



Registration of a Charge

Company name: **Cable & Wireless Limited**

Company number: **00238525**



X61889V5

Received for Electronic Filing: **28/02/2017**

Details of Charge

Date of creation: **23/02/2017**

Charge code: **0023 8525 0013**

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

Brief description: **NOT APPLICABLE**

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 COMPOSITE ORIGINAL INSTRUMENT.**

Certified by: **JAMES CLARKE**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 238525

Charge code: 0023 8525 0013

The Registrar of Companies for England and Wales hereby certifies that a charge dated 23rd February 2017 and created by Cable & Wireless Limited was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 28th February 2017 .

Given at Companies House, Cardiff on 1st March 2017

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



Companies House



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

DATED

23 February

2017

Cable & Wireless Limited

(as chargor)

- and -

The Law Debenture Pension Trust Corporation P.L.C.

(as chargee)

Save for material redacted pursuant to S859G of the
Companies Act 2006, we hereby certify that this is
A true copy of the composite original

Signed:

Dated:

DEED OF CHARGE AND ASSIGNMENT

Execution Version



Matter ref: F3/AMT/E1.M/4273129

Ref: 1T2078.000147

Hogan Lovells International LLP
Atlantic House, Holborn Viaduct, London EC1A 2FG

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THIS DEED OF CHARGE AND ASSIGNMENT is made on 23 February 2017

BETWEEN:

- (1) **Cable & Wireless Limited**, a private limited company incorporated in England and Wales whose registered office is at 2nd floor, 62-65 Chandos Place, London, WC2N 4HG with registered number 00238525 (the "**Chargor**"); and
- (2) **The Law Debenture Pension Trust Corporation P.L.C.**, a public limited company incorporated in England and Wales whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX with registered number 03267461 (the "**Trustee**").

WITNESSES as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 Definitions:** Unless the context otherwise requires, words or expressions defined in the Trust Deed and Rules shall have the same meaning in this Charge and this construction shall survive the termination of the Trust Deed and Rules. In addition, in this Charge:

"**Assigned Rights**" means all the right, title and interest assigned, or purported to be assigned, under Clause 3.2 (*Assignment*);

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in Miami and London;

"**Cash**" means all cash whether representing capital or income (whether arising out of or in connection with the Securities) and in whatever currency from time to time held in the Cash Account;

"**Cash Account**" means the cash account in the Chargor's name held with the Custodian with account number [REDACTED] into which all dividends, distributions, interest and other income payable in relation to the Charged Securities is paid;

"**Charged Property**" means:

- (a) the Charged Securities and the Derivative Rights, and includes all rights, benefits and sums now or in the future accruing to the Chargor in connection with the Charged Securities; and
- (b) the Assigned Rights;

"**Charged Securities**" means Securities charged or mortgaged, or purported to be charged or mortgaged, by the Chargor to the Trustee under Clause 3 (*Charging Clause*), provided that any of the aforementioned Securities which:

- (a) the Trustee is obliged to release or return to the Chargor under this Charge; or
- (b) are sold by the Trustee in partial or full satisfaction of any Secured Sums,

shall cease to be Charged Securities on the date such obligation arises or such sale occurs;

"**CREST**" means the computer-based system and procedures established by EUI to enable title to units of stock to be evidenced and transferred without a written instrument, operating as a relevant system under the USRs;

"**Custodian**" means Bank of America, National Association, acting through its branch in London;

"Custody Agreement" means the custody agreement dated on or around the date hereof and entered into between the Custodian and the Chargor in relation to, amongst other things, the Securities Account;

"Derivative Rights" includes:

- (a) allotments, rights, money or property arising at any time in relation to any of the Charged Securities by way of conversion, exchange, redemption, bonus, preference, option or otherwise (other than by way of sale);
- (b) dividends, distributions, interest and other income paid or payable in relation to any of the Charged Securities; and
- (c) stock, shares and securities offered in addition to or substitution for any of the Charged Securities;

but shall exclude any money held in the Cash Account to the extent that any such money derives from any Derivative Right and is paid into the Cash Account at a time when the Chargor is entitled under Clause 3.5 (*Derivative Rights*) to retain, exercise and deal with that Derivative Right;

"Enforcement Notice" has the meaning given to that term in Clause 11 (*Powers of the Trustee*);

"EUI" means Euroclear UK & Ireland Limited (formerly known as CRESTCo Limited) incorporated in England and Wales under number 2878738 and includes any successor acting as operator of CREST;

"Financial Collateral Regulations" means the Financial Collateral Arrangements (No.2) Regulations 2003 as amended;

"Initial Securities" means £387,600 nominal value 2½% Index-linked Treasury Stock 2024;

"Liability" means any liability, damage, loss, cost, claim or expense of any kind or nature, whether direct, indirect, special, consequential or otherwise;

"Nominee" means any custodian and/or nominee for the Trustee which the Trustee may designate from time to time;

"Party" means a party to this Charge;

"Permitted Lien" means (i) the continuing general and first lien and security interest on all Cash credited to the Cash Account securing all liabilities of the Chargor to the Custodian under or in connection with the Custody Agreement in respect of any amounts (including fees and expenses) incurred by the Custodian under or in connection with the Custody Agreement; and (ii) any lien, security, interest, right of retention, right of set-off or other encumbrance over any Securities in the Securities Account which secure the liabilities of the Chargor to a sub-custodian or securities system in respect of any amount incurred by such sub-custodian or securities system in connection with the Custody Agreement;

"Receiver" means a receiver and manager appointed under Clause 13 (*Appointment of a Receiver*) and (where the context requires or permits) includes any substituted receiver and manager;

"Relevant System" has the meaning given to that term by the USRs and includes the CREST system and also any other system or facility (whether established in the United Kingdom or elsewhere) providing means for the custody, deposit or transfer of Securities and/or the clearing or settlement of transactions in them;

"Secured Sums" means all amounts, obligations and liabilities payable or incurred by the Chargor pursuant to all and any of:

- (a) the Trust Deed and Rules;
- (b) the Scheme; and
- (c) this Charge;

"Securities" means:

- (a) all stocks, shares, debentures, loan stock, notes, bonds, warrants, investments, depositary receipts, gilts or other securities of any description issued by the UK government or any other person in uncertificated form; and
- (b) any interests or rights (whether legal or equitable) in relation to any of the above which are held in a Relevant System or subject to the rules and practices of a Relevant System,

but, for the avoidance of doubt, in each case excluding any Derivative Rights;

"Securities Account" means:

- (a) the securities account in the Chargor's name held with the Custodian with account number [REDACTED]; or
- (b) any other securities account which the Parties may agree in writing to designate as such from time to time;

and includes any sub-account, substitute or replacement account at any time, and for the avoidance of doubt excludes the Cash Account;

"Security Coverage Letter" means the security coverage letter between the Trustee and the Chargor dated on or around the date of this Charge;

"Security Interest" means:

- (a) any mortgage, charge, pledge, assignment (whether or not expressed to be by way of security), lien, encumbrance or other security interest securing any obligation of any person, howsoever created or arising; and
- (b) any other agreement or arrangement having the same or a similar effect;

"this security" means the security interest or interests created pursuant to or constituted by this Charge;

"Trust Deed and Rules" means the trust deed and rules dated 8 June 2001 to which the Chargor and the Trustee are parties and which establishes the Scheme; and

"USRs" means the Uncertificated Securities Regulations 2001 and such other regulations made under section 785 of the Companies Act 2006 as are applicable to EU1 and/or CREST and are for the time being in force.

1.2 **Interpretation:** Unless the context otherwise requires, the interpretative provisions set out in the paragraphs below shall apply in this Charge:

- (a) References to any Party shall be construed so as to include that Party's respective successors in title, permitted assigns and permitted transferees.
- (b) "**Including**" and "**in particular**" shall not be construed restrictively but shall mean respectively "including, without prejudice to the generality of the foregoing" and "in particular, but without prejudice to the generality of the foregoing".
- (c) A "**person**" includes any person, firm, company, corporation, government, state or agency of a state or any association, joint venture, trust or partnership (whether or not having separate legal personality) of two or more of the foregoing.
- (d) References to "**uncertificated**" have the meaning given to that expression by regulation 3(1) of the USRs and "**certificated**" means a unit of a security which is not uncertificated.
- (e) References to "**property**" includes any interest (legal or equitable) in personal property and any thing in action.
- (f) "**Variation**" includes any variation, amendment, accession, novation, restatement, modification, assignment, transfer, supplement, extension, deletion or replacement however effected and "**vary**" and "**varied**" shall be construed accordingly.
- (g) "**Writing**" includes electronic mail legibly received and "**written**" has a corresponding meaning.
- (h) Subject to Clause 25.4 (*Variations*), references to this Charge or to any other document include references to this Charge or such other document as varied in any manner from time to time, even if changes are made to the composition of the parties to this Charge or such other document or to the nature or amount of any facilities made available under such other document.
- (i) The singular shall include the plural and vice versa and any gender shall include the other genders.
- (j) Clauses, paragraphs and Schedules shall be construed as references to Clauses and paragraphs of, and Schedules to, this Charge.
- (k) Any reference to any statute or statutory instrument or any section of it shall be deemed to include a reference to any statutory modification or re-enactment of it for the time being in force in relation to the particular circumstances.
- (l) Headings in this Charge are inserted for convenience and shall not affect its interpretation.
- (m) An Event of Default is "**continuing**" for the purposes of this Charge if it has not been remedied or waived.
- (n) "**A blank stock transfer form**" means a stock transfer form validly executed on behalf of the Chargor but with the sections relating to the date, the consideration and the name of the transferee left blank.

2. **COVENANT TO PAY**

2.1 **Covenant to pay:** The Chargor hereby covenants with the Trustee that it will pay and discharge all Secured Sums in accordance with, in relation to paragraph (a) of the definition of "Secured Sums", the provisions of the Trust Deed and Rules, in relation to paragraph (b) of that definition, the provisions of the Scheme, and in relation to paragraph (c) of that definition, the provisions of this Charge.

2.2 **Proviso:** The covenants contained in this Clause 2 and the security created by this Charge shall not extend to or include any liability or sum which would otherwise cause any such covenant or security to be unlawful or prohibited by any applicable law.

2.3 **Demands:**

(a) The making of one demand by the Trustee that the Chargor pay and discharge any Secured Sums in accordance with the provisions described in Clause 2.1 (*Covenant to pay*) shall not preclude the Trustee from making any further such demands.

(b) Any third party dealing with the Trustee or any Receiver shall not be concerned to see or enquire as to the validity of any such demand under this Charge.

3. **CHARGING CLAUSE**

3.1 The Chargor with full title guarantee and free of any Security Interest hereby charges to the Trustee as continuing security for the payment and discharge of the Secured Sums by way of first fixed charge all its rights, title and interest from time to time in and to:

(a) all Securities now or in the future held or recorded in the Securities Account; and

(b) all Derivative Rights now or in the future accruing to the Chargor,

in each case together with all proceeds of sale in relation thereto.

3.2 **Assignment:** As continuing security for the payment and discharge of the Secured Sums, with full title guarantee and free of any Security Interest, the Chargor hereby assigns and agrees to assign absolutely all its right, title and interest from time to time in and to the Securities Account and (but only to the extent that such rights, title and or interest relate to the Securities Account, the Charged Securities or the Derivative Rights) the Custody Agreement.

3.3 **Financial Collateral Arrangement:** The Parties acknowledge and intend that the security provided under or pursuant to this Charge will constitute a "security financial collateral arrangement" for the purposes of the Financial Collateral Regulations.

3.4 **Perfection of security:** The Chargor shall promptly execute and deliver to the Trustee any document and effect any transfer as the Trustee may reasonably require at any time to constitute or perfect a fixed charge over the Charged Property, including giving such instructions to the Custodian or any operator of a Relevant System or taking such other steps as the Trustee may reasonably require for this purpose.

3.5 **Derivative Rights:** Unless an Enforcement Notice has been issued which has not been withdrawn or the Chargor is at any time not in compliance with its obligations under paragraph 8 of the Security Coverage Letter, the Chargor shall be entitled to retain, exercise and deal with any Derivative Rights (other than any redemption monies or any

right to receive any redemption monies) as it, in its absolute discretion, thinks fit and the Trustee shall:

- (a) account to the Chargor for all Derivative Rights received by it and forward to the Chargor any communications relating thereto; and
- (b) give or procure the giving of such instructions to the Custodian or any operator of a Relevant System in order to enable the Chargor to receive or, as the case may be, exercise or deal with the Derivative Rights save that the Trustee shall be entitled to refuse to give or procure the giving of such instructions if to do so would, in the Trustee's reasonable opinion, threaten the validity of the security created by this Charge or otherwise be in breach of the terms hereof.

If an Enforcement Notice has been issued which has not been withdrawn or the Chargor is at any time not in compliance with its obligations under paragraph 8 of the Security Coverage Letter, the foregoing provisions shall not apply and the Chargor shall not be entitled to retain, exercise and deal with any Derivative Rights. In any event, the Chargor shall not be entitled to retain, exercise and deal with any redemption monies or any right to receive any redemption monies, save to the extent that in relation to any Charged Securities to which paragraph 8 of the Security Coverage Letter applies the Chargor is in compliance with the requirements of paragraph 8 to provide replacement securities.

- 3.6 **Obligation to grant security:** Notwithstanding anything else contained herein, the Chargor shall not be obliged to grant security hereunder in respect of any Securities other than the Initial Securities if the granting of such security would:

- (a) require the consent of the shareholders (or any class of shareholders) of the Chargor whether under the Companies Act 2006 or the rules of any recognised investment exchange (as defined in the Financial Services and Markets Act 2000) on which any shares or other securities of the Chargor are from time to time listed or otherwise; or
- (b) place the Employer in breach of Material Borrowing Contracts.

- 3.7 **Notices:** Upon being required to so do by the Trustee at any time (acting reasonably), the Chargor shall promptly give written notice of the charge, assignment or other Security Interest constituted by this Charge to any person including the Custodian in such form as the Trustee may reasonably require. The Chargor acknowledges and agrees that the Trustee may at any time give notice of such charge, assignment or other Security Interest to any person including the Custodian with the consent of, or notice to, the Chargor.

- 3.8 **Registration:** The Parties agree and acknowledge that this Charge is registerable, and will be registered, against the Chargor with the Registrar of Companies.

4. VOTING POWERS AND DIVIDENDS

- 4.1 **Before enforcement:** Unless this Charge is enforceable pursuant to Clause 11.2 (*Enforceability*):

- (a) all voting powers and rights attaching to any Charged Property shall continue to be exercisable by the Chargor for so long as it remains the registered owner of that Charged Property and the Chargor shall not permit any person other than the Chargor, the Trustee or its Nominee to be registered as holder of any Charged Property; and

- (b) if any Charged Property belonging to the Chargor is registered in the name of the Trustee or its Nominee, all voting powers and rights attaching to them shall be exercised by the Trustee or its Nominee in accordance with instructions in writing from time to time received from the Chargor and, in the absence of such instructions, the Trustee or its Nominee shall not exercise any such powers or rights.

4.2 **After enforcement:** At any time while this Charge is enforceable pursuant to Clause 11.2 (*Enforceability*):

- (a) the Trustee may, for the purpose of protecting its interests in relation to the Secured Sums, exercise (but is not obliged to exercise) in the name of the Chargor or otherwise and without any further consent or authority on the part of the Chargor, all voting powers and rights attaching to the Charged Property as it sees fit, including any rights to nominate or remove a director, as if the Trustee were the sole beneficial owner of the Charged Property;
- (b) all Derivative Rights shall, if received by the Chargor or any nominee of the Chargor, be held on trust for and forthwith paid or transferred to the Trustee; and
- (c) the Chargor shall (and shall procure that its nominees shall) accept short notice for and attend any meeting in relation to any relevant entity connected with the Charged Securities, appoint proxies and exercise voting powers and rights exercisable by the holders of the Charged Property as the Trustee may direct from time to time, as it sees fit for the purpose of protecting its interests in relation to the Secured Sums.

5. **WARRANTIES**

The Chargor represents and warrants to the Trustee on the date of this Charge and each date on which any Securities are transferred to the Securities Account that:

- (a) **Called up and paid up:** all Charged Securities are fully called up and fully paid-up and at no time during the subsistence of this Security will there be any monies or liabilities outstanding or payable by the Chargor in respect of the Charged Securities to the issuer thereof;
- (b) **Beneficial owner:** the Chargor is the full beneficial owner of the Charged Securities, free from any option, equity, trust or Security Interest (except this Charge and any Permitted Liens) in favour of any person (other than any nominee pursuant to rules of the Relevant System); and
- (c) **Authorisation:** the Chargor has taken all necessary action to authorise the execution and delivery of this Charge, which is valid and legally binding upon it, and the execution and delivery of this Charge and the security created by it have been duly authorised by all necessary corporate action of the Chargor and to the best of its knowledge and belief having made reasonable enquiries will not cause or constitute a breach or event of default under any provision of any trust deed, agreement or other instrument to which the Chargor is a party or by which it is bound.

6. **NEGATIVE PLEDGE AND OTHER RESTRICTIONS**

The Chargor shall not, without the prior written consent of the Trustee:

- (a) create, or agree or attempt to create, or permit to subsist, any Security Interest or any trust over any of the Charged Property, other than any Permitted Liens;
- (b) sell or assign, or grant any interest in, any of the Charged Property, or part with possession or ownership of it, or purport or agree to do so, other than in connection with any Permitted Liens;
- (c) cause or permit any rights attaching to the Charged Property to be varied or abrogated, other than in connection with any Permitted Liens;
- (d) cause or permit any of the Charged Property to be consolidated, sub-divided or converted;
- (e) withdraw, or attempt to withdraw, any Charged Property from the Securities Account unless otherwise expressly permitted in writing by the Trustee;
- (f) give an instruction for any Charged Securities to be converted into certificated form;
- (g) subject to Clause 3.5 (*Derivative Rights*), amend or waive any provision of, or give any consent under, the Custody Agreement which relates to the Charged Property which would adversely affect the Trustee's interests; or
- (h) terminate the Custody Agreement or close the Securities Account.

7. POSITIVE COVENANTS

The Chargor covenants that it shall:

- (a) **Notices:** forward to the Trustee any notices, reports, accounts, circulars and other documents relating to the Charged Property within fifteen Business Days following receipt;
- (b) **Information:** promptly to furnish to the Trustee on request such information in respect of the Charged Property as the Trustee may from time to time reasonably require; and
- (c) **Certification:** if for any reason uncertificated Charged Securities are converted into certificated form, the Chargor shall ensure that the new certificates for such Charged Securities are delivered to the Trustee promptly following their issue together with blank stock transfer forms.

8. FURTHER ASSURANCE

8.1 The Chargor shall, at any time (and from time to time) if reasonably required by the Trustee, promptly sign, seal, deliver and complete all documents, give such properly authenticated dematerialised instructions to EUI and do all acts and things which the Trustee may reasonably request for the purpose of:

- (a) perfecting or protecting its security over any Charged Property; or
- (b) exercising any of the rights or powers attaching to any Charged Property conferred on the Trustee by this Charge.

8.2 Notwithstanding the foregoing, unless an Enforcement Notice has been issued which has not been withdrawn the Chargor shall not be obliged to:

- (a) execute or instruct any transfer, conveyance, assignment, assurance or legal mortgage of any Securities to the Trustee, its nominees or any of them; or
- (b) procure that its nominees or any of them take any action described in paragraph (a) above.

If an Enforcement Notice has been issued which has not been withdrawn the Chargor shall do the things set out in paragraph (a) and (b).

- 8.3 All such documents shall be prepared by or on behalf of the Trustee (at the cost of the Chargor) and shall be in such form as the Trustee may reasonably require.

9. CONTINUING SECURITY

This Charge shall be a continuing security for the Trustee for the payment and discharge of the Secured Sums, notwithstanding any intermediate payment or settlement of accounts or other matter whatever. It shall be in addition to and shall not prejudice, or be prejudiced by, any right of set-off, lien, or other rights exercisable by the Trustee as banker against the Chargor or any Security Interest, guarantee, indemnity and/or negotiable instrument now or in the future held by the Trustee and may be enforced without first having recourse to any such Security Interest, guarantee, indemnity and/or negotiable instrument.

10. OPENING OF NEW ACCOUNTS

- 10.1 **Creation of new account:** On receiving notice that the Chargor has granted a Security Interest over or otherwise encumbered or disposed of any Charged Property (except as expressly permitted by the terms of this Charge), the Trustee may rule off all its accounts and open new accounts with the Chargor.
- 10.2 **Credits to new account:** If the Trustee does not open a new account immediately on receipt of such notice, it shall nevertheless be treated as if it had done so on that day. From that day, all payments made by the Chargor to the Trustee shall be treated as having been credited to a new account and shall not operate to reduce the amount owing from the Chargor to the Trustee at the time when it received such notice.

11. POWERS OF THE TRUSTEE

- 11.1 **Enforcement Notice:** The Trustee shall only be entitled to serve a notice (an "Enforcement Notice") on the Chargor if an Event of Default has occurred and, to the actual knowledge of the Trustee, such Event of Default is continuing for a period exceeding ten Business Days, save that any such notice shall have no effect if the Trustee withdraws it, or is obliged to withdraw it, pursuant to Clause 11.3 (*Withdrawal of Enforcement Notice*).
- 11.2 **Enforceability:** This security shall be immediately enforceable at any time after the delivery by the Trustee to the Chargor of an Enforcement Notice until such time as the Trustee withdraws such Enforcement Notice as contemplated by Clause 11.3 (*Withdrawal of Enforcement Notice*).
- 11.3 **Withdrawal of Enforcement Notice:** If, at any time after the service of an Enforcement Notice, the relevant Event of Default is, to the actual knowledge of the Trustee, no longer continuing, the Trustee shall, at the Chargor's request, promptly give notice withdrawing the Enforcement Notice which shall then cease to have effect.

11.4 **Powers:** While this security is enforceable pursuant to Clause 11.2 (*Enforceability*), the Trustee (or its Nominee) shall be entitled in its absolute discretion without notice to the Chargor:

- (a) to send such messages and instructions (electronically or in writing) with respect to the Charged Property as the Trustee may think fit, including messages and instructions for the transfer of all or any Charged Securities to such account or accounts as the Trustee may choose or for the sale of all or any of such Charged Securities through a Relevant System or for the recertification of all or any of such Charged Securities;
- (b) to execute and deliver such documents and give such instructions as may be required to give effect to this Charge, including instructions for the withdrawal of any Charged Property held by any person;
- (c) to sell or otherwise dispose of the Charged Property or any part of it (or, as it may elect and without prejudice to any later exercise of this power, the whole or part of the equitable interest divested of the legal title) for such consideration (which may comprise or include shares or debentures), upon such terms and generally in such manner as the Trustee thinks fit, and also to grant any option to purchase any interest in the Charged Property;
- (d) to transfer or procure the transfer of the whole or any part of the Charged Property into one or more accounts in the name of the Trustee or a person nominated by the Trustee; and/or
- (e) with a view to, or in connection with, the sale of the Charged Property, to enter into any transaction or arrangement which the Trustee may, in its absolute discretion, consider appropriate.

11.5 **Right to appoint an agent:** The Trustee may appoint any person as its agent for the purpose of selling or otherwise disposing of any Charged Property at any time after this security becomes enforceable on such terms as the Trustee thinks fit.

11.6 **Variation of power of sale:** The provisions of the Law of Property Act 1925 relating to the power of sale conferred by that act are varied so that Section 103 shall not apply to this Charge.

11.7 **Consolidation of mortgages:** Section 93 of the Law of Property Act 1925 (restriction on consolidation of mortgages) shall not apply to this Charge.

12. RIGHT OF APPROPRIATION

12.1 **Right of Appropriation:** The Trustee may, while the security constituted by this Charge is enforceable pursuant to Clause 11.2 (*Enforceability*), by notice in writing to the Chargor appropriate with immediate effect all or any Charged Property comprising financial collateral which is subject to a security financial collateral arrangement (within the meaning of the Financial Collateral Regulations) in or towards the discharge of the Secured Sums, whether such Charged Property is held by the Trustee or otherwise.

12.2 **Value:** The value of any financial collateral appropriated under Clause 12.1 (*Right of Appropriation*) shall be:

- (a) in the case of cash, its face value at the time of appropriation; and

- (b) in the case of financial instruments or other financial collateral, their market value at the time of appropriation as determined (after appropriation) by the Trustee by reference to a public index or other applicable generally recognised price source or such other process as the Trustee may reasonably select, including a valuation carried out by an independent firm of accountants or valuers appointed by the Trustee;

as converted, where necessary, into sterling at a market rate of exchange prevailing at the time of appropriation reasonably selected by the Trustee.

- 12.3 **Surplus or Shortfall:** The Trustee will account to the Chargor for any amount by which the value of the appropriated Charged Property exceeds the Secured Sums and the Chargor shall remain liable to the Trustee for any amount by which the value of the appropriated Charged Property is less than the Secured Sums.

- 12.4 **Confirmation:** The Chargor agrees that (i) all Charged Property referred to in Clause 12.1 (*Right of Appropriation*) has been delivered, transferred, held, registered or otherwise designated so as to be in the possession or under the control of the Trustee or a person acting on its behalf; and (ii) the method of valuing such Charged Property under Clause 12.2 (*Value*) is commercially reasonable.

13. APPOINTMENT OF A RECEIVER

- 13.1 **Appointment:** At any time while this security is enforceable or, if so requested by the Chargor at any time, the Trustee may appoint in writing any reasonably qualified person or persons to be a receiver and manager or receivers and managers of all or any part of the Charged Property, as the Trustee may choose in its entire discretion.

- 13.2 **Power to act separately:** Where more than one Receiver is appointed, the appointees shall have power to act separately unless the Trustee shall specify to the contrary.

- 13.3 **Receiver's remuneration:** The Trustee may from time to time determine the remuneration of a Receiver.

- 13.4 **Removal of Receiver:** The Trustee may (subject to section 45 of the Insolvency Act 1986) remove a Receiver from all or any of the Charged Property of which he is the Receiver.

- 13.5 **Further appointments of a Receiver:** Such an appointment of a Receiver shall not preclude:

- (a) the Trustee from making any subsequent appointment of a Receiver over all or any Charged Property over which a Receiver has not previously been appointed or has ceased to act; or
- (b) the appointment of an additional Receiver to act while the first Receiver continues to act.

- 13.6 **Receiver's agency:** The Receiver shall be the agent of the Chargor (which shall be solely liable for his acts, defaults and remuneration) unless and until the Chargor goes into liquidation, after which time he shall act as principal and shall not become the agent of the Trustee.

14. POWERS OF A RECEIVER

The Receiver may exercise all the powers, rights and discretions set out in Schedules 1 and 2 to the Insolvency Act 1986 to the extent applicable to the Charged Property and in particular, by way of addition to and without limiting such powers, the Receiver may, with or without the concurrence of others:

- (a) exercise all voting and other rights attaching to the Charged Property;
- (b) make any arrangement or compromise with the Trustee or others as he shall think fit;
- (c) appoint managers, officers and agents for the above purposes at such remuneration as the Receiver may reasonably determine;
- (d) redeem any prior encumbrance and settle and pass the accounts of the encumbrancer and any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor and the money so paid shall be deemed an expense properly incurred by the Receiver;
- (e) pay the proper administrative charges of the Trustee in respect of time spent by its agents and employees in dealing with matters raised by the Receiver or relating to the receivership of the Chargor; and
- (f) do all such other acts and things as may be reasonably considered by the Receiver to be incidental or conducive to any of the above matters or powers or otherwise incidental or conducive to the preservation, improvement or realisation of the Charged Property.

15. POWER OF ATTORNEY

15.1 **Appointment of attorney:** The Chargor, by way of security, hereby irrevocably appoints the Trustee and any Nominee and/or Receiver to be its attorney (with full power to appoint substitutes and to sub-delegate, including power to authorise the person so appointed to make further appointments, in both cases, with regard to all or any part of the Charged Property) on behalf of the Chargor and in its name or otherwise:

- (a) to execute any document or do any act or thing which the Trustee or such Nominee or Receiver or such substitute or delegate may, in its absolute discretion, consider appropriate in connection with the exercise of any of the powers of the Trustee or which the Chargor is obliged by the Trustee to execute or do under this Charge; and
- (b) to act on behalf of the Chargor with full authority to communicate with the operator of any Relevant System in all matters relating to the Charged Property and, without limitation, to send and receive messages and instructions on behalf of the Chargor with respect to the Charged Property in compliance with the terms of this Charge,

provided that in each case the Trustee or such Nominee or Receiver shall not be entitled to take any action pursuant to this Clause 15.1 which the Chargor is not obliged to take pursuant to Clause 8 (*Further assurance*).

15.2 **Ratification:** The Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this Clause.

- 15.3 **Sums recoverable:** All sums expended by the Trustee or such Nominee or Receiver under this Clause 15 shall be recoverable from the Chargor under Clause 20 (*Costs, expenses and liabilities*).

16. **OTHER POWERS EXERCISABLE BY THE TRUSTEE**

All powers of the Receiver conferred by this Charge may be exercised by the Trustee while this Charge is enforceable pursuant to Clause 11.2 (*Enforceability*). In that event, Clause 14(d) (*Powers of Receiver*) shall be read and construed as if the words "be charged on the Charged Property" were substituted for the words "be deemed an expense properly incurred by the Receiver".

17. **APPLICATION OF MONEY RECEIVED BY THE TRUSTEE OR A RECEIVER**

- 17.1 **Order of priority:** Any money received or realised under the powers conferred by this Charge shall be paid or applied in the order of application set out in Clause 8.3 of the Trust Deed and Rules (which notwithstanding that the Scheme shall have terminated shall continue to remain in force for the purpose of the distribution of the proceeds of the realisation of the Charged Property).

- 17.2 **Suspense account:** The Trustee may, at any time after demand and until the irrevocable and unconditional payment to the Trustee of all Secured Sums, place and keep to the credit of a suspense account any money received or realised by the Trustee by virtue of this Charge. The Trustee shall have no intermediate obligation to apply such money in or towards the discharge of any Secured Sum.

18. **PROTECTION OF THIRD PARTIES**

- 18.1 **No duty to enquire:** No purchaser from, or other person dealing with, the Trustee or any Nominee or Receiver shall be concerned to enquire whether any of the powers which any of them has exercised or purported to exercise has arisen or become exercisable, or whether this Charge has become enforceable, or whether any Nominee or Receiver has been validly appointed, or whether any event or cause has happened to authorise the Trustee or any Nominee or Receiver to act or as to the propriety or validity of the exercise or purported exercise of any such power, and the title of such a purchaser and the position of such a person shall not be impeachable by reference to any of those matters.

- 18.2 **Receipt:** The receipt of the Trustee or Receiver shall be an absolute and a conclusive discharge to a purchaser and shall relieve him of any obligation to see to the application of any money paid to or by the direction of the Trustee or the Receiver.

19. **PROTECTION OF THE TRUSTEE AND ANY NOMINEE OR RECEIVER**

None of the Trustee or any Nominee or Receiver shall be liable for any Liability which arises out of the exercise of, or purported exercise of, or the failure to exercise, any of their respective powers under or by virtue of this Charge, except if and to the extent that such Liability results from its own bad faith, gross negligence or wilful default. Neither the Trustee nor any Nominee or Receiver shall be liable to account as mortgagee in possession for any of the Charged Property.

20. **COSTS, EXPENSES AND LIABILITIES**

- 20.1 **Costs and expenses:** The Chargor will, within thirty days of the Trustee's written demand from time to time, reimburse the Trustee for all costs and expenses (including legal fees), together with VAT thereon, reasonably incurred by it in connection with:

- (a) the negotiation, preparation, execution and administration of this Charge; and
- (b) the completion of the transactions and perfection of this security as contemplated in Clause 8 (*Further assurance*).

20.2 **Enforcement costs:** The Chargor will, within thirty days of the Trustee's written demand, pay to the Trustee the amount of all costs and expenses (including legal, valuation, accountancy and consultancy fees and disbursements and out-of-pocket expenses) and any VAT thereon, incurred by the Trustee in connection with the exercise, enforcement and/or preservation of any of its rights under this Charge (or any documents contemplated by this Charge).

20.3 **Indemnity for Liabilities:** The Chargor shall also, within thirty days of the Trustee's written demand, reimburse or pay to the Trustee, or any Nominee or Receiver on demand the amount of all Liabilities (excluding consequential loss) reasonably incurred by it or them in connection with:

- (a) any default or delay by the Chargor in the performance of any of its obligations under this Charge;
- (b) the exercise, or the attempted or purported exercise, by or on behalf of the Trustee of any of its powers or any other action taken by or on behalf of the Trustee with a view to or in connection with the recovery of the Secured Sums, the enforcement of the security created by this Charge or for any other purpose contemplated in this Charge; and
- (c) any stamp duty, stamp duty reserve tax or similar tax (including penalties) which may be payable as a result of the execution or performance of this Charge (or any action taken pursuant to it).

21. INTEREST ON OVERDUE AMOUNTS

21.1 The Chargor shall pay interest to the Trustee at a rate which is one per cent. over the Base Rate of Barclays Bank plc on all amounts payable under this Charge from the date of demand until, but excluding, the date of payment (after as well as before judgment). Interest shall accrue on a day-to-day basis, be calculated by the bank on the basis of a 365-day year and be compounded quarterly.

22. IDENTITY OF TRUSTEE

22.1 If there is a change of trustee under the Scheme:

- (a) the benefit of this Charge and all of the Trustee's rights under it shall immediately be transferred by the person or persons comprising the Trustee before the change (the "**outgoing Trustee**") to the person or persons comprising the Trustee after it (the "**new Trustee**") and the outgoing Trustee and the Chargor shall (and shall procure that their nominees will) promptly execute and do any documents or things reasonably required by the new Trustee to effect and facilitate the transfer; and
- (b) this security shall remain in full force and effect notwithstanding the change and the new Trustee shall be entitled to enforce the rights of the Trustee under it as if they had been named as such in this Charge.

23. RELEASE OF SECURITY

23.1 Substitution: The Trustee shall release Charged Securities from the security constituted by this Charge in accordance with the terms of the Security Coverage Letter.

23.2 Redemption: Subject to Clause 23.3 (*Avoidance of Payments*), promptly following receipt by the Trustee of evidence of payment in full of all Secured Sums, the Trustee shall immediately release and re-assign from the security granted hereunder and return all Charged Property to the Chargor (or such nominee as the Chargor shall request in writing), and shall take all action and execute such documents in order to effect and record such release and re-assignment.

23.3 Avoidance of Payments: Any release or other action of the Trustee pursuant to Clause 23.1 (*Substitution*) shall be conditional upon payment of the Secured Sums not being avoided, repayable or otherwise affected by or as a consequence of the liquidation or insolvency of the Chargor and if such payment is so affected this Charge shall be deemed (notwithstanding any release or re-assignment) as between the Chargor and the Trustee to continue in full force and effect as security for the Secured Sums.

24. THIRD PARTY RIGHTS

24.1 Directly enforceable rights: Pursuant to the Contracts (Rights of Third Parties) Act 1999:

- (a) the provisions of Clause 13 (*Appointment of a Receiver*) and Clause 14 (*Powers of a Receiver*) shall be directly enforceable by any Receiver;
- (b) the provisions of Clause 18 (*Protection of third parties*) shall be directly enforceable by any purchaser; and
- (c) Clause 15 (*Power of attorney*) and Clause 19 (*Protection of the Trustee and any Nominee or Receiver*) shall be directly enforceable by any Nominee or Receiver.

24.2 Exclusion of Contracts (Rights of Third Parties) Act 1999: Save as otherwise expressly provided in Clause 24.1 (*Directly enforceable rights*), no person other than a party to this Charge shall have any right by virtue of the Contracts (Rights of Third Parties) Act 1999 or otherwise to enforce any term (express or implied) of this Charge.

24.3 Rights of the Parties to vary: The Parties may by agreement vary any term of this Charge (including this Clause 24 (*Third Party Rights*)) without the necessity of obtaining any consent from any other person.

25. FORBEARANCE, SEVERABILITY, VARIATIONS AND CONSENTS

25.1 Delay etc.: All rights, powers and privileges under this Charge shall continue in full force and effect, regardless of the Trustee or any Nominee or Receiver exercising, delaying in exercising or omitting to exercise, any of them.

25.2 Severability: No provision of this Charge shall be avoided or invalidated by reason only of one or more other provisions being invalid or unenforceable.

25.3 Illegality, invalidity, unenforceability: Any provision of this Charge which is or becomes illegal, invalid or unenforceable shall be ineffective only to the extent of such illegality, invalidity and unenforceability, without invalidating the remaining provisions of this Charge.

25.4 **Variations:** No variation of this Charge shall be valid and constitute part of this Charge, unless such variation shall have been made in writing and signed by each Party.

25.5 **Consents:** Save as otherwise expressly specified in this Charge, any consent of the Trustee may be given absolutely or on any terms and subject to any conditions as the Trustee may determine in its entire discretion.

26. **COUNTERPARTS**

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

27. **NOTICES**

27.1 **Communications in writing:** Any communication to be made under or in connection with this Charge shall be made in writing and, unless otherwise stated, may be made by electronic mail or letter.

27.2 **Addresses:** The address (and the department or officer, if any, for whose attention the communication is to be made) and electronic mail addresses of each Party for any communication or document to be made or delivered under or in connection with this Charge is that identified with its name at the end of this Charge, or any substitute address, department or officer or electronic mail address as the Chargor may notify to the Trustee (or the Trustee may notify to the Chargor if a change is made by the Trustee) by not less than five Business Days' notice.

27.3 **Delivery:**

(a) Proof of posting or despatch of any notice, communication or demand on any person shall be deemed proof of receipt:

(i) in the case of a letter which is sent by first-class prepaid post and which is posted before the last collection on any day, at 10.00 a.m. on the second Business Day following posting upon which a delivery of letters is made; and

(ii) in the case of electronic mail, only when actually received in readable form and if after 5:00pm it shall be deemed only to become effective on the following day;

and, if a particular department or officer is specified as part of its address details provided under Clause 27.2 (*Addresses*), if addressed to that department or officer.

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

28. **GOVERNING LAW AND JURISDICTION**

28.1 **Governing law:** This Charge and all non-contractual obligations arising in any way whatsoever out of or in connection with this Charge shall be governed by, construed and take effect in accordance with English law.

28.2 Jurisdiction:

- (a) The courts of England shall have exclusive jurisdiction to settle any claim, dispute or matter of difference which may arise in any way whatsoever out of or in connection with this Charge (including a dispute regarding the existence, validity or termination of this Charge or any claim for set-off or the legal relationships established by this Charge) (a "**Dispute**"), only where such Dispute is the subject of proceedings commenced by the Chargor.
- (b) Where a Dispute is the subject of proceedings commenced by the Trustee, the Trustee is entitled to bring such proceedings in any court or courts of competent jurisdiction (including but not limited to the English courts). If the Chargor raises a counter-claim in the context of proceedings commenced by the Trustee, the Chargor shall bring such counter-claim before the court seized of the Trustee's claim and no other court.
- (c) The commencement of legal proceedings in one or more jurisdictions shall not, to the extent allowed by law, preclude the Trustee from commencing legal actions or proceedings in any other jurisdiction, whether concurrently or not.
- (d) To the extent allowed by law, the Chargor irrevocably waives any objection it may now or hereafter have on any grounds to the laying of venue of any legal proceeding, and any claim it may now or in the future have that any such legal proceeding has been brought in an inappropriate or inconvenient forum.

THIS CHARGE has been executed by the Chargor as a deed and signed by the Trustee and it shall take effect on the date stated at the beginning of this document.

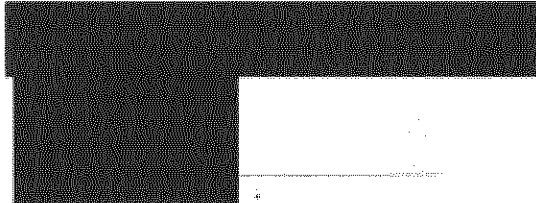
EXECUTION PAGE OF DEED OF CHARGE AND ASSIGNMENT

THE CHARGOR

Executed as a deed by **Cable &**)
Wireless Limited acting by:)

Director

Director/Secretary



Notice details for the Chargor

Address: Liberty Global Europe Ltd, Griffin House, 161 Hammersmith Road, London
W6 8BS
Email: ijohnston@libertyglobal.com
Attention: Ian Johnston

THE TRUSTEE

Executed as a deed by **The Law**)
Debenture Pension Trust)
Corporation P.L.C. acting by:

Director

Director/Secretary

Notice details for the Trustee

Address: Fifth Floor, 100 Wood Street, London EC2V 7EX
Email: charles.morgan@lawdeb.co.uk / cosec@lawdeb.co.uk
Attention: Charles Morgan and the Company Secretary

EXECUTION PAGE OF DEED OF CHARGE AND ASSIGNMENT

THE CHARGOR

Executed as a deed by **Cable &**)
Wireless Limited acting by:)

Director

Director/Secretary

Notice details for the Chargor

Address Liberty Global Europe Ltd, Griffin House, 161 Hammersmith Road, London
W6 8BS
Email: ijohnston@libertyglobal.com
Attention: Ian Johnston

THE TRUSTEE

Executed as a deed by **The Law**)
Debenture Pension Trust)
Corporation P.L.C. acting by:

Director

Director/Secretary

Notice details for the Trustee

Address: Fifth Floor, 100 Wood Street, London EC2V 7EX
Email: charles.morgan@lawdeb.co.uk / cosec@lawdeb.co.uk
Attention: Charles Morgan and the Company Secretary