



Registration of a Charge

Company name: **WATERSTONES BOOKSELLERS LIMITED**

Company number: **00610095**



X6K6DQS8

Received for Electronic Filing: **28/11/2017**

Details of Charge

Date of creation: **17/11/2017**

Charge code: **0061 0095 0028**

Persons entitled: **RCB BANK LTD**

Brief description: **THE COMPANY CHARGED BY WAY OF FIXED CHARGE ALL ITS INTELLECTUAL PROPERTY INCLUDING REGISTRATION NUMBERS 009081456, 009102781 AND THE OTHER ITEMS LISTED IN SCHEDULE 2 OF THE CHARGE, OTHER THAN THE EXCLUDED INTELLECTUAL PROPERTY. SEE CLAUSE 4.2 OF THE CHARGE FOR FURTHER DETAILS AND CLAUSE 1.1 OF THE CHARGE FOR DEFINED TERMS**

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:

CMS CAMERON MCKENNA NABARRO OLSWANG LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 610095

Charge code: 0061 0095 0028

The Registrar of Companies for England and Wales hereby certifies that a charge dated 17th November 2017 and created by WATERSTONES BOOKSELLERS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 28th November 2017 .

Given at Companies House, Cardiff on 30th November 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**

Date: *17 NOVEMBER* 2017

Lynwood Investments CY Limited
as Overseas Chargor

Waterstones Holdings Limited
as WHL

Waterstones Booksellers Limited
as WBL

RCB Bank Ltd
as Security Agent

Security Agreement

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THIS SECURITY AGREEMENT is made on the 17 day of NOVEMBER 2017

BETWEEN:

- (1) **LYNWOOD INVESTMENTS CY LIMITED**, a company limited by shares, organised and existing under the laws of the Republic of Cyprus, with registration number 159138, having its registered office address at: 1 Siafi Street, PORTO BELLO, 3rd floor, Flat/Office 302, 3042, Limassol, Cyprus (the "**Overseas Chargor**");
- (2) **WATERSTONES HOLDINGS LIMITED**, a limited company, organised and existing under the laws of England and Wales, with registration number 07673642, having its registered office address at: 203-206 Piccadilly, London, W1J 9HD ("**WHL**");
- (3) **WATERSTONES BOOKSELLERS LIMITED**, a limited company, organised and existing under the laws of England and Wales, with registration number 00610095, having its registered office address at: 203-206 Piccadilly, London, W1J 9HD ("**WBL**"); and
- (4) **RCB BANK LTD**, a bank organised under the laws of Cyprus with its registered address at 2 Amathountos Street, P.C. 3105, Limassol, Cyprus, as security agent for itself and each of the Finance Parties (the "**Security Agent**").

IT IS AGREED as follows:

1. Definitions and interpretation

1.1 Definitions

In this Deed:

"**Account**" means any account opened by WHL with any bank, building society, financial institution or other person, but excluding the Credit Suisse Accounts;

"**Act**" means the Law of Property Act 1925;

"**Administration Event**" means in respect of any Chargor:

- (a) the presentation of an application to the court for the making of an administration order in relation to the Chargor; or
- (b) the giving of notice by any person (who is entitled to do so) of its intention to appoint an administrator to the Chargor or files such a notice with the court;

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;

"**Bail-In Action**" means the exercise of any Write-down and Conversion Powers;

"**Bail-In Legislation**" means:

- (a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time; and
- (b) in relation to any other state, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation;

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

"Chargor" means each of WBL, WHL and the Overseas Chargor;

"Credit Suisse Accounts" means any account opened by WHL with Credit Suisse AG;

"Dividends" means all dividends, interest, coupons and other distributions paid or payable in respect of any Group Share;

"Excluded Intellectual Property" means all Intellectual Property that is not capable of enforcement or registration in the European Union (as constituted at the date of execution of this Deed) and including any such rights to any Intellectual Property to the extent that they are registered or capable of registration outside the European Union (as so constituted);

"Excluded Shares" means:

- (i) any shares issued from time to time by WHL that are held by any Director or former director of WHL together with (if applicable) such other shares in WHL that are held by the Overseas Chargor as together amount to five per cent. of the issued share capital of WHL from time to time;
- (ii) 5,249 ordinary shares of 1,000 Belgian francs each in Waterstone's Booksellers Belgium SA held by WHL and 1 ordinary share of 1,000 Belgian francs each in Waterstones Booksellers Belgium SA held by WBL;
- (iii) 701 ordinary shares (originally of 1,000 Dutch guilders each) in Waterstone's Booksellers Amsterdam BV held by WHL; and
- (iv) 2,001 ordinary shares of 1 euro each in Waterstone's Booksellers Ireland Limited held by WHL;

"EU Bail-In Legislation Schedule" means the document described as such and published by the Loan Market Association (or any successor person) from time to time;

"Facilities Agreement" means the GBP [REDACTED] term and revolving facilities agreement originally dated 1 November 2013, as amended on 30 October 2014 and on 16 June 2015, and as amended and restated on 30 October 2015, as extended on 8 February 2016, as amended on 31 October 2016 and on 23 February 2017 and as further amended and restated on or about the date of this Deed between Lynwood Investments CY Limited as Borrower, Waterstones Holdings Limited and Waterstones Booksellers Limited as Guarantors and the Finance Parties;

"Group Shares" means, in relation to a Chargor, the shares in any member of the Group from time to time owned legally or beneficially by the Chargor or held by the Security Agent or any nominee on its behalf (including, without limitation, the shares identified as being held by that Chargor in Schedule 1 (*Group Shares*)) but excluding the Excluded Shares;

"Intellectual Property" means any patents, trade-marks, service marks, designs, business names, domain names, copyright works, rights in logos and slogans, design rights, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests, whether registered or unregistered, the benefit of all applications and rights to use such assets and all Related Rights, including the intellectual property referred to in Schedule 2 (*Intellectual Property*);

"Insurance Policy" means, in relation to WHL, any contract or policy of insurance of any kind (other than in relation to third party liabilities or similar claims) in which WHL has an interest from time to time and all rights related to any such policy;

"Lease" includes any lease, agreement for lease or tenancy and (where the context admits) any licence or other right of occupation;

"Material Contract" means:

- (a) in the case of the Overseas Chargor each and every sum paid or payable from time to time by:
 - (i) WHL to the Overseas Chargor pursuant to the intercompany loan agreement entered into by the Overseas Chargor as lender and WHL as borrower and originally dated 23 June 2011 (as it may have been, or may from time to time be, restated, amended, varied, supplemented, extended, novated or assigned with the consent of the Security Agent);
 - (ii) WBL to the Overseas Chargor pursuant to each of the following agreements (in each case as they may have been, or may from time to time be, restated, amended, varied, supplemented, extended, novated or assigned with the consent of the Security Agent):
 - (A) a facility agreement originally dated 31 January 2012, between Waterstones Booksellers Amsterdam BV as lender and WBL as borrower as novated by Waterstones Booksellers Amsterdam BV as transferor to the Overseas Chargor as transferee pursuant to a deed of novation dated 19 April 2012;
 - (B) a facility agreement originally dated 31 January 2012, between Waterstones Booksellers Belgium SA as lender and WBL as borrower as novated by Waterstones Booksellers Belgium SA as transferor to the Overseas Chargor as transferee pursuant to a deed of novation dated 19 April 2012; and
 - (C) a facility agreement originally dated 31 January 2012 between Waterstones Booksellers Ireland Limited as lender and WBL as borrower as novated by Waterstones Booksellers Ireland Limited as transferor to the Overseas Chargor as transferee pursuant to a deed of novation dated 19 April 2012;
 - (iii) Lynwood Schweiz AG to the Overseas Chargor pursuant to a loan agreement dated 19 October 2010 between the Overseas Chargor as lender and Lynwood Schweiz AG as borrower (as it may have been, or may from time to time be, restated, amended, varied, supplemented, extended, novated or assigned with the consent of the Security Agent);
- (b) in the case of WHL each and every sum paid or payable from time to time by WBL to WHL pursuant to the loan agreement entered into by WHL as lender and WBL as borrower and originally dated 31 January 2012 (as it may have been, or may from time to time be, restated, amended, varied, supplemented, extended, novated or assigned with the consent of the Security Agent); and
- (c) any present and future claims and inter-company debt from time to time of a Chargor (as creditor) against any Chargor or any member of the Group which may arise now or

in the future from any relationship between the Chargors and any other member of the Group (including, for the avoidance of doubt, any inter-company debt arising pursuant to a structural inter-company loan agreement or an inter-company loan note instrument).

"Original Security Documents" has the meaning ascribed to that term in the Facilities Agreement;

"Real Property" means freehold, leasehold or other immoveable property and any buildings, erections, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of such property and easements or other rights servicing that property;

"Receivables" means, in relation to WHL, all present and future book and other debts and rights to money and income liquidated and unliquidated due or owing to WHL including the benefit of all negotiable instruments, securities, guarantees and indemnities for such debts and rights but excluding cash at bank;

"Receiver" means any one or more persons appointed by the Security Agent as a receiver, receiver and manager or (if allowed by law) administrative receiver under this Deed;

"Regulations" means the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) (as amended) or (where the context admits) equivalent legislation in any applicable jurisdiction bringing into effect Directive 2002/47/EC on financial collateral arrangements;

"Resolution Authority" means any body which has authority to exercise any Write-down and Conversion Powers;

"Secured Obligations" means all obligations at any time due, owing or incurred by any Obligor to any Secured Party under the Finance Documents, whether present or future, actual or contingent (and whether incurred solely or jointly and whether as principal or surety or in some other capacity) notwithstanding any limitations set out in clause 17 (*Guarantee and Indemnity*) of the Facilities Agreement;

"Security Assets" means all assets and undertaking of each Chargor from time to time the subject of any Security created or, where the context admits, to be created by this Deed;

"Security Period" has the meaning ascribed to that term in the Facilities Agreement; and

"Write-down and Conversion Powers" means:

- (a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule; and
- (b) in relation to any other applicable Bail-In Legislation:
 - (i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and

- (ii) any similar or analogous powers under that Bail-In Legislation.

1.2 Construction

- (a) In this Deed, unless a contrary indication appears, any reference to:
 - (i) "**assets**" includes present and future properties, revenues and rights of every description and includes the proceeds of sale of any such asset;
 - (ii) a party to this Deed shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
 - (iii) a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
 - (iv) a provision of law includes that provision as amended, re-enacted or replaced from time to time and includes any subordinate legislation;
 - (v) "**Real Property**", the "**Security Assets**", and any other asset or assets or the "**Secured Obligations**" includes a reference to any part of them or it;
 - (vi) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (vii) "**this Security**" means any Security created or constituted by this Deed; and
 - (viii) words in the singular include the plural and vice versa and words in one gender include any other gender.
- (b) Any reference in this Deed to any Finance Document or any other agreement or document is a reference to that Finance Document or other agreement or document as it may have been, or may from time to time be, restated, amended, varied, supplemented, extended, novated or assigned, whether or not as a result of any of the same:
 - (i) there is an increase or decrease in any facility made available under that Finance Document or other agreement or document or an increase or decrease in the period for which any facility is available or in which it is repayable;
 - (ii) any additional, further or substituted facility to or for such facility is provided;
 - (iii) any rate of interest, commission or fees or relevant purpose is changed;
 - (iv) the identity of the parties is changed;
 - (v) the identity of the providers of any security is changed;
 - (vi) there is an increased or additional liability on the part of any person; or
 - (vii) a new agreement is effectively created or deemed to be created.
- (c) Headings in this Deed are for ease of reference only.

- (d) Any covenant or undertaking by any Chargor under this Deed is given to or made in favour of the Security Agent and remains in force during the Security Period.
- (e) An Event of Default is "**continuing**" if it has not been waived in accordance with clause 36 (*Amendments and Waivers*) of the Facilities Agreement.
- (f) It is intended that this document take effect as and be a deed of the Chargors notwithstanding the fact that the Security Agent may not execute this document as a deed.
- (g) The terms of the other Finance Documents and of any side letter between the parties to this Deed are incorporated in this Deed to the extent required to ensure that any purported disposition of or purported agreement to dispose of any Real Property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (h) This Deed is a Finance Document.
- (i) Unless expressly defined in this Deed or a contrary indication appears, words and expressions defined in the Facilities Agreement have the same meanings when used in this Deed.
- (j) The fact that the details of any assets in the Schedules are incorrect or incomplete shall not affect the validity or enforceability of this Deed in respect of the assets of the relevant Chargor.

1.3 **Trustee Act 1925 and Trustee Act 2000**

- (a) Section 1(1) of the Trustee Act 2000 shall not apply to any function of the Security Agent. Where there is any inconsistency between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this Deed, the provisions of this Deed shall, to the extent allowed by law, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Deed shall constitute a restriction or exclusion for the purposes of the Trustee Act 2000.
- (b) For the avoidance of doubt:
 - (i) the Security Agent may retain or invest in securities payable to bearer without appointing a person to act as a custodian; and
 - (ii) sections 22 and 23 of the Trustee Act 2000 shall not apply to this Deed.

1.4 **Third party rights**

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

2. **Undertaking to pay**

2.1 **Undertaking to pay**

Each Chargor, as primary obligor and not merely as surety, undertakes with the Security Agent to pay, discharge and satisfy the Secured Obligations in accordance with their respective terms and to indemnify the Finance Parties against any losses, costs, charges, expenses and liabilities

arising from any breach or failure to pay, discharge and satisfy the Secured Obligations in accordance with their respective terms if and to the extent that it is required to indemnify any such item under the terms of any relevant Finance Document (which indemnified sums shall (if so payable) be treated as Secured Obligations for the purposes of this Deed).

2.2 Amount secured

Each Chargor acknowledges to the Security Agent that the amount secured by this Deed and in respect of which this Security is enforceable is the full amount of the Secured Obligations.

2.3 Interest

If any Chargor fails to pay any of the Secured Obligations on the due date for payment of that sum, that Chargor shall on demand pay to the Security Agent interest on all such sums from the due date until the date of payment (both before and after judgment) calculated and payable in accordance with the rate and in the manner specified in the Facilities Agreement provided that such interest will not be payable if and to the extent that interest is accruing under a Finance Document and is already included in the Secured Obligations.

3. Provisions relating to Security

3.1 Nature of Security created

- (a) All the Security created under this Deed is created:
 - (i) with full title guarantee as a continuing security for the payment, discharge and performance of the Secured Obligations;
 - (ii) in favour of the Security Agent; and
 - (iii) (except in the case of assets which are the subject of a legal mortgage under this Deed) over all present and future assets of the kind described which are owned by each Chargor and, to the extent it does not own those assets, shall extend to any right, title or interest which it may have in them.
- (b) The Security Agent holds the benefit of this Deed on trust for the Finance Parties.

3.2 Consents

- (a) If a Chargor purports to mortgage, assign or charge (absolutely or by way of fixed mortgage or charge) an asset under this Deed and such mortgage, assignment or charge breaches a term of an agreement or licence binding on that Chargor in respect of that asset because the consent of a person (other than a member of the Group or a Holding Company of a member of the Group) has not been obtained:
 - (i) that Chargor shall notify the Security Agent immediately;
 - (ii) subject to paragraph (iv) below, the relevant mortgage, assignment or fixed charge under this Deed will extend (to the extent no breach of the relevant agreement would occur) to all amounts which that Chargor may receive and other rights in respect of that asset but will exclude the asset itself;
 - (iii) unless the Security Agent otherwise requires, that Chargor shall use all reasonable endeavours to obtain the consent of the relevant person and, once obtained, shall promptly provide a copy of that consent to the Security Agent; and

- (iv) immediately upon the relevant consent being obtained, the relevant asset shall become subject to this Security in favour of the Security Agent under Clause 4 (*Fixed Security*).
- (b) If WHL purports to charge any Lease pursuant to Clause 5 (*Floating Security*) and such charge breaches a term of any lease, licence or other agreement binding on WHL in respect of that Lease because the consent of a person (other than a member of the Group or a Holding Company of a member of the Group) has not been obtained:
 - (i) WHL shall notify the Security Agent immediately;
 - (ii) subject to paragraph (iv) below, the relevant floating charge under this Deed will extend (to the extent no breach of the relevant Lease would occur) to all amounts which WHL may receive and other rights in respect of that Lease but will exclude the Lease itself;
 - (iii) unless the Security Agent otherwise requires, WHL shall use all reasonable endeavours to obtain the consent of the relevant person and, once obtained, shall promptly provide a copy of that consent to the Security Agent; and
 - (iv) immediately upon the relevant consent being obtained, the relevant asset shall become subject to this Security in favour of the Security Agent under Clause 5 (*Floating Security*).

4. Fixed Security

4.1 Group Shares

Each Chargor charges by way of fixed charge all its rights, title or interest in the Group Shares and all Dividends in respect of the Group Shares.

4.2 Intellectual Property

Each of WBL and WHL charges by way of fixed charge all its rights, title or interest in Intellectual Property, other than the Excluded Intellectual Property.

4.3 Goodwill

WHL charges by way of fixed charge its goodwill.

4.4 Uncalled capital

WHL charges by way of fixed charge all its uncalled capital.

4.5 Authorisations

WHL charges by way of fixed charge all its rights, title or interest in Authorisations held in relation to any other Security Asset.

4.6 Insurances

WHL assigns absolutely, by way of security, subject to the provisions of Clause 27 (*Release and recourse*), all its rights, title or interest in the Insurance Policies and the proceeds of such policies.

4.7 Material Contracts

Each Chargor assigns absolutely by way of security for the payment and discharge of the Secured Obligations, and subject to the provisions of Clause 27 (*Release and recourse*), all its rights, title or interest in:

- (a) its Material Contracts; and
- (b) the benefit of any guarantee or security for the performance of any of such Material Contracts.

5. Floating Security

5.1 Floating charge

WHL charges by way of floating charge the whole of its present and future business, undertaking and assets other than the Accounts and the Credit Suisse Accounts, to the extent that such undertakings and assets are not effectively mortgaged, charged or assigned to the Security Agent by way of fixed security under Clause 4 (*Fixed Security*).

5.2 Conversion

Subject to Clause 5.3 (*Moratorium under Insolvency Act*), the Security Agent may at any time by written notice to WHL convert the floating charge created by WHL by Clause 5.1 (*Floating charge*) into a fixed charge as regards any assets specified in the notice if:

- (a) an Event of Default has occurred and is continuing;
- (b) the Security Agent considers such assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy or to be at risk of becoming subject to any Security (other than this Security); or
- (c) the Security Agent considers it is necessary in order to protect the value of the Security Asset or the priority of this Security.

5.3 Moratorium under Insolvency Act

The Security Agent shall not be entitled to convert the floating charge created by Clause 5.1 (*Floating charge*) into a fixed charge as a result only of WHL obtaining a moratorium or anything done with a view to obtaining a moratorium under section 1A of and Schedule A1 to the Insolvency Act 1986.

5.4 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by Clause 5.1 (*Floating charge*), which is a "qualifying floating charge" for the purpose of paragraph 14(1) of Schedule B1 to the Insolvency Act 1986.

5.5 Automatic conversion

The floating charge created by Clause 5.1 (*Floating charge*) will convert automatically into a fixed charge over all of WHL's assets, rights and property not already subject to an effective fixed charge:

- (a) if the Security Agent receives notice of an intention to appoint an administrator of any Chargor;
- (b) if any step is taken to appoint a liquidator, provisional liquidator, administrator or Receiver in respect of any Chargor or over all or any of its assets, or if such person is appointed;
- (c) any Chargor takes any step to create Security over any Security Asset in breach of Clause 6 (*Restrictions on dealing*);

- (d) on the crystallisation of any other floating charge over the Security Assets;
- (e) if any person takes any step to seize, attach, charge, take possession of or sell any Security Asset under any form of distress, sequestration, execution or other process; or
- (f) in any other circumstances prescribed by law.

5.6 Reconversion to floating charge

Any floating charge which has crystallised under Clause 5.2 (*Conversion*) or Clause 5.5 (*Automatic conversion*) may by notice in writing given at any time by the Security Agent to WHL be reconverted into a floating charge under Clause 5.1 (*Floating charge*) in relation to the assets, rights and property specified in such notice.

6. Restrictions on dealing

No Chargor shall:

- (a) create or permit to subsist any Security over any of the Security Assets; or
 - (b) sell, transfer, licence, lease or otherwise dispose of any of the Security Assets,
- except as expressly permitted to do so under the Facilities Agreement.

7. Representations

Each Chargor makes the representations and warranties set out in this Clause to the Security Agent.

7.1 Nature of Security

Subject to general principles of law limiting its obligations, this Deed creates the Security it purports to create in respect of each Chargor and such Security is valid and effective.

7.2 Security Assets

- (a) It is the sole legal and beneficial owner of, and absolutely entitled to, the assets it purports to mortgage, charge or assign under this Deed (save, where relevant, in respect of the legal ownership of any of the Group Shares registered in the name of its nominee or custodian or in the name of the Security Agent (or its nominee) pursuant to this Deed).
- (b) Such assets are free from any Security (except as created by the Original Security Documents or by this Deed in favour of the Lender or as permitted by the Finance Documents) and it has not granted any option or other right in favour of a third party or otherwise encumbered any such assets.

7.3 Group Shares

- (a) Its Group Shares are duly authorised, validly issued, freely transferable and fully paid.
- (b) The terms and conditions of its Group Shares do not restrict or otherwise limit its right to transfer or charge them other than any restriction permitted under the Finance Documents.
- (c) It has not nominated any person to enjoy or exercise any rights relating to the Group Shares pursuant to Part 9 of the Companies Act 2006 or otherwise.
- (d) The Group Shares described in Schedule 1 (*Group Shares*), constitute all of the Group Shares and no person has or is entitled to any conditional or unconditional option,

warrant or other right to subscribe for, purchase or otherwise acquire any issued or unissued shares, or any interest in shares, in the capital of any of its Subsidiaries other than the Excluded Investments.

7.4 Intellectual Property

- (a) To the best of each Chargor's knowledge, the Intellectual Property owned by it which is material to its business is identified in Schedule 2 (*Intellectual Property*).
- (b) It is not aware of any infringement or threatened infringement of its Intellectual Property that could reasonably be expected to have a Material Adverse Effect.

7.5 Material Contracts

- (a) Each Material Contract to which it is a party has been duly executed and delivered by the parties to it, is in full force and effect and enforceable in accordance with its terms.
- (b) There is either no prohibition on assignment in any Material Contract to which it is a party and the entry into and performance by it of this Deed does not conflict with any term of any such Material Contract, or any such assignment and entry has been approved in writing in advance by the Security Agent.

7.6 Accounts

The floating charge created by Clause 5.1 (*Floating Charge*) relates to substantially the whole of WHL's property as at the date of this Deed.

7.7 Repetition

The representations and warranties in this Clause (except for the representation and warranty given in clause 7.6) are deemed to be made by each Chargor on the date of this Deed and to be repeated by each Chargor by reference to the facts and circumstances then existing on each day during the Security Period.

8. General undertakings

8.1 Covenant to perform

Each Chargor shall at all times observe and perform the obligations, terms and conditions on its part of the Finance Documents.

8.2 Carry on business

Each Chargor shall carry on its business in a proper manner and not make any material alteration in the nature of its business.

8.3 Laws

Each Chargor shall observe and perform all laws, covenants and stipulations from time to time affecting any of its Security Asset or otherwise relating to its business.

8.4 Not to jeopardise this Security

No Chargor shall do or cause or permit to be done anything which may depreciate, jeopardise or otherwise prejudice the Security Assets or their value to the Security Agent.

8.5 Information

Each Chargor shall promptly provide the Security Agent or any Receiver with all such documents and information about its Security Assets and about that Chargor's business and

affairs (including its books, accounts and records) as the Security Agent may from time to time reasonably require.

8.6 Events of Default

Each Chargor shall upon becoming aware of the same promptly notify the Security Agent of the occurrence of any Event of Default and at the same time inform the Security Agent of any action taken or proposed to be taken by it in connection with it.

8.7 Accuracy of information

Each Chargor shall ensure that all information supplied to the Security Agent by it is at the time of supply complete and accurate in all material respects.

9. Real Property

9.1 Acquisitions of Real Property

WHL shall notify the Security Agent immediately upon the acquisition by or on behalf of that Chargor of any Real Property and the title number of such Real Property.

9.2 Compliance with leases

WHL shall:

- (a) observe and perform all the terms on its part contained in any Lease comprised within its Real Property and enforce the due observance and performance of all obligations of all other parties to such Lease;
- (b) not do or knowingly permit to be done any act as a result of which any such Lease may become liable to forfeiture or otherwise be determined;
- (c) not accelerate or defer payment of any moneys due or waive or vary any obligation under the terms of any Lease or other property agreement comprised within its Real Property; and
- (d) comply with any rent review procedures in Leases comprised within its Real Property.

9.3 Compliance with covenants

WHL shall duly and punctually perform and observe and indemnify and/or secure the Security Agent for any breach of any covenants and stipulations (restrictive or otherwise) affecting its Real Property or its use and enjoyment.

9.4 Compliance with applicable laws and regulations

WHL shall perform all of its obligations under any law or regulation affecting its Real Property including, but not limited to, any planning permission in any way related to or affecting its Real Property or its use and enjoyment.

9.5 Notices

WHL shall, promptly after the receipt by that Chargor of any material communication including, but not limited to, any application, requirement, order or notice served or given by any public or local or any other authority with respect to its Real Property, deliver a copy of the same to the Security Agent and inform the Security Agent of the steps taken or proposed to be taken to comply with the relevant communication.

10. Receivables

10.1 Restriction on dealing

Save as expressly permitted by the Facilities Agreement, WHL shall not charge, factor, discount, assign or otherwise deal with any of the Receivables save as permitted by Clause 10.2 (*Collection and payment*) and shall not subordinate, release or waive its rights in respect of any of the Receivables.

10.2 Collection and payment

WHL shall collect and realise all of its Receivables in a prudent manner and, immediately on receipt, pay the proceeds of such payment or realisation or procure that such proceeds are paid into an Account or a Credit Suisse Account, and pending that payment will hold all monies so received upon trust for the Security Agent.

10.3 Exercise of rights on Event of Default

On and after the occurrence of an Event of Default WHL shall give notice of this Security to the debtors in respect of any Receivable in such form as the Security Agent may require.

11. Group Shares

11.1 Documents of title relating to Group Shares

- (a) Each Chargor shall, in respect of its Group Shares and upon execution of this Deed or, if later, upon receipt, deposit with the Security Agent (save to the extent that the Security Agent confirms that such deeds, certificates and/or other documents are already in its possession and control):
 - (i) all deeds, certificates and other documents evidencing title; and
 - (ii) all stock transfer forms (duly executed in blank by it or on its behalf in blank and left undated) or their equivalent in any other jurisdiction.
- (b) The Security Agent is entitled to hold and retain all such certificates and documents until the expiry of the Security Period or, if earlier, until the Security Asset to which such certificates or documents of title relate is released from this Security in accordance with Clause 27 (*Release and Recourse*).

11.2 Voting powers

- (a) Prior to the occurrence of a Voting Event:
 - (i) each Chargor may continue to exercise the voting rights, powers and other rights in respect of its Group Shares (subject to paragraph 11.2(b) below); and
 - (ii) if the Group Shares of a Chargor have been registered in the name of the Security Agent (or its nominee), the Security Agent (or its nominee) shall exercise the voting rights, powers and other rights in respect of such Group Shares in such manner as that Chargor may direct in writing from time to time.
- (b) No Chargor shall exercise any of its voting rights, powers and other rights in respect of its Group Shares (or direct the Security Agent (or its nominee) to exercise such voting rights, powers and other rights) in any manner which varies the rights attaching to or conferred by the Group Shares in any way which could reasonably be expected

to adversely effect the interests of the Finance Parties or which could reasonably be expected to prejudice the value of or the ability of the Security Agent to realise this Security in respect of such Group Shares.

- (c) Before the occurrence of a Voting Event, voting power (for the purposes of section 435(10) of the Insolvency Act 1986) in respect of its Group Shares shall remain with the Chargor and shall not pass to the Security Agent.
- (d) In this Clause 11.2 "**Voting Event**" in relation to particular Group Shares means service of a notice by the Security Agent (either specifying those Group Shares or generally in relation to all or a designated class of Group Shares) on the relevant Chargor on or following an Event of Default specifying that control over voting rights are to pass to the Security Agent.

11.3 **Other undertakings**

- (a) Prior to the occurrence of an Event of Default and unless such Event of Default is continuing, each Chargor shall be entitled to receive and retain all Dividends paid or payable in relation to its Group Shares.
- (b) On and after the occurrence of an Event of Default and for so long as it is continuing, all Dividends in respect of any of its Group Shares will be payable to the Security Agent and may be applied by the Security Agent in reduction of the Secured Obligations whether or not any such Group Shares are registered in the name of the Security Agent or its nominee or in the name of any Chargor or its nominee.
- (c) No Chargor shall nominate any person, other than the Security Agent (or its nominee), to enjoy or exercise any right relating to any of the Group Shares whether pursuant to Part 9 of the Companies Act 2006 or otherwise.
- (d) At any time when any Group Shares of a Chargor have been registered in the name of the Security Agent (or its nominee), the Security Agent (or its nominee) will not be under any duty to ensure that any Dividends or other monies payable in respect of such Group Shares are duly and promptly paid or received by it (or its nominee), or to verify that the correct amounts are paid or received by it (or its nominee), or to take any action in connection with the taking up of any (or any offer of any) stocks, shares, rights, monies or other property paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus, rights, preference, option, warrant or otherwise on or in respect of such Group Shares.
- (e) Prior to the occurrence of an Event of Default, the Security Agent shall use its reasonable endeavours to forward to the relevant Chargor all material notices, correspondence and other communication it receives in relation to the Group Shares.
- (f) Each Chargor shall indemnify the Security Agent (or its nominee) against any loss or liability incurred by the Security Agent (or its nominee) as a consequence of the Security Agent (or its nominee) acting at the direction of a Chargor in respect of its Group Shares.
- (g) Each Chargor shall pay when due all calls or other payments that may be or become due in respect of any of its Group Shares. In the case of a default by a Chargor in such payment, the Security Agent may make such payment on behalf of that Chargor in which case any sums paid by the Security Agent shall be reimbursed (together with interest at the rate applicable under Clause 2.3 (*Interest*) for the period from and

including the date incurred up to and excluding the date reimbursed) by that Chargor to the Security Agent on demand.

11.4 Exercise of rights on Voting Event

- (a) On and after the occurrence of a Voting Event, the Security Agent (or its nominee) may exercise or refrain from exercising any voting rights, powers and other rights in respect of the Group Shares in each case in the name of a Chargor, the registered holder or otherwise and without any further consent or authority on the part of any Chargor and irrespective of any direction given by a Chargor.
- (b) Each Chargor irrevocably appoints the Security Agent (or its nominee) as its proxy to exercise all voting rights in respect of the Group Shares with effect from the occurrence of a Voting Event to the extent that such Group Shares remain registered in its name.

11.5 Custodian arrangements

Each Chargor shall:

- (a) promptly give notice of this Deed to any custodian of any Group Shares in any form which the Security Agent may reasonably require; and
- (b) use reasonable endeavours to ensure that the custodian acknowledges that notice in any form which the Security Agent may reasonably require.

12. Insurance

12.1 Notice of assignment

- (a) WHL shall promptly following the date of this Deed give notice of assignment to each insurer in the form set out in Schedule 4 (*Notice of Insurance Assignment*) or such other form as the Security Agent may approve and shall use reasonable endeavours to procure the prompt delivery to the Security Agent of a duly completed acknowledgement of such notice.
- (b) In relation to any Insurance Policy entered into after the date of this Deed, WHL shall, no later than five (5) Business Days after the date of entry into of such Insurance Policy, give notice of assignment to each insurer in the form set out in Schedule 4 (*Notice of Insurance Assignment*) or such other form as the Security Agent may approve and shall use reasonable endeavours to procure the prompt delivery to the Security Agent of a duly completed acknowledgement of such notice.

12.2 Other undertakings

- (a) WHL will promptly pay all premiums and take all reasonable and practicable steps to preserve and enforce its rights and remedies under or in respect of each of its Insurance Policies.
- (b) WHL will comply with the provisions of the Facilities Agreement in respect of Insurance.
- (c) WHL shall supply to the Security Agent on request copies of each of its Insurance Policy together with the current applicable premium receipts.

12.3 Proceeds

All money received under any Insurance Policy shall be applied:

- (a) prior to the occurrence of an Event of Default, in making good the relevant loss or damage (any deficiency being made good by WHL); and
- (b) following the occurrence of an Event of Default, in or towards discharge of the Secured Obligations if so permitted unless the terms of the relevant Insurance Policy require the proceeds to be used to make good the relevant loss or damage.

Any such money received by WHL shall be held on trust for the Security Agent.

13. Material Contracts

13.1 Performance

- (a) Each Chargor shall duly and promptly perform its obligations and enforce and diligently pursue its rights under each Material Contract.
- (b) Prior to the occurrence of an Event of Default, each Chargor shall remain entitled to exercise its rights and remedies under or in respect of the Material Contracts.
- (c) Each Chargor shall take all reasonable and practicable steps to preserve and enforce its rights and remedies under or in respect of Material Contracts.
- (d) Each Chargor shall give notice to the Security Agent forthwith in writing of any breach of any Material Contract to which it is a party or right of rescission or termination arising under any such Material Contract together (where such breach is by the Chargor) with its proposals for causing any breach to be remedied and, subject to the Security Agent's approval of such proposals, forthwith implement them at the relevant Chargor's expense to the satisfaction of the Security Agent.

13.2 No amendments

No Chargor shall without the prior written consent of the Security Agent:

- (a) amend or waive (or agree to amend or waive) any provision of, or rescind or terminate, any Material Contract;
- (b) exercise any discretion to give consent to any action to be taken by any other party to any Material Contract; or
- (c) do anything which might jeopardise the enforceability of any Material Contract.

13.3 Copies

Each Chargor shall supply to the Security Agent on request copies of each Material Contract to which it is a party and any other information and documentation relating to any Material Contract.

13.4 No restrictions on assignment

Each Chargor will ensure that no Material Contract shall contain restrictions which would cause it to be excluded from the charges or assignments contained in Clauses 4 (*Fixed Security*) or 5 (*Floating Security*).

13.5 Notice to third parties

Subject to Clause 13.6, each Chargor shall, in respect of each Material Contract to which it is a party:

- (a) immediately upon entering into this Deed serve notice of assignment, substantially in the form of Schedule 3.3 (*Notice to Counterparty*) on each counterparty to the Material Contract or to the creditor of any Material Contract in respect of which it is a debtor; and
- (b) use reasonable endeavours to procure that such counterparty delivers to the Security Agent a duly completed acknowledgement of such notice within 14 days of such notice being sent to such counterparty.

13.6 Notice to Chargors

The execution of this Deed by the Chargors shall constitute notice to each other Chargor of the assignment created by the Deed of a Material Contract.

13.7 Exercise of rights on Event of Default

On and after the occurrence of an Event of Default and for so long as it is continuing, the Security Agent may exercise (without any further consent or authority on the part of the relevant Chargor and irrespective of any direction given by that Chargor) that Chargor's rights and remedies (including direction of any payments to the Security Agent) under or in respect of any Material Contract.

14. Intellectual Property

14.1 Undertakings

Each of WBL and WHL shall during the subsistence of this Deed in respect of any Intellectual Property (other than any Excluded Intellectual Property) which is material to or required in connection with its business:

- (a) take all such steps and do all such acts as may be necessary to preserve and maintain the subsistence and the validity of any such Intellectual Property (including making timely payment of all relevant renewal fees);
- (b) use reasonable endeavours to prosecute any existing trade mark applications for registration;
- (c) notify the Security Agent in the event that it wishes to let any of the registered Intellectual Property (other than any Excluded Intellectual Property) lapse in accordance with its portfolio management programme from time to time; and
- (d) not use or permit any such Intellectual Property to be used in any way which may materially and adversely affect its value, validity or enforceability or assist any individual or entity in prejudicing the value, validity or enforceability of the Intellectual Property.

14.2 Registration of Intellectual Property

Each of WBL and WHL shall (at its expense) execute all such documents and do all acts that the Security Agent may reasonably require to record the interest of the Security Agent in any registers relating to the Intellectual Property referred to in Part 2 of Schedule 2 and, if reasonably requested by the Security Agent, execute all such documents and do all acts that the

Security Agent may reasonably require to record the interest of the Security Agent in any registers relating to any registered Intellectual Property (other than any Excluded Intellectual Property).

14.3 Power of Attorney

Each of WBL and WHL hereby appoints the Security Agent to be its attorney for the purposes of maintaining the registered Intellectual Property rights in such Chargor's name in the event that such Chargor fails to make due and timely payment of any fees or expenses payable pursuant to Clause 14.1 (*Undertakings*). If the Security Agent exercises its rights pursuant to this Clause 14.3 the relevant Chargor shall reimburse the Security Agent the fees and expenses incurred within a period of 30 days of notification by the Security Agent. Each of WBL and WHL shall execute such documents and do such other acts, at its cost, as the Security Agent may request from time to time for the purpose of:

- (a) assisting the Security Agent to protect and defend any rights in or in relation to the Intellectual Property (other than any Excluded Intellectual Property); and
- (b) assisting the Security Agent to obtain or maintain trade mark or other registrations in respect of any of the Intellectual Property (other than any Excluded Intellectual Property).

14.4 Notification of new Intellectual Property

- (a) On each anniversary of the date of this Deed, each of WBL and WHL shall provide the Security Agent with a list of all material registered Intellectual Property (other than any Excluded Intellectual Property) (including any applications for registration of the same) acquired by it or registered since the date of the Debenture ("**New Intellectual Property Rights**").
- (b) Each of WBL and WHL shall take such steps as the Security Agent may require to charge the New Intellectual Property Rights in favour of the Security Agent by way of first fixed charge in accordance with Clause 4.2 (*Intellectual Property*).

14.5 Further assurance

- (a) The Chargor shall, at its own cost, execute all such documents and do all acts that the Security Agent may reasonably require to record the interest of the Security Agent in any registers relating to the Intellectual Property referred to in Part 2 of Schedule 2 (*Intellectual Property*)
- (b) The Chargor shall promptly, at its own cost do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notarisations, registrations, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require) in favour of the Security Agent or its nominee(s):
 - (i) to create, perfect and/or protect the Security created or intended to be created in respect of the Charged Assets (which may include the execution by the Chargor of a mortgage, charge or assignment over all or any of the assets constituting, or intended to constitute, Charged Assets) or for the exercise of any of the rights, powers and remedies of the Security Agent provided by or pursuant to this Deed or by law;

- (ii) to confer on the Security Agent Security over any asset or undertaking of the Chargor located in any jurisdiction outside England and Wales equivalent or similar to the Security intended to be conferred by or pursuant to this Deed; and/or
- (iii) whilst an Event of Default is continuing, to facilitate the realisation of the Charged Assets.

15. Power to remedy

15.1 Security Agent's powers

If any Chargor fails to comply with any of the covenants or obligations set out in this Deed or fails to perform its obligations affecting the Security Assets, and such failure is not remedied promptly to the satisfaction of the Security Agent, each Chargor will allow the Security Agent, its agents or contractors to take such action on behalf of the relevant Chargor as may be necessary to ensure that such covenants and obligations are complied with. Such action may include, but is not limited to:

- (a) entering any Chargor's Real Property and carrying out any repairs or other works which a Chargor has failed to do; and
- (b) taking such action as the Security Agent considers necessary or appropriate to comply with or object to any notice served on any Chargor in respect of its Real Property,

and the Security Agent shall not, by taking any such action, become liable as a mortgagee in possession.

15.2 Reimbursement of expenses

Each Chargor shall reimburse the Security Agent on demand for all costs and expenses incurred by the Security Agent in anything done pursuant to the powers contained in Clause 17.1 (*Security Agent's powers*) together with interest from the date of payment by the Security Agent until the reimbursement calculated in accordance with Clause 2.3 (*Interest*).

16. When Security becomes enforceable

16.1 Timing

This Security shall become immediately enforceable if:

- (a) an Event of Default occurs (and shall remain enforceable and for so long as such Event of Default is continuing);
- (b) an Administration Event occurs; or
- (c) in relation to any Chargor, if that Chargor requests the Security Agent to exercise any of its powers under this Deed.

16.2 Enforcement

After this Security has become enforceable, and for so long as it remains enforceable, the Security Agent may in its absolute discretion enforce all or any part of this Security in any manner it sees fit.

17. Enforcement of Security

17.1 Security Agent's powers

Immediately upon this Security becoming enforceable, and for so long as it remains enforceable, the Security Agent may do all or any of the following:

- (a) exercise the power of sale and all other rights, powers and discretions conferred on mortgagees by section 101 of the Act as varied or extended by this Deed;
- (b) appoint one or more qualified persons as an administrator of any Chargor (to act together or independently of any others so appointed) in accordance with schedule B1 to the Insolvency Act 1986, and for this purpose "qualified person" means a person who, under the Insolvency Act 1986, is qualified to act as an administrator of any company with respect to which he is appointed;
- (c) subject to section 72A of and paragraph 43 of schedule A1 to the Insolvency Act 1986, appoint one or more persons as a Receiver of all or any part of the Security Assets;
- (d) exercise all the rights, powers and discretions conferred on a Receiver by this Deed, the Act, the Insolvency Act 1986 or otherwise by law, without first appointing a Receiver or notwithstanding the appointment of a Receiver;
- (e) by notice to WHL end WHL's right to possession of all or any of its Real Property and enter into possession of all or such part of such Real Property;
- (f) exercise all other powers conferred on mortgagees or receivers by law;
- (g) to the extent that this Deed constitutes a "security financial collateral arrangement" as defined in the Regulations, without notice to the relevant Chargor, appropriate any Security Asset which constitutes "financial collateral" as defined in the Regulations in or towards satisfaction of the Secured Obligations and for this purpose the value of the financial collateral so appropriated shall be:
 - (i) in the case of cash, the amount standing to the credit of each relevant account together with any accrued but unposted interest at the time the right of appropriation is exercised; and
 - (ii) in the case of any Group Shares, the market price of such Group Shares at the time the right of appropriation is exercised determined by the Security Agent in a commercially reasonable manner (including by reference to a public index or independent valuation or other procedure selected by the Security Agent acting reasonably).

Each Chargor agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Regulations.

17.2 Consideration on a disposal

The consideration for any sale or other disposal of the Security Assets by the Security Agent or any Receiver in the exercise of their respective powers may (in addition to that permitted under the Act on a sale by a mortgagee) consist of cash, shares, securities, debentures or other valuable consideration, may fluctuate according to or dependent upon profit or turnover or be determined by a third party, and may be payable in a lump sum or in instalments (with or without security).

17.3 Leasing

The statutory powers of leasing conferred on the Security Agent are extended so as to authorise the Security Agent to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent may think fit and without the need to comply with any provision of sections 99 or 100 of the Act, and may be exercised by the Security Agent at any time after this Security has become enforceable, and for so long as it remains enforceable. Any lease granted will bind any holder of a subsequent Security deriving title under the Security Agent.

17.4 Protection of third parties

No person (including a purchaser) dealing with the Security Agent or a Receiver will be concerned to enquire:

- (a) whether the Secured Obligations have become payable;
- (b) whether any right or power which the Security Agent or a Receiver is purporting to exercise has arisen or become exercisable;
- (c) whether any money remains due under this Deed or the other Finance Documents;
- (d) how any money paid to the Security Agent or to a Receiver is to be applied; or
- (e) as to the propriety or regularity of such dealings.

17.5 Redemption of prior mortgages

At any time after this Security has become enforceable, and for so long as it remains enforceable, the Security Agent may redeem any prior Security against any Security Asset, and/or procure the transfer of that Security to itself, and/or settle and pass the accounts of the prior mortgagee, chargee or encumbrancer. Any accounts so settled and passed shall be conclusive and binding on the relevant Chargor. All principal moneys, interest, costs, charges and expenses of and incidental to any such redemption and/or transfer shall be paid by the relevant Chargor to the Security Agent on demand and form part of the Secured Obligations.

17.6 Cash cover

After this Security has become enforceable, and for so long as it remains enforceable, each Chargor shall, immediately on demand, provide to the Security Agent full cash cover for any contingent liabilities forming part of the Secured Obligations including liabilities arising in respect of bills of exchange or promissory notes accepted, endorsed or discounted and bonds, guarantees, indemnities, documentary or other credits or other instruments from time to time entered into by the Security Agent.

17.7 Receipts

The receipt of the Security Agent or the Receiver shall be an absolute and a conclusive discharge to a purchaser and shall relieve it of any obligation to see to the application of any moneys paid to or by the direction of the Security Agent or the Receiver.

17.8 General

- (a) For the purposes of all rights, powers and discretions implied by statute or arising by law, the Secured Obligations are deemed to have become due and payable on the date of this Deed.

- (b) The power of sale and all other powers conferred on mortgagees by section 101 of the Act as varied or extended by this Deed shall arise on the execution of this Deed by the Chargors.
- (c) Section 103 of the Act (restricting the power of sale) and section 93 of the Act (restricting the right of consolidation) do not apply to this Security.
- (d) The power to appoint a Receiver pursuant to Clause 17.1 (*Security Agent's powers*) is in addition to the power to appoint a Receiver under section 101 of the Act. Section 109(1) of the Act does not apply to this Deed.

18. Receiver

18.1 Appointment

Any appointment of a Receiver by the Security Agent shall be by deed or in writing under its hand.

18.2 Extension of appointment

If a Receiver is appointed of part of the Security Assets, the Security Agent may subsequently extend the appointment to all or any other part of the Security Assets or appoint another Receiver of any other part of the Security Assets.

18.3 Removal

The Security Agent may by writing under its hand or by deed (subject to any requirement for an order of the court in the case of an administrative receiver):

- (a) remove any Receiver appointed by it; and
- (b) whenever it deems it expedient, appoint a new Receiver to be an additional Receiver or in the place of any Receiver whose appointment may for any reason have terminated.

18.4 Remuneration

The Security Agent may appoint any Receiver upon such terms as to remuneration and otherwise as the Security Agent thinks fit, and the maximum rate specified in section 109(6) of the Act will not apply.

18.5 Payments to the Security Agent

Only monies actually paid by a Receiver to the Security Agent in satisfaction or discharge of the Secured Obligations shall be capable of being applied by the Security Agent for that purpose.

18.6 Agent of Chargor

Each Receiver shall be the agent of each Chargor for all purposes and accordingly is deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. Each Chargor alone shall be responsible for his remuneration and for his contracts, engagements, acts, omissions, defaults and losses and for liabilities incurred by him and the Security Agent shall not incur any liability (either to any Chargor or to any other person) by reason of the Security Agent making his appointment as a Receiver or for any other reason. If a liquidator is appointed in respect of any Chargor, the Receiver shall act as principal and not as agent of the Security Agent.

18.7 Receivers of the same assets

If at any time any two or more persons appointed by the Security Agent hold office as Receivers of the same assets or income, each of them may (unless otherwise stated in the instrument(s) appointing them) exercise all rights, powers and discretions conferred on Receivers by this Deed individually and to the exclusion of the other or others of them.

19. Powers of Receiver

19.1 General powers

A Receiver has (subject to any limitation or restriction expressed in the instrument appointing him) all the rights, powers and discretions set out below in this Clause 19 in addition to those conferred on the Receiver by any law or otherwise conferred by this Deed. Such rights, powers and discretions include (without limitation):

- (a) in the case of an administrative receiver all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986;
- (b) otherwise, all the rights, powers and discretions conferred on a receiver (or receiver or manager) under the Act or the Insolvency Act 1986.

19.2 Possession

A Receiver may take immediate possession of, collect and get in any Security Asset.

19.3 Comply with undertakings

A Receiver may comply with and perform all of the undertakings and covenants of any Chargor contained in this Deed.

19.4 Carry on business

A Receiver may carry on, manage, develop, amalgamate, reconstruct or diversify the whole or any part of any Chargor's business and, where that Chargor has one or more Subsidiaries, may supervise, control and finance any such Subsidiary or business.

19.5 Building operations

A Receiver may commence and/or complete any building operations or development on any Real Property subject to any of this Security and apply for and obtain any planning permissions, building regulation approvals and any other permissions, consents or licences, and may appoint and enter into contracts with building and engineering contractors or other contractors or professional advisors, in each such case as he may think fit.

19.6 Repairs

A Receiver may repair, decorate, maintain, furnish, alter or improve the Security Assets.

19.7 Borrow money

A Receiver may raise or borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on such terms as he may think fit.

19.8 Subsidiaries

A Receiver may form a Subsidiary of any Chargor and transfer any Security Asset to that Subsidiary on such terms and conditions as he thinks fit.

19.9 Leasehold property

If the Real Property subject to any of this Security is leasehold a Receiver may vary the terms of or surrender the lease and/or take a new lease of such Real Property on such terms as he may think fit. Any such new lease shall automatically be charged to the Security Agent on the terms of this Deed so far as applicable, but a Receiver shall if requested by the Security Agent execute a formal legal charge over such new lease in favour of the Security Agent in such form as the Security Agent may require.

19.10 Power of sale

A Receiver may sell, transfer, assign, exchange, hire out, lend or otherwise convert into money or realise or dispose of the Security Assets or concur in any of the same, either by public auction or private contract or in any other manner, and generally in such manner and on such terms and conditions and for such consideration as he may think fit. Any equipment, other than landlord's fixtures (where the Real Property subject to this Security is leasehold), may be severed and sold separately from such Real Property.

19.11 Leases

A Receiver may grant Leases of Real Property subject to this Security for any term and at any rent, with or without a premium, and otherwise on such terms and conditions as he may think fit and may accept surrenders of such Leases on such terms as he may think fit, with or without a premium to or by any tenant or other person.

19.12 Transfers and other disposals

A Receiver may carry any sale, letting or other disposal into effect by transferring, letting or otherwise making such disposal in the name of the relevant Chargor and for that purpose may give valid receipts for all moneys and enter into covenants and contractual obligations in the name of and so as to bind that Chargor.

19.13 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to the Security Assets or the business of any Chargor as he may think fit.

19.14 Obligations in relation to the Security Assets

A Receiver may enter into, perform, repudiate, rescind, rectify or vary contracts, bonds, covenants, commitments, guarantees, indemnities and similar matters in relation to the Security Assets and may make all payments needed to effect, maintain, perform or satisfy any of the same.

19.15 Settle disputes

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of any Chargor or relating in any way to the Security Assets.

19.16 Insurance

A Receiver may effect such insurances of or in connection with the Security Assets as he may think fit.

19.17 Employees

A Receiver may engage or employ or dismiss managers, officers, contractors, agents, servants, workmen and others for any of the purposes referred to in this Clause 19 upon such terms as to remuneration or otherwise as he may think fit.

19.18 Prior Security

A Receiver may redeem, discharge or compromise any prior Security and settle the account of encumbrances on such terms as he may think fit.

19.19 Act in Chargor's name

A Receiver may do all acts and execute in the name and on behalf of any Chargor, any deed, receipt or other document.

19.20 VAT

A Receiver may make such elections, registrations and applications for VAT purposes as he may think fit, and may do so in, or use any Chargor's name, for any such purpose.

19.21 Credit and guarantees

A Receiver may lend money or extend credit to any customer of any Chargor, enter into bonds, covenants, commitments, guarantees, indemnities or like matters and make all requisite payments to effect, maintain or satisfy the same.

19.22 Other acts

A Receiver may do all other acts and things which he may consider to be necessary, expedient or desirable for preserving, improving or realising any Security Asset or the getting in and collection of the Security Assets (or any assets which when got in would constitute Security Assets) or which are incidental or conducive to any of the rights, powers and discretions conferred on a Receiver by or pursuant to this Deed or by law.

19.23 Other powers

A Receiver may exercise in relation to the Security Assets all powers, authorities and things which he could exercise if he were the absolute beneficial owner of the Security Assets.

20. Exclusion of liability

20.1 No obligation to recover

Neither the Security Agent nor any Receiver is under any obligation to take action to collect any money or enforce any rights comprised in the Security Assets whether or not it is in possession of the relevant Security Assets.

20.2 No liability as mortgagee in possession

Neither the Security Agent nor any Receiver shall be liable, by reason of entering into possession of the Security Assets to account as mortgagee or be liable for any loss on realisation or for any default or omission for which a mortgagee might be liable.

20.3 Possession

If the Security Agent or any Receiver shall take possession of the Security Assets it or he may at any time go out of possession. Each Chargor will remain liable to observe and perform all conditions and obligations relating to its Security Assets.

20.4 Losses on enforcement

The Security Agent or any Receiver will not be liable to any Chargor for any loss or damage arising from:

- (a) any sale of any Security Asset;
- (b) any act, default or omission of the Security Agent or any Receiver in relation to any Security Asset; or
- (c) any exercise or non-exercise by the Security Agent or any Receiver of any power conferred upon it in relation to any Security Asset by or pursuant to this Deed or by the Act,

unless such loss or damage is caused by the fraud, gross negligence or wilful misconduct of the Security Agent or any Receiver.

21. Application of proceeds

21.1 Order of application

Subject to any claims having priority to this Security all money recovered by the Security Agent or any Receiver as a result of the enforcement of this Deed or otherwise by reason of this Security will be applied as provided in the Facilities Agreement.

21.2 Contingent or future liabilities

If any money is received by the Security Agent or a Receiver as a result of the enforcement of or otherwise by reason of this Security at a time when the Secured Obligations include contingent or future liabilities the Security Agent or any Receiver may hold some or all of such money in an interest bearing suspense account.

21.3 Insurance moneys

Any insurance moneys received by a Receiver deriving from any Insurance Policy which form part of the Security Assets shall be applied in accordance with Clause 12.3 (*Proceeds*) and section 109(8) of the Act shall not apply.

22. Expenses and payments

22.1 Enforcement and preservation costs

All costs and expenses (including legal fees), charges and liabilities incurred in connection with the negotiation, preparation, printing, execution, registration and perfection, enforcement of, or the preservation of any rights under, this Deed by the Security Agent or any Receiver shall be paid by the Chargors to the Security Agent in accordance with the provisions of clause 16.1 (*Transaction Expenses*) of the Facilities Agreement.

22.2 Indemnity

Each Chargor shall indemnify the Security Agent and any Receiver upon demand against all liabilities, claims and expenses whether arising out of contract or in tort or in any other way which may at any time be incurred by any of them in connection with this Deed or for anything done or omitted to be done in the exercise or purported exercise of their powers pursuant to this Deed unless such liabilities, claims and expenses are caused by the fraud, gross negligence or wilful default of the Security Agent or such Receiver.

22.3 Stamp taxes

Each Chargor shall pay and, within three Business Days of demand, indemnify and/or secure the Security Agent and any Receiver against any cost, loss or liability the Security Agent or Receiver incurs in relation to all stamp duty, stamp duty land tax, registration and other similar taxes payable in respect of or in connection with the entry into, performance or enforcement against any Chargor of this Deed.

22.4 Value Added Tax

Where this Deed requires any Chargor to reimburse or indemnify and/or secure the Security Agent or any Receiver for any costs or expenses that Chargor shall at the same time pay and indemnify and/or secure the Security Agent or any Receiver against all VAT incurred by the Security Agent or any Receiver in respect of the costs and expenses to the extent that the Security Agent or any Receiver determines that it is not entitled to credit or repayment of the VAT. All amounts payable by any Chargor under this Deed are exclusive of VAT. Each Chargor will, in addition, pay any applicable VAT on those amounts.

23. Delegation of powers by Security Agent or Receiver

23.1 Delegation

The Security Agent and (to the fullest extent permitted by law) any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed. Any such delegation may be made upon the terms (including power to sub-delegate) and subject to any conditions or regulations which the Security Agent or Receiver (as the case may be) may think fit.

23.2 No liability for delegates

Neither the Security Agent nor any Receiver will be in any way liable or responsible to any Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate.

23.3 Construction of this Deed

References in this Deed to the Security Agent or a Receiver shall be deemed to include references to any delegate of the Security Agent or Receiver appointed in accordance with this Clause 23.

24. Further assurance

When required by the Security Agent or any Receiver each Chargor shall, at its own cost:

- (a) execute an assignment of its Intellectual Property in such form as the Security Agent or any Receiver from time to time requires;
- (b) execute a charge by way of legal mortgage, assignment by way of security or fixed charge over any assets of the Chargor and such legal mortgage, assignment or charge shall secure the Secured Obligations and contain a power of sale which arises immediately upon execution, provisions excluding section 93 of the Act and the restrictions contained in section 103 of the Act and such other provisions including any similar to those in this Deed as the Security Agent may reasonably require;
- (c) execute any documents or do any other thing which the Security Agent or any Receiver may require for perfecting or protecting any Security created or intended to

be created by this Deed or in connection with the exercise of any rights, powers or discretions given to the Security Agent or any Receiver under this Deed; and

- (d) convey, transfer, assign or otherwise deal with any Security Assets in such manner as the Security Agent or any Receiver may require in connection with any enforcement of any of this Security.

25. Power of attorney

25.1 Grant of power of attorney

Each Chargor, by way of security, irrevocably and severally appoints the Security Agent and each Receiver to be its attorney in its name and on its behalf to take any action which that Chargor is or may be obliged to take under or pursuant to this Deed or which the Security Agent or any Receiver in its or his sole and absolute discretion considers to be requisite, expedient or appropriate in order to carry any sale, lease or other disposal into effect, or to execute any deed, document or instrument, or to convey or transfer any legal estate or other interest in any asset, or to get in the Security Assets, or generally to enable the Security Agent or a Receiver to exercise the respective rights, powers and discretions conferred on them by or pursuant to this Deed or by law.

25.2 Ratification

Each Chargor agrees to ratify and confirm whatever any such attorney shall do, or attempt to do, in the exercise or purported exercise of the power of attorney granted under this Clause 25.

25.3 Appropriation

The power of attorney conferred on the Security Agent and each Receiver shall continue notwithstanding the exercise by the Security Agent of any right of appropriation pursuant to Clause 17.1 (*Security Agents' powers*).

26. Non-release provisions

26.1 Waiver of defences

The obligations and liabilities of any Chargor under this Deed and this Security will not be affected by an act, omission or thing (whether or not known to it or the Security Agent) which, but for this Clause, would reduce, release or prejudice any of such obligations and liabilities or Security including:

- (a) any time, waiver or consent granted to, or composition with, any Chargor or other person;
- (b) the release of any Chargor or any other person under the terms of any composition or arrangement;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over property of, any other Chargor or other person;
- (d) any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any other Chargor or any other person;

- (f) any amalgamation, merger or reconstruction of the Security Agent with any other person or any sale or transfer of the whole or any part of the assets of the Security Agent to any other person;
- (g) the existence of any claim, set-off or other rights which any other Chargor may have at any time against the Security Agent, whether in connection with the Finance Documents or otherwise;
- (h) any novation, amendment (however fundamental) or replacement of a Finance Document or any other document or Security;
- (i) any obligation of any person under any Finance Document or any other document or Security being void, voidable, invalid, unenforceable or otherwise irrecoverable; or
- (j) any insolvency or similar proceedings.

26.2 **Immediate recourse**

Each Chargor waives any right it may have of first requiring the Security Agent to proceed against or enforce any other rights or Security or claim payment from any person before enforcing this Security. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

26.3 **Appropriations**

During the Security Period the Security Agent may:

- (a) refrain from applying or enforcing any moneys, Security or rights held or received by it (or any trustee or agent on its behalf) in respect of the Secured Obligations, or, subject to Clause 21 (*Application of proceeds*), apply and enforce the same in such manner and order as it sees fit (whether against the Secured Obligations or otherwise) and the Chargors shall not be entitled to the benefit of the same; and
- (b) hold in an interest bearing suspense account any moneys received from any Chargor for or on account of the Secured Obligations.

26.4 **Deferral of Chargors' rights**

Until the expiry of the Security Period and unless the Security Agent otherwise directs, no Chargor will exercise any rights which it may have by reason of the enforcement of this Deed:

- (a) to be indemnified by any other Chargor;
- (b) to claim any contribution from any other Chargor or any other person in respect of any obligations and liabilities of that person under the Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Security Agent under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by the Security Agent;
- (d) to bring legal or other proceedings for an order requiring the Chargors to make any payment, or perform any obligation, in respect of which the relevant Chargor has given Security under this Deed;
- (e) to exercise any right of set-off against a Chargor;
- (f) to exercise any right of quasi-retainer or other analogous equitable right; and/or

- (g) to claim or prove as a creditor of a Chargor in competition with the Security Agent.

26.5 Turnover

If any Chargor receives any benefit, payment or distribution in relation to the rights referred to in Clause 26.4 (*Deferral of Chargors' rights*) it shall hold that benefit, payment or distribution to the extent necessary to enable the Secured Obligations to be repaid in full on trust for the Security Agent and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in or towards discharge of the Secured Obligations.

27. Release and recourse

27.1 Release of Security Assets

Upon the expiry of the Security Period (but not otherwise), the Security Agent shall, at the request and cost of the relevant Chargor:

- (a) take whatever action is necessary to release the Security Assets from, and/or to cancel, this Security; and
- (b) reassign or procure the reassignment to that Chargor of the assets assigned by it to the Security Agent pursuant to this Deed,

in each case subject to Clause 27.2 (*Releases conditional*) and without recourse to, or any representation or warranty by, the Security Agent or any of its nominees.

27.2 Releases conditional

Any settlement, release or discharge under this Deed between the Security Agent and any Chargor will be conditional upon no security or payment to the Security Agent by that Chargor or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to bankruptcy, winding-up, administration or insolvency for the time being in force, and if such condition is not satisfied, the Security Agent will be entitled to recover from the relevant Chargor on demand the value of such security or the amount of any such payment as if such settlement, release or discharge had not occurred and/or to enforce this Security to the full extent of the Secured Obligations. The Security Agent may concede or compromise any claim that any payment, security or disposition is liable to avoidance, refund or reduction.

28. Benefit of this Deed

28.1 Assignment by the Security Agent

- (a) The Security Agent may at any time assign or transfer all or any part of its rights, and/or obligations under this Deed without the consent of any Chargor to any successor appointed in accordance with the Finance Documents.
- (b) Each Chargor:
 - (i) agrees to be bound by the terms of clause 23 (*Changes to the Lenders*) of the Facilities Agreement;
 - (ii) agrees to enter into any documents specified by the Security Agent to be necessary or desirable to give effect to such assignment or transfer; and
 - (iii) authorises the Security Agent to execute on its behalf any such document the Security Agent considers necessary or desirable in relation to the creation,

perfection or maintenance of this Security and any assignment or transfer contemplated by such provisions.

28.2 No assignment by any Chargor

No Chargor may assign or transfer all or any part of its rights and/or obligations under this Deed.

28.3 Disclosure of information

The Security Agent may disclose any information about any Chargor and this Deed if and to the extent that it is allowed to do so under the Facilities Agreement.

28.4 Change in name or constitution

This Deed shall remain valid and enforceable notwithstanding any change in the name, composition or constitution of any party or any merger, amalgamation or consolidation of such party with any other corporation or any reconstruction or reorganisation of any kind.

29. Notices

29.1 Communications in writing

Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by fax or letter or by email.

29.2 Addresses

- (a) Subject to paragraph (b) below, the initial administrative details of the parties to this Deed for any notice, communication or document to be made or delivered under or in connection with this Deed are contained in the Facilities Agreement but a party to this Deed may amend its own details in accordance with the Facilities Agreement.
- (b) A notice, communication or document by the Security Agent shall also be effective if sent to or left at the relevant Chargor's registered office or the address or email address of the relevant Chargor last known to the Security Agent.

29.3 Delivery

Any communication or document made or delivered by the Security Agent to any Chargor under or in connection with this Deed will only be effective when made or delivered in accordance with clause 33 (*Notices*) of the Facilities Agreement.

29.4 English language

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

30. Miscellaneous

30.1 Continuing security

This Security is continuing and will extend to the ultimate balance of all the Secured Obligations, regardless of any intermediate payment or discharge in whole or in part.

30.2 Additional Security

This Security is in addition to and is not in any way prejudiced by any bill, note, guarantee, indemnity or other Security now or subsequently held by the Security Agent for any of the Secured Obligations.

30.3 New accounts

If the Security Agent receives, or is deemed to be affected by, notice, whether actual or constructive, of any subsequent Security or other interest affecting any Security Asset and/or the proceeds of sale of any Security Asset, or this Security for any reason ceases to be a continuing security in respect of any Chargor, the Security Agent may open a new account for that Chargor. If the Security Agent does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice. As from that time all payments made to the Security Agent will be credited or be treated as having been credited to the new account and will not operate to reduce any amount for which this Deed is security.

30.4 No deduction or withholding

All payments made by any Chargor to the Security Agent under this Deed shall (save insofar as required by law to the contrary) be paid in full without set-off or counterclaim and free and clear of and without any deduction or withholding or payment for or on account of any present or future tax, levy, duty, impost or other charge or withholding of a similar nature. If any Chargor shall be required by law to effect any such deduction or withholding or payment that Chargor shall immediately pay to the Security Agent such additional amount as will result in the immediate receipt by the Security Agent of the full amount which would otherwise have been received had no such deduction or withholding or payment been made.

30.5 Set-off

After the occurrence of an Event of Default, and for so long as it is continuing, the Security Agent may set off any matured obligation owed by any Chargor to the Security Agent against any obligation (whether or not matured) owed by the Security Agent to that Chargor regardless of the place of payment, or currency of either obligation. If the obligations are in different currencies, the Security Agent may convert either obligation at a market rate of exchange for the purpose of the set-off in an amount estimated by it in good faith to be the amount of that obligation.

30.6 Remedies

No failure to exercise, nor any delay in exercising, on the part of the Security Agent, any right or remedy under this Deed, shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.

30.7 Waivers

A waiver given or consent granted by the Security Agent under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

30.8 Partial invalidity

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

30.9 **Amendments**

Any term of this Deed may be amended, varied or supplemented with the consent of the Security Agent and the Chargors and by an instrument in writing signed by the parties to this Deed and any such amendment, variation or supplement will be binding on the Security Agent and the Chargors.

30.10 **Certificates and determinations**

Any certification or determination by the Security Agent of a rate or amount under this Deed is, in the absence of manifest or proven error, conclusive evidence of the matters to which it relates.

30.11 **Accounts**

In any litigation or arbitration proceedings arising out of or in connection with this Deed, the entries made in the accounts maintained by the Security Agent are *prima facie* evidence of the matters to which they relate.

30.12 **Currency**

- (a) In this Clause, the "**Spot Rate**" means the Security Agent's spot rate of exchange for the purchase of any currency with any other currency in the London foreign exchange market.
- (b) The Security Agent may convert any moneys received, recovered or realised in any currency under this Deed (including the proceeds of any previous conversion under this Clause) from their existing currency into any other currency, by purchasing that other currency at the Spot Rate.
- (c) If any Chargor fails to pay any sum under this Deed on the due date, the Security Agent may, without notice to that Chargor, purchase at the Spot Rate any currency which the Security Agent considers necessary or desirable to cover the liabilities of that Chargor to pay that sum.

30.13 **Currency indemnity**

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

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

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

- (b) Each Chargor waives any right it may have in any jurisdiction to pay any amount under this Deed in a currency or currency unit other than that in which it is expressed to be payable.

30.14 **Suspense account**

Until the expiry of the Security Period, the Security Agent may:

- (a) refrain from applying or enforcing any moneys, security or rights held or received by it in respect of the Secured Obligations or apply and enforce the same in such manner and order as it sees fit (whether against the Secured Obligations or otherwise) and no Chargor shall be entitled to the benefit of the same; and
- (b) hold in an interest bearing suspense account any moneys received from any Chargor or on account of any Chargor's liability in respect of the Secured Obligations for so long as the Security Agent considers appropriate pending their application from time to time in or towards the discharge of any of the Secured Obligations.

30.15 **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.

31. Contractual Recognition of Bail-In

31.1 Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the parties, each party acknowledges and accepts that any liability of any party to any other party under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
 - (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
 - (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
 - (iii) a cancellation of any such liability; and
- (b) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

32. Governing law

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

33. Arbitration

33.1 Arbitration

Subject to Clause 33.5 (*Agent's option*), any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or the consequences of its nullity) (a "**Dispute**") shall be referred to and finally resolved by arbitration under the Arbitration Rules (the "**Rules**") of the LCIA Court (formerly the London Court of International Arbitration).

33.2 Procedure for arbitration

- (a) The arbitral tribunal shall consist of three arbitrators who shall be lawyers qualified in England and Wales of at least ten years' standing.
- (b) The claimant(s), irrespective of number, shall nominate jointly one arbitrator; the respondent(s), irrespective of number, shall nominate jointly the second arbitrator; and a third arbitrator, who shall serve as chairman, shall be appointed by the LCIA Court (as defined in the Rules) within 15 days of the appointment of the second arbitrator.
- (c) In the event the claimant(s) or the respondent(s) shall fail to nominate an arbitrator within the time limits specified in the Rules, such arbitrator shall be appointed by the LCIA Court within 15 days of such failure. In the event that both the claimant(s) and the respondent(s) fail to nominate an arbitrator within the time limits specified in the Rules, all three arbitrators shall be appointed by the LCIA Court within 15 days of such failure who shall designate one of them as chairman.
- (d) If all the parties to an arbitration so agree, there shall be a sole arbitrator appointed by the LCIA Court within 15 days of such agreement.
- (e) The seat of arbitration shall be London, England and the language of the arbitration shall be English.

33.3 Recourse to courts

Save as provided in Clause 33.5 (*Agent's option*), the parties exclude the jurisdiction of the courts under Sections 45 and 69 of the Arbitration Act 1996.

33.4 Consolidation of claims

If any Dispute raises issues which are substantially the same as or connected with issues raised in another Dispute which has already been referred to arbitration under the Facility Agreement (an "**Existing Dispute**"), or arises out of substantially the same facts as are the subject of any Existing Dispute (a "**Related Dispute**"), the Agent (but no other party) may apply, at its sole discretion, to have the tribunal appointed (or to be appointed) in respect of any such Existing Dispute to also be appointed as the tribunal in respect of any Related Dispute.

33.5 Agent's option

Before an arbitrator has been appointed to determine a Dispute, the Agent may by notice in writing to the Overseas Chargor require that all Disputes or a specific Dispute be heard by a court of law. If the Agent gives such notice, the Dispute to which that notice refers shall be determined in accordance with Clause 34.1 (*Jurisdiction*).

34. Enforcement

34.1 Jurisdiction

- (a) As an alternative to the provisions of Clause 33 (*Arbitration*), the courts of England have exclusive jurisdiction to settle any dispute arising from or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or the consequences of its nullity or any non-contractual obligation arising out or in connection with this Deed) (a "**Dispute**").
- (b) The Parties agree that the Courts of England are the most appropriate and convenient courts to settle any Dispute and accordingly no Party will argue to the contrary.

- (c) This Clause 34.1 (*Jurisdiction*) is for the benefit of the Finance Parties only. As a result, and notwithstanding paragraph (a) of this Clause 34.1 (*Jurisdiction*), any Finance Party may take proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

34.2 **Waiver of immunity**

Each Obligor:

- (a) waives generally all immunity it or its assets or revenues may otherwise have in any jurisdiction, including immunity in respect of:
 - (i) the giving of any relief by way of injunction or order for specific performance or for the recovery of assets or revenues; and
 - (ii) the issue of any process against its assets or revenues for the enforcement of a judgment or award or, in an action in rem, for the arrest, detention or sale of any of its assets and revenues; and
- (b) agrees that in any proceedings in England this waiver shall have the fullest scope permitted by the English State Immunity Act 1978 and that this waiver is intended to be irrevocable for the purposes of such Act.

34.3 **Service of process**

Without prejudice to any other mode of service allowed under any relevant law, the Overseas Chargor:

- (a) irrevocably appoints Tulloch & Co of 4 Hill Street, London W1J 5NE as its agent for service of process in relation to any proceedings before the English courts in connection with this Deed (the "**Proceedings**");
- (b) agrees that failure by a process agent to notify the relevant Chargor of the process will not invalidate the proceedings concerned;
- (c) agrees that if any person appointed as process agent is unable for any reason to act as agent for service of process each Chargor will immediately appoint another agent on terms acceptable to the Security Agent (failing which the Security Agent may appoint another person for this purpose); and
- (d) consents to the service of process in any Proceedings by the airmailing of copies, postage prepaid, to it at its address for the time being applying for the purposes of Clause 29 (*Notices*).

THIS DEED is executed as a deed and delivered by each Chargor and signed on behalf of the Security Agent on the date stated at the beginning of this deed.

Schedule 1

Group Shares

1. 12,675,501 ordinary shares of £1 in the capital of WHL from time to time held by the Overseas Chargor other than the Excluded Shares.
2. 71,014,000 ordinary shares of £1 each in Waterstones Booksellers Limited held by WHL.
3. 22,107,790 ordinary shares of 5 pence each in the capital of Waterstones Overseas Limited held by WBL.
4. 20,000,000 ordinary shares of £1 each in the capital of Hatchards UK Limited held by WBL.
5. 1 ordinary share of £1 in the capital of Waterstones Academic Bookstores Limited held by WBL.

Schedule 2

Intellectual Property

Part 1: Intellectual Property

Jurisdiction	Device	Title	Classes	Reg. No.	Specification	Date Filed	Registr'n Date	Renewal Date	Proprietor
European Union		FEEL EVERY WORD	09, 16, 35, 41, 43	009081456	09: Sound recordings; music recordings; video recordings; audiovisual recordings; audio books; CDs; DVDs; SACDs; books and other publications recorded on computer media; computer software; computer games programs; electronic publications (downloadable) provided on-line from databases, via the Internet or any other communications network. 16: Printed matter; printed publications; books; periodicals; magazines; posters; photographs; calendars; greeting cards; paper; paper articles; stationery; gift vouchers; book tokens; book binding materials; protective covers for books. 35: Retail services connected with books and other printed matter and publications; the bringing together, for the benefit of others, of a variety of books and other printed matter and printed publications enabling customers to conveniently view, sample and purchase those goods in a retail outlet; the bringing together, for the benefit of others, of a variety of books and other printed matter and printed publications enabling customers to conveniently view, sample and purchase those goods from a mail order catalogue or internet web site or by means of telecommunications; the provision of information and advice to prospective purchasers of goods including such services provided on-line from a database, via the Internet or any other communications network; advertising and promotional services; incentive and loyalty schemes. 41: Provision of information relating to books; authors, literature and related events; services for locating books and other printed matter; publication and distribution of printed publications; organisation, production and presentation of events, quizzes and competitions; arranging and hosting of book-signing events, children's fun days and other activities with authors; provision of on-line electronic publications (not downloadable); book reviews and reviews of other publications provided on-line from a database, via the Internet or any other communications network; provision of on-line readings lists; ticket procurement, reservation and information services relating to entertainment events, concerts, theatres, cinemas, and to sporting, cultural, literary and theatrical events. 43: Cafeteria and coffee shop services; services for the provision of food, refreshments and drink	05/05/2010		05/05/2020	Waterstones Booksellers Limited
European Union		W Device	09, 16, 35, 41, 43	009102781	09: Sound recordings; music recordings; video recordings; audiovisual recordings; audio books; CDs; DVDs; SACDs; books and other publications recorded on computer media; computer software; computer games programs; electronic publications (downloadable) provided on-line from databases, via the Internet or any other communications network. 16: Printed matter; printed publications; books; periodicals; magazines; posters; photographs; calendars; greeting cards; paper; paper articles; stationery; gift vouchers; book tokens; book binding materials; protective covers for books. 35: Retail services connected with books and other printed matter and publications; the bringing together, for the benefit of others, of a variety of books and other printed matter and printed publications enabling customers to conveniently view, sample and purchase those goods in a retail outlet; the bringing together, for the benefit of others, of a variety of books and other printed matter and printed publications enabling customers to conveniently view, sample and purchase those goods from a mail order catalogue or internet web site or by means of telecommunications; the provision of information and advice to prospective purchasers of goods including such services provided on-line from a database, via the Internet or any other communications network; advertising and promotional services; incentive and loyalty schemes. 41: Provision of information relating to books; authors, literature and related events; services for locating books and other printed matter; publication and distribution of printed publications; organisation, production and presentation of events, quizzes and competitions; arranging and hosting of book-signing events, children's fun days and other activities with authors; provision of on-line electronic publications (not downloadable); book reviews and reviews of other publications provided on-line from a database, via the Internet or any other communications network; provision of on-line readings lists; ticket procurement, reservation and information services relating to entertainment events, concerts, theatres, cinemas, and to sporting, cultural, literary and theatrical events. 43: Cafeteria and coffee shop services; services for the provision of food, refreshments and drink, in retail stores selling mainly books and stationery.	13/05/2010		13/05/2020	Waterstones Booksellers Limited
European Union	waterstones	WATERSTONE'S Stylised	09, 16, 35, 41, 43	009102741	09: Sound recordings; music recordings; video recordings; audiovisual recordings; audio books; CDs; DVDs; SACDs; books and other publications recorded on computer media; computer software; computer games programs; electronic publications (downloadable) provided on-line from databases, via the Internet or any other communications network. 16: Printed matter; printed publications; books; periodicals; magazines; posters; photographs; calendars; greeting cards; paper; paper articles; stationery; gift vouchers; book tokens; book binding materials; protective covers for books. 35: Retail services connected with books and other printed matter and publications; the bringing together, for the benefit of others, of a variety of books and other printed matter and printed publications enabling customers to conveniently view, sample and purchase those goods in a	13/05/2010		13/05/2020	Waterstones Booksellers Limited

Jurisdiction	Device	Title	Classes	Reg. No.	Specification	Date Filed	Registr'n Date	Renewal Date	Proprietor
					retail outlet; the bringing together, for the benefit of others, of a variety of books and other printed matter and printed publications enabling customers to conveniently view, sample and purchase those goods from a mail order catalogue or internet web site or by means of telecommunications; the provision of information and advice to prospective purchasers of goods including such services provided on-line from a database, via the Internet or any other communications network; advertising and promotional services; incentive and loyalty schemes. 41: Provision of information relating to books, authors, literature and related events; services for locating books and other printed matter; publication and distribution of printed publications; organisation, production and presentation of events, quizzes and competitions; arranging and hosting of book-signing events, children's fun days and other activities with authors; provision of on-line electronic publications (not downloadable); book reviews and reviews of other publications provided on-line from a database, via the Internet or any other communications network; provision of on-line readings lists; ticket procurement, reservation and information services relating to entertainment events, concerts, theatres, cinemas, and to sporting, cultural, literary and theatrical events. 43: Cafeteria and coffee shop services; services for the provision of food, refreshments and drink.				
European Union		WATERSTONE'S	09, 16, 35, 38, 41, 42	002049823	09: Sound and/or visual recordings; publications (downloadable) provided on-line from databases, via the Internet or any other communications network. 16: Printed matter; paper; paper articles; stationery, gift vouchers, book tokens 35: The bringing together, for the benefit of others, of a variety of goods (excluding the transportation thereof) enabling customers to conveniently view and purchase those goods; provision of information and advice to prospective purchasers of goods including such services provided on-line from a database, via the Internet or any other communications network; 41: Provision of information relating to books, authors, literature and related events; services for locating books and other printed matter; publication and distribution of printed publications; organisation, production and presentation of events, quizzes and competitions; arranging and hosting of book-signing events, children's fun days and other activities with authors; provision of on-line electronic publications (not downloadable); book reviews and reviews of other publications provided on-line from a database, via the Internet or any other communications network; 43: Provision of on-line readings lists.	23/01/2001		23/01/2021	Waterstones Booksellers Limited
European Union		WATERSTONES	09, 16, 35, 41, 43	010764967	42: Provision of on-line search facilities. 09: Sound recordings; music recordings; video recordings; audiovisual recordings; audio books; CDs; DVDs; SACDs; books and other publications recorded on computer media; computer software; computer games programs; electronic publications (downloadable) provided on-line from databases, via the Internet or any other communications network. 16: Sound recordings; music recordings; video recordings, audiovisual recordings; audio books; CDs; DVDs; SACDs; books and other publications recorded on computer media; computer software; computer games programs; electronic publications (downloadable) provided on-line from databases, via the Internet or any other communications network. 41: Provision of information relating to books, authors, literature and related events; services for locating books and other printed matter; publication and distribution of printed publications; organisation, production and presentation of events, quizzes and competitions; arranging and hosting of book-signing events, children's fun days and other activities with authors; provision of on-line electronic publications (not downloadable); book reviews and reviews of other publications provided on-line from a database, via the Internet or any other communications network; provision of on-line readings lists; ticket procurement, reservation and information services relating to entertainment events, concerts, theatres, cinemas, and to sporting, cultural, literary and theatrical events.	28/03/2012		28/03/2022	Waterstones Booksellers Limited

Jurisdiction	Device	Title	Classes	Reg. No.	Specification	Date Filed	Registr'n Date	Renewal Date	Proprietor
European Union	W	W Device	09, 16, 35, 41, 43	012793931	cinemas, and to sporting, cultural, literary and theatrical events. 43: Cafeteria and coffee shop services; services for the provision of food, refreshments and drink. 09: Sound recordings; music recordings; video recordings; audiovisual recordings; audio books; CDs; DVDs; SACDs; books and other publications recorded on computer media; computer software; computer games programs; electronic publications (downloadable) provided on-line from databases, via the Internet or any other communications network. 16: Printed matter; printed publications; books; periodicals; magazines; posters; photographs; calendars; greeting cards; paper; paper articles; stationery; gift vouchers; book tokens; book binding materials; protective covers for books. 35: Retail services connected with books and other printed matter and publications; the bringing together, for the benefit of others, of a variety of books and other printed matter and printed publications enabling customers to conveniently view, sample and purchase those goods in a retail outlet; the bringing together, for the benefit of others, of a variety of books and other printed matter and printed publications enabling customers to conveniently view, sample and purchase those goods from a mail order catalogue or internet web site or by means of telecommunications; the provision of information and advice to prospective purchasers of goods including such services provided on-line from a database, via the Internet or any other communications network; advertising and promotional services; incentive and loyalty schemes. 41: Provision of information relating to books, authors, literature and related events; services for locating books and other printed matter; publication and distribution of printed publications; organisation, production and presentation of events, quizzes and competitions; arranging and hosting of book-signing events, children's fun days and other activities with authors; provision of on-line electronic publications (not downloadable); book reviews and reviews of other publications provided on-line from a database, via the Internet or any other communications network; provision of on-line readings lists; ticket procurement, reservation and information services relating to entertainment events, concerts, theatres, cinemas, and to sporting, cultural, literary and theatrical events. 43: Cafeteria and coffee shop services; services for the provision of food, refreshments and drink; in retail stores selling mainly books and stationery. 09: Sound recordings; music recordings; video recordings; audiovisual recordings; audio books; CDs; DVDs; SACDs; books and other publications recorded on computer media; computer software; computer games programs; electronic publications (downloadable) provided on-line from databases, via the Internet or any other communications network. 16: Printed matter; printed publications; books; periodicals; magazines; posters; photographs; calendars; greeting cards; paper; paper articles; stationery; gift vouchers; book tokens; book binding materials; protective covers for books. 35: Retail services connected with books and other printed matter and publications; the bringing together, for the benefit of others, of a variety of books and other printed matter and printed publications enabling customers to conveniently view, sample and purchase those goods in a retail outlet; the bringing together, for the benefit of others, of a variety of books and other printed matter and printed publications enabling customers to conveniently view, sample and purchase those goods from a mail order catalogue or internet web site or by means of telecommunications; the provision of information and advice to prospective purchasers of goods including such services provided on-line from a database, via the Internet or any other communications network; advertising and promotional services; incentive, loyalty and reward schemes. 41: Provision of information relating to books, authors, literature and related events; services for locating books and other printed matter; publication and distribution of printed publications; organisation, production and presentation of events, quizzes and competitions; arranging and hosting of book-signing events, children's fun days and other activities with authors; provision of on-line electronic publications (not downloadable); book reviews and reviews of other publications provided on-line from a database, via the Internet or any other communications network; provision of on-line readings lists; ticket procurement, reservation and information services relating to entertainment events, concerts, theatres, cinemas, and to sporting, cultural, literary and theatrical events. 43: Cafeteria and coffee shop services; services for the provision of food, refreshments and drink.	15/04/2014	19/08/2014	15/04/2024	Waterstones Booksellers Limited 203-206 Piccadilly London W1J 9HA
European Union		HATCHARDS	09, 16, 35, 41, 43	014572945	09: Sound recordings; music recordings; video recordings; audiovisual recordings; audio books; CDs; DVDs; SACDs; books and other publications recorded on computer media; computer software; computer games programs; electronic publications (downloadable) provided on-line from databases, via the Internet or any other communications network. 16: Printed matter; printed publications; books; periodicals; magazines; posters; photographs; calendars; greeting cards; paper; paper articles; stationery; gift vouchers; book tokens; book binding materials; protective covers for books. 35: Retail services connected with books and other printed matter and publications; the bringing together, for the benefit of others, of a variety of books and other printed matter and printed publications enabling customers to conveniently view, sample and purchase those goods in a retail outlet; the bringing together, for the benefit of others, of a variety of books and other printed matter and printed publications enabling customers to conveniently view, sample and purchase those goods from a mail order catalogue or internet web site or by means of telecommunications; the provision of information and advice to prospective purchasers of goods including such services provided on-line from a database, via the Internet or any other communications network; advertising and promotional services; incentive, loyalty and reward schemes. 41: Provision of information relating to books, authors, literature and related events; services for locating books and other printed matter; publication and distribution of printed publications; organisation, production and presentation of events, quizzes and competitions; arranging and hosting of book-signing events, children's fun days and other activities with authors; provision of on-line electronic publications (not downloadable); book reviews and reviews of other publications provided on-line from a database, via the Internet or any other communications network; provision of on-line readings lists; ticket procurement, reservation and information services relating to entertainment events, concerts, theatres, cinemas, and to sporting, cultural, literary and theatrical events. 43: Cafeteria and coffee shop services; services for the provision of food, refreshments and drink.	18/09/2015		18/09/2025	Waterstones Booksellers Limited
European Union		OTTAKAR'S	09, 16, 35, 41, 43	005196746	09: Sound recordings; music recordings; video recordings; audiovisual recordings; audio books; CDs; DVDs; SACDs; books and other publications recorded on computer media; computer software; computer games programs; electronic publications (downloadable) provided on-line from databases, via the Internet or any other communications network. 16: Printed matter; printed publications; books; periodicals; magazines; posters; photographs;	13/07/2006		13/07/2026	Waterstones Booksellers Limited

Jurisdiction	Device	Title	Classes	Reg. No.	Specification	Date Filed	Registr'n Date	Renewal Date	Proprietor
European Union		W Waterstone's Stylised (white on black)	09, 16, 35, 41, 43	005421599	calendars; greeting cards; paper; paper articles; stationery; gift vouchers; book tokens; book binding materials; protective covers for books. 35: The bringing together, for the benefit of others, of a variety of books and other printed matter and printed publications enabling customers to conveniently view, sample and purchase those goods in a retail outlet; the bringing together, for the benefit of others, of a variety of books and other printed matter and printed publications enabling customers to conveniently view, sample and purchase those goods from a mail order catalogue or internet web site or by means of telecommunications; the provision of information and advice to prospective purchasers of goods including such services provided on-line from a database, via the Internet or any other communications network; advertising and promotional services; incentive and loyalty schemes. 41: Provision of information relating to books, authors, literature and related events; services for locating books and other printed matter; publication and distribution of printed publications; organisation, production and presentation of events, quizzes and competitions; arranging and hosting of book-signing events, children's fun days and other activities with authors; provision of on-line electronic publications (not downloadable); book reviews and reviews of other publications provided on-line from a database, via the Internet or any other communications network; provision of on-line reading lists. 43: Cafeteria and coffee shop services; services for the provision of food, refreshments and drink. 09: Sound recordings; music recordings; video recordings; audiovisual recordings; audio books; CDs; DVDs; SACDs; books and other publications recorded on computer media; computer software; computer games programs; electronic publications (downloadable) provided on-line from databases, via the Internet or any other communications network. 16: Printed matter; printed publications; books; periodicals; magazines; posters; photographs; calendars; greeting cards; paper; paper articles; stationery; gift vouchers; book tokens; book binding materials; protective covers for books. 35: Retail bookseller services; retail services relating to books and other printed matter and printed matter and printed publications enabling customers to conveniently view, sample and purchase those goods in a retail outlet; the bringing together, for the benefit of others, of a variety of books and other printed matter and printed publications enabling customers to conveniently view, sample and purchase those goods from a mail order catalogue or internet web site or by means of telecommunications; the provision of information and advice to prospective purchasers of goods including such services provided on-line from a database, via the Internet or any other communications network; advertising and promotional services; incentive and loyalty schemes. 41: Provision of information relating to books, authors, literature and related events; services for locating books and other printed matter; publication and distribution of printed publications; organisation, production and presentation of events, quizzes and competitions; arranging and hosting of book-signing events, children's fun days and other activities with authors; provision of on-line electronic publications (not downloadable); book reviews and reviews of other publications provided on-line from a database, via the Internet or any other communications network; provision of on-line reading lists. 43: Cafeteria and coffee shop services; services for the provision of food, refreshments and drink.	27/10/2006		27/10/2026	Waterstones Booksellers Limited
Ireland		HODGES FIGGIS	09	171195	09: Computers; keyboards; printers and visual units all for use with computers; computer software; computer games; parts and fittings for the aforementioned goods; sound and/or video recordings in the form of discs or tapes. 16: Books, magazines, newspapers, manuals, catalogues, printed matter and printed publications; paper articles, cardboard articles, posters, cards, postcards, prints, photographs, paintings, stationery, greeting cards, folders, binders, files, clipboards, portfolios, albums, diaries, calendars, office requisites, writing instruments, paperclips, wrapping and packaging materials, ribbons, bows, tags, drawing instruments, drawing materials, artists materials, stencils, labels, transfers and playing cards. 09: Computers, keyboards, printers and visual units all for use with computers; computer software; computer games; parts and fittings for all the aforementioned goods; sound and/or video recordings in the form of discs or tapes. 16: Books, magazines, newspapers, manuals, catalogues, printed matter and printed publications; paper articles, cardboard articles, posters, cards, postcards, prints, photographs, paintings, stationery, greeting cards, folders, binders, files, clipboards, portfolios, albums, diaries, calendars, office requisites, writing instruments, paper clips, wrapping and packaging materials, ribbons, bows, tags, drawing instruments, drawing materials artists' materials,	16/05/1995		16/05/2022	Waterstones Booksellers Limited
Ireland		HODGES FIGGIS	16	171196	16: Books, magazines, newspapers, manuals, catalogues, printed matter and printed publications; paper articles, cardboard articles, posters, cards, postcards, prints, photographs, paintings, stationery, greeting cards, folders, binders, files, clipboards, portfolios, albums, diaries, calendars, office requisites, writing instruments, paperclips, wrapping and packaging materials, ribbons, bows, tags, drawing instruments, drawing materials, artists materials, stencils, labels, transfers and playing cards. 09: Computers, keyboards, printers and visual units all for use with computers; computer software; computer games; parts and fittings for all the aforementioned goods; sound and/or video recordings in the form of discs or tapes. 16: Books, magazines, newspapers, manuals, catalogues, printed matter and printed publications; paper articles, cardboard articles, posters, cards, postcards, prints, photographs, paintings, stationery, greeting cards, folders, binders, files, clipboards, portfolios, albums, diaries, calendars, office requisites, writing instruments, paper clips, wrapping and packaging materials, ribbons, bows, tags, drawing instruments, drawing materials artists' materials,	16/05/1995		16/05/2022	Waterstones Booksellers Limited
Ireland		HATCHARDS	09, 16	169145	09: Computers, keyboards, printers and visual units all for use with computers; computer software; computer games; parts and fittings for all the aforementioned goods; sound and/or video recordings in the form of discs or tapes. 16: Books, magazines, newspapers, manuals, catalogues, printed matter and printed publications; paper articles, cardboard articles, posters, cards, postcards, prints, photographs, paintings, stationery, greeting cards, folders, binders, files, clipboards, portfolios, albums, diaries, calendars, office requisites, writing instruments, paper clips, wrapping and packaging materials, ribbons, bows, tags, drawing instruments, drawing materials artists' materials,	19/10/1995		19/10/2022	Waterstones Booksellers Limited

Jurisdiction	Device	Title	Classes	Reg. No.	Specification	Date Filed	Registr'n Date	Renewal Date	Proprietor
Ireland		HODGES FIGGIS	35	253844	stencils, labels, transfers and playing cards 35: Retail services connected with books and other printed matter and publications; the bringing together, for the benefit of others, of a variety of books and other printed matter and printed publications enabling customers to conveniently view, sample and purchase those goods in a retail outlet; the bringing together, for the benefit of others, of a variety of books and other printed matter and printed publications enabling customers to conveniently view, sample and purchase those goods from a mail order catalogue or internet web site or by means of telecommunications; the provision of information and advice to prospective purchasers of goods including such services provided on-line from a database, via the Internet or any other communications network; advertising and promotional services; incentive, loyalty and reward schemes.	18/09/2015	18/09/2015	18/09/2025	Waterstones Booksellers Limited
United Kingdom		BOOKCLOUD BOOK CLOUD (Series of 2)	09, 16, 35, 38, 41, 42, 45	2470272	09: Apparatus for recording, compressing, transmission or reproduction of sound or images; telecommunication apparatus and accessories; telecommunication kits and accessories for broadband telecommunication services and the internet; mobile telephones; combined phones with cameras; camcorders; personal digital assistants (PDA); wireless communication devices; compact disc players; MP3 and MP4 players; video players and recorders; DVD players, writers and recorders; CD players, writers and recorders; portable media players; cases and fascias for all the aforesaid equipment; PC drives; hard drives; flash memory drives; disc drives; tape drives; modems; headphones; parts and fittings for all the aforesaid goods; electronic circuit boards; computer program memory cartridges; digital media player (DRM-less (digital rights management-less) hardware); download recorders for cell phones or other apparatus for recording; magnetic data carriers; CDs; DVDs; SACDs; mini-discs; high definition DVDs; high density and definition media and hardware; portal Media (pre-recorded disks of sound, audio, digital and video recordings made available to consumers allowing instant communication); sound recordings; music recordings; video recordings; audio/visual recordings; audio books; books and other publications recorded on computer media; downloadable sound, music, video, images, games and texts; computer software; video games; computer games programs; software and cartridges for any type of games apparatus; games apparatus adapted for use with television receivers; books and other publications recorded on computer media; racks and cases, all adapted to hold CDs, DVDs, SACDs, mini-discs or high definition DVDs; computer software; computer games programs; games consoles; joysticks; headphones; drive consoles; light guns; keyboards; fittings and parts for the aforesaid; games apparatus playable on TVs, screens, visual display units, monitors and computer screens; interactive games equipment to play games on TV screens, visual display units, monitors and computer screens; interactive computer systems; computer interfaces to remote units; electronic publications (downloadable) provided on-line from databases, via the Internet or any other communications network. 16: Printed publications; books; comics; periodicals; magazines; posters; photographs; prints; albums; stickers; calendars; greetings cards; diaries; manuals; paper; paper articles; writing implements; stationery; gift vouchers; voucher books; gift certificates, book and record tokens; gift stationery; gift wrappers; gift packaging; gift tags. 35: Advertising; provision of advertising space through computer networks and websites; dissemination of advertising messages; the organisation and provision of loyalty card schemes and services; the bringing together, for the benefit of others (including consumers), of a variety of goods, namely, books, magazines, products (whether or not in tangible form) carrying or containing music, products (whether or not in tangible form) carrying or containing audio-visual matter, electronic games, apparatus and equipment relating to any of the foregoing, other goods in the consumer electronics or home entertainment or personal entertainment or consumer communications markets; posters, calendars, paper goods, writing implements, stationery and mouse mats, novelty items, gift sets, badges, keyrings, fridge magnets and metal plaques and mugs, blank recording media, toys; playthings and games (including board games), and clothing and headgear, enabling customers to conveniently view, sample and purchase those goods from a retail outlet, mail order catalogue or internet web site. 38: Telecommunications; broadcasting and webcasting; delivery of digital music, video, games or books by telecommunications; providing access to digital music web sites on the internet; providing internet portals for uploading, downloading and sharing video clips and other digital content on-line; leasing access time to computer databases; providing internet chatrooms and virtual chatrooms; providing on-line forums, interactive bulletin boards and interactive communication services; transmission of information, messages, text, data, multimedia content, videos and images by electronic means; streaming media; delivery of multimedia content to computers, portable media players and other apparatus; short messaging services (SMS); transmission of advertising material; organising and providing online community forums for users to post, search, watch, share, critique, rate and comment on audio, video and other multimedia content; provision of access time to the internet; providing access to, lending and	23/10/2007	23/10/2017	Waterstones Booksellers Limited	

Jurisdiction	Device	Title	Classes	Reg. No.	Specification	Date Filed	Registr'n Date	Renewal Date	Proprietor	
					rental of media bearing audio matter, audio-visual matter, texts, images, multimedia works and electronic games; providing access to, rental and lending of equipment for playing, recording, storing, compressing or otherwise processing audio matter, audio-visual matter, texts, images, multimedia works and electronic games; hosting of digital content on the internet and online facilities for hosting, sharing, organising and conducting online meetings, gatherings, forums, chatrooms, journals, blogs and interactive discussions; provision of access time to computers. 41: Entertainment; cultural activities and events; publication of weblogs; organisation, production and presentation of social, cultural and entertainment events, games, quizzes and competitions; distribution of films, audio and video recordings, electronic games and multimedia recordings; interactive entertainment services; provision of interactive play and game areas; provision of amusement centres; electronic games services provided on-line or by means of a global computer network; publishing; production, editing, presentation and recording of films, audio and video recordings; images, texts and multimedia works; lending and rental of media bearing audio matter, audio-visual matter, texts, images, multimedia works and electronic games, for educational or entertainment purposes; rental and lending of equipment for playing, recording, storing, compressing or otherwise processing audio matter, audio-visual matter, texts, images, multimedia works and electronic games. 42: Computer services; internet café services; creation and hosting of internet web sites; provision, lending and rental of computers and equipment for storing, compressing or otherwise processing audio matter, audio-visual matter, texts, images, multimedia works and electronic games. 45: Social networking services; internet-based social networking services.	29/04/2008		29/04/2018	Waterstones Booksellers Limited	
United Kingdom		THE BIG BOOK BANK	16, 41	2486259	16: Books. 41: Consultation services relating to the publication of books; information services relating to books; publication of books; publishing services for books; provision of books for educational purposes.					
United Kingdom		W WATERSTONE'S BOOKSELLERS oval device	16	1466247	16: Printed matter; books; stationery and greeting cards; all included in class 16	04/06/1991		04/06/2018	Waterstones Booksellers Limited	
United Kingdom		WATERSTONE'S BOOKSEARCH	41	2181547	41: Information relating to books and other printed matter, services for locating books and other printed matter, publication of books and other printed matter.	07/11/1998		07/11/2018	Waterstones Booksellers Limited	
United Kingdom		WATERSTONE'S DISCOVER SOMETHING NEW	09, 16, 35, 41, 43	2516457	09: Sound recordings; music recordings; video recordings; audiovisual recordings; audio books; CDs; DVDs; SACDs; books and other publications recorded on computer media; computer software, computer games programs; electronic publications (downloadable) provided on-line from databases, via the Internet or any other communications network. 16: Printed matter; printed publications; books; periodicals; magazines; posters; photographs; calendars; greeting cards; paper; paper articles; stationery; gift vouchers; book tokens; book binding materials; protective covers for books. 35: Retail services connected with books and other printed matter and publications; the bringing together, for the benefit of others, of a variety of books and other printed matter and printed publications enabling customers to conveniently view, sample and purchase those goods in a retail outlet; the bringing together, for the benefit of others, of a variety of books and other printed matter and printed publications enabling customers to conveniently view, sample and purchase those goods from a mail order catalogue or internet web site or by means of telecommunications; the provision of information and advice to prospective purchasers of goods including such services provided on-line from a database, via the Internet or any other communications network; advertising and promotional services; incentive and loyalty schemes. 41: Provision of information relating to books, authors, literature and related events; services for locating books and other printed matter; publication and distribution of printed publications; organisation, production and presentation of events, quizzes and competitions; arranging and hosting of book-signing events, children's fun days and other activities with authors; provision of on-line electronic publications (not downloadable); book reviews and reviews of other publications provided on-line from a database, via the Internet or any other communications network; provision of on-line readings lists. 43: Cafeteria and coffee shop services; services for the provision of food, refreshments and drink.			21/05/2009	21/05/2019	Waterstones Booksellers Limited
United Kingdom		BOOKCLOUD / BOOK CLOUD (Series of 2)	09, 16, 35, 38, 41, 42, 45	2639004	09: Apparatus for recording, compressing, transmission or reproduction of sound or images; telecommunication apparatus and accessories; telecommunication kits and accessories for broadband telecommunication services and the Internet; mobile telephones; combined phones with cameras; camcorders; personal digital assistants (PDA); wireless communication devices; compact disc players; MP3 and MP4 players; video players and recorders; DVD players, writers and recorders; CD players, writers and recorders; portable media players; cases and fascias for all the aforesaid equipment; PC drives; hard drives; flash memory drives; disc drives; tape drives;	19/10/2012	26/04/2013	19/10/2022	Waterstones Booksellers Limited	

Jurisdiction	Device	Title	Classes	Reg. No.	Specification	Date Filed	Registrar's Date	Renewal Date	Proprietor
					modems; headphones; parts and fittings for all the aforesaid goods; electronic circuit boards; computer program memory cartridges; digital media player (DRM-less) (digital rights management-less) hardware); download recorders for cell phones or other apparatus for recording; magnetic data carriers; CDs; DVDs; SACDs; mini-discs; high definition DVDs; high density and definition media and hardware; portal Media (pre-recorded disks of sound, audio, digital and video recordings made available to consumers allowing instant communication); sound recordings; music recordings; video recordings; audiovisual recordings; audio books; books and other publications recorded on computer media; downloadable sound, music, video, images, games and texts; computer software; video games; computer games programs; software and cartridges for any type of games apparatus; books and other publications recorded on computer media; racks and cases, all adapted to hold CDs, DVDs, SACDs, mini-discs or high definition DVDs; computer software; computer games programs; games consoles; joysticks; headphones; drive consoles; light guns; keyboards; fittings and parts for the aforesaid; interactive computer systems; computer interfaces to remote units; electronic publications (downloadable) provided on-line from databases, via the Internet or any other communications network. 16: Printed publications; books; comics; periodicals; magazines; posters; photographs; prints; albums; stickers; calendars; greetings cards; diaries; manuals; paper; paper articles; writing implements; stationery; gift vouchers; voucher books; gift certificates; book and record tokens; gift stationery; gift wrappers; gift packaging; gift tags. 35: Advertising; provision of advertising space through computer networks and websites; dissemination of advertising messages; the organisation and provision of loyalty card schemes and services; the bringing together, for the benefit of others (including consumers), of a variety of goods, namely, books, magazines, products (whether or not in tangible form) carrying or containing music, products (whether or not in tangible form) carrying or containing audio-visual matter, electronic games, apparatus and equipment relating to any of the foregoing, posters, calendars, paper goods, writing implements, stationery and mouse mats, novelty items, gift sets, badges, keyrings, fridge magnets and metal plaques and mugs, blank recording media, toys, playthings and games (including board games), and clothing and headgear, enabling customers to conveniently view, sample and purchase those goods from a retail outlet, mail order catalogue or Internet web site. Telecommunications; broadcasting and webcasting; delivery of digital music, video, games or books by telecommunications; providing access to digital music web sites on the Internet; providing internet portals for uploading, downloading and sharing video clips and other digital content on-line; leasing access time to computer databases; providing internet chatrooms and virtual chatrooms; providing on-line forums, interactive bulletin boards and interactive communication services; transmission of information, messages, text, data, multimedia content, videos and images by electronic means; streaming media; delivery of multimedia content to computers, portable media players and other apparatus; short messaging services (SMS); transmission of advertising material; organising and providing online community forums for users to post, search, watch, share, critique, rate and comment on audio, video and other multimedia content; provision of access time to the Internet; providing access to, lending and rental of media bearing audio matter, audio-visual matter, texts, images, multimedia works and electronic games; providing access to, rental and lending of equipment for playing, recording, storing, compressing or otherwise processing audio matter, audio-visual matter, texts, images, multimedia works and electronic games; provision of access time to computers. 41: Entertainment; cultural activities and events; publication of weblogs; organisation, production and presentation of social, cultural and entertainment events, games, quizzes and competitions; distribution of films, audio and video recordings, electronic games and multimedia recordings; interactive entertainment services; provision of interactive play and game areas; provision of amusement centres; electronic games services provided on-line or by means of a global computer network; publishing; production, editing, presentation and recording of films, audio and video recordings; images, texts and multimedia works; lending and rental of media bearing audio matter, audio-visual matter, texts, images, multimedia works and electronic games, for educational or entertainment purposes; rental and lending of equipment for playing, recording, storing, compressing or otherwise processing audio matter, audio-visual matter, texts, images, multimedia works and electronic games. 42: Computer services; internet café services; creation and hosting of internet web sites; provision, lending and rental of computers and equipment for storing, compressing or otherwise processing audio matter, audio-visual matter, texts, images, multimedia works and electronic games; hosting of digital content on the Internet and online facilities for hosting, sharing, organising and conducting online meetings, gatherings, forums, chatrooms, journals, blogs and interactive discussions.				

Jurisdiction	Device	Title	Classes	Reg. No.	Specification	Date Filed	Registr'm Date	Renewal Date	Proprietor
United Kingdom		DILLONS	09, 16	2020235	45: Social networking services; internet-based social networking services. 09: Cassettes, compact discs, videos, computer software, CD ROMs, computer games. 16: Books, printed matter, greetings cards, posters, post cards, cards, prints, stationery, bookmarks, diaries, albums, calendars, wrapping and packaging materials, ribbons, bows and tags.	11/05/1995		11/05/2025	Waterstones Booksellers Limited
United Kingdom		HATCHARDS	09, 16, 42	2020257	09: Computers; keyboards, printers and visual units all for use with computers; computer software, computer games; parts and fittings for the abovementioned goods; sound and/or video recordings in the form of discs or tapes. 16: Books, magazines, newspapers, manuals, catalogues, printed matter and printed publications; paper, cardboard, posters, cards, postcards, prints, photographs, paintings, stationery, greeting cards, folders, binders, files, clipboards, portfolios, albums, diaries, calendars, office requisites, writing instruments, paper clips, wrapping and packaging materials, ribbons, bows, tags, drawing instruments, drawing materials, artists' materials, stencils, labels, transfers and playing cards. 42: Quality control, selection and testing services. 09: Sound recordings; music recordings; video recordings; audiovisual recordings; audio books; CDs; DVDs; SACDs; books and other publications recorded on computer media; computer software; computer games programs; electronic publications (downloadable) provided on-line from databases, via the Internet or any other communications network. 16: Printed matter; printed publications; books; periodicals; magazines; posters; photographs; calendars; greeting cards; paper; paper articles; stationery; gift vouchers; book tokens; book binding materials; protective covers for books. 35: Retail bookseller services; retail services relating to books and other printed matter and publications; the bringing together, for the benefit of others, of a variety of books and other printed matter and printed publications enabling customers to conveniently view, sample and purchase those goods in a retail outlet; the bringing together, for the benefit of others, of a variety of books and other printed matter and printed publications enabling customers to conveniently view, sample and purchase those goods from a mail order catalogue or internet web site or by means of telecommunications; the provision of information and advice to prospective purchasers of goods including such services provided on-line from a database, via the Internet or any other communications network; advertising and promotional services; incentive and loyalty schemes. 41: Provision of information relating to books, authors, literature and related events; services for locating books and other printed matter; publication and distribution of printed publications; organisation, production and presentation of events, quizzes and competitions; arranging and hosting of book-signing events, children's fun days and other activities with authors; provision of on-line electronic publications (not downloadable); book reviews and reviews of other publications provided on-line from a database, via the Internet or any other communications network; provision of on-line readings lists. 43: Cafeteria and coffee shop services; services for the provision of food, refreshments and drink.	27/10/2006		27/10/2026	Waterstones Booksellers Limited
United Kingdom		W WATERSTONE'S W Waterstone's (stylised) (series of 3)	09, 16, 35, 41, 43	2437016	09: Sound recordings; music recordings; video recordings; audiovisual recordings; audio books; CDs; DVDs; SACDs; books and other publications recorded on computer media; computer software; computer games programs; electronic publications (downloadable) provided on-line from databases, via the Internet or any other communications network. 16: Printed matter; printed publications; books; periodicals; magazines; posters; photographs; calendars; greeting cards; paper; paper articles; stationery; gift vouchers; book tokens; book binding materials; protective covers for books. 35: Retail bookseller services; retail services relating to books and other printed matter and publications; the bringing together, for the benefit of others, of a variety of books and other printed matter and printed publications enabling customers to conveniently view, sample and purchase those goods in a retail outlet; the bringing together, for the benefit of others, of a variety of books and other printed matter and printed publications enabling customers to conveniently view, sample and purchase those goods from a mail order catalogue or internet web site or by means of telecommunications; the provision of information and advice to prospective purchasers of goods including such services provided on-line from a database, via the Internet or any other communications network; advertising and promotional services; incentive and loyalty schemes. 41: Provision of information relating to books, authors, literature and related events; services for locating books and other printed matter; publication and distribution of printed publications; organisation, production and presentation of events, quizzes and competitions; arranging and hosting of book-signing events, children's fun days and other activities with authors; provision of on-line electronic publications (not downloadable); book reviews and reviews of other publications provided on-line from a database, via the Internet or any other communications network; provision of on-line readings lists. 43: Cafeteria and coffee shop services; services for the provision of food, refreshments and drink.	27/10/2006		27/10/2026	Waterstones Booksellers Limited
United Kingdom		WATERSTONE'S	09, 16, 35, 41, 43	2436907	09: Sound recordings; music recordings; video recordings; audiovisual recordings; audio books; CDs; DVDs; SACDs; books and other publications recorded on computer media; computer software; computer games programs; electronic publications (downloadable) provided on-line from databases, via the Internet or any other communications network. 16: Printed matter; printed publications; books; periodicals; magazines; posters; photographs; calendars; greeting cards; paper; paper articles; stationery; gift vouchers; book tokens; book binding materials; protective covers for books. 35: Retail bookseller services; retail services relating to books and other printed matter and publications; the bringing together, for the benefit of others, of a variety of books and other printed matter and printed publications enabling customers to conveniently view, sample and purchase those goods in a retail outlet; the bringing together, for the benefit of others, of a variety of books and other printed matter and printed publications enabling customers to conveniently view, sample and purchase those goods from a mail order catalogue or internet web site or by means of telecommunications; the provision of information and advice to prospective purchasers of goods including such services provided on-line from a database, via the Internet or any other communications network; advertising and promotional services; incentive and loyalty schemes. 41: Provision of information relating to books, authors, literature and related events; services for locating books and other printed matter; publication and distribution of printed publications; organisation, production and presentation of events, quizzes and competitions; arranging and hosting of book-signing events, children's fun days and other activities with authors; provision of on-line electronic publications (not downloadable); book reviews and reviews of other publications provided on-line from a database, via the Internet or any other communications network; provision of on-line readings lists. 43: Cafeteria and coffee shop services; services for the provision of food, refreshments and drink.	27/10/2006		27/10/2026	Waterstones Booksellers Limited

Jurisdiction	Device	Title	Classes	Reg. No.	Specification	Date Filed	Registr'n Date	Renewal Date	Proprietor
					reviews of other publications provided on-line from a database, via the Internet or any other communications network; provision of on-line reading lists. 43: Cafeteria and coffee shop services; services for the provision of food, refreshments and drink.				

25/10/2017 13:33:36

Part 2: Intellectual Property where the Security Agent's interest may be registered

Part 2: Intellectual Property where the Security Agent's interest may be registered

Jurisdiction	Device	Title	Classes	Reg. No.
European Community		W Device	09, 16, 35, 41, 42	009102781
European Community	waterstone's	WATERSTONE'S Stylised	09, 16, 35, 41, 43	009102741
European Community		WATERSTONE'S	09, 16, 35, 38, 41, 42	002049823
European Community		W Waterstone's (white on black)	09, 16, 35, 41, 43	005421599
United Kingdom		HATCHARDS	09, 16, 42	2020257
United Kingdom		W WATERSTONE'S W Waterstone's (stylised) (series of 3)	09, 16, 35, 41, 43	2437016
United Kingdom		WATERSTONE'S	09, 16, 35, 41, 43	2436907
European Community		WATERSTONES	09, 16, 35, 41, 43	010764967
Ireland		HATCHARDS	09, 16	169145
European Union		W (stylised)	09, 16, 35, 41, 43	12793931
European Union		HATCHARDS	09, 16, 35, 41, 43	14572945
Ireland		HODGES FIGGIS	09	171195
Ireland		HODGES FIGGIS	16	171196

Ireland		HODGES FIGGIS	35	253844
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Schedule 3

Notice to Counterparty

[On the letterhead of the Chargor]

To: [*Contract Party*]

Copy to: [•] as Security Agent

[Date]

Dear Sirs

Security Agreement (the "Security Agreement") dated [•] between [insert name of Chargor] and others; and RCB BANK LTD (the "Security Agent")

1. This letter constitutes notice to you that under the Security Agreement we have assigned to the Security Agent all our rights, title and interest in respect of [*insert details of contract*] (the "**Contract**") as security for certain obligations owed by us to the Security Agent.
2. We will remain liable under the Contract to perform all obligations imposed on us under the Contract and none of the Security Agent, its agents, any receiver, administrator or any other person will at any time be under any obligation or liability to you under or in respect of the Contract.
3. We will remain entitled to exercise all of our rights under the Contract and you should continue to give notices under the Contract to us, until such time as the Security Agent provides written notification to the contrary. After such written notification, all rights in respect of the Contract (including the right to direct payments of amounts due under it to another account) will be exercisable by the Security Agent and notices under the Contract should be given to the Security Agent or as it directs.
4. You are authorised and instructed (without requiring further approval from us) to provide the Security Agent with such information relating to the Contract as it may from time to time request;
5. These instructions may not be revoked without the prior written consent of the Security Agent.
6. Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to us) to confirm (by way of undertaking in favour of the Security Agent) that:
 - (a) you agree to the terms of this notice and to act in accordance with its provisions;
 - (b) you have not and will not claim, exercise or enforce any right of set-off, counterclaim or similar right in respect of the Contract without the consent of the Security Agent;
 - (c) you have not received notice of the interest of any third party in the Contract; and
 - (d) you will notify the Security Agent of any breach by us of the terms of the Contract and will allow the Security Agent to remedy that breach.
7. This notice and any non-contractual obligations arising out of or in relation to this notice shall be governed by, and construed in accordance with, English law.

Yours faithfully,

.....

for and on behalf of

[•] as Chargor

.....

for and on behalf of

RCB Bank Ltd as Security Agent

[On acknowledgement copy]

To: RCB Bank Ltd

[Address]

Copy to: [•]

We acknowledge receipt of the above notice and agree to and confirm the matters set out in it.

.....

for and on behalf of

[Counterparty to relevant Material Contract]

Date: [•]

Schedule 4

Notice of Insurance Assignment

To: [insert name of insurance company]

[Date]

Dear Sirs,

Re: [identify the relevant insurance policy(ies)] (the "**Policies**")

Security Agreement dated [•] (the "Security Agreement") between Waterstones Holdings Limited and others; and RCB BANK LTD (the "Security Agent")

1. This letter constitutes notice to you that under the Security Agreement we have assigned to the Security Agent all our rights, title and interest in and to the insurance policies identified in the schedule to this letter and to any other insurance policies taken out with you by us or on our behalf or under which we have a right to a claim (other than in relation to third party liabilities) (the "**Insurance Policies**").
2. We will remain liable under the Insurance Policies to perform all obligations imposed on us under the Insurance Policies and none of the Security Agent, its agents, any receiver, administrator or any other person will at any time be under any obligation or liability to you under or in respect of the Insurance Policies.
3. We will remain entitled to exercise all of our rights under the Insurance Policies and you should continue to give notices under the Insurance Policies to us, until such time as the Security Agent provides written notification to the contrary. After such written notification:
 - (a) all amounts payable under the Insurance Policies should be paid to the Security Agent or as it directs; and
 - (b) all rights in respect of the Insurance Policies will be exercisable by the Security Agent and notices under the Insurance Policies should be given to the Security Agent or as it directs.
4. You are authorised and instructed (without requiring further approval from us) to provide the Security Agent with such information relating to the Insurance Policies as it may from time to time request.
5. These instructions may not be revoked without the prior written consent of the Security Agent.
6. Please note the interest of the Security Agent on the Insurance Policies.
7. Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to us) to confirm (by way of undertaking in favour of the Security Agent) that:
 - (a) you agree to the terms of this notice and to act in accordance with its provisions;
 - (b) you have not received notice of the interest of any third party in any of the Insurance Policies;
 - (c) you have not and will not claim, exercise or enforce any right of set-off, counterclaim or similar right in respect of the Insurance Policies without the consent of the Security Agent;
 - (d) you will notify the Security Agent of any breach by us of the terms of any Insurance Policy and will allow the Security Agent to remedy that breach; and

(e) the Security Agent shall not in any circumstances be liable for the premium in relation to the Insurance Policies (but may elect to pay it).

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

Yours faithfully

.....

for and on behalf of

[•] as Chargor

.....

for and on behalf of

[•] as Security Agent

Schedule

[Details of Insurance Policies to be inserted]

[*On acknowledgement copy*]

To: [Security Agent]

[Address]

Copy to: [•]

We acknowledge receipt of the above notice and agree to and confirm the matters set out in it.

.....

for and on behalf of

[Insurer]

Date: [•]

SIGNATORIES

The Chargors

EXECUTED as a **DEED** by **LYNWOOD INVESTMENTS CY**)

LIMITED acting by a director in the presence of:)

[Redacted Signature]

Signature of Director (



Signature of witness

[Redacted Signature]

Print Name: ELASIA ARISTONOU

Address: DIMGORDU 4, OFFICE 601

1097 Nicosia, CYPRUS

Occupation: Private Employee

.....

EXECUTED as a **DEED** by **WATERSTONES HOLDINGS**)

LIMITED acting by a director in the presence of:)

.....

Signature of Director

Signature of witness:

Print Name:

Address:

.....

Occupation:

.....

SIGNATORIES

The Chargors

EXECUTED as a **DEED** by **LYNWOOD**
INVESTMENTS CY)
LIMITED acting by a director in the presence of:)

.....
Signature of Director

Signature of witness:

Print Name:

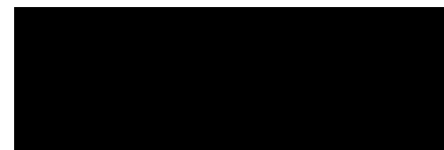
Address:

.....

Occupation:

.....

EXECUTED as a **DEED** by **WATERSTONES HOLDINGS**)
LIMITED acting by a director in the presence of:)



Signature of Director

Signature of witness: 

Print Name: RACHEL NG

Address: WATERSTONES, 203-206

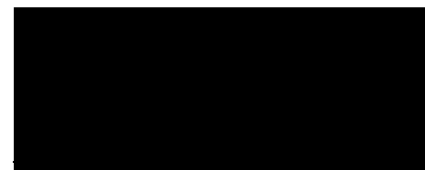
PICCADILLY, LONDON, W1D 9HD

Occupation: EXECUTIVE ASSISTANT

.....

EXECUTED as a **DEED** by **WATERSTONES
BOOKSELLERS
LIMITED** acting by a director in the presence of:

)
)



Signature of Director

Signature of witness: 

Print Name: RACHEL NG

Address: WATERSTONES, 203-206

.... PICCADILLY, LONDON, W1D 9HD

Occupation: EXECUTIVE ASSISTANT

.....

Security Agent
By RCB BANK LTD



ZALEVSKII ARKADII

Deputy CEO
)

.....
Signature of Director