



Registration of a Charge

Company name: **INTEGRATED DISPLAY SYSTEMS LIMITED**

Company number: **01480950**



X75J8PYW

Received for Electronic Filing: **08/05/2018**

Details of Charge

Date of creation: **03/05/2018**

Charge code: **0148 0950 0002**

Persons entitled: **BARRY HUTCHINSON
PATRICIA SMITH**

Brief description: **THE LEASEHOLD LAND AND THE INTELLECTUAL PROPERTY RIGHTS
(REGISTERED AND OR UNREGISTERED) OWNED, USED OR HELD FOR
USE BY THE COMPANY.**

Contains fixed charge(s).

**Contains floating charge(s) (floating charge covers all the property or
undertaking of the company).**

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: **PJ BELL**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 1480950

Charge code: 0148 0950 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 3rd May 2018 and created by INTEGRATED DISPLAY SYSTEMS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 8th May 2018 .

Given at Companies House, Cardiff on 10th May 2018

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED 3 May 2018

(1) INTEGRATED DISPLAY SYSTEMS LIMITED

as Chargor

(2) DR. BARRY HUTCHINSON AND DR. PATRICIA SMITH

as Chargee

DEBENTURE

THIS DEBENTURE is made on 3 May 2018

BETWEEN

- (1) **INTEGRATED DISPLAY SYSTEMS LIMITED** a company incorporated in England and Wales with registered number **1480950** (the "**Chargor**"); and
- (2) **DR. BARRY HUTCHINSON AND DR. PATRICIA SMITH** both of 44 Middle Drive, Ponteland, NE20 9DN (the "**Chargee**").

NOW IT IS HEREBY AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

- (a) terms defined in, or construed for the purposes of, the Share Purchase Agreement (as defined below) have the same meanings when used in this Deed (unless the same are otherwise defined in this Deed); and

- (b) at all times the following terms have the following meanings:

"Assigned Assets" means the Security Assets expressed to be assigned pursuant to clause 3.2 (*Security assignments*).

"Authorisation" means any approval, authorisation, consent, planning consent, permission or approval, exemption, filing, licence, notarisation, notification, permit, registration or resolution.

"Buyer" means Clavis IDS Limited (CRN: 11031800)

"Charged Investments" means the Charged Securities and all present and future Related Rights accruing to all or any of the Charged Securities.

"Charged Securities" means:

- (a) the securities specified in part 2 of Schedule 1 (Details of Security Assets);
- (b) all other stocks, shares, debentures, bonds, warrants, coupons, negotiable instruments, certificates of deposit or other securities now or in future owned (legally or beneficially) by the Chargor or held by a nominee, trustee, fiduciary or clearance system on its behalf or in which the Chargor has an interest at any time.

"Consideration" means the Deferred Consideration and the Conditional Deferred Consideration (as defined in the Share Purchase Agreement).

"Debenture Security" means the Security created or evidenced by or pursuant to this Deed.

"Delegate" means any delegate, sub-delegate, agent, attorney or co-trustee appointed by the Chargee or any Receiver.

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"Event of Default" means any event or circumstance specified in ~~the~~ Schedule 13 of the Share Purchase Agreement.

"Insurances" means all policies of insurance (and all cover notes) 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 (including, without limitation, the policies of insurance (if any) specified in part 6 of Schedule 1 (*Details of Security Assets*)).

"Intellectual Property" means all present and future legal and/or equitable interests (including, without limitation, the benefit of all licences in any part of the world) of the Chargor in, or relating to:

- (a) any patents, registered and unregistered trade marks and service marks, registered designs, utility models, trade names, copyrights, design rights, domain names, moral rights, unregistered designs, inventions, confidential information, know-how, registrable business names, database rights, domain names and other intellectual property rights and interests (which may now or in the future subsist) whether registered or unregistered; and
- (b) the benefit of all applications for, all rights to use, and any other rights of every kind deriving from or through the exploitation of, any of assets mentioned in paragraph (a) of this definition (which may now or in the future subsist),

(including, without limitation, the intellectual property rights (if any) specified in part 4 of Schedule 1 (*Details of Security Assets*)).

"Legal Reservations" means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under the Limitation Acts, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;
- (c) the limitation of the enforcement of the terms of leases of real property by laws of general application to those leases; and
- (d) similar principles, rights and remedies under the laws of any relevant jurisdiction.

"Limitation Acts" means the Limitation Act 1980 and the Foreign Limitation Periods Act 1984.

"LPA" means the Law of Property Act 1925.

"Material Adverse Effect" means a material adverse effect on:

- (a) the business, operations, property or financial condition of the Chargor; or
- (b) the ability of the Buyer to perform its payment obligations under the Share Purchase Agreement; or
- (c) subject to the Legal Reservations, the validity or enforceability of, or the effectiveness or ranking of any of the rights or remedies of the Chargee under the Share Purchase Agreement.

"Party" means a party to this Deed.

"Planning Acts" means the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991, the Planning and Compulsory Purchase Act 2004, the Planning Act 2008, the Localism Act 2011, the Growth and Infrastructure Act 2013, the Housing and Planning Act 2016 and any other legislation from time to time regulating the use or development of land.

"Real Property" means all estates and interests in freehold, leasehold and other immovable property (wherever situated) now or in future belonging to the Chargor, or in which the Chargor has an interest at any time (including the registered and unregistered land (if any) in England and Wales specified in part 1 of Schedule 1 (*Details of Security Assets*)), together with:

- (a) all buildings and fixtures (including trade fixtures) and fixed plant and machinery at any time thereon;
- (b) all easements, rights and agreements in respect thereof;
- (c) the benefit of all covenants given in respect thereof.

"Receivables" means all present and future book debts and other debts, rentals, royalties, fees, VAT and monetary claims and all other amounts at any time recoverable or receivable by, or due or owing to, the Chargor (whether actual or contingent and whether arising under contract or in any other manner whatsoever) together with:

- (a) the benefit of all rights, guarantees, Security and remedies relating to any of the foregoing (including, without limitation, negotiable instruments, indemnities, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights); and
- (b) all proceeds of any of the foregoing.

"Receiver" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Security Assets appointed by the Chargee under this Deed.

"Related Rights" means, in relation to any Charged Security:

- (a) all dividends, distributions and other income paid or payable on the relevant Charged Security or on any asset referred to in paragraph (b) of this definition; and
- (b) all rights, monies or property accruing or offered at any time in relation to such Charged Security whether by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise.

"Secured Obligations" means all obligations and liabilities:

- (a) of the Buyer to the Chargee under the Share Purchase Agreement in respect of and relating in any way to the Consideration; and
- (b) of the Chargor of any kind and in any currency due, owing or incurred by the Chargor to the Chargee and/or the other Secured Parties (or any of them) (including, without limitation, all monies covenanted to be paid under this Deed);

in each case, whether present or future, actual or contingent and whether owed by the Buyer and/or the Chargor as principal or surety or incurred solely or jointly or in any other capacity including (without limitation) interest, fees and amounts due in relation to costs and expenses.

"Secured Party" means the Chargee and any Receiver or Delegate.

"Security" means any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect

"Security Assets" means all property and assets from time to time mortgaged, charged or assigned (or expressed to be mortgaged, charged or assigned) by or pursuant to this Deed.

"Security Period" means the period beginning on the date of this Deed and ending on the date on which:

- (a) all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full; and
- (b) the Buyer has no further commitment, obligation or liability under or pursuant to the Share Purchase Agreement in respect of or relating in any way to the Consideration.

"Share Purchase Agreement" means the share sale and purchase agreement, dated on or about the date of this Deed, between the Chargee and the Buyer relating to the sale and purchase of the entire issued share capital of the Chargor.

1.2

Interpretation

- (a) In this Deed, unless a contrary indication appears, the provisions of clause 1 (*Definitions and Interpretation*) of the Share Purchase Agreement apply to this Deed as though they were set out in full in this Deed, except that references to *"this Agreement"* will be construed as references to this Deed.
- (b) In this Deed, unless a contrary indication appears, any reference to:
 - (i) the Parties or any other person shall be construed so as to include respective successors in title, permitted assigns and permitted transferees;
 - (ii) **"this Deed"**, the **"Share Purchase Agreement"** or any other document shall be construed as a reference to this Deed, the Share Purchase Agreement or such other document as amended, supplemented, extended, restated, novated and/or replaced in any manner (however fundamentally) from time to time; and
 - (iii) **"Secured Obligations"** is deemed to include a reference to any part of them.
- (c) Each undertaking of the Chargor (other than a payment obligation) contained in this Deed:
 - (i) must be complied with at all times during the Security Period; and
 - (ii) is given by the Chargor for the benefit of the Chargee and each other Secured Party.

- (d) If the Chargee reasonably considers that an amount paid by the Buyer to a Secured Party under the Share Purchase Agreement is capable of being avoided or otherwise set aside on the liquidation or administration or insolvency of the Buyer, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.
- (e) The Parties intend that this document shall take effect as a deed notwithstanding the fact that a Party may only execute this document under hand.

1.3 **Trust**

All Security and dispositions made or created, and all obligations and undertakings contained, in this Deed to, in favour of or for the benefit of the Chargee are made, created and entered into in favour of the Chargee as trustee for the Secured Parties. The perpetuity period for the trusts in this Deed is 125 years from the date of this Deed.

1.4 **Third party rights**

- (a) Subject to sub-clause (b) below, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.
- (b) Any Receiver or Delegate may, subject to the provisions of the Contracts (Rights of Third Parties) Act 1999 may rely on any provision of this Deed which confers rights on it.

1.5 **Guarantee and Covenant to pay**

1.5.1 The Chargor guarantees to the Chargee that the Buyer will fully perform and observe the Buyer's Secured Obligations, and the Chargor undertakes to the Chargee to keep the Chargee fully and effectually indemnified in respect of any non performance or non observance by the Buyer of the Secured Obligations.

1.5.2 The Chargor, as principal obligor and not merely as surety, covenants in favour of the Chargee that it will pay, perform and discharge the Secured Obligations from time to time when they fall due for payment, performance or discharge in accordance with their terms or, in the absence of any such express terms, on demand.

1.6 **Default interest**

Any amount which is not paid under this Deed when due shall bear interest (both before and after judgment and payable on demand) from the due date until the date on which such amount is unconditionally and irrevocably paid and discharged in full on a daily basis at 4% per annum above the rate and in the manner specified in clause 19 (*Interest*) of the Share Purchase Agreement provided that in the case of any cost or expense, such interest shall accrue and be payable as from the date on which the relevant cost or expense arose without the necessity for any demand being made for payment.

2. **GRANT OF SECURITY**

2.1 **Nature of security**

All Security and dispositions created or made by or pursuant to this Deed are created or made:

- (a) in favour of the Chargee;

- (b) with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994; and
- (c) as continuing security for payment of the Secured Obligations.

2.2 **Qualifying floating charge**

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to any floating charge created by or pursuant to this Deed (and each such floating charge is a qualifying floating charge for the purposes of the Insolvency Act 1986).

3. **FIXED SECURITY**

3.1 **Fixed charges**

The Chargor charges, and agrees to charge, to the Chargee all of its present and future right, title and interest in and to the following assets which are at any time owned by it, or in which it from time to time has an interest:

- (a) by way of legal mortgage:
 - (i) the Real Property specified in part 1 of Schedule 1 (*Details of Security Assets*); and
 - (ii) all other Real Property (if any) at the date of this Deed vested in, or charged to, it (not charged by clause 3.1(a)(i));
- (b) by way of fixed charge:
 - (i) all other Real Property and all interests in Real Property (not charged by clause 3.1(a));
 - (ii) all licences to enter upon or use land and the benefit of all other agreements relating to land; and
 - (iii) the proceeds of sale of all Real Property;
- (c) by way of fixed charge all plant and machinery (not charged by clause 3.1(a) or 3.1(b)) and the benefit of all contracts, licences and warranties relating to the same;
- (d) by way of fixed charge:
 - (i) all computers, vehicles, office equipment and other equipment (not charged by clause 3.1(c)); and
 - (ii) the benefit of all contracts, licences and warranties relating to the same;
- (e) by way of fixed charge:
 - (i) the Charged Securities (if any) referred to in part 2 of Schedule 1 (*Details of Security Assets*); and
 - (ii) all other Charged Securities (not charged by clause 3.1(e)(i)),

in each case, together with (A) all Related Rights from time to time accruing to those Charged Securities and (B) all rights which the Chargor may have at any time against any clearance or settlement system or any custodian in respect of any Charged Investments;

(f) by way of fixed charge:

- (i) the Charged Accounts (if any) referred to in part 3 of Schedule 1 (*Details of Security Assets*); and
- (ii) all other all accounts of the Chargor with any bank, financial institution or other person at any time and all monies at any time standing to the credit of such accounts (not charged by clause 3.1(f)(i)),

in each case, together with all interest from time to time accrued or accruing on such monies, any investment made out of such monies or account and all rights to repayment of any of the foregoing;

(g) by way of fixed charge:

- (i) the Intellectual Property (if any) specified in part 4 of Schedule 1 (*Details of Security Assets*); and
- (ii) all other Intellectual Property (if any) (not charged by clause 3.1(g)(i));

(h) to the extent that any Assigned Asset is not effectively assigned under clause 3.2 (*Security assignments*), by way of fixed charge such Assigned Asset;

(i) by way of fixed charge (to the extent not otherwise charged or assigned in this Deed):

- (i) the benefit of all licences, consents, agreements and Authorisations held or used in connection with the business of the Chargor or the use of any of its assets; and
- (ii) any letter of credit issued in favour of the Chargor and all bills of exchange and other negotiable instruments held by it; and

(j) by way of fixed charge all of the goodwill and uncalled capital of the Chargor.

3.2 **Security assignments**

The Chargor assigns and agrees to assign absolutely to the Chargee (subject to a proviso for reassignment on redemption) all of its present and future right, title and interest in and to:

- (a) its contracts, all rights and remedies in connection with such contracts and all proceeds arising therefrom and all monies payable to the Chargor including under any guarantee or warranty granted in relation to the contracts and any claims, awards, judgments and damages in favour of and receivable or received by the Chargor, under or in connection with the contracts;
- (b) each of the following:

- (i) all Insurances (if any) specified in part 6 of Schedule 1 (*Details of Security Assets*); and
 - (ii) all other Insurances (not assigned by clause 3.2 (b)(i)),
- and all claims under the Insurances and all proceeds of the Insurances; and
- (c) all other Receivables (not assigned under clauses 3.2(a) or 3.2(b)).

To the extent that any Assigned Asset described in clause 3.2(b) is not assignable, the assignment which that clause purports to effect shall operate as an assignment of all present and future rights and claims of the Chargor to any proceeds of such Insurances.

4. FLOATING CHARGE

The Chargor charges and agrees to charge to the Chargee by way of floating charge all of its present and future assets and undertaking (wherever located) not otherwise effectively charged by way of fixed mortgage or charge or assigned pursuant to clause 3.1 (*Fixed charges*), clause 3.2 (*Security assignments*) or any other provision of this Deed.

5. CONVERSION OF FLOATING CHARGE

5.1 Conversion by notice

The Chargee may, by written notice to the Chargor, convert the floating charge created under this Deed into a fixed charge as regards all or any of the assets of the Chargor specified in the notice if:

- (a) an Event of Default has occurred and is continuing; or
- (b) the Chargee (acting reasonably) considers any Security Assets (whether or not those specified in the notice) 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.

5.2 Small companies

The floating charge created under this Deed shall not convert into a fixed charge solely by reason of moratorium being obtained under the Insolvency Act 2000 (or anything done with view to obtaining such moratorium).

5.3 Automatic conversion

The floating charge created under this Deed shall (in addition to the circumstances in which the same will occur under general law) automatically convert into a fixed charge:

- (a) in relation to any Security Asset which is subject to that floating charge if:
 - (i) the Chargor creates (or attempts or purports to create) any Security on or over the relevant Security Asset without the prior written consent of the Chargee; or
 - (ii) any third party levies or attempts to levy any distress, execution, attachment or other legal process against any such Security Asset; and
- (b) over all Security Assets of the Chargor which are subject to that floating charge if an administrator is appointed in respect of the Chargor or the Chargee receives

notice of intention to appoint such an administrator (as contemplated by the Insolvency Act 1986).

5.4 Partial conversion

The giving of notice by the Chargee pursuant to clause 5.1 (*Conversion by notice*) in relation to any class of assets of the Chargor shall not be construed as waiver or abandonment of the rights of the Chargee to serve similar notices in respect of any other class of assets or of any other right of the Chargee and/or the other Secured Parties.

6. CONTINUING SECURITY

6.1 Continuing security

The Debenture Security is continuing and will extend to the ultimate balance of the Secured Obligations regardless of any intermediate payment or discharge in whole or in part. This Deed shall remain in full force and effect as continuing security for the duration of the Security Period.

6.2 Additional and separate security

This Deed is in addition to, without prejudice to, and shall not merge with, any other right, remedy, guarantee or Security which the Chargee and/or any other Secured Party may at any time hold for any Secured Obligation.

6.3 Right to enforce

Following the occurrence of an Event of Default which is continuing, this Deed may be enforced against the Chargor without the Chargee and/or any other Secured Party first having recourse to any other right, remedy, guarantee or Security held by or available to it or any of them.

7. LIABILITY OF THE CHARGOR RELATING TO SECURITY ASSETS

Notwithstanding anything contained in this Deed or implied to the contrary, the Chargor remains liable to observe and perform all conditions and obligations assumed by it in relation to the Security Assets. The Chargee is under no obligation to perform or fulfil any such condition or obligation or to make any payment in respect of any such condition or obligation.

8. REPRESENTATIONS

8.1 General

The Chargor makes the representations and warranties set out in this clause 8 to the Chargee and to each other Secured Party on the date of this Deed.

8.2 Powers

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

8.3 Non-contravention

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

- 8.3.1 the Chargor's constitutional documents;
- 8.3.2 any agreement or instrument binding on the Chargor or its assets or constitute a default or termination event (however described) under any such agreement or instrument; or
- 8.3.3 any law or regulation or judicial or official order applicable to it.

8.4 **Authorisations**

The Chargor has obtained all required or desirable authorisations to enable it to enter into, exercise its rights and comply with its obligations under this Deed. Any such authorisations are in full force and effect.

8.5 **Binding obligations**

The Chargor's obligations under this Deed are legal, valid, binding and enforceable. This Deed creates (or, once entered into, will create):

- 8.5.1 valid, legally binding and enforceable Security for the obligations expressed to be secured by it; and
- 8.5.2 subject to registration under the Companies Act 2006 and, in the case of real property, registration at the Land Registry, perfected Security over the assets referred to in this Deed, in favour of the Chargee, having the priority and ranking expressed to be created by this Deed and ranking ahead of all (if any) Security and rights of third parties, except those preferred by law or as expressly agreed in writing with the Chargor.

8.6 **Ownership of Security Assets**

The Chargor is the sole legal and beneficial owner of all of the Security Assets (if any) identified against its name in Schedule 1 (*Details of Security Assets*).

8.7 **Real Property**

Part 1 of Schedule 1 (*Details of Security Assets*) identifies all freehold and leasehold Real Property (if any) which is beneficially owned by the Chargor at the date of this Deed.

9. **UNDERTAKINGS BY THE CHARGOR**

9.1 **Negative pledge and Disposals**

The Chargor shall not do nor agree to do any of the following without the prior written consent of the Chargee:

- (a) create or permit to subsist any Security on any Security Asset other than as created by this Deed; or
- (b) sell, transfer, lease, lend or otherwise dispose of (whether by a single transaction or number of transactions and whether related or not and whether voluntarily or involuntarily) the whole or any part of its interest in any Security Asset other than

a disposal made in the ordinary course of trading of any asset subject to the floating charge created under this Deed.

9.2 **Security Assets generally**

The Chargor shall:

- (a) notify the Chargee within 14 days of receipt of every material notice, order, application, requirement or proposal given or made in relation to the Security Assets by any competent authority, and (if required by the Chargee):
 - (i) promptly provide it with a copy of the same; and
 - (ii) either (A) comply with such notice, order, application, requirement or proposal or (B) make such objections to the same as the Chargee may require or approve;
- (b) pay all rates, rents and other outgoings owed by it in respect of the Security Assets;
- (c) comply with:
 - (i) all obligations in relation to the Security Assets under any present or future regulation or requirement of any competent authority or any Authorisation; and
 - (ii) all covenants and obligations affecting any Security Asset (or its manner of use),where failure to do so has or is reasonably likely to have a Material Adverse Effect;
- (d) not, except with the prior written consent of the Chargee, enter into any Encumbrance affecting any Security Assets;
- (e) provide the Chargee with all information which it may reasonably request in relation to the Security Assets; and
- (f) save in the ordinary course of business of the Chargee, not do, cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value or marketability of any Security Asset (or make any omission which has such an effect).

9.3 **Deposit of documents and notices**

The Chargor shall:

- (a) unless the Chargee otherwise confirms in writing (and without prejudice to clause 9.8 (a) (*Charged Investments - protection of security*)) deposit with the Chargee:
 - (i) all deeds and documents of title relating to the Security Assets; and
 - (ii) all local land charges, land charges and Land Registry search certificates and similar documents received by or on behalf of the Chargor,(each of which the Chargee may hold throughout the Security Period); and

- (b) promptly on request by the Chargee following the occurrence of an Event of Default which is continuing, affix to any plant, machinery, fixtures, fittings, computers, vehicles, office equipment, other equipment and other asset for the time being owned by it (in a prominent position) a durable notice of this Deed in any form required by the Chargee.

9.4 Real Property undertakings - acquisitions and notices to the Land Registry

- (a) The Chargor shall notify the Chargee promptly upon the acquisition of any estate or interest in any freehold or leasehold property.
- (b) The Chargor shall in respect of any freehold or leasehold Real Property which is acquired by it after the date of this Deed, the title which is registered at the Land Registry or the title to which is required to be so registered:
 - (i) give the Land Registry written notice of this Deed; and
 - (ii) procure that notice of this Deed is clearly noted in the Register to each such title.

9.5 Real Property undertakings - maintenance

- (a) The Chargor shall maintain all buildings and erections forming part of the Security Assets in a reasonable state of repair in accordance with the standard of repair prevailing at the date of this Deed.
- (b) The Chargor shall not, except with the prior written consent of the Chargee (such consent not to be unreasonably withheld or delayed):
 - (i) confer on any person any lease or tenancy of any of the Real Property or accept surrender of any lease or tenancy (whether independently or under any statutory power);
 - (ii) confer on any person any right or licence to occupy any land or buildings forming part of the Real Property; or
 - (iii) grant any licence to assign or sub-let any part of the Real Property.
- (c) The Chargor shall not carry out any development within the meaning of the Planning Acts in or upon any part of the Real Property without first obtaining such permissions as may be required under or by virtue of the Planning Acts.
- (d) The Chargor shall not do, nor permit to be done, anything as result of which any lease may be liable to forfeiture or otherwise be determined.

9.6 Insurance Policies

- (a) The Chargor shall at all times keep insured the Security Assets of an insurable nature, with reputable insurers, in sums at least equal to the replacement value of those assets, against such risks and on such terms that are usual for a prudent company carrying on the same or equivalent business as the Chargor.
- (b) If at any time the Chargor defaults in:

- (i) effecting or keeping up the insurances required under sub clause (a) aforesaid; or
- (ii) producing any insurance policy or receipt to the Chargee within 10 Business Days of demand,

the Chargee may (without prejudice to its rights under clause 10 (*Power to remedy*)), but is not obliged to, take out or renew such policies of insurance in any sum which the Chargee may reasonably think expedient. All monies which are expended by the Chargee in doing so shall be deemed to be properly paid by the Chargee and shall be reimbursed by the Chargor on demand.

- (c) The Chargor shall promptly notify the Chargee if any claim arises or may be made under the Insurances.
- (d) The Chargor shall, subject to the rights of the Chargee under sub-clause (e) below, diligently pursue its rights under the Insurances.
- (e) In relation to the proceeds of Insurances:
 - (i) the Chargee shall have the sole right to (but shall not be obliged to) settle or sue, or instruct the Chargor to settle or sue, for any such claim (but before a Default shall do so as agent for the Chargor) and to give any discharge for insurance monies; and
 - (ii) all claims and monies received or receivable under any Insurances shall (subject to the rights or claims of any lessor or landlord of any part of the Security Assets) be applied in repairing, replacing, restoring or rebuilding the property damaged or destroyed,

or, in each case after the occurrence of an Event of Default which is continuing, in permanent reduction of the Secured Obligations.

9.7

Dealings with and realisation of Receivables

- (a) The Chargor shall without prejudice to clause 9.1 (*Negative pledge and Disposals*) (but in addition to the restrictions in that clause), not, without the prior written consent of the Chargee, sell, assign, charge, factor or discount or in any other manner deal with any Receivable save in the ordinary course of business of the Chargee.
- (b) The Chargor shall deliver to the Chargee such information as to the amount and nature of its Receivables as the Chargee may from time to time reasonably require.

9.8

Rights of the Parties in respect of Charged Investments

- (a) Until the occurrence of an Event of Default which is continuing, the Chargor shall be entitled to:
 - (i) receive and retain all dividends, distributions and other monies paid on or derived from its Charged Securities; and
 - (ii) exercise all voting and other rights and powers attaching to its Charged Securities, provided that it must not do so in manner which:
 - (A) has the effect of changing the terms of such Charged Securities (or any class of them) or of any Related Rights unless permitted by the Share Purchase Agreement; or
 - (B) is prejudicial to the interests of the Chargee and/or the other Secured Parties.
- (b) At any time following the occurrence of an Event of Default which is continuing, the Chargee may, but it shall not be obliged to, complete the instrument(s) of transfer for all or any Charged Securities on behalf of the Chargor in favour of itself or such other person as it may select.
- (c) At any time when any Charged Security is registered in the name of the Chargee or its nominee, the Chargee shall be under no duty to:
 - (i) ensure that any dividends, distributions or other monies payable in respect of such Charged Security are duly and promptly paid or received by it or its nominee;
 - (ii) verify that the correct amounts are paid or received; or
 - (iii) take any action in connection with the taking up of any (or any offer of any) Related Rights in respect of or in substitution for, any such Charged Security.

9.9

Non-competition

The Chargor warrants to the Chargee that it has not taken or received, and shall not take, exercise or receive the benefit of any rights (**Rights**) from or against the Buyer, its liquidator, an administrator, co-guarantor or any other person in connection with any liability of, or payment by, the Chargor under this Deed but:

- (a) if any of the Rights is taken, exercised or received by the Chargor, those Rights and all monies at any time received or held in respect of those Rights shall be held by the Chargor on trust for the Chargee for application in or towards the discharge of the Secured Obligations under this Deed; and
- (b) on demand by the Chargee, the Chargor shall promptly transfer, assign or pay to the Chargee all other Rights and all monies from time to time held on trust by the Chargor under this clause 9.9.

9.10 Authorisations

The Chargor shall promptly obtain all consents and authorisations under any law or regulation (and do all that is needed to maintain them in full force and effect) to enable it to perform its obligations under this Deed and to ensure the legality, validity, enforceability and admissibility in evidence of the Deed in its jurisdiction of incorporation.

10. POWER TO REMEDY

10.1 Power to remedy

At any time following an Event of Default that is continuing, the Chargee (without prejudice to any other rights arising as consequence of such non-compliance) shall be entitled (but not bound) to rectify any non-compliance by the Chargor of any of its obligations under this Deed. The Chargor irrevocably authorises the Chargee and its employees and agents by way of security to do all such things which are necessary to rectify such non-compliance.

10.2 Mortgagee in possession

The exercise of the powers of the Chargee under this clause 10 shall not render it, or any other Secured Party, liable (whether for any default, omission or otherwise) as mortgagee in possession and the Chargee shall not be required to account as mortgagee in possession for any loss on realisation or enforcement of its rights hereunder.

10.3 Monies expended

The Chargor shall pay to the Chargee on demand any monies which are expended by the Chargee in exercising its powers under this clause 10, together with interest at the rate determined in accordance with clause 1.6 (*Default interest*).

11. WHEN SECURITY BECOMES ENFORCEABLE

11.1 When enforceable

This Debenture Security shall become immediately enforceable on and at any time following the occurrence of an Event of Default which is continuing.

11.2 Statutory powers

The power of sale and other powers conferred by section 101 of the LPA (as amended or extended by this Deed) shall be immediately exercisable upon and at any time after the occurrence of an Event of Default which is continuing.

11.3 Enforcement

After this Debenture Security has become enforceable, the Chargee may in its absolute discretion enforce all or any part of the Debenture Security in such manner as it sees fit.

12. ENFORCEMENT OF SECURITY

12.1 General

For the purposes of all rights and powers implied by statute, the Secured Obligations are deemed to have become due and payable on the date of this Deed. Sections 93 and 103 of the LPA shall not apply to the Debenture Security.

12.2 Powers of leasing

The statutory powers of leasing conferred on the Chargee are extended so as to authorise the Chargee to lease, make agreements for leases, accept surrenders of leases and grant options as the Chargee may think fit and without the need to comply with section 99 or 100 of the LPA.

12.3 Powers of Chargee

- (a) At any time after the Debenture Security becomes enforceable or if so requested by the Chargor by written notice at any time (in which case the Debenture Security shall become immediately enforceable), the Chargee may without further notice (unless required by law):
 - (i) appoint any person (or persons) to be a receiver, receiver and manager or administrative receiver of all or any part of the Security Assets and/or of the income of the Security Assets and may remove any Receiver so appointed and appoint another in its place. Section 109(1) of the LPA shall not apply;
 - (ii) appoint or apply for the appointment of any person who is appropriately qualified as administrator of the Chargor;
 - (iii) exercise all or any of the powers, rights, privileges and/or immunities conferred on mortgagees by the law (including under the LPA as amended or extended by this Deed) and/or all or any of the powers, rights, privileges and/or immunities which are conferred by this Deed or law (including under the LPA) on a Receiver, in each case without first appointing a Receiver or notwithstanding the appointment of any Receiver;
 - (iv) exercise (in the name of the Chargor and without any further consent or authority of the Chargor) any voting rights and any powers or rights which may be exercised by any person(s) in whose name any Charged Investment is registered or who is the holder of any of them; and/or
 - (v) may take possession of all or any of the Security Assets and may sell, call in, collect and convert into money, and enforce any rights it may have in respect of all or any of the Security Assets in such manner and upon such terms as the Chargee may think fit and so that the power of sale conferred by Section 101 of the LPA (but free from the restrictions imposed by Sections 93 and 103 of the LPA) shall apply and have effect on the basis that the relevant Security Document constitutes a mortgage within the meaning of the LPA and the Chargee is a mortgagee exercising the power of sale conferred upon mortgagees by the LPA.
- (b) The Chargee is not entitled to appoint a Receiver in respect of any Security Assets of the Chargor which are subject to charge which (as created) was a floating charge solely by reason of moratorium being obtained under the Insolvency Act 2000 (or anything done with view to obtaining such moratorium) in respect of the Chargor.

12.4 Redemption of prior mortgages

At any time after the Debenture Security has become enforceable, the Chargee may:

- (a) redeem any prior Security against any Security Asset;
- (b) procure the transfer of that Security to itself; and/or

- (c) settle and pass the accounts of the holder of any prior Security and any accounts so settled and passed shall be conclusive and binding on the Chargor.

All principal, interest, costs, charges and expenses of and incidental to any such redemption and/or transfer shall be paid by the Chargor to the Chargee on demand.

12.5 Privileges

- (a) Each Receiver and the Chargee is entitled to all the rights, powers, privileges and immunities conferred by the LPA on mortgagees and receivers when such receivers have been duly appointed under the LPA, except that section 103 of the LPA does not apply.
- (b) To the extent that the Security Assets constitute "*financial collateral*" and this Deed and the obligations of the Chargor under this Deed constitute a "*security financial collateral arrangement*" (in each case for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226)) each Receiver and the Chargee shall have the right after this Debenture Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Obligations.
- (c) For the purpose of sub-clause (b) above, the value of the financial collateral appropriated shall be such amount as the Receiver or the Chargee reasonably determines having taken into account advice obtained by it from an independent investment or accountancy firm selected by it.

12.6 No liability

- (a) Neither the Chargee, any other Secured Party nor any Receiver shall be liable (i) in respect of all or any part of the Security Assets or (ii) for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers (unless such loss or damage is caused by its or his gross negligence or wilful misconduct).
- (b) Without prejudice to the generality of sub-clause (a) above, neither the Chargee, any other Secured Party nor any Receiver shall 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.
- (c) The Chargee shall not nor shall any Receiver nor any attorney or agent of the Chargee by any other reason whatsoever and whether as mortgagee in possession or on any other basis whatsoever be liable to account for anything except actual receipts or be liable for any loss or damage arising from realisation of, or enforcement of rights in respect of, all or any of the Security Assets or any other property, assets, rights or undertakings of whatsoever nature (including but not limited to any other Security Assets) whether or not owned by the Chargor or any other person or in which the Chargor or such other person has an interest, from any act, default or omission in relation to all or any of the Security Assets or any other property, assets, rights or undertakings of whatsoever nature (including but not limited to any other Security Assets) whether or not owned by the Chargor or any other person or in which the Chargor or such other person has an interest, or from any exercise or non-exercise by it of any power, authority or discretion conferred upon it in relation to all or any of the Security Assets or any other property, assets, rights or undertakings of whatsoever nature (including but not limited to any other Security Assets) whether or not owned by the Chargor or any other person or in which the Chargor or such other person has an interest. Nothing in this clause 12.6(c), however, shall exclude the Chargee nor any Receiver,

attorney or agent of the Chargee from any liability arising by reason of its wilful misconduct or gross negligence.

12.7 Protection of third parties

No person (including a purchaser) dealing with the Chargee or any Receiver or Delegate will be concerned to enquire:

- (a) whether the Secured Obligations have become payable; or
- (b) whether any power which the Chargee or the Receiver is purporting to exercise has become exercisable; or
- (c) whether any money remains due under any Finance Document; or
- (d) how any money paid to the Chargee or to the Receiver is to be applied.

12.8 Chargee to rely on the power of sale

The powers conferred by this Deed in relation to all or any of the Security Assets on the Chargee or on any Receiver of all or any of the Security Assets shall be in addition to and not in substitution for the powers conferred on mortgagees or receivers under the LPA and the Insolvency Act 1986 and where there is any ambiguity or conflict between the powers contained in such Acts and those conferred by this Deed the terms of this Deed shall prevail.

12.9 Rights incidental to ownership

- (a) At any time after the Debenture Security becomes enforceable the Chargee may enter into, make, execute, sign and do all such contracts, agreements, receipts, payments, assignments, transfers, conveyances, assurances and things and bring, prosecute, enforce, defend and abandon all such actions, suits and proceedings in relation to the Security Assets as it may think necessary.
- (b) Furthermore without responsibility for monitoring the Security Assets, nor any liability relating therefrom, the Chargee may at any time after the Debenture Security becomes enforceable, exercise all or any of the powers or rights incidental to the ownership of all or any of the Security Assets and, in particular but without limiting the generality of the foregoing, exercise all rights available to the Chargee to enforce any Security granted in respect of the Security Assets and all rights to attend or vote at any meeting of the holders of the Security Assets or to give any consent or notification or make any declaration in relation to such securities or any of them.

13. RECEIVER

13.1 Removal and replacement

The Chargee may from time to time remove any Receiver appointed by it (subject, in the case of an administrative receivership, to section 45 of the Insolvency Act 1986) and, whenever it may deem appropriate, may appoint a new Receiver in the place of any Receiver whose appointment has terminated.

13.2 **Multiple Receivers**

If at any time there is more than one Receiver of all or any part of the Security Assets and/or the income of the Security Assets, each Receiver shall have power to act individually (unless otherwise stated in the appointment document).

13.3 **Remuneration**

Any Receiver shall be entitled to remuneration for his services at rate to be fixed by agreement between him and the Chargee (or, failing such agreement, to be fixed by the Chargee).

13.4 **Payment by Receiver**

Only monies actually paid by a Receiver to the Chargee in relation to the Secured Obligations shall be capable of being applied by the Chargee in discharge of the Secured Obligations.

13.5 **Agent of the Chargor**

Any Receiver shall be the agent of the Chargor. The Chargor shall (subject to the Companies Act 1985, the Companies Act 2006 and the Insolvency Act 1986) be solely responsible for his acts and defaults and for the payment of his remuneration. No Secured Party shall 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.

13.6 **Relationship with the Chargee**

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 Debenture Security becomes enforceable be exercised by the Chargee in relation to any Security Assets without first appointing a Receiver and notwithstanding the appointment of a Receiver.

14. **POWERS OF RECEIVER**

14.1 **General powers**

Any Receiver shall have:

- (a) all the powers which are conferred on the Chargee by clause 12.3 (*Powers of Chargee*);
- (b) all the powers which are conferred by the LPA on mortgagees in possession and receivers appointed under the LPA;
- (c) (whether or not he is an administrative receiver) all the powers which are listed in Schedule 1 of the Insolvency Act 1986; and
- (d) all powers which are conferred by any other law conferring power on receivers.

14.2 **Additional powers**

In addition to the powers referred to in clause 14.1 (*General powers*), a Receiver shall have the following powers:

- (a) to take possession of, collect and get in all or any part of the Security Assets and/or income in respect of which he was appointed;

- (b) to manage the Security Assets and the business of the Chargor as he thinks fit;
- (c) to redeem any Security and to borrow or raise any money and secure the payment of any money in priority to the Secured Obligations for the purpose of the exercise of his powers and/or defraying any costs or liabilities incurred by him in such exercise;
- (d) to sell or concur in selling, leasing or otherwise disposing of all or any part of the Security Assets in respect of which he was appointed without the need to observe the restrictions imposed by section 103 of the LPA, and, without limitation:
 - (i) fixtures may be severed and sold separately from the Real Property containing them, without the consent of the Chargor;
 - (ii) the consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration (and the amount of such consideration may be dependent upon profit or turnover or be determined by a third party); and
 - (iii) any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit;
- (e) to alter, improve, develop, complete, construct, modify, refurbish or repair any building or land and to 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);
- (f) to carry out any sale, lease or other disposal of all or any part of the Security Assets by conveying, transferring, assigning or leasing the same in the name of the Chargor and, for that purpose, to enter into covenants and other contractual obligations in the name of, and so as to bind, the Chargor;
- (g) to take any such proceedings (in the name of the Chargor or otherwise) as he shall think fit in respect of the Security Assets and/or income in respect of which he was appointed (including proceedings for recovery of rent or other monies in arrears at the date of his appointment);
- (h) to enter into or make any such agreement, arrangement or compromise as he shall think fit;
- (i) to insure, and to renew any insurances in respect of, the Security Assets as he shall think fit (or as the Chargee shall direct);
- (j) to appoint and employ such managers, officers and workmen and engage such professional advisers as he shall think fit (including, without prejudice to the generality of the foregoing power, to employ his partners and firm);
- (k) to form one or more subsidiaries of the Chargor and to transfer to any such subsidiary all or any part of the Security Assets;
- (l) to operate any rent review clause in respect of any Real Property in respect of which he was appointed (or any part thereof) and to apply for any new or extended lease; and
- (m) to:

- (i) give valid receipts for all monies and to do all such other things as may seem to him to be incidental or conducive to any other power vested in him or necessary or desirable for the realisation of any Security Asset;
- (ii) exercise in relation to each Security Asset all such powers and rights as he would be capable of exercising if he were the absolute beneficial owner of the Security Assets; and
- (iii) use the name of the Chargor for any of the above purposes.

15. APPLICATION OF PROCEEDS

15.1 Application

All monies received by the Chargee or any Receiver after the Debenture Security has become enforceable shall (subject to the rights and claims of any person having security ranking in priority to the Debenture Security) be applied in the following order:

- (a)
 - (i) **first**, in or towards payment of any unpaid fees, costs and expenses of and any unpaid indemnity payments owed to the Chargee under the Share Purchase Agreement;
 - (ii) **secondly**, in or towards payment of any accrued interest due but unpaid under the Share Purchase Agreement;
 - (iii) **thirdly**, in or towards payment of any Consideration unpaid under the Share Purchase Agreement; and
 - (iv) **fourthly**, in or towards payment of any other sum due but unpaid under the Share Purchase Agreement.
- (b) The Chargee may vary the order set out in paragraphs (a)(i) to (a)(iv) above.
- (c) Sub-clauses (a) and (b) of this clause will override any appropriation made by the Chargor.

15.2 Contingencies

If the Debenture Security is enforced at time when no amounts are due under the Share Purchase Agreement (but at time when amounts may or will become so due), the Chargee or Receiver may pay the proceeds of any recoveries effected by it into a blocked suspense account (bearing interest at such rate (if any) as the Chargee may obtain for accounts of that size and nature).

16. SET-OFF

16.1

- (a) The Chargee and each other Secured Party may (but shall not be obliged to) set off any matured obligation due from the Chargor (whether under the Share Purchase Agreement or which has been assigned to the Chargee or such other Secured Party by the Chargor) against any matured obligation owed by the Chargee or such other Secured Party to the Chargor.

- (b) At any time after the Debenture Security has become enforceable (and in addition to its rights under sub-clause (a) above, the Chargee and each other Secured Party may (but shall not be obliged to) set-off any contingent liability owed by the Chargor under any Finance Document against any obligation (whether or not matured) owed by the Chargee or such other Secured Party to the Chargor.
- (c) If either obligation is unliquidated or unascertained, the Chargee or such other Secured Party may set off in an amount estimated by it in good faith to be the amount of that obligation.
- (d) If the obligations are in different currencies, the Chargee or such other Secured Party may convert either obligation at a market rate of exchange for the purpose of the set-off.

17. DELEGATION

- (a) Each of the Chargee and any Receiver may delegate, by power of attorney or otherwise to any person for any period, all or any right, power, authority or discretion vested in it under this Deed upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions which it considers, in its discretion, to be appropriate. Neither the Chargee nor any Receiver shall be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.
- (b) The Chargee may employ and pay an agent selected by it to transact or conduct any business and to do all acts required to be done by it (including the receipt and payment of money) and will not be responsible to anyone for any misconduct or omission by any agent or bound to supervise the proceedings or acts of any such agent provided that it exercises reasonable care in selecting that agent.

18. FURTHER ASSURANCES

18.1 Further action

The Chargor shall at its own expense, promptly do all acts and execute all documents and take such other action as the Chargee or a Receiver may reasonably specify (and in such form as the Chargee or a Receiver may reasonably require) for:

- (a) creating, perfecting or protecting the Security intended to be created by this Deed or any other Security Document;
- (b) facilitating the realisation of any Security Asset; and/or
- (c) facilitating the exercise of any rights, powers, discretion and/or remedies exercisable by the Chargee, any other Secured Party or any Receiver or any Delegate in respect of any Security Asset or provided by or pursuant to the Share Purchase Agreement or by law.

This includes:

- (i) the re-execution of this Deed or such Security Document;
- (ii) the execution of any legal mortgage, charge, transfer, conveyance, assignment or assurance of any property, whether to the Chargee or to its nominee; and

- (iii) the giving of any notice, order or direction and the making of any filing or registration.

18.2 Share Purchase Agreement

The Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Chargee by or pursuant to this Deed.

18.3 Specific security

Without prejudice to the generality of clause 18.1 (*Further action*), the Chargor will immediately upon request by the Chargee execute any document contemplated by that clause over any Security Asset which is subject to or intended to be subject to any fixed security under this Deed (including any fixed security arising or intended to arise pursuant to clause 5 (*Conversion of floating charge*)).

19 POWER OF ATTORNEY

The Chargor, by way of security, irrevocably and severally appoints the Chargee, each Receiver and any Delegate to be its attorney to take any action which the Chargor is obliged to take under this Deed and which the Chargor has not done following the occurrence of an Event of Default which is continuing, including under clause 18 (*Further assurances*). The Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause.

20. ASSIGNMENT AND TRANSFER

20.1 The Chargee

The Chargee may assign all or any part of its rights, or transfer all or any part of its rights and obligations, under this Deed. The Chargor shall, immediately upon being requested to do so by the Chargee, enter into such documents as may be necessary to effect such assignment or transfer.

20.2 The Chargor

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

21. MISCELLANEOUS

21.1 New accounts

- (a) If the Chargee or any other Secured Party receives, or is deemed to be affected by, notice, whether actual or constructive, of any subsequent Security affecting any Security Asset and/or the proceeds of sale of any Security Asset or any guarantee under the Share Purchase Agreement ceases to continue in force, it may open a new account or accounts for the Chargor. If it 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 such notice.
- (b) As from that time all payments made to the Chargee or such other Secured Party will be credited or be treated as having been credited to the new account and will not operate to reduce any amount of the Secured Obligations.

21.2 Protective clause

The Chargor is deemed to be principal debtor in relation to this Deed. The obligations of the Chargor under, and the security intended to be created by, this Deed shall not be impaired by any forbearance, neglect, indulgence, extension or time, release, surrender or loss of securities, dealing, amendment or arrangement by any Secured Party which would otherwise have reduced, released or prejudiced this Debenture Security or any surety liability of the Chargor (whether or not known to it or to any Secured Party).

22. NOTICES

- (a) Any notice, demand or other communication under or in connection with this Deed shall be made in writing and, unless otherwise stated, will be made by letter or fax, and will be deemed to be given, if in writing, when delivered or, if by fax, when received. However, a notice or other communication received on a non-Business Day or after business hours in the place of receipt will only be deemed to be given on the next Business Day in that place.
- (b) The address and fax number of each Party for all communications or documents given under or in connection with this Deed are those identified with its name in the execution pages to this Deed or subsequently notified from time to time by the relevant Party for the purposes of this Deed.

23. CALCULATIONS AND CERTIFICATES

- 23.1 In any litigation or arbitration proceedings arising out of or in connection with this Deed, the entries made in the accounts maintained by the Chargee are prima facie evidence of the matters to which they relate.
- 23.2 Any certification or determination by the Chargee of a rate or amount under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.
- 23.3 Any interest, commission or fee accruing under this Deed will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days.

24. PARTIAL INVALIDITY

If at any time any provision of this Deed is or becomes illegal, invalid or unenforceable under any law of any jurisdiction, neither the legality, validity or enforceability of any 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.

25. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of the Chargee (or any other Secured Party), any right or remedy under this Deed shall operate as 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.

26. 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.

27. RELEASE

27.1 Release

Upon the expiry of the Security Period (but not otherwise) the Chargee shall, at the request and cost of the Chargor take whatever action is necessary to release or re-assign (without recourse or warranty) the Security Assets from the Debenture Security.

27.2 Reinstatement

Where any discharge (whether in respect of the obligations of the Chargor or any security for those obligations or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise (without limitation), the liability of the Chargor under this Deed shall continue as if the discharge or arrangement had not occurred. The Chargee may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

28. GOVERNING LAW AND JURISDICTION

- 28.1 This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by English law.
- 28.2

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "**Dispute**").
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This clause 29.2 is for the benefit of the Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

IN WITNESS of which this Deed has been entered into by the Parties as a deed and is delivered and takes effect on the date stated at the beginning of this Deed.

SCHEDULE 1

Part 1 – Real Property

The leasehold land of the Chargee.

PART 2 – CHARGED SECURITIES

None.

PART 3 – CHARGED ACCOUNTS

PART 4 – INTELLECTUAL PROPERTY

The Intellectual Property Rights (registered and/or unregistered) owned, used or held for use by the Chargee.

PART 6 – INSURANCES

EXECUTION PAGES

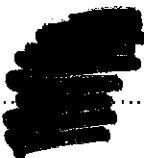
THE CHARGOR

EXECUTED AND DELIVERED AS A DEED)
for and on behalf of)
INTEGRATED DISPLAY SYSTEMS LIMITED)
acting by a director in the presence of a witness:)

Director signature: 

PRINT Director name: 

In the presence of:

Witness signature: 

PRINT Witness name:

Witness address: Paul J Bell

Solicitor
Short Richardson & Forth
4 Mosley Street
Newcastle upon Tyne
NE1 1DE

Witness occupation:

Notice Details:


Address: Unit 15 Maurice Road Industrial Estate,
Wallsend, NE28 6BY

Fax No:


Attention:

THE CHARGE

EXECUTED AND DELIVERED AS A DEED)
by **DR. BARRY HUTCHINSON**)
in the presence of a witness:)

signature. 

In the presence of:

Witness signature: 

PRINT Witness name: 

Witness address:

Notice Details:

Address:

44 Middle Drive,
Ponteland,
NE20 9DN

Paul J Bell
Solicitor.....
Short Richardson & Forth
4 Mosley Street
Newcastle upon Tyne
NE1 1DE

EXECUTED AND DELIVERED AS A DEED)

by **DR. PATRICIA SMITH**)

in the presence of a witness:)

signature... 

In the presence of:

Witness signature: 

PRINT Witness name:

Witness address: **Paul J Bell**.....
Solicitor
Short Richardson & Forth...
4 Mosley Street
Newcastle upon Tyne
NE1 1DE

Notice Details:

Address: 44 Middle Drive,
Ponteland,
NE20 9DN