us in relation to the Policy until you receive written notice to the contrary from the Security Trustee. Thereafter, we will cease to have any right to deal with you in relation to the Policy and you must deal only with the Security Trustee.

The instructions in this notice may only be revoked or amended with the prior written consent of the Security Trustee.

Please confirm that you agree to the terms of this notice and to act in accordance with its provisions by sending the attached acknowledgement to the Security Trustee at **[Address]**, with a copy to us.

This notice, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

Yours faithfully,

.....  
[Company]

## Part 2 - Form of acknowledgement

[On the letterhead of the insurance company]

[Name of Security Trustee]

[Address]

[Date]

Dear Sirs,

**Debenture (Debenture) dated [Date] between [Company] and [Security Trustee]**

We confirm receipt from [Company] (Company) of a notice (Notice) dated [Date] of [a charge OR an assignment, by way of security,] of all the Company's rights under [Describe policy and number] (Policy).

[Terms defined in the Notice shall have the same meaning when used in this acknowledgement.]

We confirm that:

- We accept the instructions and authorisations contained in the Notice and agree to comply with the Notice.
- We have noted the Security Trustee's interest on the Policy as [describe notation e.g. "First Mortgagee and First Loss Payee" or as "Co-insured "].
- There has been no amendment, waiver or release of any rights or interests in the Policy since the date the Policy was issued.
- We will not cancel, avoid, release or otherwise allow the Policy to lapse without giving the Security Trustee at least 30 days' prior written notice.
- We have not, as at the date of this acknowledgement, received notice that the Company has assigned its rights under the Policy to a third party, or created any other interest (whether by way of security or otherwise) in the Policy in favour of a third party.
- The Security Trustee will not in any circumstances be liable for the premiums in relation to the Policy.
- The Policy shall not be rendered void, voidable or unenforceable by reason of any non-disclosure by the Security Trustee.

This letter, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

Yours faithfully,

.....  
**[Insurer]**

## **Schedule 5 - Notice and acknowledgement - bank account**

### **Part 1 - Form of notice**

*[On the letterhead of the Company]*

**[Bank, financial Institution or other]**

**[Address]**

**[Date]**

Dear Sirs,

**Debenture (Debenture) dated [Date] between [Company] and [Security Trustee]**

This letter constitutes notice to you that under the Debenture [(a copy of which is attached)] we have charged, by way of first fixed charge, in favour of **[Security Trustee]** (Security Trustee) all monies from time to time standing to the credit of the account held with you and detailed below (**Account**), together with all other rights and benefits accruing to or arising in connection with the Account (including, but not limited to, entitlements to interest):

**Name of Account: [Name of Account]**

**Sort code: [Sort Code]**

**Account number: [Account Number]**

We irrevocably instruct and authorise you to:

1. Disclose to the Security Trustee any information relating to the Account requested from you by the Security Trustee.
2. Comply with the terms of any written notice or instructions relating to the Account received by you from the Security Trustee.
3. Hold all sums from time to time standing to the credit of the Account to the order of the Security Trustee.
4. Pay or release all or any part of the monies standing to the credit of the Account in accordance with the written instructions of the Security Trustee.

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

We are not permitted to withdraw any amount from the Account without the prior written consent of the Security Trustee.

The instructions in this notice may only be revoked or amended with the prior written consent of the Security Trustee.

This notice, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

Please [acknowledge receipt of this notice **OR** confirm that you agree to the terms of this notice and to act in accordance with its provisions] by sending the attached acknowledgement to the Security Trustee at **[Address]**, with a copy to us.

Yours faithfully,

Signed.....

**[Company]**

## **Part 2 - Form of acknowledgement**

*[On the letterhead of the bank, financial institution or other person]*

**[Security Trustee]**

**[Address]**

**[Date]**

Dear Sirs,

**Debenture (Debenture) dated [Date] between [Company] and [Security Trustee]**

We confirm receipt from **[Company]** (**Company**) of a notice (**Notice**) dated **[Date]** of a charge (on the terms of the Debenture) over all monies from time to time standing to the credit of the account detailed below (**Account**), together with all other rights and benefits accruing to or arising in connection with the Account (including, but not limited to, entitlements to interest).

We confirm that we:

1. Accept the instructions contained in the Notice and agree to comply with the Notice.
2. Will not permit any amount to be withdrawn from the Account without your prior written consent.
3. Have not received notice of the interest of any third party in the Account.
4. Have neither claimed nor exercised, nor will claim or exercise any security interest, set-off, counter-claim or other right in respect of the Account.

The Account is:

**Name of Account: [Name of Account]**

**Sort code: [Sort Code]**

**Account number: [Account Number]**

This letter, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

Yours faithfully,

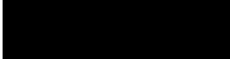
Signed.....

**[Bank, Financial Institution or other]**

**EXECUTED as a DEED by**  
**ZIP World Group Holdings Limited**  
acting by a director in the presence of:

  
Signature

**WITNESS**

Signature:   
Print name: KESHMA JOGIA  
Address: .....  
.....  
Occupation: SOLICITOR

BLAKE   
MORGAN  
One Central Square  
Cardiff  
CF10 1FS

**Signed by**  
**LDC (MANAGERS) LIMITED**

  
Authorised Signatory