



Registration of a Charge

Company Name: **SMITH BRADBEER & COMPANY LIMITED**

Company Number: **00036724**



Received for filing in Electronic Format on the: **03/02/2022**

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Details of Charge

Date of creation: **03/02/2022**

Charge code: **0003 6724 0023**

Persons entitled: **LLOYDS BANK CORPORATE MARKETS PLC**

Brief description: **THE FREEHOLD PROPERTY KNOWN AS 41 AND 43-53 (ODD) HIGH STREET, EASTLEIGH, SO50 5LG REGISTERED AT THE LAND REGISTRY WITH TITLE NUMBERS HP15422 AND HP731168**

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **BURGES SALMON LLP JM25**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 36724

Charge code: 0003 6724 0023

The Registrar of Companies for England and Wales hereby certifies that a charge dated 3rd February 2022 and created by SMITH BRADBEER & COMPANY LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 3rd February 2022 .

Given at Companies House, Cardiff on 4th February 2022

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



Companies House



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

SECURITY AGREEMENT

SMITH BRADBEER & COMPANY LIMITED (the Chargor)	(1)
LLOYDS BANK CORPORATE MARKETS PLC (the Hedge Counterparty)	(2)
	(3)
RAM CAPITAL LIMITED (the Borrower)	

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Classification: Confidential

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THIS DEED is dated 3 February 2022 and made

BETWEEN:

- (1) **SMITH BRADBEER & COMPANY LIMITED** a company incorporated in England and Wales (Registered No. 00036724) whose registered office is at 14 Bell Street, Romsey, Hampshire, SO51 8ZE (the "**Chargor**");
- (2) **LLOYDS BANK CORPORATE MARKETS PLC** (the "**Hedge Counterparty**"); and
- (3) **RAM CAPITAL LIMITED** a company incorporated in England and Wales (Registered No. 07292372) whose registered office is at 14-20 Bell Street, Romsey, Hampshire, SO51 8ZE (the "**Borrower**").

BACKGROUND

- (A) The Lender has agreed, pursuant to the Facility Agreement, to provide the Borrower with a loan facility on a secured basis.
- (B) Under this Deed, the Chargor provides security to the Hedge Counterparty for the loan facility made or to be made available under the Facility Agreement.

IT IS AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

Terms defined in the Facility Agreement shall, unless otherwise defined in this Deed, have the same meaning in this Deed. In addition, the following definitions apply in this Deed.

"Certificate of Title" means any report on or certificate of title relating to a Property supplied to the Hedge Counterparty by the Chargor (or on its behalf).

"Charged Assets" means all the assets, property and undertaking of the Chargor for the time being subject to the Security created by, or pursuant to, this Deed (and references to the Charged Assets shall include references to any part of them) and excluding assets, property and undertaking of the Chargor to the extent they do not form part of, relate to or derive from the Property.

"Default Rate" means the rate specified in Clause 8.3 (*Default interest*) of the Facility Agreement.

"Delegate" means any person appointed by the Hedge Counterparty or any Receiver pursuant to Clause 17 (*Delegation*) and any person appointed as attorney of the Hedge Counterparty, Receiver or Delegate.

"Equipment" 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 Chargor and which is situated at the Property, including any part of it and all spare parts, replacements, modifications and additions in respect thereof.

"Facility Agreement" means the facility agreement dated 19 December 2016 (as amended by the amendment letter dated 17 December 2021 and as amended, varied or supplemented from time to time) between (amongst others) the Borrower and the Lender for the provision of a loan facility.

"Financial Collateral" means shall have the meaning given to that expression in the Financial Collateral Regulations.

"Financial Collateral Regulations" means the Financial Collateral Arrangements (No 2) Regulations 2003 (*SI 2003/3226*).

"Insurance Policy" means each contract and policy of insurance effected or maintained by the Chargor 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, excluding, in each case, contracts and policies of insurance or assurance which relate to liabilities to third parties).

"Lender" means Lloyds Bank plc.

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

"Material Adverse Effect" means any effect, event, circumstance or change which is, in the opinion of the Hedge Counterparty (acting reasonably), materially adverse to:

- (a) the ability of the Chargor to perform any of its payment or other material obligations under this Deed;
- (b) the business assets or financial condition of the Chargor; or
- (c) the validity or enforceability of this Deed or the rights or remedies of the Hedge Counterparty under this Deed.

"Occupational Leases" means all leasehold interests and other occupational rights whatsoever (including, without limitation, all licences and agreements for leases) in existence from time to time relating to the whole or any part of the Charged Assets (and **"Occupational Lease"** shall be construed accordingly).

"Party" means a party to this Deed.

"Permitted Security" means any Security permitted by the Facility Agreement and the Security listed in Schedule 4.

"Property" means the freehold property known as 41 and 43-53 (odd) High Street, Eastleigh, SO50 5LG registered at the Land Registry with title numbers HP15422 and HP731168.

"Receiver" means a receiver, receiver and manager or administrative receiver of any or all of the Charged Assets appointed by the Hedge Counterparty under Clause 15 (*Receiver*).

"Relevant Agreement" means the Subordinated Debt Documents and each agreement specified in Part A of Schedule 1 (*Relevant Agreement*).

"Rent" means all amounts payable to or for the benefit of the Chargor by way of rent, licence fee, ground rent and rent charge in respect of any part of a Property and other monies payable to or for the benefit of the Chargor in respect of occupation or usage of any part of a Property, including (without limitation) for display of advertisements on licence or otherwise.

"Rent Account" means the Chargor's account with account number [REDACTED] 6568, sort code [REDACTED] held with the Lender, as that account may be renumbered or redesignated from time to time.

"Rights" means any Security or other right or benefit whether arising by set-off, counterclaim, subrogation, indemnity, proof in liquidation or otherwise and whether from contribution or otherwise.

"Secured Liabilities" means all present and future obligations and liabilities of the Borrower or the Chargor (whether actual or contingent and whether owed jointly or severally or in any other capacity whatever) which are, or are expressed to be, or may become, due, owing or payable to the Hedge Counterparty under or in connection with any of the Finance Documents, together with all costs, charges, losses, liabilities, expenses and other sums and any taxes thereon incurred by the Hedge Counterparty

which are, or are expressed to be, or may become due, owing or payable by the Borrower or the Chargor under or in connection with any Finance Document, strictly provided always that the Secured Liabilities shall not exceed an amount equal to the then market value of the Property, as determined by the most recent Valuation of the Property.

"Security Financial Collateral Arrangement" shall have the meaning given to that expression in the Financial Collateral Regulations.

"Security Period" means the period starting on the date of this Deed and ending on the date on which the Hedge Counterparty (acting reasonably) 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.

"Subordinated Debt Documents" means any document evidencing or recording the terms of the Subordinated Liabilities.

"Subordinated Liabilities" means all present and future obligations and liabilities of the Borrower (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) which are, or are expressed to be, or may become, due, owing or payable to the Chargor, including, without limitation, under the Subordinated Debt Documents.

"Valuation" means any valuation relating to a Property supplied to the Hedge Counterparty by the Chargor (or on its behalf).

"VAT" means value added tax.

1.2 Construction

The provisions of Clause 1.2 (*Construction*) of the Facility Agreement apply to this Deed as if they were set out in full in this Deed, except that each reference in that Clause to the Facility Agreement shall be read as a reference to this Deed.

1.3 Clawback

If the Hedge Counterparty reasonably considers that an amount paid by the Borrower or the Chargor in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Borrower or the Chargor 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, other than those belonging to any landlord, tenant or occupant other than the Borrower or Chargor;
- (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 Chargor 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 Law of Property (Miscellaneous Provisions) Act 1989

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Facility Agreement and of any side letters between any parties in relation to the Facility Agreement are incorporated into this Deed.

1.6 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).

1.7 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.

1.8 Effect as a Deed

This Deed is intended to take effect as a Deed notwithstanding that the Hedge Counterparty may have executed it under hand only.

1.9 Third party rights

- (a) Unless expressly provided to the contrary in this Deed a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.
- (b) Notwithstanding any term of this Deed the consent of any other person who is not a Party is not required to rescind or vary this Deed at any time.

2 COVENANT TO PAY**2.1 Covenant to pay**

The Chargor will on demand pay or otherwise discharge all Secured Liabilities from time to time, at the times at which, in the manner in which, and in the currencies in which they are expressed to be due and payable or due for discharge under the Finance Documents.

2.2 Certain liabilities

The Secured Liabilities shall, without limitation, include all liabilities arising under this Deed and the Finance Documents, interest (both before and after judgment) from the date such liabilities are due, owing or incurred up to the date of payment at such rates and upon such terms as specified in the Facility Agreement and all legal, administrative and other costs, charges and expenses on a full and unqualified indemnity basis which may be incurred by the Hedge Counterparty in relation to any such moneys, obligations or liabilities or the release of all or any of the Charged Assets or the enforcement of the security hereby created or generally in respect of the Chargor or otherwise incurred in dealing with any matter in relation to this Deed.

2.3 Interest

The Chargor shall pay interest at the Default Rate on unpaid sums (whether before or after any judgment) due in accordance with the terms of Clause 8.3 (*Default interest*) of the Facility Agreement.

3 GRANT OF SECURITY

3.1 Legal mortgage

As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee charges to the Hedge Counterparty, by way of legal mortgage, the Property.

3.2 Fixed charges

As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee charges to the Hedge Counterparty by way of fixed charge:

- (a) all present and future interests of the Chargor not effectively mortgaged or charged under the preceding provisions of this Clause 3 (*Grant of security*) in, or over, the Property;
- (b) all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to any Charged Asset;
- (c) all licences, consents and authorisations (statutory or otherwise) held or required in connection with the use of any Charged Asset, and all rights in connection with them;
- (d) all the Equipment;
- (e) all monies from time to time standing to the credit of the Interest Shortfall Account, together with all other rights and benefits accruing to or arising in connection with the Interest Shortfall Account (including, but not limited to, entitlements to interest), to the extent not effectively assigned under Clause 3.3 (*Assignment*);
- (f) the Rent and the benefit of any guarantee or security in respect of the Rent to the extent not effectively assigned under Clause 3.3 (*Assignment*);
- (g) 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 (*Assignment*); and
- (h) all its rights in respect of each Relevant Agreement and all other agreements, instruments and rights relating to the Charged Assets, to the extent not effectively assigned under Clause 3.3 (*Assignment*).

3.3 Assignment

- (a) As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee assigns to the Hedge Counterparty absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities;
 - (i) all monies from time to time standing to the credit of the Interest Shortfall Account, together with all other rights and benefits accruing to or arising in connection with the Interest Shortfall Account (including, but not limited to, entitlements to interest);
 - (ii) the Rent and the benefit of any guarantee or security in respect of the Rent;
 - (iii) 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;

- (iv) the benefit of each Relevant Agreement and the benefit of all other agreements, instruments and rights relating to the Charged Assets.
- (b) To the extent that any such right, title and interest as is referred to in paragraph (a) above is not assignable or capable of assignment, the assignment of it purported to be effected by such paragraph shall operate as an assignment of any and all compensation, damages, income, profit or rent which the Chargor may derive from it or be awarded or entitled to in respect of it, in each case as a continuing security for the payment or discharge in full of the Secured Liabilities.
- (c) In respect of each assigned Insurance Policy and Relevant Agreement, the Hedge Counterparty shall not have responsibility for the performance of the obligations of the Chargor thereunder, and the Chargor shall continue to observe and perform its obligations under each Insurance Policy and Relevant Agreement.

3.4 Trust

- (a) Subject to part (b) of this Clause 3.4, if or to the extent that the assignment or charging of any Charged Asset is prohibited, the Chargor holds it on trust for the Hedge Counterparty.
- (b) If the reason referred to in part (a) of this Clause 3.4 is that:
 - (i) a consent or waiver must be obtained;
 - (ii) a condition must be satisfied
 then:
 - (A) subject to part (c) of Clause 3.4, the Chargor shall apply for the consent or waiver; and
 - (B) the Chargor shall use its reasonable endeavours to satisfy the condition
 in each case within 30 days of the date of this Deed or, if the Charged Asset is acquired after that date of this Deed, within 30 days of the date of the acquisition.
- (c) Where the consent or waiver is not to be unreasonably withheld, the Chargor shall:
 - (i) use its reasonable endeavours to obtain it as soon as possible; and
 - (ii) keep the Hedge Counterparty informed of the progress of the negotiations to obtain it.
- (d) On the waiver or consent being obtained, or the condition being satisfied, the Charged Asset shall be mortgaged, charged or assigned (as appropriate) under this Clause 3.4 and, in relation to such Charged Asset, the trust referred to in part (a) of this Clause 3.4 shall terminate.

4 LIABILITY OF THE CHARGOR AND HEDGE COUNTERPARTY 'S PROTECTIONS

4.1 Liability not discharged

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

- (a) any intermediate payment, settlement of account or discharge in whole or in part of the Secured Liabilities;

- (b) any variation, extension, discharge, compromise, dealing with, exchange or renewal of any right or remedy which the Hedge Counterparty may now or after the date of this deed have from or against the Borrower, the Chargor or any other person in connection with the Secured Liabilities;
- (c) any act or omission by the Hedge Counterparty or any other person in taking up, perfecting or enforcing any Security, indemnity, or guarantee from or against the Borrower, the Chargor or any other person;
- (d) any termination, amendment, variation, novation or supplement of or to any of the Secured Liabilities;
- (e) any grant of time, indulgence, waiver or concession to the Borrower, the Chargor or any other person;
- (f) any insolvency, bankruptcy, liquidation, administration, winding up, incapacity, limitation, disability, the discharge by operation of law, or any change in the constitution, name or style of the Borrower, the Chargor or any other person;
- (g) any invalidity, illegality, unenforceability, irregularity or frustration of any actual or purported obligation of, or Security held from, the Borrower, the Chargor or any other person in connection with the Secured Liabilities;
- (h) any claim or enforcement of payment from the Borrower, the Chargor or any other person; or
- (i) any other act or omission which would not have discharged or affected the liability of the Chargor had it been a principal debtor or by anything done or omitted by any person which, but for this provision, might operate to exonerate or discharge the Chargor or otherwise reduce or extinguish its liability under this deed.

4.2 Immediate recourse

The Chargor waives any right it may have to require the Hedge Counterparty:

- (a) to take any action or obtain judgment in any court against the Borrower or any other person;
- (b) to make or file any claim in a bankruptcy, liquidation, administration or insolvency of the Borrower or any other person; or
- (c) to make demand, enforce or seek to enforce any claim, right or remedy against the Borrower or any other person

before taking steps to enforce any of its rights or remedies under this Deed.

4.3 Limited Recourse

No liability under this deed shall attach to the Chargor in excess of the proceeds of realisation of the Charged Assets and the Hedge Counterparty shall not have recourse to any of the Chargor's assets other than the Charged Assets. The Chargor's assets (other than the Charged Assets) shall not be subject to any form of execution or attachment or other recourse whatsoever in respect of any liability of the Chargor under the Finance Documents.

4.4 Non-competition

The Chargor warrants to the Hedge Counterparty that it has not taken or received, and shall not take, exercise or receive the benefit of any Rights from or against the Borrower, its liquidator, an administrator, co-guarantor or any other person in connection with any liability of, or payment by, the Chargor under this deed but:

- (a) if any of the Rights is taken, exercised or received by the Chargor, those Rights and all monies at any time received or held in respect of those Rights shall be held by the Chargor on trust for the Hedge Counterparty for application in or towards the discharge of the Secured Liabilities under this Deed; and

on demand by the Hedge Counterparty, the Chargor shall promptly transfer, assign or pay to the Hedge Counterparty all Rights and all monies from time to time held on trust by the Chargor under this Clause 4.4.

5 REPRESENTATIONS

5.1 Representations

In addition to the representations and warranties contained in Clause 19 (*Representations*) of the Facility Agreement, which are deemed to be repeated here, the Chargor makes the representations and warranties set out in this Clause 5 (*Representations*) to the Hedge Counterparty on the date of this Deed for the duration of the Security Period.

5.2 Environmental compliance

The Chargor has performed and observed in all material respects all Environmental Law, Environmental Permits and all other material covenants, conditions, restrictions or agreements directly or indirectly concerned with any contamination, pollution or waste or the release or discharge of any toxic or hazardous substance in connection with any real property which is or was at any time owned, leased or occupied by the Chargor or on which the Chargor has conducted any activity where failure to do so might reasonably be expected to have a Material Adverse Effect.

5.3 Environmental Claims

No Environmental Claim has been commenced or (to the best of its knowledge and belief) is threatened against the Chargor where that claim would be reasonably likely, if determined against the Chargor, to have a Material Adverse Effect.

5.4 Legal and beneficial ownership of Charged Assets

The Chargor is the sole legal and beneficial owner of the Charged Assets and has good marketable title to each Property.

5.5 No Security

The Charged Assets are free from any Security other than Permitted Security and the Security created by this Deed.

5.6 No adverse claims

The Chargor has not received, or acknowledged notice of, any adverse claim by any person in respect of the Charged Assets or any interest in them where that claim would be reasonably likely, if determined against the Chargor, to have a Material Adverse Effect.

5.7 No adverse covenants

There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever that materially and adversely affect the Charged Assets.

5.8 No breach of laws

There is no breach of any law or regulation that materially and adversely affects the Charged Assets where that claim would be reasonably likely, if determined against the Chargor, to have a Material Adverse Effect.

5.9 No interference in enjoyment

No facility necessary for the enjoyment and use of the Charged Assets is subject to terms entitling any person to terminate or curtail its use.

5.10 Avoidance of Security

No Security expressed to be created under this Deed is, to the best of the knowledge of the Chargor liable to be avoided, or otherwise set aside, on the liquidation or administration of the Chargor or otherwise.

5.11 No prohibitions or breaches

There is no prohibition on the Chargor assigning its rights in any of the Charged Assets referred to in Clause 3.3 (*Assignment*) and the entry into this Deed by the Chargor does not and will not constitute a breach of any policy, agreement, document, instrument or obligation binding on the Chargor or its assets.

5.12 Enforceable security

This Deed constitutes the legal, valid, binding and enforceable obligations of the Chargor and is effective security over all and every part of the Charged Assets in accordance with its terms.

5.13 Information for Valuations and Certificates of Title

- (a) All written information supplied by the Chargor or on its behalf for the purpose of each Valuation and Certificate of Title was true and accurate in all material respects at its date or at the date (if any) on which it was stated to be given.
- (b) The information referred to in part (a) of this Clause 5.13 was, at its date or at the date (if any) on which it was stated to be given, complete and the Chargor did not omit to supply any information that, if disclosed, would adversely affect the Valuation or Certificate of Title.
- (c) In the case of the first Valuation and Certificate of Title only, nothing has occurred since the date the information referred to in part (a) of this Clause 5.13 was supplied and the date of this Deed which would adversely affect such Valuation or Certificate of Title.

5.14 Repetition

The representations and warranties set out in Clause 5.2 (*Environmental Compliance*) to Clause 5.13 (*Information for valuations and certificates of title*) are deemed to be repeated on each date referred to in Clause 19.22 (Repetition) of the Facility Agreement.

6 INFORMATION UNDERTAKINGS

The Chargor makes the undertakings set out in this Clause 6 to the Hedge Counterparty for the duration of the Security Period.

6.1 Information

The Chargor shall:

- (a) give the Hedge Counterparty such information concerning the location, condition, use and operation of the Charged Assets as the Hedge Counterparty may reasonably require;
- (b) permit any persons designated by the Hedge Counterparty and any Receiver to enter on its premises and inspect and examine any Charged Asset, and the records relating to that Charged Asset, at all reasonable times and on reasonable prior notice; and

- (c) promptly notify the Hedge Counterparty in writing of any action, claim, notice or demand made by or against it in connection with all or any part of a Charged Asset or of any fact, matter or circumstance which may, with the passage of time, give rise to such an action, claim, notice or demand, together with, in each case, the Chargor's proposals for settling, liquidating, compounding or contesting any such action, claim, notice or demand and shall, subject to the Hedge Counterparty's prior approval, implement those proposals at its own expense.

6.2 Notification of misrepresentation and breaches

The Chargor shall, promptly on becoming aware of any of the same, notify the Hedge Counterparty in writing of:

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

7 GENERAL UNDERTAKINGS

The Chargor makes the undertakings set out in this Clause 7 to the Hedge Counterparty for the duration of the Security Period.

7.1 Negative pledge

The Chargor shall not at any time, except with the prior written consent of the Hedge Counterparty create, purport to create or permit to subsist any Security on, or in relation to, any Charged Asset other than any Security created by this Deed or any Permitted Security.

7.2 Preservation of Charged Assets

The Chargor shall not do, or permit to be done, any act or thing that would depreciate, jeopardise or otherwise prejudice the security held by the Hedge Counterparty, or materially diminish the value of any of the Charged Assets or the effectiveness of the security created by this Deed.

7.3 Compliance with laws and regulations

- (a) The Chargor shall not, without the Hedge Counterparty's prior written consent, use or permit the Charged Assets to be used in any way contrary to law.
- (b) The Chargor shall:
 - (i) comply with the requirements of any law or regulation relating to or affecting the Charged Assets or the use of it or any part of it if non-compliance with any such law or regulation would have a Material Adverse Effect;
 - (ii) obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Charged Assets or its use or that are necessary to preserve, maintain or renew any Charged Assets; and
 - (iii) promptly effect any maintenance, modifications, alterations or repairs to be effected on or in connection with the Charged Assets that are required to be made by it under any law or regulation (save to the extent that any of the same are to be effected by any tenant pursuant to any Lease Document, in which case the Chargor shall use all reasonable endeavours to procure the same).

7.4 Chargor's waiver of set-off

The Chargor waives any present or future right of set-off it may have in respect of the Secured Liabilities (including sums payable by the Chargor under this Deed).

7.5 Enforcement of rights

The Chargor shall use all reasonable endeavours to:

- (a) procure the prompt observance and performance by the relevant counterparty to any agreement or arrangement with the Chargor and forming part of the Charged Assets of the covenants and other obligations imposed on such counterparty (including each counterparty in respect of a Relevant Agreement and each insurer in respect of an Insurance Policy); and
- (b) enforce any rights and institute, continue or defend any proceedings relating to any of the Charged Assets that the Hedge Counterparty (acting reasonably) may require from time to time.

7.6 Payment of outgoings

The Chargor shall promptly pay when due all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Charged Assets and, on demand, produce evidence of payment to the Hedge Counterparty.

7.7 Appointment of accountants

- (a) The Chargor shall:
 - (i) at its own cost, if at any time so required by the Hedge Counterparty following the occurrence of a Default, appoint an accountant or firm of accountants nominated by the Hedge Counterparty to investigate the financial affairs of the Chargor and those of its subsidiaries and report to the Hedge Counterparty (with a copy to the Chargor); and
 - (ii) co-operate fully with any accountants so appointed and immediately provide those accountants with all information requested.
- (b) Subject to the terms of clause 7.7(a) the Chargor authorises the Hedge Counterparty to make an appointment as it shall think fit at any time, without further authority from the Chargor. In every case, the Chargor shall pay, or reimburse the Hedge Counterparty for, the fees and expenses of those accountants.

7.8 Title documents

To the extent not held to the Hedge Counterparty's order pursuant to an undertaking, the Chargor shall deposit with the Hedge Counterparty promptly on demand and the Hedge Counterparty shall, for the duration of this Deed be entitled to hold:

- (a) all deeds and documents of title relating to the Charged Assets that are in the possession or control of the Chargor (and if these are not within the possession or control of the Chargor, the Chargor undertakes to use all reasonable endeavours to obtain possession of all these deeds and documents of title and deliver to the Hedge Counterparty);
- (b) all Insurance Policies and any other insurance policies relating to any of the Charged Assets that the Chargor is entitled to possess;
- (c) copies of all the Relevant Agreements, certified to be true copies by either a director of the Chargor or by the Chargor's solicitors.

7.9 No invalidation of Insurance

The Chargor shall not do or omit to do, or permit to be done or omitted to be done, any act or thing that may invalidate or otherwise prejudice any Insurance Policy maintained by it.

7.10 Proceeds of Insurance Policies

All monies received or receivable by the Chargor under any Insurance Policy maintained by it (including all monies received or receivable by it under any Insurance Policy) at any time (whether or not the security constituted by this Deed has become enforceable) shall:

- (a) except as provided below, be paid into the Holding Account pursuant to the provisions of and for application in accordance with Clause 17.4 (*Holding Account*) of the Facility Agreement.
- (b) in respect of moneys received under liability policies held by the Chargor which are required by the Chargor to satisfy established liabilities of the Chargor to third parties must be used to satisfy these liabilities.

7.11 Notices to be given by the Chargor(a) Insurance Policies

- (i) The Chargor shall give notice in the form set out in Part A (*Form of Notice – Insurance Policy*) of 0 to each insurer under each Insurance Policy that the Chargor has assigned to the Hedge Counterparty all its right, title and interest in that Insurance Policy.
- (ii) The Chargor shall give the notices referred to in Clause (i) above:
 - (A) in the case of each Insurance Policy subsisting at the date of this Deed, on or promptly following the date of this Deed; and
 - (B) in the case of each Insurance Policy coming into existence after the date of this Deed, on or promptly following the date after that Insurance Policy being put on risk.
- (iii) The Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice in substantially the form specified in Part B (*Form of Acknowledgement – Insurance Policy*) of Schedule 3.

(b) Relevant Agreements

- (i) The Chargor shall on or promptly following the date of this Deed and as so requested by the Hedge Counterparty from time to time give notice to each counterparty to a Relevant Agreement (other than the Subordinated Debt Documents) in the form set out in Part A (*Form of Notice – Agreement*) of Schedule 2; and
- (ii) The Chargor shall use reasonable endeavours to procure that each counterparty provides to the Hedge Counterparty an acknowledgement of that notice in substantially the form set out in Part B (*Form of Acknowledgement – Agreement*) of Schedule 2.

(c) Occupational Leases

- (i) The Chargor shall on or promptly following the date of this Deed deposit with the Hedge Counterparty signed undated notices in the form specified in Part A of (*Form of Notice – Agreement*) Schedule 2 in respect

of each counterparty to the Occupational Leases set out in Part B of Schedule 1.

- (ii) The Chargor shall, upon request by the Hedge Counterparty, after the date of this Deed deposit with the Hedge Counterparty further signed undated notices in the form specified in Part A of (*Form of Notice – Agreement*) Schedule 2 in respect of each counterparty to an Occupational Lease entered into after the date of this Deed.
- (iii) Following the occurrence of an Event of Default which is continuing, the Chargor hereby consents to the notices referred to in paragraphs (i) and (ii) above being dated and served on each counterparty to the Occupational Leases by the Hedge Counterparty on behalf of the Chargor.

(d) Other debts and agreements

- (i) Where there is an Event of Default which is continuing, within five Business Days of request by the Hedge Counterparty, the Chargor shall give notice in the form specified in Part A of (*Form of Notice – Agreement*) of Schedule 2 to the counterparties in respect of the Charged Assets charged by way of absolute assignment pursuant to Clause 3.3 (*Assignment*) which have not already been given notice pursuant to paragraph (a) and (c) of this Clause 7.11.
- (ii) The Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice in substantially the form specified in Part B (*Form of Acknowledgement – Agreement*) of Schedule 2.

(e) Subordinated Debt Documents

- (i) The Chargor hereby gives notice to the Borrower that pursuant to this Deed, the Chargor has assigned and charged and agreed to assign and charge to the Hedge Counterparty all the Chargor's rights, title, interest and benefit, present and future, under, to and in the Subordinated Debt Documents.
- (ii) The Borrower hereby:
 - (A) acknowledges receipt of the notice contained in (i) above;
 - (B) confirms:
 - 1) it consents to the assignment of the Subordinated Debt Documents; and
 - 2) it has not previously received notice of any other assignment of the Subordinated Debt Documents and is not aware of any interest in any of the Chargor's rights, benefits, interests or claims under or in respect of the Subordinated Debt Documents.
- (iii) The Borrower acknowledges that the Chargor shall at all times remain solely liable to the Borrower for the performance of all the obligations assumed by it under the Subordinated Debt Documents, and that the Hedge Counterparty is not and will not be under any liability or obligation whatsoever in the event of any breach or failure by the Chargor to perform its obligations under any Subordinated Debt Document.

8 PROPERTY UNDERTAKINGS

The Chargor makes the undertakings set out in this Clause 8 to the Hedge Counterparty for the duration of the Security Period.

8.1 Maintenance of interests in Properties

The Chargor shall not without the prior written consent of the Hedge Counterparty (such consent not to be unreasonably withheld or delayed):

- (a) grant, or agree to grant, any licence or tenancy affecting the whole or any part of any Property, or exercise, or agree to exercise, the statutory powers of leasing or of accepting surrenders under sections 99 or 100 of the Law of Property Act 1925; or
- (b) in any other way dispose of, surrender or create, or agree to dispose of surrender or create, any legal or equitable estate or interest in the whole or any part of any Property.
- (c) let any person into occupation of or share occupation of the whole or any part of any Property; or
- (d) grant any consent or licence under any lease or licence affecting any Property.

8.2 No restrictive obligations

The Chargor shall not without the prior written consent of the Hedge Counterparty (such consent not to be unreasonably withheld or delayed), enter into any onerous or restrictive obligations affecting the whole or any part of any Property, or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of any Property.

8.3 Proprietary rights

The Chargor shall use all reasonable endeavours to procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of any Property without the prior written consent of the Hedge Counterparty.

8.4 Compliance with covenants and payment of rent

The Chargor shall:

- (a) observe and perform all covenants, stipulations and conditions on its part to which each Property, or the use of it, is or may be subjected, and (if the Hedge Counterparty so requires) produce evidence sufficient to satisfy the Hedge Counterparty (acting reasonably) that those covenants, stipulations and conditions have been observed and performed;
- (b) diligently enforce all covenants, stipulations and conditions on its part benefiting each Property and shall not (and shall not agree to) waive, release or vary any of the same; and
- (c) (without prejudice to the generality of the foregoing) where a Property, or part of it, is held under a lease, duly and punctually pay when due all rents due from time to time, and perform and observe all the tenant's covenants and conditions.

8.5 Payment of outgoings

The Chargor shall pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed upon any Property or on its occupier.

8.6 Rent reviews

The Chargor shall, if any Property is subject to Occupational Leases or licences, implement any upwards rent review provisions and shall not, without the prior written consent of the Hedge Counterparty, agree to any change in rent to less than the open market rental value of the relevant part of that Property.

8.7 Conduct of business on Properties

The Chargor shall carry on its trade and business on those parts (if any) of the Properties as are used for the purposes of trade or business in accordance with the standards of good management from time to time current in that trade or business.

8.8 Inspection

The Chargor shall permit the Hedge Counterparty and any Receiver and any person appointed by either of them to enter on and inspect any Property on reasonable prior notice during business hours.

8.9 VAT option to tax

The Chargor shall not, without the prior written consent of the Hedge Counterparty (such consent not to be unreasonably withheld or delayed):

- (a) exercise any VAT option to tax in relation to any Property; or
- (b) revoke any VAT option to tax exercised, and disclosed to the Hedge Counterparty in writing, before the date of this Deed.

8.10 Planning information

The Chargor shall:

- (a) give full particulars to the Hedge Counterparty of any notice, order, direction, designation, resolution or proposal given or made by any planning authority or other public body or authority (**Planning Notice**) that specifically applies to any Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Planning Notice; and
- (b) at its own expense, promptly on request by the Hedge Counterparty, and at the cost of the Chargor, take all reasonable and necessary steps to comply with any Planning Notice, and make, or join with the Hedge Counterparty in making, any objections or representations in respect of that Planning Notice that the Hedge Counterparty may reasonably require.

8.11 Registration of legal mortgages at the Land Registry

The Chargor consents to an application being made by the Hedge Counterparty 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]]."

8.12 First registration

If the title to a Property is not registered at the Land Registry, the Chargor shall ensure that no person (other than itself) shall be registered under the Land Registration Act 2002 as the proprietor of all or any part of that Property, without the prior written consent of the Hedge Counterparty. The Chargor shall be liable for the reasonable costs and expenses

of the Hedge Counterparty in lodging cautions against the registration of the title to the whole or any part of any Property from time to time.

8.13 Cautions against first registration and notices

Whether or not title to a Property is registered at the Land Registry, if any caution against first registration or any notice (whether agreed or unilateral) is registered against the Chargor's title to that Property, the Chargor shall immediately provide the Hedge Counterparty with full particulars of the circumstances relating to such caution or notice. If such caution or notice was registered to protect a purported interest the creation of which is not permitted under this Deed, the Chargor shall immediately, and at its own expense, take such steps as the Hedge Counterparty may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.

9 RENT COVENANTS

The Chargor makes the undertakings set out in this Clause 9 to the Hedge Counterparty for the duration of the Security Period.

9.1 Collection of and dealings with Rent

- (a) The Chargor shall not deal with the Rent except by getting it in and realising it in the ordinary and usual course of its business and shall, immediately on receipt, pay all Rent into the Rent Account or into such other account as the Hedge Counterparty may direct from time to time. The Chargor shall, pending that payment in to the Rent Account or other account, hold all Rent upon trust for the Hedge Counterparty.
- (b) The Chargor agrees with the Hedge Counterparty that any monies received by the Hedge Counterparty under part (a) of Clause 9.1 shall not constitute the Hedge Counterparty as mortgagee in possession of a Property.
- (c) The Chargor agrees with the Hedge Counterparty that it shall not be entitled to receive, utilise, transfer or withdraw any credit balance from time to time on the Rent Account except with the prior written consent of the Hedge Counterparty.

9.2 Notice of assignment of Rent

The Chargor shall, promptly following the occurrence of an Event of Default which is continuing, give notice to the relevant tenant, guarantor or surety of the assignment under part (b) of Clause 3.3 (*Assignment*) of the Chargor's rights and interest to the Rent and each guarantee or security in respect of the Rent and use its best endeavours to procure that each addressee of such notice promptly provides an acknowledgement of that notice to the Hedge Counterparty.

10 EQUIPMENT UNDERTAKINGS

The Chargor makes the undertakings set out in this Clause 10 to the Hedge Counterparty for the duration of the Security Period.

10.1 Maintenance of Equipment

The Chargor shall:

- (a) 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;
- (b) at its own expense, renew and replace any parts of the Equipment when they become obsolete, worn out or damaged with parts of a similar quality and of equal or greater value; and

- (c) not permit any Equipment to be:
 - (i) used or handled other than by properly qualified and trained persons; or
 - (ii) overloaded or used for any purpose for which it is not designed or reasonably suitable.

10.2 Payment of Equipment taxes

The Chargor shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Equipment and, on demand, produce evidence of such payment to the Hedge Counterparty.

10.3 Notice of charge

The Chargor:

- (a) shall, if so requested by the Hedge Counterparty, affix to and maintain on each item of Equipment in a conspicuous place, a clearly legible identification plate containing the following wording:

"NOTICE OF CHARGE

This [DESCRIBE ITEM] and all additions to it [and ancillary equipment] are subject to a fixed charge dated [DATE] in favour of [HEDGE COUNTERPARTY]."

- (b) shall not, and shall not permit any person to, conceal, obscure, alter or remove any plate affixed in accordance with Clause 10.3(a).

11 RELEVANT AGREEMENTS UNDERTAKINGS

The Chargor makes the undertakings set out in this Clause 11 to the Hedge Counterparty for the duration of the Security Period.

11.1 Relevant Agreements

- (a) The Chargor shall, unless the Hedge Counterparty agrees otherwise in writing comply with the terms of any Relevant Agreement and any other document, agreement or arrangement comprising the Charged Assets (other than the Insurance Policies).
- (b) The Chargor shall not, unless the Hedge Counterparty agrees otherwise in writing:
 - (i) amend or vary or agree to any material change in, or waive any requirement of;
 - (ii) settle, compromise, terminate, rescind or discharge (except by performance); or
 - (iii) abandon, waive, dismiss, release or discharge any action, claim or proceedings against any counterparty to a Relevant Agreement or other person in connection with

any Relevant Agreement or any other document, agreement or arrangement comprising the Charged Assets (other than the Insurance Policies).

12 POWERS OF THE HEDGE COUNTERPARTY

12.1 Power to remedy

- (a) The Hedge Counterparty shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Chargor of any of its obligations contained in this Deed.

- (b) The Chargor irrevocably authorises the Hedge Counterparty and its agents to do all things that are necessary or desirable for that purpose.
- (c) Any monies expended by the Hedge Counterparty in remedying a breach by the Chargor of its obligations contained in this Deed shall be reimbursed by the Chargor to the Hedge Counterparty on a full indemnity basis and shall carry interest in accordance with Clause 19.1 (*Costs*).
- (d) In remedying any breach in accordance with this Clause 12.1, the Hedge Counterparty, its agents and their respective officers, agents and employees shall be entitled to enter onto any Property and to take any action as the Hedge Counterparty may reasonably consider necessary or desirable including, without limitation, carrying out any repairs, other works or development.

12.2 Exercise of rights

- (a) The rights of the Hedge Counterparty under Clause 12.1 (*Power to remedy*) are without prejudice to any other rights of the Hedge Counterparty under this Deed.
- (b) The exercise of any rights of the Hedge Counterparty under this Deed shall not make the Hedge Counterparty liable to account as a mortgagee in possession.

12.3 Power to dispose of chattels

- (a) At any time after the security constituted by this Deed has become enforceable, the Hedge Counterparty or any Receiver may, as agent for the Chargor, dispose of any chattels or produce found on any Property and which forms part of the Charged Assets.
- (b) Without prejudice to any obligation to account for the proceeds of any disposal made under part (a) of this Clause 12.3 the Chargor shall indemnify the Hedge Counterparty and any Receiver against any liability arising from any disposal made under part (a) of Clause 12.3 other than where such liability arises from the gross negligence or wilful default on the part of the Hedge Counterparty or Receiver.

12.4 Hedge Counterparty 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 Hedge Counterparty in relation to any of the Charged Assets whether or not it has taken possession of any Charged Assets and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

12.5 Conversion of currency

- (a) For the purpose of, or pending the discharge of, any of the Secured Liabilities, the Hedge Counterparty may convert any monies received, recovered or realised by it under this Deed (including the proceeds of any previous conversion under this Clause 12.5 (*Conversion of currency*)) from their existing currencies of denomination into the currency of the Facility Agreement.
- (b) Any such conversion shall be effected at the Hedge Counterparty's then prevailing spot selling rate of exchange for such other currency against the existing currency.
- (c) Each reference in this Clause 12.5 (*Conversion of currency*) 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.

12.6 New accounts

- (a) If the Hedge Counterparty receives, or is deemed to have received, notice of any subsequent Security, or other interest, affecting all or part of the Charged Assets, the Hedge Counterparty may open a new account for the Chargor in the Hedge Counterparty's books. Without prejudice to the Hedge Counterparty's right to combine accounts, no money paid to the credit of the Chargor in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.
- (b) If the Hedge Counterparty does not open a new account immediately on receipt of the notice, or deemed notice, under Clause 12.6(a), then, unless the Hedge Counterparty gives express written notice to the contrary to the Chargor, all payments made by the Chargor to the Hedge Counterparty shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt or deemed receipt of the relevant notice by the Hedge Counterparty.

12.7 Indulgence

The Hedge Counterparty may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a Party (whether or not any such person is jointly liable with the Chargor) 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 Chargor for the Secured Liabilities.

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 Hedge Counterparty 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 Charged Assets.

14 ENFORCEMENT OF SECURITY**14.1 Enforcement powers**

- (a) The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this Deed) shall, as between the Hedge Counterparty and a purchaser from the Hedge Counterparty, arise on and be exercisable at any time after the execution of this Deed, but the Hedge Counterparty shall not exercise such power of sale or other powers until the security constituted by this Deed has become enforceable under Clause 13.1 (*Security becomes enforceable on Event of Default*).
- (b) Section 103 of the LPA 1925 does not apply to the security constituted by this Deed.
- (c) The Hedge Counterparty may do anything a Receiver has power to do under 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 Hedge

Counterparty 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 Chargor, to:

- (a) grant an lease or agreement to lease;
- (b) accept surrenders of leases; or
- (c) grant any option of the whole or any part of the Charged 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 Chargor, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Hedge Counterparty 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 Hedge Counterparty has demanded payment of the Secured Liabilities or if the Chargor defaults in the performance of its obligations under this Deed or the Facility Agreement, the Chargor will allow the Hedge Counterparty 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 Charged Asset and for that purpose to enter on any premises where a Charged Asset is situated (or where the Hedge Counterparty or a Receiver reasonably believes a Charged Asset to be situated) without incurring any liability to the Chargor for, or by any reason of, that entry.
- (b) At all times, the Chargor must use best endeavours to allow the Hedge Counterparty 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

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 Hedge Counterparty may:

- (a) redeem that or any other prior Security;
- (b) procure the transfer of that Security to it; and
- (c) settle and pass any account of the holder of any prior Security.

The settlement and passing of any such account passed shall, in the absence of any manifest error, be conclusive and binding on the Chargor. All monies paid by the Hedge Counterparty to an encumbrancer in settlement of any of those accounts shall, as from its payment by the Hedge Counterparty, be due from the Chargor to the Hedge Counterparty on current account and shall bear interest at the Default Rate of interest specified in the Facility Agreement and be secured as part of the Secured Liabilities.

14.5 Protection of third parties

No purchaser, mortgagee or other person dealing with the Hedge Counterparty, 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 Hedge Counterparty, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable; or

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

14.6 Privileges

Each Receiver and the Hedge Counterparty 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 Hedge Counterparty, any Receiver nor any Delegate shall be liable, by reason of entering into possession of a Charged Asset or for any other reason, to account as mortgagee in possession in respect of all or any of the Charged 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 Charged Assets for which a mortgagee in possession might be liable as such.

14.8 Relinquishing possession

If the Hedge Counterparty, any Receiver or Delegate enters into or takes possession of the Charged Assets, it or he may at any time relinquish possession.

14.9 Conclusive discharge to purchasers

The receipt of the Hedge Counterparty, 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 Charged Assets or in making any acquisition in the exercise of their respective powers, the Hedge Counterparty, and every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit.

14.10 Right of appropriation

- (a) To the extent that:
 - (i) the Charged Assets constitute Financial Collateral; and
 - (ii) this Deed and the obligations of the Chargor under it constitute a Security Financial Collateral Arrangement

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

- (b) The value of any Charged Assets appropriated in accordance with this Clause shall be the price of those Charged Assets at the time the right of appropriation is exercised as listed on any recognised market index or determined by any other method that the Hedge Counterparty may select (including independent valuation).
- (c) The Chargor 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 Chargor, the Hedge Counterparty 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 Charged Assets.

15.2 Removal

The Hedge Counterparty 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 Hedge Counterparty 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 Hedge Counterparty 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 Hedge Counterparty despite any prior appointment in respect of all or any part of the Charged Assets.

15.6 Agent of the Chargor

Any Receiver appointed by the Hedge Counterparty under this Deed shall be the agent of the Chargor and the Chargor 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 Chargor goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Hedge Counterparty.

16 POWERS OF RECEIVER**16.1 Powers additional to statutory powers**

- (a) Any Receiver appointed by the Hedge Counterparty under this Deed shall, in addition to the powers conferred on him by statute, have the powers set out in Clause 16.3 (*Repair and develop Properties*) to Clause 16.22 (*Incidental powers*).
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.
- (c) Any exercise by a Receiver of any of the powers given by Clause 16 (*Powers of Receiver*) may be on behalf of the Chargor or himself.
- (d) A Receiver may do anything the Hedge Counterparty has power to do under this Deed.

16.2 Insolvency Act powers

A Receiver may do all the acts and things in Schedule 1 to the Insolvency Act 1986 as if the words "he" and "him" referred to the Receiver and "company" referred to the Chargor.

16.3 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.

16.4 Grant or accept surrenders of 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 he thinks fit.

16.5 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 he thinks fit. A Receiver may discharge any such person or any such person appointed by the Chargor.

16.6 Make and revoke VAT option to tax

A Receiver may make, exercise or revoke any VAT option to tax as he thinks fit.

16.7 Charge for remuneration

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

16.8 Realise Charged Assets

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

16.9 Manage or reconstruct the Chargor'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 Chargor.

16.10 Dispose of Charged Assets

A Receiver may sell, exchange, convert into money and realise all or any of the Charged Assets in respect of which he is appointed in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as he 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 Charged Assets to be sold.

16.11 Sever fixtures and fittings

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

16.12 Give 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 Charged Assets.

16.13 Make settlements

A Receiver may make any arrangement, settlement or compromise between the Chargor and any other person that he 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 Charged Assets as he thinks fit.

16.15 Improve the Equipment

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

16.16 Insure

A Receiver may, if he thinks fit, but without prejudice to the indemnity in Clause 19 (*Costs and indemnity*), 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 Chargor under this Deed.

16.17 Powers under the LPA 1925

A Receiver may exercise all powers provided for in the LPA 1925 in the same way as if he 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.

16.18 Borrow

A Receiver may, for any of the purposes authorised by this Clause 16 (*Powers of Receiver*), raise money by borrowing from the Hedge Counterparty (or from any other person) either unsecured or on the security of all or any of the Charged Assets in respect of which he is appointed on any terms that he thinks fit (including, if the Hedge Counterparty consents, terms under which that security ranks in priority to this Deed).

16.19 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 Chargor, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

16.20 Delegation

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

16.21 Absolute beneficial owner

A Receiver may, in relation to any of the Charged Assets, exercise all powers, authorisations and rights he 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 Charged Assets or any part of the Charged Assets.

16.22 Incidental powers

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

- (a) may consider desirable or necessary for realising any of the Charged 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 Chargor.

17 DELEGATION

17.1 Delegation

The Hedge Counterparty 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 (*Appointment of attorneys*)).

17.2 Terms

The Hedge Counterparty 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 Hedge Counterparty nor any Receiver shall be in any way liable or responsible to the Chargor 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 Hedge Counterparty, a Receiver or a Delegate pursuant to this Deed, after the security constituted by this Deed has become enforceable (other than sums received under any Insurance Policy), shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied unless otherwise determined by the Hedge Counterparty, (or such Receiver or Delegate) 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 Hedge Counterparty (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 Hedge Counterparty determines; and
- (c) in payment of the surplus (if any) to the Chargor or other person entitled to it.

18.2 Appropriation

Neither the Hedge Counterparty, 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 Hedge Counterparty, a Receiver or a Delegate under this Deed (other than sums received under any Insurance Policy that are not going to be applied in or towards discharge of the Secured Liabilities):

- (a) may, at the discretion of the Hedge Counterparty, 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 Hedge Counterparty and the Chargor; and

- (c) may be held in that account for so long as the Hedge Counterparty, Receiver or Delegate thinks fit.

19 COSTS AND INDEMNITY

19.1 Costs

The Chargor shall, promptly on demand, pay to, or reimburse, the Hedge Counterparty 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) properly incurred by the Hedge Counterparty, any Receiver or any Delegate in connection with:

- (a) this Deed or the Charged Assets;
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Hedge Counterparty'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 Chargor) at the Default Rate.

19.2 Indemnity

The Chargor shall indemnify the Hedge Counterparty, 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 losses 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 Charged 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 Chargor 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 (*Indemnity*) subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

20 FURTHER ASSURANCE

20.1 Further assurance

The Chargor shall, at its own expense, take whatever action the Hedge Counterparty 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 Charged Asset; or
- (c) facilitating the exercise of any right, power, authority or discretion exercisable by the Hedge Counterparty or any Receiver in respect of any Charged Asset

including, without limitation (if the Hedge Counterparty 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 Charged Assets (whether to the Hedge Counterparty 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 Chargor irrevocably appoints the Hedge Counterparty, every Receiver and every Delegate separately to be its attorney 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 Chargor 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 Hedge Counterparty, any Receiver or any Delegate.

21.2 Ratification of acts of attorneys

The Chargor ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise of all or any of the rights, powers, authorities and discretions referred to in Clause 21.1 above (*Appointment of attorneys*).

22 FURTHER PROVISIONS

22.1 Independent security

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

22.2 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 Hedge Counterparty discharges this Deed in writing.

22.3 Discharge conditional

Any release, discharge or settlement between the Chargor and the Hedge Counterparty shall be deemed conditional on no payment or security received by the Hedge Counterparty 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 Hedge Counterparty 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 Charged Assets, for any period that the Hedge Counterparty (acting reasonably) deems necessary to provide the Hedge Counterparty with security against any such avoidance, reduction or order for refund; and
- (b) the Hedge Counterparty may recover the value or amount of such security or payment from the Chargor subsequently as if the release, discharge or settlement had not occurred.

22.4 Consolidation

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

22.5 Further advances

The Hedge Counterparty is under an obligation, contained in, and subject to the terms of the Facility Agreement to make further advances to the Borrower and this security has been made for securing such further advances. The Hedge Counterparty hereby applies to the Land Registry in substantially the following terms:

"The applicant confirms that, under the provisions of the charge, the Hedge Counterparty is under an obligation to make further advances and applies to the registrar for a note to be entered in the register to that effect."

23 MISCELLANEOUS

The provisions of Clause 25.1 (*Assignments and Transfers by the Lender*), 26 (*Changes to the Obligors*), 31 (*Set- Off*), 32 (*Notices*), 33 (*Calculations and Certificates*), 34 (*Partial Invalidity*), 35 (*Remedies and Waivers*) and 36 (*Amendments and Waivers*) of the Facility Agreement shall apply to this Deed, as if set out in full and so that references in those provisions to "this Agreement" shall be construed as references to this Deed and references to "party" or "parties" shall be construed as references to parties to this Deed.

24 SET-OFF**24.1 Exclusion of Chargor's right of set-off**

All payments made by the Chargor to the Hedge Counterparty under this Deed shall be made without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

25 COUNTERPARTS

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

26 GOVERNING LAW

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

27 JURISDICTION**27.1 Jurisdiction**

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "**Dispute**").
- (b) The parties to this Deed agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 27.1 (*Jurisdiction*) is for the benefit of the Hedge Counterparty only. As a result, the Hedge Counterparty shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Hedge Counterparty may take concurrent proceedings in any number of jurisdictions.

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

Agreements, Licences and Leases

Part A

Relevant Agreements

Type of Contract	Date	Parties
[●]	[●]	[●]

Part BOccupational Leases

Property	Date	Parties
Unit G5, 41 and 43-53 (odd) High Street (ground floor), Eastleigh, SO50 5LG	4 July 2014	(1) Smith Bradbeer & Company Limited (2) A-Plan Holdings
Unit G7, 41 and 43-53 (odd) High Street (ground floor), Eastleigh, SO50 5LG	1 October 2011	(1) Smith Bradbeer & Company Ltd (2) IISAA Limited
Unit G6, 41 and 43-53 (odd) High Street (ground floor), Eastleigh, SO50 5LG	5 February 2015	(1) Smith Bradbeer & Company Limited (2) Eastleigh Basics Bank
Kiosk Unit, 41 and 43-53 (odd) High Street, Eastleigh, SO50 5LG	1 August 2016	(1) Smith Bradbeer & Company Limited (2) Incell World UK Ltd
Units G1 (ground floor), F2 (first floor) and S4 (second floor), 41 and 43-53 (odd) High Street, Eastleigh, SO50 5LG	16 December 2016	(1) Smith Bradbeer & Company Limited (2) South Staffordshire and Shropshire Healthcare NHS Foundation Trust
Unit F1, 41 and 43-53 (odd) High Street, Eastleigh, SO50 5LG	4 July 2014	(1) Smith Bradbeer & Company Limited (2) A-Plan Holdings
Unit F3, 41 and 43-53 (odd) High Street, Eastleigh, SO50 5LG	4 July 2015	(1) Smith Bradbeer & Company Limited (2) A-Plan Holdings
Unit S1, 41 and 43-53 (odd) High Street, Eastleigh, SO50 5LG	1 July 2014	(1) Smith Bradbeer & Company Limited (2) Junction 13 Eastleigh

Schedule 2**Notice and acknowledgement - Relevant Agreement****Part A****Form of Notice**

To: [Name of counterparty to Agreement]

From: Smith Bradbeer & Company Limited (the "**Chargor**")

And Lloyds Bank Corporate Markets plc as **Hedge Counterparty**

Date: [●]

Dear Sirs

NOTICE OF ASSIGNMENT

We refer to the [*describe agreement(s)*] made between ourselves and you on [*date*] [for the [*provision of*] [*briefly describe agreement if necessary*]] (the "**Specified Agreement**").

We hereby give you notice that pursuant to a security agreement dated [●], and made between, ourselves and Lloyds Bank Corporate Markets plc as Hedge Counterparty (such security agreement, as it may from time to time be amended, assigned, novated or supplemented, being below called the "**Security Agreement**"), we have assigned and charged and agreed to assign and charge, to the Hedge Counterparty, all our rights, title, interest and benefit, present and future, under, to and in the Specified Agreement.

Words and expressions defined in the Security Agreement shall have the same meaning when used in this Notice.

Please note the following:

- 1 We shall at all times remain solely liable to you for the performance of all of the obligations assumed by us under or in respect of the Specified Agreement. The Hedge Counterparty will not be under any liability or obligation of any kind in the event of any breach or failure by us to perform any obligation under the Specified Agreement;
- 2 We irrevocably and unconditionally instruct you to pay the full amount of any sum which you are (or would, but for the Security Agreement, be) at any time obliged to pay to us under or in respect of the Specified Agreement as follows:
 - (a) unless and until the Hedge Counterparty gives you notice that an Event of Default has occurred and is continuing, in accordance with our instructions; and
 - (b) at any time after the Hedge Counterparty gives you notice that an Event of Default has occurred and is continuing, to such bank account or otherwise as the Hedge Counterparty may from time to time direct.

The Hedge Counterparty has agreed that, notwithstanding the Security Agreement, we remain entitled to exercise all of the rights, powers, discretions and remedies which would (but for the Security Agreement) be vested in us under and in respect of the Specified Agreement unless and except to the extent that the Hedge Counterparty gives you notice that an Event of Default has occurred and is continuing. Upon and after the giving of any such notice, the Hedge Counterparty shall be entitled to exercise and give directions regarding the exercise of all or any of those rights, powers, discretions and remedies (to the exclusion of us and to the exclusion of any directions given at any time by or on behalf of us) to the extent specified in the notice from the Hedge Counterparty.

We have irrevocably and unconditionally appointed the Hedge Counterparty to be our attorney to do (among other things) all things which we could do in relation to the Specified Agreement.

We confirm to you that:

- 3 in the event of any conflict between communications received from us and from the Hedge Counterparty, you shall treat the communication from the Hedge Counterparty as prevailing over the communication from us;
- 4 you are and will at all times be permitted to assume and rely upon the correctness of anything communicated to you by the Hedge Counterparty including without limitation statements as to the occurrence of an Event of Default; and none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Hedge Counterparty's specific prior consent.

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

Please acknowledge receipt of this notice, and confirm your agreement to it, by executing and returning to the Hedge Counterparty an original copy of the Form of Acknowledgement attached to this notice of assignment.

Yours faithfully

For and on behalf of **Smith Bradbeer & Company Limited**

Acknowledged for and on behalf of **Lloyds Bank Corporate Markets plc**

Part BForm of Acknowledgement

[LETTERHEAD OF COUNTERPARTY TO SPECIFIED AGREEMENT]

To: Lloyds Bank Corporate Markets plc (Hedge Counterparty)

Address: [●]

Attn: [●]

To: Smith Bradbeer & Company Limited

Address: [●]

Attn: [●]

Dear Sirs

We acknowledge receipt of the notice dated [●], a copy of which is attached to this letter (the "**Notice**"). Words and expressions defined in the Notice have the same meanings in this letter.

We confirm to you:

- 1 We consent to the assignment of the Specified Agreement and have noted, and will act in accordance with, the terms of that notice.
- 2 We have not previously received notice of any other assignment of the Specified Agreement and we are not aware of any interest of any third party in any of the Chargor's rights, benefits, interests or claims under or in respect of the Specified Agreement.
- 3 We irrevocably and unconditionally agree to pay the full amount of any sum which we are (or would, but for the Security Agreement, be) at any time obliged to pay under or in respect of the Specified Agreement:
 - (a) unless and until the Hedge Counterparty gives us notice that an Event of Default has occurred and is continuing, in accordance with the Chargor's instructions; and
 - (b) at any time after the Hedge Counterparty gives us notice that an Event of Default has occurred and is continuing, to such bank account or otherwise as the Hedge Counterparty may from time to time direct.
- 4 We will comply with the terms of the Notice.

We acknowledge that the Chargor shall at all times remain solely liable to us for the performance of all of the obligations assumed by it under the Specified Agreement, and that the Hedge Counterparty is not and will not be under any liability or obligation whatever in the event of any breach or failure by the Chargor to perform its obligations under the Specified Agreement.

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

Yours faithfully

For and on behalf of [**counterparty to Specified Agreement**]

Schedule 3**Insurance Policy****Part A****Form of Notice**

To: [Name of Insurers]

From: Smith Bradbeer & Company Limited (the "**Chargor**")

And Lloyds Bank Corporate Markets plc as Hedge Counterparty

Date: [●]

Dear Sirs

NOTICE OF ASSIGNMENT

We hereby give you notice that pursuant to a security agreement dated on or around the date of this notice, and made between, ourselves and the Hedge Counterparty such security agreement, as it may be amended, assigned, novated or supplemented from time to time, (the "**Security Agreement**"), we have assigned and charged and agreed to assign and charge to the Hedge Counterparty all [our/our and all our subsidiaries] rights, title, benefits, interests and claims, present and future, in and to the following insurances (the "**Insurance Contracts**") and all moneys or proceeds of any claims which at any time may be or become due to or received by us under or pursuant to those Insurance Contracts and together with the Insurance Contracts the ("**Assigned Property**"):

[insert details of insurance contracts here]

Words and expressions defined in the Security Agreement shall, unless otherwise defined herein, have the same meaning in this Notice.

We confirm to you:

We shall at all times remain solely liable to you for the performance of all of the obligations assumed by us under or in respect of the Insurance Contracts (including, without limitation, the payment of all premiums, calls, contributions or other sums from time to time payable in respect of the Insurances).

We irrevocably and unconditionally instruct you to pay all moneys including, without limitation, the proceeds of all claims which at any time may be or would, but for the Security Agreement, be or become payable by you to us under or in respect of the Insurance Contracts to the Hedge Counterparty (or as it shall direct) as follows:

- 1 unless and until the Hedge Counterparty gives you notice that an Event of Default has occurred and is continuing, in accordance with the loss payable Clause contained in the relevant policy(ies) of insurance; and
- 2 at any time after the Hedge Counterparty gives you notice that an Event of Default has occurred and is continuing, to such bank account or otherwise as the Hedge Counterparty may from time to time direct.

The Hedge Counterparty has agreed that, notwithstanding the Security Agreement, we remain entitled to exercise all the rights, powers, discretions and remedies which would (but for the Security Agreement) be vested in us under and in respect of the Assigned Property and you should continue to give notices under the Insurance Contracts to us unless and except to the extent that the Hedge Counterparty gives you notice that an Event of Default has occurred and is continuing. Upon and after the giving of any such notice, the Hedge Counterparty shall be entitled to exercise and give directions regarding the exercise of all or any of those rights, powers,

discretions and remedies (to the exclusion of us and to the exclusion of any directions given at any time by or on behalf of us) to the extent specified in the notice from the Hedge Counterparty.

We have irrevocably and unconditionally appointed the Hedge Counterparty to be our attorney and to do (among other things) all things which we could do in relation to the Assigned Property.

We confirm to you that:

- 3 in the event of any conflict between communications received from us and from the Hedge Counterparty, you shall treat the communication from the Hedge Counterparty as prevailing over the communication from us; and
- 4 you are and will at all times be permitted to assume and rely upon the correctness of anything communicated to you by the Hedge Counterparty including without limitation statements as to the occurrence of an Event of Default; and none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Hedge Counterparty's specific prior consent.

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

Please acknowledge receipt of this notice and confirm that you will comply with the other provisions of this notice by executing and returning an original copy of the Form of Acknowledgement attached to this Notice to the Hedge Counterparty at [address].

Yours faithfully

For and on behalf of **Smith Bradbeer & Company Limited**

For and on behalf of Lloyds Bank Corporate Markets plc

Hedge Counterparty

Part BForm of acknowledgement

[LETTERHEAD OF UNDERWRITER/INSURANCE COMPANY]

To: Lloyds Bank Corporate Markets plc (Hedge Counterparty)

Address: [●]

Attn: [●]

To: Smith Bradbeer & Company Limited

Address: [●]

Attn: [●]

Dear Sirs

We acknowledge receipt of a Notice of Assignment dated [●], (the "**Notice**"), a copy of which is attached, and agree to be bound by its terms and conditions. Words and expressions defined in the Notice shall have the same meanings in this letter.

In consideration of the Hedge Counterparty approving and continuing to approve the placement of insurances with us from time to time, we undertake and confirm to you:

- 1 We will ensure that the Hedge Counterparty (as assignee of the Assigned Property) is named as composite insured under each of the Insurance Contracts (other than for public liability insurances and third party liability insurances) and endorsed on all slips, cover notes, policy documents and other documents relating to the Insurance Contracts.
- 2 We agree to ensure and procure that any and all claims, proceeds or other moneys payable under or in respect of the Assigned Property are paid in accordance with the required loss payable provisions in the relevant policy(ies) or otherwise as directed in the Notice.
- 3 We confirm that we have not, as at the date of this letter, received notice that any other person has or will have any right or interest whatsoever in, or has made or will be making any claim or demand or be taking any action against the Assigned Property or any part thereof, and if, after the date hereof, we receive any such notice, we shall immediately give written notice thereof to the Hedge Counterparty.
- 4 We confirm that we will not permit the insurance contracts to lapse or attempt to avoid any Insurance Contract or reduce or restrict any insurance cover without giving the Hedge Counterparty at least 30 days' prior notice.
- 5 We confirm that as against the Hedge Counterparty no Insurance Contract will be rendered void or unenforceable by reason of any act, omission, breach of warranty or non-disclosure by it or any other person.
- 6 We acknowledge that the Hedge Counterparty shall not at any time be liable for the relevant premiums relating to any Insurance Contract and that the Chargor will remain solely liable for any such premiums.
- 7 We will comply with the terms of the Notice.

This acknowledgment and any non-contractual obligations arising out of or in connection with this acknowledgement shall be governed by and construed in accordance with English law.

Yours faithfully

For and on behalf of [***Name of broker/underwriter/insurance company***]

Schedule 4**Pre-existing Security**

Date of charge	Charge	Chargee
22 December 2015	Charge with code 0003 6724 0018	Lloyds Bank PLC
22 December 2009	Mortgage	Lloyds Tsb Bank PLC
22 December 2009	Mortgage	Lloyds Tsb Bank PLC
22 December 2009	Mortgage	Lloyds Tsb Bank PLC
24 August 2009	Mortgage deed	Lloyds Tsb Bank PLC
24 August 2009	Mortgage deed	Lloyds Tsb Bank PLC
21 August 2009	Mortgage	Lloyds Tsb Bank PLC
15 May 2009	Mortgage	Lloyds Tsb Bank PLC
1 October 2003	Fixed charge	Lloyds Tsb Bank PLC
1 September 1997	Mortgage	Lloyds Bank PLC
9 September 1991	Single debenture	Lloyds Bank PLC
11 May 1983	Legal charge	Lloyds Bank PLC
16 November 1982	Single debenture	Lloyds Bank PLC

EXECUTION PAGE

CHARGOR

Executed as a deed by **SMITH BRADBEER & COMPANY LIMITED**
acting by Greg John Lloyd Davies
and Rupert Davies

.....
.....

HEDGE COUNTERPARTY

Signed by Linda Nyamekye
for and on behalf of **LLOYDS BANK
CORPORATE MARKETS PLC**

.....
Authorised Signatory

Executed as a deed by **RAM CAPITAL LIMITED**

acting by Greg John Lloyd Davies

and Rupert Davies

..... 

..... 