

MR01

Particulars of a charge



Companies House

410933/23



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

☒ **What this form is NOT for**
You may not use this form to
register a charge
instrument. Use form

For further information please
visit the Companies House website

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

MONDAY



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

1

Company details

Company number 00703317
Company name in full telent Technology Services Limited

0014 For official use

→ **Filing in this form**
Please complete in typescript or in
bold black capitals.

All fields are mandatory unless
specified or indicated by *

2

Charge creation date

Charge creation date d 1 d 9 m 0 m 4 y 2 y 0 y 1 y 8

3

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

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

Name Stanhope Pension Trust Limited as trustee of the G.E.C. 1972 Plan ✓

Name

Name

Name

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

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

MR01

Particulars of a charge

4	Brief description	
	Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument.	Please submit only a short description if there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument". Please limit the description to the available space.
Brief description	Freehold land known as Land on the East Side of Heathcote Way, Heathcote Industrial Estate, Warwick, CV34 6TE registered at the Land Registry with Title Absolute under title number WK296221 and freehold land known as land lying to the south west of London Road (known as 18-20 Dennington Road, Wellingborough, NN8 2QH) registered at the Land Registry with Title Absolute under title number NN5272.	
5	Other charge or fixed security	
	Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
6	Floating charge	
	Is the instrument expressed to contain a floating charge? Please tick the appropriate box. <input type="checkbox"/> Yes Continue <input checked="" type="checkbox"/> No Go to Section 7 Is the floating charge expressed to cover all the property and undertaking of the company? <input type="checkbox"/> Yes	
7	Negative Pledge	
	Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
8	Trustee statement ¹	
	You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge. <input type="checkbox"/>	¹ This statement may be filed after the registration of the charge (use form MR06).
9	Signature	
	Please sign the form here.	
Signature	Signature X Sachar + Parnes LLP X	
	This form must be signed by a person with an interest in the charge.	

MR01

Particulars of a charge



Presenter information

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

Contact name **Paige Willis**

Company name **Sacker & Partners LLP**

Address **20 Gresham Street**

Post town **London**

County/Region

Postcode **E C 2 V 7 J E**

Country

DX

Telephone **020 7329 6699**



Certificate

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



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



How to pay

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

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



Where to send

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

For companies registered in England and Wales:

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

For companies registered in Scotland:

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

For companies registered in Northern Ireland:

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



Further information

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

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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 703317

Charge code: 0070 3317 0014

The Registrar of Companies for England and Wales hereby certifies that a charge dated 19th April 2018 and created by TELENT TECHNOLOGY SERVICES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 23rd April 2018.

(P)

Given at Companies House, Cardiff on 30th April 2018



Companies House



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

SECURITY AGREEMENT

DATED 19 April 2018

BETWEEN

TELENT TECHNOLOGY SERVICES LIMITED

- and -

Stanhope Pension Trust Limited as trustee of the G.E.C. 1972 Plan

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

Signed PAIGE WILLIS

Dated 20/04/18

Witness PAIGE WILLIS

Capacity SOLICITOR

For and on behalf of the Trustee
15 Grosvenor Street, London W1K 2JF
Tel: +44 (0) 20 7321 8700

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THIS DEED is dated 14 April 2018 between:

- (1) Telent Technology Services Limited (Registered in England and Wales with number 703317) (the **Chargor**); and
- (2) Stanhope Pension Trust Limited (registered in England and Wales with number 01049236) as trustees of the G.E.C. 1972 Plan and any other person or persons who is or are for the time being a trustee of the G.E.C. 1972 Plan (the **Trustee**).

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Deed:

Act means the Law of Property Act 1925.

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

Company means telent Limited, a company registered in England and Wales with number 67307.

Creditors' Process means, in relation to a person, any expropriation, attachment, sequestration, distress or execution (or any analogous event in any jurisdiction) which affects a material part of the assets of that person, and is not discharged within fourteen (14) days.

Contract Claims means:

- (a) any sums payable to the Chargor pursuant to all representations, warranties, undertakings and indemnities to, agreements with and security to be provided in favour of the Chargor in respect of and pursuant to each of the Relevant Contracts; and
- (b) any net proceeds of any claims, awards and judgements which may at any time be received or receivable by the Chargor pursuant to any of the Relevant Contracts together with the benefit of all powers and remedies for enforcing the same.

Disposal Proceeds means all capital monies or other sums or other consideration paid or payable in respect of the disposal of the Chargor's interest in all or any part of any Mortgaged Property.

Environmental Approval means any consent, approval, authorisation, permission or licence required by any Environmental Law.

Environmental Claim means any action or claim by any person in connection with:

- (a) a breach, or alleged breach, of an Environmental Law;
- (b) a liability, or alleged liability, under Environmental Law;
- (c) a failure to comply with any Environmental Approval;

- (d) any accident, fire, explosion or other event of any type involving an emission or substance which is capable of causing harm to any living organism or the environment; or
- (e) any other environmental contamination.

Environmental Law means any law or regulation concerning:

- (a) the protection of health and safety;
- (b) the environment; or
- (c) any emission or substance which is capable of causing harm to any living organism or the environment.

Event of Default means any event or circumstance specified as such in Clause 7.

Event of Default (Supplemental Deed) means an Event of Default under and as defined in the Initial Supplemental Deed and/or an Event of Default under and as defined in any Subsequent Supplemental Deed, excluding for the purposes of this Deed, any such Event of Default which would constitute an Insolvency Event of Default.

Fixtures means all fixtures and fittings and fixed plant and machinery on the Mortgaged Property.

Initial Supplemental Deed means the supplemental deed to the TE Deed dated on or around the date of this Deed pursuant to which the Trustee agrees to the release of assets from the Third Escrow to the Company for on-lending to the Chargor for application towards certain of the Chargor's working capital requirements.

Insolvency Event means in respect of any person:

- (a) an 'insolvency event' as defined in Section 121 of the Pensions Act 2004 or regulations made from time to time thereunder;
- (b) it passes a resolution for a voluntary winding up other than where such winding up is for the purpose of a solvent restructuring;
- (c) it is unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986; or
- (d) it ceases to carry on business other than where such cessation is for the purpose of a solvent restructuring.

Insolvency Event of Default means the occurrence of an Event of Default pursuant to Clause 7.3 (*Insolvency*).

Insolvency Proceedings means in respect of any person:

- (a) any procedure or step is taken with a view to a moratorium or a composition, assignment or similar arrangement with any of its creditors;
- (b) a meeting of its shareholders, directors or other officers is convened for the purpose of considering any resolution for, to petition for or to file documents with a court or any registrar for, its winding-up, administration, dissolution or reorganisation (by way of

voluntary arrangement, scheme of arrangement or otherwise), or any such resolution is passed;

- (c) any person presents a petition, or files documents with a court or any registrar, for its winding-up, administration, dissolution or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise);
- (d) any Security Interest is enforced by any person over a material part of its assets;
- (e) an order for its winding-up, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) is made;
- (f) any liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or similar officer is appointed in respect of it or a material part of its assets;
- (g) its shareholders, directors or other officers or that person itself request(s) or apply/ies to court for the appointment of, or give(s) notice of their intention to appoint, a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or similar officer; or
- (h) any other analogous step or procedure is taken in any jurisdiction.

Insured Property Assets means the Premises and all the Chargor's other assets of an insurable nature in or on the Mortgaged Property.

Material Adverse Effect means a material adverse effect on:

- (a) the ability of the Chargor to perform its payment obligations under this Deed;
- (b) the business, operations, property, assets or financial condition of the Chargor;
- (c) the validity or enforceability of, or the effectiveness, making or ranking of this Deed; or
- (d) the validity or enforceability of any right or remedy of the Trustee under this Deed.

Mortgaged Property means all freehold or leasehold property included in the definition of **Security Assets**.

NRTS Test Model means the assets (including fixed assets, fixtures and fittings) used by the Chargor to test hardware or software prior to deployment into, or interfacing with, the NRTS network or to evaluate new hardware or software to offer to Highways England as innovation projects.

Occupational Lease means any lease, agreement for lease, licence or other occupational interest subject to which the Chargor's interest in a Mortgaged Property is held, now or in the future, including any guarantee and rent deposit arrangements entered into under the terms of them.

Party means a party to this Deed.

Pensions Regulator means the body of that name and referred to as the "Regulator" in the Pensions Act 2004.

Plan means the G.E.C. 1972 Plan.

Premises means all buildings and erections included in the definition of **Mortgaged Property**.

Receiver means a receiver and manager or a receiver or an administrator or an administrative receiver, in each case, appointed under this Deed.

Relevant Contracts means each and all of the following both present and future:

- (a) each contract in respect of any disposal of any Security Asset;
- (b) each Occupational Lease;
- (c) any managing agent's agreement in relation to the Mortgaged Property; and
- (d) all other agreements in relation to the Mortgaged Property in which the Chargor has an interest,

including, in each case, any guarantees or sureties entered into in respect of them.

Rental Income means the aggregate of all amounts paid or payable to or for the account or benefit of the Chargor in connection with the letting, use of occupation of the whole or any part of the Mortgaged Property, including each of the following amounts:

- (a) rent, licence fees and equivalent amounts paid or payable;
- (b) any sum received or receivable from any deposit held as security for performance of a tenant's obligations;
- (c) a sum equal to any apportionment of rent allowed in favour of the Chargor;
- (d) any other moneys paid or payable in respect of occupation and/or usage of a Security Asset and any fixture and fitting on a Security Asset including any fixture or fitting on a Security Asset for display or advertisement, on licence or otherwise;
- (e) any sum paid or payable under any policy of insurance in respect of loss of rent or interest on rent;
- (f) any sum paid or payable, or the value of any consideration given, for the grant, surrender or variation of any Occupational Lease;
- (g) any sum paid or payable in respect of a breach of covenant or dilapidations under any Occupational Lease and/or for expenses incurred in relation to any such breach;
- (h) any service charge payments;
- (i) any contribution to a sinking fund paid by an occupational tenant under an Occupational Lease;
- (j) any sum paid or payable by any guarantor of any occupational tenant under any Occupational Lease;

- (k) any interest paid or payable on, and any damages, compensation or settlement paid or payable in respect of, any sum referred to above less any related fees and expenses incurred (which have not been reimbursed by another person) by the Chargor; and
- (l) any amount that represents VAT chargeable in respect of any such sum.

Reservations means:

- (a) the principle that equitable remedies are remedies which may be granted or refused at the discretion of the court and damages may be regarded as an adequate remedy;
- (b) the limitation on enforcement as a result of laws relating to bankruptcy, insolvency, liquidation, reorganisation, court schemes, moratoria, administration and other laws affecting the rights of creditors generally;
- (c) the statutory time-barring of claims;
- (d) defences of set off or counterclaim;
- (e) rules against penalties and similar principles;
- (f) the fact that security which is described as fixed security may in fact be floating security;
- (g) the possibility that an undertaking to assume liability for, or indemnify a person against, non-payment of stamp duty may be void;
- (h) the fact that a court may refuse to give effect to a purported contractual obligation to pay costs imposed upon another person in respect of costs of an unsuccessful litigation brought against that person or may not award by way of costs all of the expenditure incurred by a successful litigant in proceedings brought before that court or that a court may stay proceedings if concurrent proceedings based on the same grounds and between the same parties have previously been brought before another court; and/or
- (i) any steps for perfection not required by the terms of this Deed to be taken.

Secured Liabilities means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally and in any capacity whatsoever) of the Company and/or the Chargor to make payments to the Plan under or in connection with the TE Supplemental Deeds and/or this Deed.

Security Assets means all assets of the Chargor the subject of any Security Interest created or purported to be created, by this Deed and any Supplemental Security Agreement.

Security Interest means any mortgage, charge, pledge, lien, assignment, hypothecation or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

Security Period means the period beginning on the date of this Deed and ending on the date on which all Secured Liabilities which may be or become due have been unconditionally and irrevocably paid and discharged in full.

System X Model means the assets (including fixed assets, fixtures and fittings) comprising the telephone switching equipment and emulators including associated hardware and software

used by the Chargor to provide support, maintenance, disaster recovery and the development of new functionality to public telecommunication network operators including BT.

Subsequent Supplemental Deed means any supplemental deed to the TE Deed made between the Trustee and the Company after the date of the Initial Supplemental Deed relating to the release of assets from the Third Escrow to the Company, which provides that the payment of amounts to the Plan under such deed is secured by the Legal Mortgage.

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any related penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

Tax Deduction means a deduction or withholding for or on account of Tax from a payment under this Deed.

TE Deed means the third deed of escrow made between the Company and the Trustee dated 18 November 2009 as amended by pursuant to an amendment deed dated 25 May 2017.

TE Supplemental Deeds" means:

- (a) the Initial Supplemental Deed; and
- (b) any Subsequent Supplemental Deed.

Third Escrow means the escrow arrangement established by the TE Deed.

Third Escrow Account means the account held in the name of the Company with JPMorgan Chase Bank, National Association, London Branch with account number 63809.

1.2 Construction

- (a) In this Deed unless the contrary intention appears, a reference to:
 - (i) **assets** includes present and future properties, revenues and rights of every description and includes uncalled capital;
 - (ii) **an authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation;
 - (iii) **disposal** means a sale, transfer, grant, lease or other disposal, whether voluntary or involuntary, and **dispose** will be construed accordingly;
 - (iv) **this Security** means any Security Interests created by this Deed and any Supplemental Security Agreement;
 - (v) **a person** includes any individual, firm, company, corporation, unincorporated association or body (including a partnership, trust, joint venture or consortium), government, state, agency, organisation or other entity whether or not having separate legal personality;
 - (vi) **a regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which persons to which it applies are accustomed to comply) of any governmental, inter-governmental or supranational body,

agency, department or of any regulatory, self-regulatory or other authority or organisation;

- (vii) **Sterling or £** is a reference to the lawful currency for the time being of the United Kingdom;
 - (viii) a **provision of law** is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;
 - (ix) a **Clause, a Subclause, a Paragraph, a Subparagraph or a Schedule** is a reference to a clause, a subclause, a paragraph or a subparagraph of, or a schedule to, this Deed;
 - (x) a **Party or any other person** includes its successors in title, permitted assigns and permitted transferees and this Deed shall be binding on and enforceable by any person who is for the time being a trustee of the Plan including any person who succeeds or replaces a trustee of the Plan (and this Subparagraph (x) shall be in addition to, and not affect, the provisions of the Trustee Act dealing with transfers of assets and liabilities from one trustee to another);
 - (xi) **this Deed (or any specified provision of it) or any other document** shall be construed as a reference to this Deed, that provision or that document as in force for the time being and as amended, restated, varied, supplemented or novated from time to time;
 - (xii) **including** shall not be construed narrowly but be taken as reading **including without limitation**;
 - (xiii) a **time of day** is a reference to London time; and
 - (xiv) words importing the singular shall include the plural and vice versa.
- (b) Unless the contrary intention appears, a reference to a month or months is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month or the calendar month in which it is to end, except that:
- (i) if the numerically corresponding day is not a Business Day, the period will end on the next Business Day in that month (if there is one) or the preceding Business Day (if there is not);
 - (ii) if there is no numerically corresponding day in that month, that period will end on the last Business Day in that month; and
 - (iii) notwithstanding Subparagraph (i) above, a period which commences on the last Business Day of a month will end on the last Business Day in the next month or the calendar month in which it is to end, as appropriate.
- (c) Unless expressly provided to the contrary in this Deed, a person who is not a party to this Deed may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 and, notwithstanding any term of this Deed, no consent of any third party is required for any variation (including any release or compromise of any liability) or termination of this Deed. As contemplated by Subparagraph (a)(x) above, any person who is for the time being a trustee of the Plan may enforce or enjoy the

benefit of any term of this Deed pursuant to the Contracts (Rights of Third Parties) Act 1999.

- (d) If the Trustee considers that an amount paid to them under this Deed is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- (e) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of sale of that Security Asset.
- (f) The headings in this Deed do not affect its interpretation.
- (g) It is intended by the Parties that this document takes effect as a deed notwithstanding the fact that a Party may only execute this document under hand.

2. COVENANT TO PAY

The Chargor covenants with the Trustee that it shall, on demand following the occurrence of an Event of Default, pay or discharge the Secured Liabilities when due.

3. CREATION OF SECURITY

3.1 General

- (a) All the Security Interests created under this Deed:
 - (i) are created in favour of the Trustee;
 - (ii) are created over the present and future assets of the Chargor as specified in Clauses 3.2 and 3.3;
 - (iii) are continuing security for the payment of all the Secured Liabilities; and
 - (iv) are made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (b) If the rights of the Chargor under a document cannot be secured without the consent of a party to that document:
 - (i) the Chargor must notify the Trustee promptly;
 - (ii) this Security will secure all amounts which the Chargor may receive, or has received, under that document but exclude the document itself; and
 - (iii) unless the Trustee otherwise requires, the Chargor must use reasonable endeavours to obtain the consent of the relevant party to that document being secured under this Deed.
- (c) *The payment obligations of the Chargor under this Deed shall survive the enforcement of the whole or any part of the Security Assets.*

3.2 Charge

- (a) The Chargor charges and agrees to charge:

- (i) by way of a first legal mortgage the real property specified in Schedule 1 (*Real Property*);
 - (ii) its interests in the Relevant Contracts;
 - (iii) all claims under and all proceeds of all policies of insurance in respect of the Security Assets which are at any time held by or written in favour of the Chargor or in which the Chargor from time to time has an interest;
 - (iv) to the extent that the Rental Income is not effectively assigned under Clause 3.3 (Assignment), by way of first fixed charge, all Rental Income;
 - (v) the benefit of all guarantees, warranties and representations given or made by any manufacturers, suppliers and installers of any Fixtures and fittings now or in future on the Mortgaged Property; and
 - (vi) all future easements, licences and other rights at any time vested in the Chargor in connection with the Mortgaged Property.
- (b) A reference in this Subclause to a mortgage or charge of any freehold, leasehold or other immovable property includes:
- (i) all buildings, fixtures, fittings and fixed plant and machinery and Fixtures on that property excluding, (A) in the case of the property referred to at number 2 of Schedule 1 (*Real Property*), the System X Model and the NRTS Test Model, and (B) any other fixtures, fittings, fixed plant, machinery and/or Fixtures on a property which the Trustee has agreed in writing are to be excluded from the Security Interests under this Deed; and
 - (ii) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

For the purposes of Subclause (b)(i)(B) above, the Chargor may make a request to the Trustee in writing that fixtures, fittings, fixed plant, machinery and/or Fixtures on a property are excluded from the Security Interests under this Deed and, if such fixtures, fittings, fixed plant, machinery and/or Fixtures are required by the Chargor for the provision of the Chargor's services to its customers, the Trustee shall not unreasonably withhold its consent to such exclusion. Unless and until the Trustee has agreed in writing to such an exclusion, all fixtures, fittings and fixed plant and machinery and Fixtures on a property will be included in the Security Interests under this Deed.

3.3 Assignment

The Chargor assigns to the Trustee absolutely, subject to a proviso for re-assignment on redemption:

- (a) all of its rights in respect of all Rental Income;
- (b) all of its rights, title, interest and benefit in and to the Contract Claims;
- (c) the Disposal Proceeds; and
- (d) all causes of action and other rights and remedies in relation to the Security Assets in which it has an interest at any time.

4. PAYMENTS

4.1 Funds

Payments under this Deed to the Trustee must be made for value on the due date at such times and in such funds as the Trustee may specify to the Chargor as being customary at the time for the settlement of transactions in the relevant currency in the place for payment.

4.2 Currency

Any amount payable under this Deed is payable in Sterling.

4.3 No set-off or counterclaim

All payments made by the Chargor under this Deed shall be calculated and must be made without (and be free and clear of any deduction for) set-off or counterclaim.

5. REPRESENTATIONS

5.1 Representations

The representations set out in this Clause are made by the Chargor to the Trustee.

5.2 Status

- (a) It is a limited liability company, duly incorporated and validly existing under the laws of its jurisdiction of incorporation.
- (b) It has the power to own its assets and carry on its business as it is being conducted.

5.3 Powers and authority

- (a) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise the entry into, performance and delivery of, this Deed and the transactions contemplated by this Deed.
- (b) No limit on its powers will be exceeded as a result of the grant of this Deed.

5.4 Legal validity

Subject to the Reservations, the obligations expressed to be assumed by it in this Deed are legal, binding, valid and enforceable obligations.

5.5 Non-conflict

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

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) any document which is binding upon it or any of its assets or constitute a default or termination event (howsoever described) under any such document.

5.6 No insolvency

No Insolvency Proceedings or Creditors' Process have been taken or threatened in relation to it and no Insolvency Event applies to it or to the Company.

5.7 No default

No event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination of the foregoing, would constitute) a default or termination event (howsoever described) under any document which is binding on it or any of its assets to an extent or in a manner which has or is reasonably likely to have a Material Adverse Effect.

5.8 Authorisations

All authorisations required by it in connection with the entry into, performance, validity and enforceability of, and the transactions contemplated by, this Deed have been obtained or effected (as appropriate) and are in full force and effect.

5.9 Litigation

No litigation, arbitration or administrative proceedings are current or, to its knowledge, pending or threatened against it which have or, if adversely determined, are reasonably likely to have a Material Adverse Effect.

5.10 Nature of security

- (a) This Deed creates those Security Interests it purports to create and is not liable to be amended or otherwise set aside in the insolvency, liquidation or administration of the Chargor or otherwise.
- (b) The Security Interests created by this Deed constitute a first priority Security Interest of the type described over the Security Assets and the Security Assets are not subject to any prior or pari passu Security Interest.

5.11 Environmental matters

- (a) The Chargor is in compliance with Subclause 6.7 (Environmental matters) and no circumstances have occurred which would prevent such compliance in a manner or to an extent which has or is reasonably likely to have a Material Adverse Effect.
- (b) No Environmental Claim has been commenced or is threatened against the Chargor in relation to the Mortgaged Property.
- (c) No dangerous substance has been used, disposed of, generated, stored, dumped, released, deposited, buried or emitted at, on, from or under the Mortgaged Property.

5.12 Centre of main interest and establishments

For the purposes of the Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (the Regulations) the Chargor's "centre of main interest" (as that term is used in Article 3(1) of the Regulations) is situated in England and Wales and it has no "establishment" (as that term is used in Article 21 of the Regulation) in any other jurisdiction.

5.13 Times for making representations

- (a) The representations set out in this Clause are made by the Chargor on the date of this Deed.
- (b) The representations set out in this Clause 5 are deemed to be repeated by the Chargor during the Security Period immediately prior to the time that any amount is due to be released from the Third Escrow Account under any TE Supplemental Deed.
- (c) When a representation is repeated, it is applied to the circumstances existing at the time of repetition.

6. COVENANTS

6.1 General

The Chargor agrees to be bound by the covenants set out in this Clause so long as any Secured Liabilities are outstanding.

6.2 Notification of breach

The Chargor must notify the Trustee of any breach of any of the provisions of this Deed promptly upon becoming aware of its occurrence.

6.3 Authorisations

The Chargor must promptly obtain, maintain and comply with the terms of any authorisation required under any law or regulation to enable it to perform its obligations under, or for the validity or enforceability of, this Deed.

6.4 Compliance with laws

The Chargor must comply in all respects with all laws to which it is subject where failure to do so has or is reasonably likely to have a Material Adverse Effect.

6.5 Pari passu ranking

The Chargor must ensure that its payment obligations under this Deed rank at least pari passu with all its other present and future unsecured payment obligations, except for obligations mandatorily preferred by laws of general application to companies.

6.6 Disposals and negative pledge

The Chargor must not:

- (a) create, purport to create or permit to subsist any Security Interest on any Security Asset (other than this Security); or
- (b) sell, assign, transfer, licence, lease or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interests in, any Security Asset save, in respect of licences or leases, as permitted by the other terms of this Deed.

6.7 Environmental matters

- (a) The Chargor must:

- (i) obtain all Environmental Approvals required to be obtained by it in relation to the Mortgaged Property;
 - (ii) comply in all material respects with any Environmental Approval or Environmental Law applicable to it in relation to the Mortgaged Property;
 - (iii) ensure that the Trustee does not incur any liability by reason of any breach by the Chargor of any Environmental Law or Environmental Approval in relation to the Mortgaged Property; and
 - (iv) promptly upon becoming aware notify the Trustee of:
 - (A) any Environmental Claim current or, to its knowledge, pending or threatened in relation to the Mortgaged Property; or
 - (B) any circumstances reasonably likely to result in an Environmental Claim in relation to the Mortgaged Property.
- (b) The Chargor must indemnify the Trustee against any loss or liability which:
- (i) the Trustee incurs as a result of any actual or alleged breach of any Environmental Law or Environmental Approval by any person; and
 - (ii) which would not have arisen if this Deed had not been entered into,
- unless it is caused by the Trustee's gross negligence or wilful misconduct.*

6.8 Repair

The Chargor must keep:

- (a) the Premises and all fixed and movable plant, machinery, fixtures, fittings, cables, wires, drains, pipes and sanitary, water and other services comprised in them (in so far as the same are owned by the Chargor or their maintenance and repair is the responsibility of the Chargor) in good and substantial repair and condition and in good working order and adequately and properly painted and decorated, where failure to do so may materially and adversely affect the value of the Mortgaged Property and not, without the prior written consent of the Trustee (such consent not to be *unreasonably withheld or delayed*), alter, pull down, remove or dispose of any of the same except in the ordinary course of repair, maintenance or improvement or where such actions are not likely to materially and adversely affect the value of the Mortgaged Property; and
- (b) the Fixtures and all plant and machinery owned by it and which are in or on the Premises in a good state of repair and in good working order and condition.

6.9 Insurance

- (a) The Chargor must insure the Insured Property Assets against:
 - (i) loss or damage by fire;
 - (ii) other risks normally insured against by persons carrying on the same class of business as that carried on by it; and

- (iii) any other risks which the Trustee may reasonably require.
- (b) Any insurance must be with a reputable insurance company and in a sum or sums not less than the replacement value of the Insured Property Assets. For this purpose, replacement value means the total cost of entirely rebuilding, reinstating or replacing those Insured Property Assets in the event of their being completely destroyed, together with architects', surveyors' fees and any other professional fees which would be considered reasonably necessary in the circumstances.
- (c) that the Trustee is named as co-insured on all insurance policies in respect of the Insured Property Assets and are named as first loss payee in respect of all claims under such insurance policies.
- (d) The Chargor must ensure that each insurance policy contains:
 - (i) a standard mortgagee Clause under which the insurance will not be vitiated or avoided as against the Trustee as a result of (i) any act or neglect of the Chargor as owner of the Insured Property Assets, (ii) foreclosure, notice of sale or similar proceedings with respect to the Insured Property Assets, change in title or ownership to the Insured Property Assets and (iv) change to a more hazardous occupancy in respect of the Insured Property Assets; and
 - (i) terms providing that it will not, so far as the Trustee is concerned, be invalidated for failure to pay any premium due without the insurer giving to the Trustee not less than ten (10) days' notice in writing.
- (e) The Chargor must not do or permit anything to be done which may make void or voidable any policy of insurance in connection with any Insured Property Asset.
- (f) The Chargor must promptly pay all premiums and do all other things necessary to keep each policy of insurance in respect of the Insured Property Assets in force.
- (g) The Chargor must, immediately on demand by the Trustee, produce to the Trustee the policy, certificate or cover note relating to any insurance policy in respect of the Insured Property Assets and the receipt for the payment of any premium for any such insurance policy as the Trustee may request.

6.10 No structural alterations

The Chargor shall ensure that neither it nor any other person makes any structural alteration to the Mortgaged Property which materially and adversely affects the value of the Mortgaged Property without the prior written consent of the Trustee.

6.11 Title covenants

The Chargor shall procure that all material covenants, agreements, obligations, stipulations and conditions now or at any time:

- (a) affecting the Mortgaged Property or its use or enjoyment (so far as the same subsist and are capable of being enforced) shall be observed and performed; and
- (b) benefiting the Mortgaged Property shall be diligently enforced and such obligations shall not be waived, varied or released, or any agreement made to do the same,

including those contained in any agreements, assignments, contracts, conveyances, grants and other deeds and documents for the time being binding on the Chargor or affecting the Mortgaged Property or the use or enjoyment of the Mortgaged Property and the Chargor shall not take or omit to take any action of any kind whereby any interest or estate in the Mortgaged Property may be adversely affected.

6.12 Pay outgoings

The Chargor shall:

- (a) punctually pay or procure to be paid all rates, rents, taxes, levies, charges, duties, assessments, impositions and outgoings and other sums payable out of or in respect of the Mortgaged Property or any carbon dioxide emissions associated with it and provide to the Trustee, when required, proof of such payment; and
- (b) indemnify, or procure the indemnification of, the Trustee on demand against all existing and future rents, taxes, duties, fees, renewal fees, charges, assessments, impositions and outgoings whatsoever,

whether imposed by deed or by statute or otherwise and whether in the nature of capital or revenue and even though of a wholly novel character which now or at any time during the continuance of this Security are payable in respect of the Mortgaged Property or any part of it.

6.13 Compliance with leases

The Chargor must perform all the terms on its part contained in any Occupational Lease and enforce those on the part of the occupational tenant.

6.14 Compliance with applicable laws and regulations

The Chargor must:

- (a) perform all its obligations under any law or regulation in any way related to or affecting the Mortgaged Property;
- (b) not suffer to be done on the Mortgaged Property anything which shall cause, constitute or contribute to any breach of the Town and Country Planning Act 1990 and any other legislation relating to town and country planning in force from time to time or any orders or regulations made under them; and
- (c) not apply for any planning consent for development or change of use of the Mortgaged Property or any part of it where such development or change of use may materially and adversely affect the value of the Mortgaged Property without the Trustee's prior consent (such consent not to be unreasonably withheld or delayed).

6.15 Notices

The Chargor must, within fourteen (14) days after the receipt by the Chargor of any application, requirement, order or notice served or given by any public or local or any other authority with respect to the Mortgaged Property (or any part of it):

- (a) deliver a copy to the Trustee; and

- (b) inform the Trustee of the steps taken or proposed to be taken to comply with the relevant requirement.

6.16 Leases

The Chargor must not without the consent of the Trustee (such consent not to be unreasonably withheld or delayed) grant or agree to grant (whether in exercise or independently of any statutory power) or vary or agree to vary any Occupational Lease or any part of it or accept a surrender of any Occupational Lease or confer upon any person any contractual licence or right to occupy the Mortgaged Property where such action may materially and adversely affect the value of the Mortgaged Property.

6.17 H.M. Land Registry

The Chargor authorises the Trustee to make an application on Form RX1 (or such other form as may be prescribed from time to time) to enter the following restriction against the relevant registered estate[s]:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered Charge, not being a Charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the security agreement dated [●] in favour of Stanhope Pension Trust Limited (as trustee of the G.E.C. 1972 Plan) referred to in the Charges Register (or its conveyancer)."

6.18 Minimum Energy Efficiency Standards

The Chargor must:

- (a) provide to the Trustee promptly following request copies of all energy performance certificates and recommendation reports from time to time prepared or obtained by or on behalf of the Chargor that relate to the Mortgaged Property;
- (b) notify the Trustee immediately upon becoming aware of any Mortgaged Property being or becoming "sub-standard" for the purposes of The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015; and
- (c) comply with all reasonable requirements of the Trustee in relation thereto.

6.19 Access

The Chargor must permit (or procure the permission of any tenant in possession of the Mortgaged Property) the Trustee and any person nominated by them at all reasonable times to enter any part of the Mortgaged Property and view the state of it.

6.20 Commonhold

The Chargor shall not convert any freehold estate comprised in the Mortgaged Property to a freehold estate in commonhold under Part 1 of the Commonhold and Leasehold Reform Act 2002.

6.21 Power to remedy

If the Chargor fails to perform any covenant in this Clause affecting the Mortgaged Property, the failure to perform such covenant may materially and adversely affect the value of the Mortgaged Property and the Chargor has not remedied such failure within a reasonable period of time following notice of such failure by the Trustee, the Chargor must allow the Trustee or their agents and contractors:

- (a) to enter any part of the Mortgaged Property;
- (b) to comply with or object to any notice served on the Chargor in respect of the Mortgaged Property; and
- (c) to take any action as the Trustee may reasonably consider necessary or desirable to prevent or remedy any breach of any such term or to comply with or object to any such notice.

The Chargor must immediately on request by the Trustee pay the costs and expenses of the Trustee or their agents and contractors incurred in connection with any action taken by them under this Subclause.

6.22 Notices to tenants

The Chargor must:

- (a) immediately on the date of this Deed (in respect of any Occupational Leases which exist at the date of this Deed) or immediately upon entering into an Occupational Lease (in respect of any other Occupation Lease) serve a notice of assignment, substantially in the form of Part 1 of Schedule 2 (Forms of letter for occupational tenants), on each tenant under an Occupational Lease of the Mortgaged Property; and
- (b) use its best endeavours to ensure that each such tenant acknowledges that notice, substantially in the form of Part 2 of Schedule 2 (Forms of letter for occupational tenants).

6.23 Negotiations with local or other authority

The Chargor shall not conduct any negotiations or make any agreement with any local or other authority concerning the acquisition of the Mortgaged Property without the consent of the Trustee.

6.24 Notifiable events

The Chargor shall promptly notify the Trustee upon becoming aware that:

- (a) any representation made or deemed to be made by the Chargor under this Deed is or proves to have been incorrect or misleading when made or deemed to be made;
- (b) any representation made by the Chargor under this Deed would be (if it were deemed to be repeated at any time) incorrect or misleading when made or deemed to be made; and

- (c) an Event of Default has occurred.

6.25 Report on title

- (a) The Trustee may, at any time and at the Chargor's expense, request that the Chargor procure that a report on title on the Mortgaged Property is provided to the Trustee.
- (b) If the Trustee makes a request pursuant to paragraph (a) above, the Chargor shall procure that, within one month of such request, a report on title to the Mortgaged Property is delivered to the Trustee which:
 - (i) has been produced by a firm of solicitors which is acceptable to the Trustee (acting reasonably);
 - (ii) is in a form acceptable to the Trustee (acting reasonably); and
 - (iii) is addressed to (and capable of being relied upon by) the Trustee.

7. DEFAULT

7.1 Events of Default

Each of the events set out in this Clause is an Event of Default.

7.2 Event of Default (Supplemental Deed)

An Event of Default (Supplemental Deed) occurs.

7.3 Insolvency

An Insolvency Event occurs in respect of the Chargor or the Company.

8. WHEN SECURITY BECOMES ENFORCEABLE

8.1 Event of Default

This Security will:

- (a) become immediately enforceable if an Insolvency Event of Default occurs; and
- (b) if an Event of Default (Supplemental Deed) occurs, become enforceable on the third anniversary of the date that such Event of Default (Supplemental Deed) occurs.

For the avoidance of doubt, paragraph (a) has overriding effect on paragraph (b) such that if:

- (i) an Event of Default (Supplemental Deed) has occurred within a three-year period prior to an Insolvency Event of Default occurring this Security shall become immediately enforceable upon the occurrence of such Insolvency Event of Default; or
- (ii) an Event of Default (Supplemental Deed) occurs following an Insolvency Event of Default, this Security shall remain immediately enforceable.

8.2 Discretion

After this Security has become enforceable, the Trustee may in its absolute discretion enforce all or any part of this Security in any manner they see fit

8.3 Power of sale

The power of sale and other powers conferred by Section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

9. ENFORCEMENT OF SECURITY

9.1 General

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- (b) 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.
- (c) The statutory powers of leasing conferred on the Trustee are extended so as to authorise the Trustee to lease, make agreements for leases, accept surrenders of leases and grant options as the Trustee may think fit and without the need to comply with any provision of Section 99 or 100 of the Act.

9.2 No liability as mortgagee in possession

The Trustee or any Receiver will not be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

9.3 Privileges

Each Receiver and the Trustee is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that Section 103 of the Act does not apply.

9.4 Protection of third parties

No person (including a purchaser) dealing with the Trustee or a Receiver or its or his agents will be concerned to enquire:

- (a) whether the Secured Liabilities have become payable;
- (b) whether any power which the Trustee or a Receiver is/are purporting to exercise has become exercisable or is being properly exercised;
- (c) whether any money remains due in respect of the Secured Liabilities;
- (d) how any money paid to a Trustee or to that Receiver is to be applied; or
- (e) about any propriety or regularity on the part of a Trustee or of a Receiver in relation to any of the dealings referred to in this Clause.

9.5 Redemption of prior mortgages

- (a) At any time after this Security has become enforceable, the Trustee may:
 - (i) redeem any prior Security Interest against any Security Asset; and/or
 - (ii) procure the transfer of that Security Interest to themselves; and/or
 - (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the Chargor.
- (b) The Chargor must pay to the Trustee, immediately on demand, the costs and expenses incurred by the Trustee in connection with any such redemption and/or transfer, including the payment of any principal or interest.

10. RECEIVER

10.1 Appointment of Receiver

- (a) Except as provided below, the Trustee may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:
 - (i) this Security has become enforceable; or
 - (ii) the Chargor so requests the Trustee in writing at any time.
- (b) Any appointment under Paragraph (a) above may be by deed, under seal or in writing under its hand.
- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under Section 109(1) of the Act) does not apply to this Deed.
- (d) The Trustee is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under Section 1A of the Insolvency Act 1986.

10.2 Removal

The Trustee may by writing (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever they think fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

10.3 Remuneration

The Trustee may fix the remuneration of any Receiver appointed by it from time to time, the maximum rate specified in Section 109(6) of the Act will not apply and the remuneration of the Receiver shall be a debt secured by this Deed which shall be due and payable immediately upon its being paid by the Trustee.

10.4 Agent of the Chargor

- (a) A Receiver will be deemed to be the agent of the Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. The Chargor alone is responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for liabilities incurred by a Receiver.
- (b) The Trustee will not incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

10.5 Relationship with Trustee

To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Trustee in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

11. POWERS OF RECEIVER

11.1 General

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause 11 in addition to those conferred on it by any law; this includes all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act 1986.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

11.2 Possession

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

11.3 Carry on business

A Receiver may carry on any business of the Chargor in any manner he thinks fit.

11.4 Employees

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

11.5 Borrow money

A Receiver may raise and borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which he thinks fit.

11.6 Sale of assets

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

11.7 Leases

A Receiver may let any Security Asset for any term and at any rent (with or without a premium) which he thinks fit and may accept a surrender of any lease or tenancy of any Security Asset on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender).

11.8 Works

A Receiver may alter, improve, develop, complete, construct, modify, refurbish or repair any building or land and abandon, complete or undertake or concur in the completion or undertaking (with or without modification) of any project in which the Chargor was concerned or interested before his appointment (being a project for the alteration, improvement, development, completion, construction, modification, refurbishment or repair of any building or land).

11.9 Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of the Chargor or relating in any way to any Security Asset.

11.10 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which he thinks fit.

11.11 Receipts

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Security Asset.

11.12 Subsidiaries

A Receiver may form a Subsidiary of the Chargor and transfer to that Subsidiary any Security Asset.

11.13 Delegation

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

11.14 Lending

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

11.15 Protection of assets

A Receiver may:

- (a) effect any repair or insurance and do any other act which the Chargor might do in the ordinary conduct of its business to protect or improve any Security Asset;
- (b) commence and/or complete any building operation; and
- (c) apply for and maintain any planning permission, building regulation approval or any other authorisation,

in each case as he thinks fit.

11.16 Other powers

A Receiver may:

- (a) do all other acts and things which he may consider desirable or necessary for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;
- (b) exercise in relation to any Security Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Security Asset; and
- (c) use the name of the Chargor for any of the above purposes.

12. APPLICATION OF PROCEEDS

Any moneys received by the Trustee or any Receiver after this Security has become enforceable must be applied in the following order of priority:

- (a) in or towards payment of or provision for all costs and expenses incurred by the Trustee or any Receiver under or in connection with this Deed, of all remuneration due to any Receiver under or in connection with this Deed and the discharge of any liabilities incurred by any Receiver in, or incidental to, the exercise of any of their powers;
- (b) in or towards payment of or provision for the Secured Liabilities; and
- (c) in payment of the surplus (if any) to the Chargor or other person entitled to it.

This Clause 12 is subject to the payment of any claims having priority over this Security. This Clause 12 does not prejudice the right of the Trustee to recover any shortfall from the Chargor.

13. EXPENSES AND INDEMNITY

13.1 Amendment costs

If the Chargor requests an amendment, waiver or consent, the Chargor shall, within (3) three Business Days of demand, reimburse the Trustee for the amount of all costs and expenses (including legal fees) reasonably incurred by the Trustee in responding to, evaluating, negotiating or complying with that request.

13.2 Enforcement and preservation costs

The Chargor shall, within (3) three Business Days of demand, pay to the Trustee the amount of all costs and expenses (including legal fees) incurred by the Trustee in connection with the enforcement of or the preservation of any rights under this Deed or this Security and any proceedings instituted in any jurisdiction by or against the Trustee as a consequence of taking, holding or enforcing this Security.

13.3 Stamp taxes and fees

The Chargor shall pay and, within (3) three Business Days of demand, indemnify the Trustee against any cost, loss or liability that the Trustee incurs in relation to all stamp duty, stamp duty land tax, registration and other similar Tax and fees payable in respect of this Deed.

13.4 Chargor default

The Chargor shall, within (3) three Business Days of demand, indemnify the Trustee against any cost, expense loss or liability incurred by the Trustee as a result of:

- (a) the occurrence of any Event of Default in relation to the Chargor;
- (b) investigating any event which it reasonably believes is an Event of Default in relation to the Chargor;
- (c) the use or occupation by any person of the Security Assets (including any Environmental Claim); or
- (d) any default by the Chargor in the performance of any of the obligations expressed to be assumed by it in this Deed.

13.5 Value added taxes

- (a) Any amount payable under this Deed by the Chargor is exclusive of any value added tax or any other Tax of a similar nature which might be chargeable in connection with that amount. If any such Tax is chargeable, the Chargor must pay to the Trustee (in addition to and at the same time as paying that amount) an amount equal to the amount of that Tax.
- (b) If the Chargor is required by this Deed to reimburse or indemnify the Trustee for any cost or expense, the Chargor shall reimburse or indemnify (as the case may be) the Trustee for the full amount of such cost or expense, including such part thereof as a value added tax or any other Tax of a similar nature, save to the extent that the Trustee reasonably determines that it is entitled to a credit or repayment in respect of such Tax from the relevant tax authority.

13.6 Tax gross-up

- (a) The Chargor must make all payments to be made by it under this Deed without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) If the Chargor is aware or becomes aware that it must make a Tax Deduction (or that there is a change in the rate or the basis of a Tax Deduction), it must promptly notify the Trustee.
- (c) If a Tax Deduction is required by law to be made by the Chargor or the Trustee, the amount of the payment due from the Chargor will be increased to an amount which (after making the Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) If the Chargor is required to make a Tax Deduction, the Chargor must make the minimum Tax Deduction required by law and must make any payment required in connection with that Tax Deduction within the time allowed by law.
- (e) Within thirty (30) days of making either a Tax Deduction or a payment required in connection with a Tax Deduction, the Chargor must deliver to the Trustee evidence satisfactory to it (acting reasonably) that the Tax Deduction has been made or (as applicable) the appropriate payment has been paid to the relevant taxing authority.

14. DELEGATION

14.1 Power of Attorney

At any time after the occurrence of an Event of Default, the Trustee or any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by them or it under this Deed.

14.2 Terms

Any such delegation may be made upon any terms (including power to sub-delegate) which the Trustee or any Receiver may think fit.

14.3 Liability

The Trustee nor any Receiver will be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.

15. FURTHER ASSURANCES

The Chargor must, at its own expense, take whatever action the Trustee or a Receiver may require for:

- (a) creating, perfecting or protecting any Security Interest intended to be created by this Deed; or

- (b) facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Trustee or any Receiver or any of their or its delegates or sub-delegates in respect of any Security Asset.

Including:

- (i) the execution of any transfer, conveyance, assignment or assurance of any property, whether to the Trustee or its nominee; or
- (ii) the giving of any notice, order or direction and the making of any registration,

which, in any such case, the Trustee may think expedient.

16. POWER OF ATTORNEY

The Chargor, by way of security, irrevocably and severally appoints the Trustee, each Receiver and any of the foregoing's delegates or sub-delegates to be its attorney to take any action which the Chargor is obliged to take under this Deed. The Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause.

17. PRESERVATION OF SECURITY

17.1 Continuing security

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

17.2 Reinstatement

- (a) If any discharge, release or arrangement is made by the Trustee in whole or in part on the faith of any payment, security or other disposition which is avoided, set aside, refunded or reduced under any applicable law or proves to have been invalid or must be restored on insolvency, liquidation, administration or otherwise without limitation, the liability of the Chargor under this Deed will continue as if the discharge, release or arrangement had not occurred.
- (b) The Trustee may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

17.3 Waiver of defences

The liabilities and obligations of the Chargor under this Deed shall remain in full force and effect and will not be affected by any act, omission, neglect, event or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this Deed (without limitation and whether or not known to the Chargor or the Trustee) including:

- (a) any time, waiver, consent or other accommodation granted to, or composition with, any person;
- (b) any release of any 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 assets of, any 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 person;
- (f) any amendment, novation, supplement, extension or restatement (however fundamental and whether or not more onerous, and of whatsoever nature) or replacement of this Deed, and Secured Liability or any other document or security, including any agreement or document relating to the Plan;
- (g) any unenforceability, illegality, invalidity or non-provability of any obligation of any person under this Deed, or any Secured Liability or any other document or security; or
- (h) any insolvency or similar proceedings.

17.4 Chargor intent

Without prejudice to the generality of Clause 17.3 (Waiver of defences) the Chargor expressly confirms that it intends that this Security shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Secured Liabilities.

17.5 Immediate recourse

The Chargor waives any right it may have of first requiring the Trustee (or any trustee, agent or appointee on its behalf) to proceed against or enforce any other right or security or claim payment from any person before claiming from the Chargor under this Deed. This waiver applies irrespective of any law to the contrary.

17.6 Appropriations

Each Trustee (or any trustee, agent or appointee on its behalf) may at any time during the Security Period without affecting the liability of the Chargor under this Deed:

- (a) (i) refrain from applying or enforcing any other moneys, security or rights held or received by the Trustee (or any trustee or agent on its behalf) in respect of those amounts; or
- (ii) apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Chargor shall not be entitled to the benefit of the same; and
- (b) hold in an interest bearing suspense account any moneys received from the Chargor or on account of the Chargor's liability under this Deed including, without prejudice to the generality of the foregoing, until an Insolvency Event has occurred in relation to the Company.

17.7 Non-competition

Unless:

- (a) the Security Period has expired; or
- (b) the Trustee otherwise directs,

the Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under this Deed or by reason of any amount being payable, or liability arising, under this Deed:

- (i) be subrogated to any rights, security or moneys held, received or receivable by the Trustee;
- (ii) to claim any contribution or indemnity from any other guarantor of the Company's obligations or liabilities to make payments to the Plan or in respect of any payment made or moneys received on account of the Chargor's liability under this Deed;
- (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Trustee in respect of the Company's obligations or liabilities to make payments to the Plan, or under or pursuant to any other guarantee or security taken by the Trustee pursuant to or in connection with such obligations or liabilities of the Company;
- (iv) bring legal or other proceedings for an order requiring the Company to make any payment, or perform any obligation, in respect of any Secured Liability;
- (v) to exercise any right of set-off against the Company; and/or
- (vi) claim, rank, prove or vote as a creditor of the Company or its estate in competition with the Trustee (or any agent on its behalf).

If the Chargor receives any payment, distribution, benefit or security in relation to such rights it shall hold that payment, distribution, benefit or security on trust for the Trustee and immediately pay or transfer the same to the Trustee or in accordance with any directions given by the Trustee.

17.8 Additional security

This Security is in addition to and is not in any way prejudiced or affected by, and shall not merge with any other judgment, guarantee, security, right or remedy now or subsequently obtained or held by the Trustee for the discharge and performance of the Secured Liabilities.

18. CHANGES TO THE PARTIES

18.1 Assignments and transfers by the Chargor

The Chargor may not assign or transfer any of its rights and obligations under this Deed.

18.2 Assignments and transfers by the Trustee

The Chargor acknowledges that the rights and obligations under this Deed shall be binding upon and enure for the benefit of any person who is for the time being a trustee of the Plan

including any person who succeeds or replaces a trustee of the Plan. On the appointment of any replacement trustee of the Plan, the Trustee may assign to the replacement trustee the benefit and terms of this Deed.

19. AMENDMENTS

Any amendment of this Deed shall not be valid unless it is in writing and signed by, or on behalf of, each Party.

20. REMEDIES AND WAIVERS

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

21. SET OFF

The Trustee may set off any matured obligation owed to it by the Chargor under this Deed (to the extent beneficially owned by the Trustee) against any obligation (whether or not matured) owed by the Trustee to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Trustee may convert either obligation at a market rate of exchange selected by it (acting reasonably) for the purpose of the set-off.

22. SEVERABILITY

If a term of this Deed is or becomes illegal, invalid or unenforceable in any respect in any jurisdiction, that shall not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other term of this Deed; or
- (b) the legality, validity or enforceability in other jurisdictions of that or any other term of this Deed.

23. COUNTERPARTS

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

24. CERTIFICATES AND DETERMINATIONS

Any certification or determination by the Trustee of an amount under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

25. NOTICES

25.1 In writing

- (a) Any communication in connection with this Deed must be in writing and,

unless otherwise stated, may be given in person or by post.

- (b) Unless it is agreed to the contrary, any consent or agreement required under this Deed must be given in writing.

25.2 Contact details

- (a) The contact details of the Chargor for this purpose are:

Address: Point 3, Haywood Road, Warwick, CV34 5AH
Attention: Company Secretary

- (b) The contact details of the Trustee are:

Address: Point 3, Haywood Road, Warwick, CV34 5AH
Attention: Trustee Secretary

25.3 Effectiveness

- (a) *Except as provided below, any communication in connection with this Deed will be deemed to be given as follows:*
 - (i) if delivered in person, at the time of delivery; and
 - (ii) if posted, five days after being deposited in the post, postage prepaid, in a correctly addressed envelope.
- (b) A communication given under Paragraph (a) above but not received on a Business Day or after 5 p.m. on a Business Day will only be deemed to be given on the next Business Day.

26. LANGUAGE

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

27. GOVERNING LAW

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

28. ENFORCEMENT

28.1 Jurisdiction

- (a) The English courts have non-exclusive jurisdiction to settle any dispute in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed).
- (b) The Parties agree that the English courts are the most appropriate and convenient courts to settle any such dispute and accordingly no Party will argue to the contrary.
- (c) Notwithstanding Paragraph (a) above, the Trustee shall not be prevented from taking proceedings relating to any such dispute in any other courts with

jurisdiction. To the extent allowed by law, the Trustee may take concurrent proceedings in any number of jurisdictions.

28.2 Waiver of immunity

The Chargor irrevocably and unconditionally:

- (a) agrees not to claim any immunity from proceedings brought by a Trustee against it in relation to this Deed and to ensure that no such claim is made on its behalf;
- (b) consents generally to the giving of any relief or the issue of any process in connection with those proceedings; and
- (c) 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, in an action in rem, for the arrest, *detention or sale of any of its assets and revenues; and*
- (d) 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 the English State Immunity Act 1978.

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

SCHEDULE 1

REAL PROPERTY

1. Freehold land known as Land on the East Side of Heathcote Way, Heathcote Industrial Estate, Warwick CV34 6TE registered at the Land Registry with Title Absolute under title number WK296221.
2. Freehold land known as land lying to the south west of London Road (known as 18-20 Dennington Road, Wellingborough, NN8 2QH registered at the Land Registry with Title Absolute under title number NN5272.

SCHEDULE 2
FORMS OF LETTER FOR OCCUPATIONAL TENANTS

PART 1

NOTICE TO OCCUPATIONAL TENANT

[On the letterhead of the Chargor]

To: [Occupational tenant]

[Date]

Dear Sirs,

Re: [Property]

**Security Agreement dated [●] between telent Technology Services Limited
and Stanhope Pension Trust Limited as trustee of the G.E.C. 1972 Plan (the Security
Document)**

We refer to the lease dated [●] and made between [●] and [●] (the Lease).

This letter constitutes notice to you that under the Security Document we have assigned by way of security to Stanhope Pension Trust Limited as trustee of the G.E.C. 1972 Plan (the Trustee) all our rights under the Lease.

[We irrevocably instruct and authorise you to continue to pay any rent payable by you under the Lease to our account at [●], Account No. [●], Sort Code [●] (the Rent Account).]

The instructions in this letter apply until you receive notice from the Trustee to the contrary and notwithstanding any previous instructions given by us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Trustee.

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

Please confirm your agreement to the above by signing the attached acknowledgement and returning it to the Trustee at [●] with a copy to ourselves.

Yours faithfully,

For
telent Technology Services Limited

ACKNOWLEDGEMENT OF OCCUPATIONAL TENANT

To: Stanhope Pension Trust Limited as trustee of the G.E.C. 1972 Plan

Attention: [●]

[Date]

Dear Sirs,

Re: [Property]

Security Agreement dated [●] between telent Technology Services Limited and Stanhope Pension Trust Limited as trustee of the G.E.C. 1972 Plan (the Security Document)

We confirm receipt from telent Technology Services Limited (the Chargor) of a notice dated [●] (the Notice) in relation to the Lease (as defined in the Notice).

We accept the instructions contained in the Notice and agree to comply with the Notice.

We confirm that we:

- (a) have not received any notice that any third party has or will have any right or interest in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Chargor under or in respect of the Lease (as defined in the Notice); and
- (b) must pay all rent and all other monies payable by us under the Lease into the Rent Account (as defined in the Notice); and
- (c) must continue to pay those monies into the Rent Account until we receive your written instructions to the contrary.

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

Yours faithfully,

.....
For

[]

SIGNATORIES

Chargor

EXECUTED AS A DEED by)
TELENT TECHNOLOGY SERVICES LIMITED)
acting by two directors)

Director.....

Name..... P. MOIR

Director.....

Name..... MARK PLATO

Trustee

EXECUTED AS A DEED by)
STANHOPE PENSION TRUST LIMITED)
as trustee of the G.E.C. 1972 Plan)
acting by a director and its secretary)

Director..... on behalf of
Bridge Trustees Ltd

Name..... BRIAN DUFFIN

Secretary.....

Name..... P. G. HARRIS