



Registration of a Charge

Company name: **PHOENIX DATACOM LIMITED**

Company number: **01828804**

Received for Electronic Filing: **25/02/2021**



X9Z21L2H

Details of Charge

Date of creation: **23/02/2021**

Charge code: **0182 8804 0008**

Persons entitled: **LDC (MANAGERS) LIMITED AS SECURITY AGENT**

Brief description:

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: **WE 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:

OSBORNE CLARKE LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 1828804

Charge code: 0182 8804 0008

The Registrar of Companies for England and Wales hereby certifies that a charge dated 23rd February 2021 and created by PHOENIX DATACOM LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 25th February 2021 .

Given at Companies House, Cardiff on 26th February 2021

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

We certify that, save for material redacted pursuant to s. 859G of the Companies Act 2006, this copy instrument is a correct copy of the original instrument.

Dated this 25th day of February 2021

Signed

Osborne Clarke LLP

Osborne Clarke LLP
One London Wall
London
EC2Y 5EB

DATED 23 February 2021

**(1) ALPHABET BIDCO LIMITED
and certain of its subsidiaries**

- and -

**(2) LDC (MANAGERS) LIMITED
as Security Agent**

**LOAN NOTE GUARANTEE AND
DEBENTURE**

**THIS DEED IS SUBJECT TO THE
TERMS OF ANY SENIOR
INTERCREDITOR AGREEMENT AND
THE LOAN NOTE INTERCREDITOR
DEED**

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THIS GUARANTEE AND DEBENTURE is made on ²³ February February 2021

BETWEEN:

- (1) EACH PERSON LISTED IN SCHEDULE 1 (the "Original Chargors");
- (2) LDC (MANAGERS) LIMITED as security trustee for the Secured Parties (as defined below) (in such capacity, the "Security Agent").

IT IS AGREED:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

- (a) terms defined in, or construed for the purposes of, the Loan Note Intercreditor Deed (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:

"Accession Deed" means an accession deed substantially in the form set out in schedule 1 (*Form of Accession Deed*).

"Accounts" means a Chargor's present and future accounts with any bank or other person, all monies standing to the credit of each such account and all Related Rights in respect of any such account.

"Act" means the Law of Property Act 1925.

"Assigned Contract" means each contract specified in Part 4: (Assigned Contracts) of Schedule 2 (Security Assets), and (with effect from the date of the relevant Accession Deed) each contract specified as an Assigned Contract in an Accession Deed (if any) and any contract specified in any Supplemental Debenture and the benefit of all other agreements, instruments and rights relating to the Debenture Security.

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

"Blocked Accounts" means:

- (a) any Book Debts Account;
- (b) with effect from the date of an Accession Deed or a Supplemental Debenture, any accounts specified as a Blocked Account in that Accession Deed or Supplemental Debenture (as the case may be); and
- (c) all monies standing to the credit of any account referred to in paragraphs (a) or (b) above and all Related Rights in respect of such account or the monies standing to the credit thereof.

"Book Debts Account" means such separate and denominated account or accounts as may be specified in writing by the Security Agent for the purpose of receiving payment of the proceeds of realisation and collection of Debts

"Charged Accounts" means each bank account of a Chargor.

"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 all stocks, shares, debentures, bonds, warrants, coupons, negotiable instruments, certificates of deposit or other securities or "investments" (as defined in part II of schedule II to the Financial Services and Markets Act 2000 as in force at the date of this Deed) now or in future owned (legally or beneficially) by a Chargor or held by a nominee, trustee, fiduciary or clearance system on its behalf or in which such Chargor has an interest at any time.

"Chargors" means:

- (a) the Original Chargor; and
- (b) any other entity which accedes to this Deed pursuant to an Accession Deed.

"Company" means Alphabet Bidco Limited, a company incorporated in England and Wales with company number 12682651.

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

"Debts" means:

- (a) all monies or liabilities due, owing or incurred by a person to a Chargor at present or in the future, in any manner, whether actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety; and
- (b) any Related Rights in respect thereof.

"Declared Default" means a failure to pay any amount of the Secured Obligations when demand has been made for payment in accordance with the terms of the relevant Loan Note Document.

"Default Rate" means the rate of default interest payable on amounts which are overdue for payment under the terms of the Secured Loan Instrument, as determined in accordance with to Schedule 1 (*Conditions*) of each Secured Loan Note Instrument.

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

"Insurance Proceeds" means all monies from time to time payable to a Chargor under or pursuant to the Insurances, including the refund of any premium.

"Insurances" means all policies of insurance (and all cover notes) which are at any time held by or written in favour of a Chargor or in which a Chargor from time to time has an interest including, without limitation, all present and future key-man policies,

but excluding such policies of insurance to the extent that they relate to third party liabilities.

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

- (a) all of the assets (if any) specified in Part 2: (Intellectual Property) of Schedule 2 (*Security Assets*) (if any) and as specified in any Accession Deed or Supplemental Debenture;
- (b) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and
- (c) the benefit of all applications and rights to use such assets of each Chargor (which may now or in the future subsist).

"Loan Note Intercreditor Deed" means the loan note intercreditor agreement dated on or around the same date as this Deed and made between, among others, the Company, the Security Agent and certain subsidiaries of Alphabet Bidco Limited.

"Loan Note Documents" means each Secured Loan Note Instrument, the Bridging A1 Notes, the Bridging B1 Notes, the A1 Notes, the B1 Notes, the Loan Note Security Documents and any other document designated as such by the Loan Note Security Agent and the Company.

"Material Property" means all Real Property other than any Short Leasehold Property.

"Party" means a party to this Deed.

"Planning Acts" means:

- (a) the Town and Country Planning Act 1990;
- (b) the Planning (Listed Buildings and Conservation Areas) Act 1990;
- (c) the Planning (Hazardous Substances) Act 1990;
- (d) the Planning (Consequential Provisions) Act 1990;
- (e) the Planning and Compensation Act 1991;
- (f) any regulations made pursuant to any of the foregoing; and
- (g) any other legislation of a similar nature.

"Real Property" means all of the freehold and/or leasehold property of any Chargor described in Part 1: (The Property) of Schedule 2 (Security Assets), as described in any Accession Deed or Supplemental Debenture, and all estates and interests in freehold, leasehold and other immovable property (wherever situated) now or in future belonging to any Chargor, or in which any Chargor has an interest at any time, 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; and
- (c) the benefit of all covenants given in respect thereof.

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

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

- (a) all dividends, distributions and other income paid or payable on the relevant Charged Securities or on any asset referred to in paragraph (b) of this definition;
- (b) all rights, monies or property accruing or offered at any time in relation to such Charged Securities whether by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;
- (c) the proceeds of sale and/or other realisation of that asset (or any part thereof or interest therein);
- (d) all Security, Authorisations, options, agreements, rights, easements, benefits, indemnities, guarantees, warranties or covenants for title in respect of such asset; and
- (e) all rights under any lease, licence or agreement for lease, sale or use in respect of such asset.

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

"Secured Obligations" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or alone or in any other capacity whatsoever) of each member of the Group to the Security Agent and/or the other Secured Parties (or any of them) under or pursuant to any Loan Note Document (including all monies covenanted to be paid under this Deed).

"Secured Party" means each and any of the Secured Parties (as defined in the Loan Note Intercreditor Deed).

"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) no Secured Party has any further commitment, obligation or liability under or pursuant to the Loan Note Documents.

"Senior Intercreditor Agreement" means any intercreditor agreement or subordination deed dated on or after the date of this Deed and made between (amongst others) a bank or financial institution that provides funding to a Debtor, and some or all of the parties to this Deed including any Debtor in relation to the Group.

"Shares" means:

- (i) the shares described in Part 3: (Shares) of Schedule 2 (Security Assets) (if any) and as described in any Accession Deed or Supplemental Debenture;
- (ii) dividend, interest or other distribution paid or payable in relation to any of the Investments; and
- (iii) right, money, shares or property accruing, offered or issued at any time in relation to any of the Shares by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise; and
- (iv) all Related Rights in respect of paragraphs (i) to (iii) (inclusive).

"Short Leasehold Property" means a leasehold property held by a Chargor now or in the future under a lease granted at a rack rate which has an unexpired term of 15 years or less at the date of this Deed (or in the case of future acquired leasehold property, at the date of acquisition of such property by the relevant Chargor).

"Supplemental Debenture" means a supplemental debenture to this Deed in the form set out in **Error! Reference source not found.** (*Supplemental Debenture*) or such other form as the Security Agent may require.

1.2 Interpretation

- (a) Unless a contrary indication appears, in this Deed the provisions of clause 1.2 (*Construction*) of the Loan Note Intercreditor Deed 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) Unless a contrary indication appears, any reference in this Deed to:
 - (i) a **"Chargor"**, the **"Security Agent"** or any other **"Secured Party"** or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Loan Note Documents;

- (ii) **"this Deed"**, the **"Loan Note Intercreditor Deed"**, any **"Loan Note Document"** or any other agreement or instrument is a reference to this Deed, the Loan Note Intercreditor Deed, that other Loan Note Document or that other agreement or instrument as amended, supplemented, extended, restated, novated and/or replaced in any manner from time to time (however fundamentally and even if any of the same increases the obligations of any member of the Group or provides for further advances); and
 - (iii) **"Secured Obligations"** includes obligations and liabilities which would be treated as such but for the liquidation, administration or dissolution of or similar event affecting any member of the Group.
- (c) Each undertaking of a 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 such Chargor for the benefit of the Security Agent and each other Secured Party.
- (d) The terms of the other Loan Note Documents, and of any side letters between any of the parties to them in relation to any Loan Note Document, are incorporated in this Deed to the extent required to ensure that any disposition of the Real Property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (e) If the Security Agent reasonably considers that an amount paid by any member of the Group to a Secured Party under a Loan Note Document is capable of being avoided or otherwise set aside on the liquidation or administration of such member of the Group, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.
- (f) 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 Joint and several

The liabilities and obligations of each Chargor under this Deed are joint and several. Each Chargor agrees to be bound by this Deed notwithstanding that any other Chargor which was intended to sign or be bound by this Deed did not so sign or is not bound by this Deed.

1.4 Inconsistency between this Deed and any intercreditor deed

If there is any conflict or inconsistency between any provision of this Deed and any provision of any Senior Intercreditor Agreement or the Loan Note Intercreditor Deed, the provisions of any Senior Intercreditor Agreement and the Loan Note Intercreditor Deed shall prevail.

1.5 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 Security Agent are made, created and entered into in favour of the Security Agent as trustee for the Secured Parties from time to time on the terms of the Loan Note Intercreditor Deed.

1.6 Third party rights

Save as expressly provided to the contrary in this Deed, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.

1.7 Security Agent's rights

The Security Agent's rights, duties and indemnities set out in the Loan Note Intercreditor Deed are deemed incorporated into this Deed.

2. GUARANTEE AND INDEMNITY

2.1 Guarantee and indemnity

In consideration of the Secured Parties subscribing for the Loan Note Documents (as applicable), each Chargor irrevocably and unconditionally, jointly and severally:

- (a) guarantees to the Secured Parties, whenever the Company does not pay any of the Secured Liabilities when due, to pay on demand the Secured Liabilities;
- (b) undertakes with each Secured Party that whenever another Chargor does not pay any amount when due under or in connection with the Loan Note Documents, that Chargor shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) as principal obligor and as a separate and independent obligation and liability from its obligations and liabilities under Clause 2.1 agrees to indemnify and keep indemnified each Secured Party in full and on demand from and against all and any losses, costs, claims, liabilities, damages, demands and expenses suffered or incurred by that Secured Party arising out of, or in connection with, the Secured Liabilities not being recoverable for any reason or any failure of a Chargor to perform or discharge any of its obligations or liabilities in respect of the Secured Liabilities.

2.2 Continuing guarantee

The guarantee and indemnity shall at all times be a continuing guarantee and shall cover the ultimate balance from time to time owing to each Secured Party by the Chargors in respect of the Secured Liabilities.

2.3 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Chargor or any security for those obligations or otherwise) is made by a Secured Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Chargor under this Clause 2 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

2.4 Waiver of defences

The liability of the Chargors under this guarantee shall not be reduced, discharged or otherwise adversely affected by:

- (a) any intermediate payment, settlement of account or discharge in part of the Secured Liabilities;
- (b) any variation, extension, discharge, compromise, dealing with, exchange or renewal of any right or remedy which any Secured Party may now or after the date of this Deed have from or against any of the Chargors and any other person in connection with the Secured Liabilities;
- (c) any act or omission by any Secured Party or any other person in taking up, perfecting or enforcing any Security, indemnity, or guarantee from or against the Chargors or any other person;
- (d) any termination, amendment, variation, novation, replacement or supplement of or to any of the Secured Liabilities including without limitation any change in the purpose of, any increase in or extension of the Secured Liabilities and any addition of new Secured Liabilities;
- (e) any grant of time, indulgence, waiver or concession to the Chargors or any other person;
- (f) any insolvency, bankruptcy, liquidation, administration, winding up, incapacity, limitation, disability, the discharge by operation of law, or any change in the constitution, name or style of the Chargors, any Secured Party or any other person;
- (g) any invalidity, illegality, unenforceability, irregularity or frustration of any actual or purported obligation of, or Security held from, the Chargors or any other person in connection with the Secured Liabilities;
- (h) any claim or enforcement of payment from the Chargors or any other person; or
- (i) any act or omission which would not have discharged or affected the liability of the Chargors had it been a principal debtor instead of a Chargor, or indemnifier or by anything done or omitted by any person which but for this provision might operate to exonerate or discharge the Chargors or otherwise reduce or extinguish its liability under this Deed.

2.5 Chargor's intent

Without prejudice to the generality of Clause 2.4 (Waiver of defences) above, each Chargor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Loan Note Documents and/or any facility or amount made available under any of the Loan Note Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

2.6 Immediate recourse

Irrespective of any law or provision of any Loan Note Document, no Secured Party shall be obliged, before taking steps to enforce any of its rights and remedies under this guarantee, to:

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

2.7 Appropriations

Until all amounts which may be or become payable by the Chargors under or in connection with the Loan Note Documents have been irrevocably paid in full, each Secured Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Secured Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Chargor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from any Chargor or on account of any Chargor's liability under this Clause 2.

2.8 Deferral of Chargor's rights

- (a) Until all amounts which may be or become payable by the Chargors under or in connection with the Loan Note Documents have been irrevocably paid in full and unless the Security Agent otherwise directs, no Chargor will exercise any Rights which it may have by reason of performance by it of its obligations under the Loan Note Documents or by reason of any amount being payable, or liability arising, under this Clause 2:
 - (i) to be indemnified by a Chargor;

- (ii) to claim any contribution from any other guarantor of any Chargor's obligations under the Loan Note Documents;
 - (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Loan Note Documents or of any other guarantee or security taken pursuant to, or in connection with, the Loan Note Documents by any Secured Party;
 - (iv) to bring legal or other proceedings for an order requiring any Chargor to make any payment, or perform any obligation, in respect of which any Chargor has given a guarantee, undertaking or indemnity under Clause 2.1 (*Guarantee and Indemnity*);
 - (v) to exercise any right of set-off against any Chargor; and/or
 - (vi) to claim or prove as a creditor of any Chargor in competition with any Secured Party.
- (b) Each Chargor warrants to each Secured Party that it has not taken or received, and shall not take, exercise or receive the benefit of any Rights from or against the Chargors, its liquidator, an administrator, co-Chargor or any other person in connection with any liability of, or payment by, the Chargors under this guarantee but:
- (i) if any of the Rights are taken, exercised or received by the Chargors, those Rights and all monies at any time received or held in respect of those Rights shall be held by the Chargors on trust for each Secured Party for application in or towards the discharge of the Secured Liabilities under this Deed; and
 - (ii) on demand by any Secured Party, each Chargor shall promptly transfer, assign or pay to that Noteholder or Security Agent all such Rights and all monies from time to time held on trust by that Chargor under this Clause 2.8 for application in accordance with the terms of any Senior Intercreditor Agreement and the Loan Note Intercreditor Deed.

2.9 Additional security

- (a) This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Secured Party.
- (b) The guarantee and indemnity and security set out in this Deed is in addition to and shall not affect nor be affected by or merge with any other judgment, Security, right or remedy obtained or held by any Secured Party (whether at law or in equity) from time to time for the discharge and performance of the Chargors of the Secured Liabilities.

2.10 Guarantee Limitations

This guarantee does not apply to any liability to the extent that it would result in this guarantee constituting unlawful financial assistance within the meaning of sections 678 or 679 of the Companies Act 2006 or any equivalent and applicable provisions under the laws of the jurisdiction of incorporation of the relevant Chargor and, with

respect to any Chargor which becomes a party to this Deed pursuant to an Accession Deed, is subject to any limitations set out in the Accession Deed applicable to such Chargor.

3. COVENANT TO PAY

3.1 Covenant to pay

- (a) Each Chargor, as principal obligor and not merely as surety, covenants in favour of the Security Agent that it will pay and discharge the Secured Obligations from time to time when they fall due.
- (b) Every payment by a Chargor of a Secured Obligation which is made to or for the benefit of a Secured Party to which that Secured Obligation is due and payable in accordance with the Loan Note Document under which such sum is payable to that Secured Party, shall operate in satisfaction to the same extent of the covenant contained in clause 3.1(a).

3.2 Default interest

Any amount which is not paid under this Deed when due shall bear interest on a daily basis (both before and after judgment and payable on demand) at the Default Rate from the due date until the date on which such amount is unconditionally and irrevocably paid and discharged in full.

4. GRANT OF SECURITY

4.1 Nature of security

All Security and dispositions created or made by or pursuant to this Deed (including for the avoidance of doubt pursuant to any Accession Deed) are created or made:

- (a) in favour of the Security Agent;
- (b) with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994 but subject to any Security permitted under the terms of the Loan Note Intercreditor Deed; and
- (c) as continuing security for payment of the Secured Obligations.

4.2 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).

5. FIXED SECURITY

5.1 Fixed charges

Each Chargor charges and agrees to charge 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, all its Real Property (if any) (other than any Short Leasehold Property) and all interests in Real Property (other than any Short Leasehold Property);
- (b) by way of fixed charge:
 - (i) all other Real Property (other than any Short Leasehold Property) and all interests in Real Property (other than any Short Leasehold Property) not charged by clause 5.1(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 5.1(a) or 5.1(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 5.1(c)); and
 - (ii) the benefit of all contracts, licences and warranties relating to the same,

other than any which are for the time being part of any Chargor's stock-in-trade or work-in-progress;
- (e) by way of fixed charge all its Charged Securities, in each case, together with:
 - (i) all Related Rights from time to time accruing to those Charged Securities; and
 - (ii) all rights which such 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, all bank accounts of such 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, 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, all Shares (if any);
- (h) by way of fixed charge, all its Intellectual Property (if any);
- (i) all Debts;
- (j) any VAT which it is entitled to recover and any other tax refund, rebate or repayment and any sums so received;

- (k) by way of fixed charge, all Accounts (if any);
- (l) 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 such Chargor or the use of any of its assets; and
 - (ii) any letter of credit issued in favour of such Chargor and all bills of exchange and other negotiable instruments held by it;
- (m) by way of fixed charge all of the goodwill and uncalled capital of such Chargor;
- (n) by way of fixed charge all Insurances and all claims under the Insurances and all proceeds of the Insurances; and
- (o) if not effectively assigned by way of security pursuant to Clause 6 (Security assignment), all its rights and interests in (and claims under) the assets described in Clause 6 (Security assignment).

6. SECURITY ASSIGNMENT

As security for the payment of the Secured Liabilities, each Chargor assigns, by way of security, with full title guarantee to the Security Agent its rights, title and interest in:

- (i) the Insurances and the Insurance Proceeds;
- (ii) each Assigned Contract;
- (iii) all Related Rights in respect of each of the above.

7. FLOATING CHARGE

Each Chargor charges and agrees to charge by way of first floating charge all of its present and future:

- (a) assets and undertaking (wherever located) not otherwise effectively charged by way of fixed mortgage or charge or assigned pursuant to clause 5.1 (*Fixed charges*) or any other provision of this Deed; and
- (b) (whether or not effectively so charged or assigned) heritable property and all other property and assets in Scotland.

8. CONVERSION OF FLOATING CHARGE

8.1 Conversion by notice

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

- (a) a Declared Default has occurred; or

- (b) the Security Agent considers (acting reasonably) any Security Assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process (which has not been discharged after a period of 14 days) or to be otherwise in jeopardy.

8.2 Small companies

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

8.3 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 a floating charge if:
 - (i) such Chargor creates (or attempts or purports to create) any Security (other than Security which is permitted pursuant to the Loan Note Intercreditor Deed) on or over the relevant Security Asset without the prior written consent of the Security Agent; 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 a Chargor which are subject to a floating charge if an administrator is appointed in respect of such Chargor or the Security Agent receives notice of intention to appoint such an administrator (as contemplated by the Insolvency Act 1986).

8.4 Scottish property

Clause 8.3 (*Automatic conversion*) will not apply to any assets situated in Scotland if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to section 72 of the Insolvency Act 1986 by reason of such automatic conversion.

8.5 Partial conversion

The giving of a notice by the Security Agent pursuant to clause 8.1 (*Conversion by notice*) in relation to any asset or class of assets of any Chargor shall not be construed as a waiver or abandonment of the rights of the Security Agent to serve similar notices in respect of any other asset or class of assets or of any other right of the Security Agent and/or the other Secured Parties.

9. CONTINUING SECURITY

9.1 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 a continuing security for the duration of the Security Period.

9.2 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 Security Agent and/or any other Secured Party may at any time hold for any Secured Obligation.

9.3 Right to enforce

This Deed may be enforced against each or any Chargor without the Security Agent 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.

10. LIABILITY OF CHARGORS RELATING TO SECURITY ASSETS

Notwithstanding anything contained in this Deed or implied to the contrary, each Chargor remains liable to observe and perform all conditions and obligations assumed by it in relation to the Security Assets. The Security Agent 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.

11. ACCOUNTS

No monies at any time standing to the credit of any account (of any type and however designated) of any Chargor with the Security Agent and/or any other Secured Party (or any of them) or in which any Chargor has an interest (and no rights and benefits relating thereto) shall be capable of being assigned to any person other than a Secured Party.

12. UNDERTAKINGS BY THE CHARGORS

12.1 Negative pledge and Disposals

No Chargor shall do or agree to do any of the following without the prior written consent of the Security Agent:

- (a) create or permit to subsist any Security on any Security Asset other than as created by this Deed or which is permitted under the terms of the Investment Agreement; or
- (b) sell, transfer, lease or otherwise dispose of (whether by a single transaction or a 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 (except for a sale or disposal which is permitted by the terms of the Investment Agreement).

12.2 Security Assets generally

Each Chargor shall:

- (a) notify the Security Agent within 14 days of receipt of every material notice, order, application, requirement or proposal given or made in relation to the

material Security Assets by any competent authority, and (if required to do so by the Security Agent):

- (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 Security Agent may require or approve;
- (b) pay all rates, rents and other outgoings owed by it in respect of the material 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 on the business, assets, operations, property or financial condition of the relevant Chargor;
- (d) not, except with the prior written consent of the Security Agent (such consent not to be unreasonably withheld or delayed), enter into any onerous or restrictive obligation affecting any material part of any of the Security Assets (except as expressly permitted by the Loan Note Documents);
- (e) provide the Security Agent with all information which it may reasonably request in relation to the Security Assets;
- (f) not do, cause or permit to be done anything which may to a material extent depreciate, jeopardise or otherwise prejudice the value or marketability of any material Security Asset (or make any omission which has such an effect); and
- (g) to the extent requested by the Security Agent from time to time:
 - (i) certified copies of all the Assigned Contracts;
 - (ii) all deeds and documents of title (if any) relating to the Debts;
 - (iii) details of all plant and machinery;
 - (iv) details of all bank accounts; and
 - (v) any other details as requested by the Security Agent.

12.3 Deposit of documents and notices relating to Material Property

If requested by the Security Agent in writing and subject to the terms of the Loan Note Intercreditor Deed, each Chargor shall, deposit with the Security Agent:

- (a) all deeds and documents of title relating to the Material Property, which are held by the relevant Chargor or ensure that the same are held to the order of the Security Agent by way of solicitor's undertaking, upon terms and conditions acceptable to the Security Agent; and
- (b) all local land charges, land charges and the Land Registry search certificates and similar documents received by or on behalf of a Chargor in relation to the Material Property,

which the Security Agent may hold throughout the Security Period.

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

- (a) Each Chargor shall notify the Security Agent as soon as reasonably practicable after (and in any event within 5 Business Days) of the acquisition of any estate or interest in any freehold or leasehold property (other than any Short Leasehold Property).
- (b) Each Chargor shall, in respect of any Material Property which is acquired by it after the date of this Deed, the title to 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.

12.5 Real Property undertakings - maintenance

- (a) Each Chargor shall maintain all buildings and erections forming part of the Security Assets in a reasonable state of repair.
- (b) No Chargor shall, except with the prior written consent of the Security Agent (such consent not to be unreasonably withheld or delayed) (or as expressly permitted under the Loan Note Documents):
 - (i) confer on any person any lease or tenancy of any of the Material Property or accept a 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 Material Property; or
 - (iii) grant any licence to assign or sub-let any part of the Material Property.
- (c) No Chargor shall 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 and, in the case of development involving a substantial change in the

structure of, or a change of use of, any part of the Real Property, without first obtaining the written consent of the Security Agent.

- (d) No Chargor shall do, or permit to be done, anything as a result of which any lease may be liable to forfeiture or otherwise be determined.
- (e) Following the occurrence of an Event of Default which is continuing or if the Security Agent reasonably suspects that an Event of Default is continuing or may occur, each Chargor shall permit the Security Agent and any person nominated by it at all reasonable times with reasonable notice to enter any part of the Real Property and view the state of it.

12.6 Material Property undertakings - title investigation

- (a) Each Chargor shall grant the Security Agent on request all reasonable facilities within the power of such Chargor to enable the Security Agent (or its lawyers) to carry out investigations of title to the Material Property and to make all enquiries in relation to any part of the Material Property which a prudent mortgagee might carry out. Those investigations shall be carried out at the reasonable expense of such Chargor.
- (b) As soon as reasonably practicable upon demand in writing by the Security Agent following the occurrence of an Event of Default, each Chargor shall at its own reasonable expense provide the Security Agent with a report as to title of such Chargor to its Material Property (concerning those items which may properly be sought to be covered by a prudent mortgagee in a lawyer's report of this nature).

12.7 Equipment

Promptly on request by the Security Agent and at all times after the occurrence of a Declared Default, each Chargor shall affix to any plant, machinery, fixtures, fittings, computers, vehicles, office equipment, other equipment and other assets for the time being owned by it (in a prominent position) a durable notice of this Deed (in any form required by the Security Agent (acting reasonably)).

12.8 Insurance

- (a) Each Chargor shall (and the Company shall ensure that each other member of the Group will) maintain insurances on and in relation to its business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially similar business. All such insurances must be with reputable independent insurance companies or underwriters.
- (b) If at any time any Chargor defaults in:
 - (i) effecting or keeping up the insurances referred to in this clause; or
 - (ii) producing any insurance policy or receipt to the Security Agent within 14 days of demand,

the Security Agent may (without prejudice to its rights under clause 13 (*Power to remedy*)) take out or renew such policies of insurance in any sum which the Security Agent may reasonably think expedient. All monies which are expended by the Security Agent in doing so shall be deemed to be properly

paid by the Security Agent and shall be reimbursed by such Chargor on demand.

- (c) Each Chargor shall, subject to the rights of the Security Agent under clause 12.8(d), diligently pursue its rights under the Insurances.
- (d) In relation to the proceeds of Insurances:
 - (i) after the occurrence of a Declared Default the Security Agent shall have the sole right to settle or sue for any claim in respect of any Insurances 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 or tenant of any part of the Security Assets) be applied in accordance with the terms of the Loan Note Intercreditor Deed,

or, in each case after the occurrence of a Declared Default, in permanent reduction of the Secured Obligations in accordance with the terms of the Loan Note Intercreditor Deed.

12.9 Debts

- (a) Each Chargor undertakes to provide to the Security Agent promptly upon its request (and in a form acceptable to the Security Agent) a certificate showing the aggregate value of the Debts due to it from any person.
- (b) It will ensure that all Debts are evidenced by a written agreement between it and the debtor or debtors.
- (c) During the Security Period, each Chargor undertakes with reference to the Debts:
 - (i) to collect the Debts in the ordinary course of its business and (prior to the payment into any Book Debts Account) to hold the proceeds of those Debts on trust for the Security Agent;
 - (ii) not, without the prior written consent of the Security Agent, to sell, factor, discount, charge, assign, declare a trust over or otherwise dispose of or release, exchange, compound, set off or grant time or indulgence or otherwise deal with all or any of the Debts in favour of any other person or purport to do so;
 - (iii) if required by the Security Agent, to pay into the Book Debts Account or otherwise as the Security Agent may direct from time to time all monies it may receive in respect of the Debts; and
 - (iv) if called upon so to do by the Security Agent, execute a legal assignment of the Debts to the Security Agent in such terms as the Security Agent in its discretion may require, give such notice of that legal assignment to the debtors from whom the Debts are due, owing or incurred and take any such other step as the Security Agent in its discretion may require to perfect such legal assignment.

- (d) During the Security Period, no Chargor shall, except with the prior written consent of the Security Agent, withdraw or attempt or be entitled to withdraw from any Blocked Account all or any monies standing to the credit of any Blocked Account.
- (e) At any time when an Event of Default is continuing, if the Security Agent has served written notice on the Parent requiring the same, no Chargor shall, except with the prior written consent of the Security Agent, withdraw or attempt or be entitled to withdraw from any of its bank accounts all or any monies standing to the credit of such bank accounts.

12.10 Charged Investments - protection of security

- (a) Subject to the terms of the Loan Note Intercreditor Deed, each Chargor shall, promptly and in any event within five Business Days of execution of this Deed or an Accession Deed (as applicable) or (if later) as soon as is practicable after its acquisition of any Charged Securities, by way of security for the Secured Obligations:
 - (i) deposit with the Security Agent (or as the Security Agent may direct) all certificates and other documents of title or evidence of ownership to the Charged Securities and their Related Rights; and
 - (ii) execute and deliver to the Security Agent:
 - (A) instruments of transfer in respect of the Charged Securities (executed in blank and left undated); and/or
 - (B) such other documents as the Security Agent shall reasonably require to enable it (or its nominees) to be registered as the owner of or otherwise to acquire a legal title to the Charged Securities and their Related Rights,

or to pass legal title to any purchaser.
- (b) In respect of any Charged Investment held by or on behalf of any nominee of any clearance or settlement system, each Chargor shall promptly and in any event within five Business Days of the execution of this Deed or an Accession Deed or (if later) promptly and in any event within five Business Days of the acquisition of an interest in such Charged Investment deliver to the Security Agent duly executed stock notes or other document in the name of the Security Agent (or as it may direct) issued by such nominee and representing or evidencing any benefit or entitlement to such Charged Investment.
- (c) Each Chargor shall following the occurrence of a Declared Default:
 - (i) promptly give notice to any custodian of any agreement with such Chargor in respect of any Charged Investment in the form required by the Security Agent; and
 - (ii) use its reasonable endeavours to ensure that the custodian acknowledges that notice in the form required by the Security Agent.

- (d) Each Chargor shall promptly following the occurrence of a Declared Default:
 - (i) instruct any clearance system to transfer any Charged Investment held by it for such Chargor or its nominee to an account of the Security Agent or its nominee with such clearance system; and
 - (ii) take whatever action the Security Agent may request for the dematerialisation or rematerialisation of any Charged Investment held in a clearance system.

Without prejudice to the rest of this clause 12.9, the Security Agent may following the occurrence of a Declared Default, at the expense of the relevant Chargor, take whatever action is required for the dematerialisation or rematerialisation of the Charged Investments.

- (e) Each Chargor shall promptly pay all calls or other payments which may become due in respect of its Charged Investments.
- (f) No Chargor shall nominate another person to enjoy or exercise all or any specified rights of the Chargor in relation to its Charged Investments, as contemplated by section 145 of the Companies Act 2006 or otherwise.
- (g) Without limiting its obligations under clause 12.10(c), each Chargor shall comply with all requests for information within its knowledge relating to the Charged Investments which are made under section 793 of the Companies Act 2006 or which could be made under section 793 if the relevant company were a public limited company or under any similar provision contained in the articles of association or other constitutional documents of the relevant company or otherwise relating to the Charged Investments and, if it fails to do so, the Security Agent may provide such information as it may have on behalf of such Chargor.

12.11 Rights of the Parties in respect of Charged Investments

- (a) Unless a Declared Default has occurred, each 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 a 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 Loan Note Documents or in a way that is not prejudicial to the value of the relevant Charged Securities; or
 - (B) is prejudicial to the interests of the Security Agent and/or the other Secured Parties.
- (b) At any time following the occurrence of a Declared Default, the Security Agent may complete the instrument(s) of transfer for all or any Charged Securities on behalf of any Chargor in favour of itself or such other person as it may select.

- (c) At any time when any Charged Securities are registered in the name of the Security Agent or its nominee, the Security Agent shall be under no duty to:
 - (i) ensure that any dividends, distributions or other monies payable in respect of such Charged Securities 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 Securities.

13. POWER TO REMEDY

13.1 Power to remedy

If at any time a Chargor does not comply with any of its obligations under this Deed, within 5 Business Days' of the failure to comply, the Security Agent (without prejudice to any other rights arising as a consequence of such non-compliance) shall be entitled (but not bound) to rectify that default. The relevant Chargor irrevocably authorises the Security Agent and its employees and agents by way of security to do all such things (including entering the property of such Chargor during business hours) which are necessary to rectify that default.

13.2 Mortgagee in possession

The exercise of the powers of the Security Agent under this clause 13 shall not render it, or any other Secured Party, liable as a mortgagee in possession.

14. WHEN SECURITY BECOMES ENFORCEABLE

14.1 When enforceable

This Debenture Security shall become immediately enforceable upon the occurrence of a Declared Default.

14.2 Statutory powers

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

14.3 Enforcement

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

15. ENFORCEMENT OF SECURITY

15.1 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 Act shall not apply to the Debenture Security.

15.2 Powers of leasing

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

15.3 Powers of Security Agent

- (a) At any time after the Debenture Security becomes enforceable (or if so requested by any Chargor by written notice at any time), the Security Agent 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/or
 - (ii) appoint or apply for the appointment of any person who is appropriately qualified as administrator of a Chargor; and/or
 - (iii) exercise all or any of the powers conferred on mortgagees by the Act (as amended or extended by this Deed) and/or all or any of the powers which are conferred by this Deed on a Receiver, in each case without first appointing a Receiver or notwithstanding the appointment of any Receiver; and/or
 - (iv) exercise (in the name of any Chargor and without any further consent or authority of such Chargor) any voting rights and any powers or rights which may be exercised by any person(s) in whose name any Charged Investment are registered or who is the holder of any of them.
- (b) The Security Agent is not entitled to appoint a Receiver in respect of any Security Assets of any Chargor which are subject to a charge which (as created) was a floating charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of such Chargor.

15.4 Redemption of prior mortgages

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

- (a) redeem any prior Security against any Security Asset; and/or
- (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 each Chargor.

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

15.5 Privileges

- (a) Each Receiver and the Security Agent is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers when such receivers have been duly appointed under the Act, except that section 103 of the Act does not apply.
- (b) To the extent that the Security Assets constitute "*financial collateral*" and this Deed and the obligations of the Chargors 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 Security Agent shall have the right after the 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 clause 15.5(b), the value of the financial collateral appropriated shall be such amount as the Receiver or Security Agent reasonably determines having taken into account advice obtained by it from an independent investment or accountancy firm of national standing selected by it.

15.6 No liability

- (a) Neither the Security Agent, any other Secured Party nor any Receiver or Delegate 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, its or his 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 clause 15.6(a), neither the Security Agent, any other Secured Party nor any Receiver or Delegate 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.

15.7 Protection of third parties

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

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

16. RECEIVER

16.1 Removal and replacement

The Security Agent 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.

16.2 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).

16.3 Remuneration

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

16.4 Payment by Receiver

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

16.5 Agent of Chargors

Any Receiver shall be the agent of the Chargor in respect of which it is appointed. Such Chargor shall (subject to 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 such Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

17. POWERS OF RECEIVER

17.1 General powers

Any Receiver shall have:

- (a) all the powers which are conferred on the Security Agent by clause 15.3 (*Powers of Security Agent*);
- (b) all the powers which are conferred by the Act on mortgagees in possession and receivers appointed under the Act;
- (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.

17.2 Additional powers

In addition to the powers referred to in clause 17.1 (*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 any 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 Act, and, without limitation;
 - (i) fixtures may be severed and sold separately from the Real Property containing them, without the consent of any 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 any 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 relevant Chargor and, for that purpose, to enter into covenants and other contractual obligations in the name of, and so as to bind, such Chargor;
- (g) to take any such proceedings (in the name of any of the relevant Chargors 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 Security Agent 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 any 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;
- (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 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 any Chargor for any of the above purposes; and
- (n) to do all such other acts and things as he may in his discretion consider to be incidental or conducive to any of the matters or powers set out in this Deed or otherwise incidental or conducive to the preservation, improvement or realisation of the Security Assets.

18. APPLICATION OF PROCEEDS AND LOAN NOTE INTERCREDITOR DEED

18.1 Application

All monies received by the Security Agent or any Receiver after the Debenture Security has become enforceable shall (subject to the rights and claims of any person having a security ranking in priority to the Debenture Security) be applied in accordance with and subject to the terms of the Loan Note Intercreditor Deed.

18.2 Contingencies

If the Debenture Security is enforced at a time when no amounts are due under the Loan Note Documents (but at a time when amounts may become so due), the Security Agent or a 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 Security Agent may determine).

18.3 Appropriation, Loan Note Intercreditor Deed and suspense account

- (a) Subject to the terms of the Loan Note Intercreditor Deed and clause 18.1 (*Application*), the Security Agent shall apply all payments received in respect of the Secured Obligations in reduction of any part of the Secured Obligations in any order or manner which it may determine.
- (b) Any such appropriation shall override any appropriation by any Chargor.

- (c) All monies received, recovered or realised by the Security Agent under or in connection with this Deed may at the discretion of the Security Agent be credited to a separate interest-bearing suspense account for so long as the Security Agent determines (with interest accruing thereon at such rate (if any) as the Security Agent may determine) without the Security Agent having any obligation to apply such monies and interest or any part of it in or towards the discharge of any of the Secured Obligations unless such monies would be sufficient to discharge all Secured Obligations in full.

19. SET-OFF

19.1 Set-off rights

- (a) The Security Agent and each other Secured Party may (but shall not be obliged to) set off any obligation which is due and payable by any Chargor and unpaid (whether under the Loan Note Documents or which has been assigned to the Security Agent or such other Secured Party by any other Chargor) against any obligation (whether or not matured) owed by the Security Agent or such other Secured Party to such Chargor, regardless of the place of payment, booking branch or currency of either obligation.
- (b) At any time after the Debenture Security has become enforceable (and in addition to its rights under clause 19.1(a)), the Security Agent and each other Secured Party may (but shall not be obliged to) set-off any contingent liability owed by a Chargor under any Loan Note Document against any obligation (whether or not matured) owed by the Security Agent or such other Secured Party to such Chargor, regardless of the place of payment, booking branch or currency of either obligation.
- (c) If the obligations are in different currencies, the Security Agent or such other Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.
- (d) If either obligation is unliquidated or unascertained, the Security Agent or such other Secured Party may set off in an amount estimated by it in good faith to be the amount of that obligation.

19.2 Time deposits

Without prejudice to clause 19.1 (*Set-off*), if any time deposit matures on any account which any Chargor has with the Security Agent or any other Secured Party at a time within the Security Period when:

- (a) this Debenture Security has become enforceable; and
- (b) no Secured Obligation is due and payable,

such time deposit shall automatically be renewed for such further maturity as the Security Agent or such other Secured Party in its absolute discretion considers appropriate unless the Security Agent or such other Secured Party otherwise agrees in writing.

20. DELEGATION

Each of the Security Agent and any Receiver may delegate, by power of attorney (or in any other manner) to any person, any right, power or discretion exercisable by them under this Deed upon any terms (including power to sub-delegate) which it may think fit. Neither the Security Agent nor any Receiver shall be in any way liable or responsible to any Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

21. FURTHER ASSURANCES

- (a) Subject to the terms of the Loan Note Intercreditor Deed, each Chargor shall (and the Company shall procure that each Chargor shall) at its own expense, promptly do all such acts and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent or a Receiver may reasonably specify (and in such form as the Security Agent or a Receiver may reasonably require) in favour of the Security Agent, a Receiver or its nominees in order to:
 - (i) perfect the Security created or intended to be created under or evidenced by this Deed or for the exercise of any rights, powers and remedies exercisable by the Security Agent, any other Secured Party or any Receiver or any Delegate in respect of any Security Asset or provided by or pursuant to this Deed or by law; and/or
 - (ii) confer on the Security Agent, any Receiver or the Secured Parties Security over any property and assets of that Chargor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to this Deed; and/or
 - (iii) in circumstances where the Debenture Security has become enforceable, facilitate the realisation of the assets which are, or are intended to be, the subject of the Debenture Security.
- (b) Each Chargor shall (and the Company shall procure that each member of the Group 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 Security Agent or the Secured Parties by or pursuant to this Deed.
- (c) Without prejudice to the generality of clause 21(a), each Chargor will promptly and in any event within five Business Days upon request by the Security Agent 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 8 (*Conversion of floating charge*)).

22. POWER OF ATTORNEY

Each Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any Delegate to be its attorney to take any action whilst an Event of Default is continuing or enforcement under the Debenture Security has occurred which such Chargor is obliged to take under this Deed, including under clause 21 (*Further assurances*), or, if no Event of Default is continuing, which such

Chargor has failed to take for a period of five Business Days or more. Each Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause.

23. CURRENCY CONVERSION

All monies received or held by the Security Agent or any Receiver under this Deed may be converted from their existing currency into such other currency as the Security Agent or the Receiver considers necessary to cover the obligations and liabilities comprised in the Secured Obligations in that other currency at such market rate of exchange as the Security Agent shall select (acting reasonably). Each Chargor shall indemnify the Security Agent against all costs, charges and expenses incurred in relation to such conversion. Neither the Security Agent nor any Receiver shall have any liability to any Chargor in respect of any loss resulting from any fluctuation in exchange rates after any such conversion.

24. CHANGES TO THE PARTIES

24.1 Chargors

No Chargor may assign any of its rights or obligations under this Deed.

24.2 Security Agent

The Security Agent may assign or transfer all or any part of its rights under this Deed pursuant to the resignation or removal of the Security Agent in accordance with the terms of the Loan Note Intercreditor Deed, subject always to the Investment Agreement. Each Chargor shall, immediately upon being requested to do so by the Security Agent, enter into such documents as may be necessary to effect such assignment or transfer.

24.3 Accession Deed

Each Chargor:

- (a) consents to new Subsidiaries of the Company becoming Chargors as contemplated by the Loan Note Documents; and
- (b) irrevocably authorises the Company to agree to and sign any duly completed Accession Deed as agent and attorney for and on behalf of such Chargor.

25. MISCELLANEOUS

25.1 New accounts

- (a) If the Security Agent or any other Secured Party receives, or is deemed to be affected by, notice, whether actual or constructive, of any subsequent Security (other than Security permitted under the terms of the Loan Note Intercreditor Deed) affecting any Security Asset and/or the proceeds of sale of any Security Asset or any guarantee under the Loan Note Documents ceases to continue in force, it may open a new account or accounts for any 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 Security Agent 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.

25.2 Tacking

- (a) Each Bridging A1 Noteholder, Bridging B1 Noteholder, A1 Noteholders and B1 Noteholders shall perform their obligations under the Loan Note Documents (including any obligation to make available further advances).
- (b) This Deed secures advances already made and further advances to be made.

25.3 Land Registry

- (a) Save in respect of any Short Leasehold Property, each Chargor shall apply to the Chief Land Registrar (and consents to such an application being made by or on behalf of the Security Agent) for a restriction in the following terms to be entered on the Register of Title relating to any property registered at the Land Registry (or any unregistered land subject to first registration) and against which this Deed may be noted:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [●] 2021 in favour of LDC (Managers) Limited referred to in the charges register or their conveyancer."

- (b) Each Chargor:
 - (i) authorises the Security Agent to make any application which the Security Agent deems appropriate for the designation of this Deed or any other Loan Note Document as an exempt information document under rule 136 of the Land Registration Rules 2003;
 - (ii) shall use its reasonable endeavours to assist with any such application made by or on behalf of the Security Agent; and
 - (iii) shall notify the Security Agent in writing as soon as reasonably practicable following receipt of notice of any person's application under rule 137 of the Land Registration Rules 2003 for the disclosure of this Deed or any other Loan Note Document following its designation as an exempt information document.
- (c) No Chargor shall make any application under rule 138 of the Land Registration Rules 2003 for the removal of the designation of any such document as an exempt information document.
- (d) Each Chargor, on the written request of the Security Agent (acting reasonably), shall promptly make all applications to and filings with the Land Registry which are necessary under the Land Registration Rules 2003 to protect the Debenture Security.

25.4 Protective clauses

- (a) Each Chargor is deemed to be a principal debtor in relation to this Deed. The obligations of each 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 a Chargor (whether or not known to it or to any Secured Party).
- (b) Clauses 9.4 (*Waiver of defences*), 9.5 (*Guarantor intent*), 9.6 (*Immediate recourse*), 9.7 (*Appropriations*) and 9.8 (*Deferral of Guarantors' rights*) of the Loan Note Intercreditor Deed apply in relation to this Deed as if references to the obligations referred to in such clauses respectively were references to the obligations of each Chargor under this Deed.

26. NOTICES

26.1 Loan Note Intercreditor Deed

Subject to clause 26.2 (*Notices through Company*):

- (a) Clause 16 (*Notices*) of the Loan Note Intercreditor Deed is incorporated into this Deed as if fully set out in this Deed; and
- (b) the address and fax number and electronic mail address (if applicable) (and the department or officer, if any, whose attention the communication is to be made) 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 the Loan Note Intercreditor Deed or this Deed.

26.2 Notices through Company

- (a) All communications and documents from the Chargors shall be sent through the Company and all communications and documents to the Chargors may be sent through the Company.
- (b) Any communication or document made or delivered to the Company in accordance with this clause 26 will be deemed to have been made or delivered to each of the Chargors.

26.3 Notices in relation to Accounts, Insurances and Assigned Contracts

Each Chargor shall, at the request of the Security Agent, give notice of:

- (a) the charge over Accounts (other than accounts maintained with the Security Agent) under this Deed to the person at which such accounts are maintained in the form set out in Part 1: (Form of notice in relation to an Account) of Schedule 3 (Form of notices);
- (b) the assignment of the Insurances under this Deed to its insurers in the form set out in Part 2: (Form of notice in relation to insurers) of Schedule 3 (Form of notices);

- (c) the assignment of any other Assigned Contract under this Deed to each counterparty in the form set out in Part 3: (Form of notice in relation to Contracts) of Schedule 3 (Form of notices),

and, in each case, shall use all reasonable endeavours to procure that each person on whom a notice is served, executes and delivers to the Security Agent an acknowledgement of that notice in the relevant form scheduled to this Deed or in such other form as the Security Agent may require.

27. CALCULATIONS AND CERTIFICATES

Any certificate of or determination by a Secured Party or the Security Agent specifying the amount of any Secured Obligation due from the Chargors (including details of any relevant calculation thereof) is, in the absence of manifest error, conclusive evidence against the Chargors of the matters to which it relates.

28. PARTIAL INVALIDITY

All the provisions of this Deed are severable and distinct from one another and if at any time any provision is or becomes illegal, invalid or unenforceable in any respect 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.

29. REMEDIES AND WAIVERS

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

30. AMENDMENTS AND WAIVERS

Any provision of this Deed may be amended in writing by the Security Agent and the Chargors or the Company acting on their behalf and each Chargor irrevocably appoints the Company as its agent for the purpose of agreeing and executing any amendment on its behalf. Any breach of this Deed may be waived before or after it occurs only if the Security Agent so agrees in writing. A waiver given or consent granted by the Security Agent under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

31. COUNTERPARTS

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

32. RELEASE

32.1 Release

Upon the expiry of the Security Period (but not otherwise) the Security Agent shall, at the request and cost of the Chargors, take whatever action is necessary to release or

re-assign (without recourse or warranty) the Security Assets from the Debenture Security.

32.2 Reinstatement

Where any discharge (whether in respect of the obligations of any 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 Chargors under this Deed shall continue as if the discharge or arrangement had not occurred. The Security Agent may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

33. GOVERNING LAW

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

34. ENFORCEMENT AND JURISDICTION

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "**Dispute**").
- (b) The Parties 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 34 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 duly executed by the Original Chargors as a deed and duly executed by the Security Agent and has been delivered on the first date specified on page 1 of this Deed by the Original Chargors.

SCHEDULE 1: THE ORIGINAL CHARGORS

Name of Original Chargor	Jurisdiction of incorporation/formation (if applicable)	Registration number (if any)
Alphabet Bidco Limited	England & Wales	12682651
Phoenix Datacom Group Limited	England & Wales	03654425
Phoenix Datacom Limited	England & Wales	01828804

SCHEDULE 2: SECURITY ASSETS**Part 1: The Property**

Chargor	Address or description of Property	Title Number (if registered)

Part 2: Intellectual Property

Chargor	Trademark/Patent number	Jurisdiction	Classes	Trade mark text

Part 3: Shares

Chargor	Issuer of shares	Number and class of shares	Details of nominees (if any) holding legal title to shares
Alphabet Bidco Limited	Phoenix Datacom Group Limited	6,400,000 A Ordinary 0.01 shares	n/a
Phoenix Datacom Group Limited	Phoenix Datacom Limited	10,704,000 Ordinary £0.001 shares	n/a

Part 4: Assigned Contracts

Chargor	Date of contract	Parties to contract	Details of contract
Alphabet Bidco Limited	The date of this Deed	(1) Alphabet Bidco Limited as purchaser and (2) Ian Anthony Farr, John Francis Carson and others as vendors (2)	Agreement for the sale and purchase of the whole of the issued share capital of Phoenix Datacom Group Limited

SCHEDULE 3: FORM OF NOTICES

Part 1: Form of notice in relation to an Account

To: ● [insert name and address of Account provider] (the "**Account Bank**")

Dated: ●

Dear [●]

Re: ●

We notify you that we have charged to ● (the "**Security Agent**") all our right, title and interest in and to the monies from time to time standing to the credit of the accounts identified in the schedule to this notice and to any other accounts from time to time that we maintain with you and to all interest (if any) accruing on Accounts.

We irrevocably authorise and instruct you to:

1. disclose to the Security Agent any information relating to us and the Accounts which the Security Agent may from time to time request you to provide;
2. comply with the terms of any written notice or instruction relating to any Account received by you from the Security Agent; and
3. pay or release any sum standing to the credit of any Account in accordance with the written instructions of the Security Agent.

We acknowledge that you may comply with the instructions in this notice without any further permission from us.

The instructions in this notice may not be revoked or amended without the prior written consent of the Security Agent.

Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to us) by way of your confirmation that:

- (a) you agree to act in accordance with the provisions of this notice;
- (b) you have not received notice that we have assigned or charged our rights to the monies standing to the credit of the Accounts or otherwise granted any other interest over those monies in favour of any third party;
- (c) you will not exercise any right to combine accounts or any rights of set-off or lien or any similar rights in relation to the monies standing to the credit of the Accounts, except for the netting of credit and debit balances pursuant to current account netting arrangements previously approved in writing by the Security Agent;
- (d) you have not claimed or exercised, nor do you have outstanding any right to claim or exercise against us, any right of set-off, counter-claim or other right relating to the Accounts; and
- (e) you will not permit any amount to be withdrawn from any Account without the Security Agent's prior written consent.

The provisions of this notice and any non-contractual obligations arising out of or in connection with it are governed by English law.

Schedule

Account Designation	Account Number	Sort Code

Yours faithfully,

.....

for and on behalf of
[the relevant Chargor]

[On acknowledgement copy]

To: [insert name of Security Agent]

Copy to: [insert name of the relevant Chargor]

We acknowledge receipt of the above notice and the notifications therein, agree to abide by its terms and confirm the matters set out in paragraphs (a) to **Error! Reference source not found.** (inclusive) of that notice.

.....

for and on behalf of
[Insert name of account provider]

Dated: ●

Part 2: Form of notice in relation to insurers

To: • [insert name and address of insurer]

Dated: •

Dear [•]

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

We notify you that we have assigned, by way of security, to • (the "**Security Agent**") all our right, title and interest in the Policy[ies] as security for certain obligations owed by us to the Security Agent.

We further notify you that:

1. you may continue to deal with us in relation to the Policy[ies] until you receive written notice to the contrary from the Security Agent. Thereafter, we will cease to have any right to deal with you in relation to the Policy[ies] and therefore from that time you should deal only with the Security Agent;
2. you are authorised to disclose information in relation to the Policy[ies] to the Security Agent on their request; and
3. the provisions of this notice may only be revoked or amended with the prior written consent of the Security Agent.

We will remain liable to perform all our obligations under the Policy[ies] and the Security Agent is under no obligation of any kind whatsoever under the Policy[ies] nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Policy[ies].

Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to us) by way of confirmation that:

- (a) you agree to act in accordance with the provisions of this notice;
- (f) you will not amend, waive or release any right, interest or benefit in relation to the Policy[ies] (or agree to do the same) without the prior written consent of the Security Agent;
- (g) the interest of the Security Agent as assignee has been noted against the Policy[ies];
- (h) after receipt of written notice in accordance with paragraph 1, you will pay all monies to which we are entitled under the Policy[ies] direct to the Security Agent (and not to us) unless the Security Agent otherwise agrees in writing;
- (i) you will notify the Security Agent if you propose to repudiate, rescind or cancel any Policy[ies], to treat [it/them] as avoided in whole or in part, to treat [it/them] as expired due to non-payment of premium or otherwise decline any valid claim under [it/them] by or on behalf of any insured party;
- (j) you have not received notice that we have assigned or charged our rights under the Policy[ies] to a third party or created any other interest in the Policy[ies] in favour of a third party; and
- (k) you have not claimed or exercised nor do you have any outstanding right to claim or exercise against us, any right of set-off, counter-claim or other right relating to the Policy[ies].

The provisions of this notice and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully

.....

for and on behalf of
[the relevant Chargor]

[On acknowledgement copy]

To: *[insert name of Security Agent]*

Copy to: • *[the relevant Chargor]*

We acknowledge receipt of the above notice and the notifications therein, agree to abide by its terms and confirm the matters set out in paragraphs (a) to (k) (inclusive) of that notice.

.....

for and on behalf of
• **[insert name of insurer]**

Dated: •

Part 3: Form of notice in relation to Contracts

To: [insert name and address of counterparty]

Dated: ●

Dear [●]

Re: [identify the relevant agreement] (the "Agreement")

We notify you that we have assigned, by way of security to ● (the "**Security Agent**") all our right, title and interest in the Agreement as security for certain obligations owed by us to the Security Agent.

We further notify you that:

4. you may continue to deal with us in relation to the Agreement until you receive written notice to the contrary from the Security Agent. Thereafter, we will cease to have any right to deal with you in relation to the Agreement and therefore, from that time, you should deal only with the Security Agent;
5. you are authorised to disclose information in relation to the Agreement to the Security Agent on request;
6. after receipt of written notice in accordance with paragraph 4, you must pay all monies to which we are entitled under the Agreement direct to the Security Agent (and not to us) unless the Security Agent otherwise agrees in writing; and
7. the provisions of this notice may only be revoked or amended with the prior written consent of the Security Agent.

Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to us) by way of confirmation that:

- (a) you agree to the terms set out in this notice and to act in accordance with its provisions;
- (b) you will not amend in a material way, waive or release any rights, interest or benefit in relation to the Agreement or terminate the Agreement without the prior written consent of the Security Agent;
- (c) you have not received notice that we have assigned or charged our rights under the Agreement to a third party or created any other interest in the Agreement in favour of a third party; and
- (d) you have not claimed or exercised, nor do you have any outstanding right to claim or exercise against us any right of set-off, counter-claim or other right relating to the Agreement.

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

Yours faithfully

.....
for and on behalf of
[the relevant Chargor]

[On acknowledgement copy]

To: *[insert name of Security Agent]*

Copy to: *[the relevant Chargor]*

We acknowledge receipt of the above notice and the notifications therein, agree to abide by its terms and confirm the matters set out in paragraphs (a) to (d) (inclusive) of that notice.

.....

for and on behalf of
[insert name of counterparty]

Dated: ●

SCHEDULE 4: FORM OF ACCESSION DEED

THIS ACCESSION DEED is made on

20[●]

BETWEEN

- (1) [●] **LIMITED** a company incorporated in [●] with registered number [●] (the "**Acceding Company**")**[EACH COMPANY LISTED IN SCHEDULE 1 (each an "Acceding Company")];**
- (2) [●] (the "**Company**"); and
- (3) **LDC (MANAGERS) LIMITED** (as Security Agent for the Secured Parties (as defined below)) (the "**Security Agent**").

BACKGROUND

This Accession Deed is supplemental to a debenture dated [●] 2021 and made between (1) the Original Chargors named in it and (2) the Security Agent (the "**Debenture**").

IT IS AGREED:

1. DEFINITIONS AND INTERPRETATION

(a) Definitions

Terms defined in, or construed for the purposes of, the Debenture have the same meanings when used in this Accession Deed including the recital to this Accession Deed (unless otherwise defined in this Accession Deed).

(b) Construction

Clause 1.2 (*Interpretation*) of the Debenture applies with any necessary changes to this Accession Deed as if it were set out in full in this Accession Deed.

2. ACCESSION OF THE ACCEDING COMPANY

(a) Accession

[The/Each] Acceding Company:

- (i) unconditionally and irrevocably undertakes to and agrees with the Security Agent to observe and be bound by the Debenture; and
- (ii) creates and grants [at the date of this Deed] the charges, mortgages, assignments and other security which are stated to be created or granted by the Debenture,

as if it had been an original party to the Debenture as one of the Chargors.

(b) Covenant to pay

Without prejudice to the generality of clause 2(a) (*Accession*), [the/each] Acceding Company (jointly and severally with the other Chargors [and each other Acceding Company]), covenants in the terms set out in clause 3 (*Covenant to pay*) of the Debenture.

(c) Charge and assignment

Without prejudice to the generality of clause 2(a) (*Accession*), [the/each] Acceding Company with full title guarantee, charges and assigns (and agrees to charge and assign) to the Security Agent for the payment and discharge of the Secured Obligations, all its right, title and interest in and to the property, assets and undertaking owned by it or in which it has an interest, on the terms set out in clauses 4 (*Grant of security*), 5 (*Fixed security*) and 6 (*Security assignment*) of the Debenture including (without limiting the generality of the foregoing):

- (i) by way of legal mortgage all the freehold and leasehold Real Property (other than any Short Leasehold Property) (if any) vested in or charged to the Acceding Company;
- (ii) by way of fixed charge all the Charged Securities (if any), together with:
 - (A) all Related Rights from time to time accruing to those Charged Securities; and
 - (B) all rights which such Chargor may have at any time against any clearance or settlement system or any custodian in respect of any Charged Investments;
- (iii) by way of fixed charge each of its accounts with any bank or financial institution at any time and all monies at any time standing to the credit of such accounts;
- (iv) by way of fixed charge each Assigned Contract (if any);
- (v) by way of fixed charge all its Intellectual Property (if any);
- (vi) by way of fixed charge the Insurances (if any), all claims under the Insurances and all proceeds of the Insurances;
- (vii) by way of fixed charge, all Shares (if any);
- (viii) by way of fixed charge, all its Intellectual Property (if any);
- (ix) all Debts;
- (x) all Blocked Accounts;
- (xi) any VAT which it is entitled to recover and any other tax refund, rebate or repayment and any sums so received; and
- (xii) by way of fixed charge, all Accounts (if any).

(d) **Consent**

Pursuant to clause 24.3 (*Accession Deed*) of the Debenture, the Company (as agent for itself and the existing Chargors):

- (i) consents to the accession of [the/each] Acceding Company to the Debenture on the terms of this Accession Deed; and
- (ii) agrees that the Debenture shall, after the date of this Accession Deed, be read and construed as if [the/each] Acceding Company had been named in the Debenture as a Chargor.

3. CONSTRUCTION OF DEBENTURE

This Accession Deed shall be read as one with the Debenture so that all references in the Debenture to "*this Deed*" and similar expressions shall include references to this Accession Deed.

4. THIRD PARTY RIGHTS

Save as expressly provided to the contrary in the Debenture, a person who is not a party to this Accession Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Accession Deed.

5. NOTICE DETAILS

Notice details for [the/each] Acceding Company are those identified with its name below.

6. COUNTERPARTS

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

7. GOVERNING LAW

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

IN WITNESS of which this Accession Deed has been duly executed by [the/each] Acceding Company and the Company as a deed and duly executed by the Security Agent and has been delivered on the first date specified on page 1 of this Accession Deed][by [the/each] Acceding Company and the Company].

SCHEDULE 1 TO THE ACCESSION DEED

The Acceding Companies

Company name	Registered number	Registered office
[•]	[•]	[•]
[•]	[•]	[•]
[•]	[•]	[•]
[•]	[•]	[•]

EXECUTION PAGES OF THE ACCESSION DEED

THE ACCEDING COMPAN[Y][IES]

EITHER one director in the presence of an attesting witness

Executed as a deed[, but not delivered until)
the first date specified on page 1,] by [NAME)
OF ACCEDING COMPANY] acting by:)

Director _____
Witness signature _____
Witness name: _____
Witness address: _____

Address: [•]
Facsimile No:[•]
Attention: [•]

OR where executing by an individual attorney

Signed as a deed[, but not delivered until the)
first date specified on page 1,] by [NAME)
OF ACCEDING COMPANY] by its attorney)
_____ [acting pursuant to)
a power of attorney dated [•] 20[•] in the)
presence of:)

Signature _____
as attorney for [NAME OF
ACCEDING COMPANY]

Witness signature _____
Witness name: _____
Witness address: _____

Address: [•]
Facsimile No:[•]
Attention: [•]

THE COMPANY

EITHER one director in the presence of an attesting witness

Executed as a deed[, but not delivered until)
the first date specified on page 1,] by [NAME)
OF COMPANY] acting by:)

Director _____

Witness signature _____

Witness name: _____

Witness address: _____

Address: [•]

Facsimile No:[•]

Attention: [•]

OR where executing by an individual attorney

Signed as a deed[, but not delivered until the)
first date specified on page 1,] by [NAME)
OF COMPANY] by its attorney)
_____ [acting pursuant to)
a power of attorney dated [•] 20[•]] in the)
presence of:)

Signature _____
as attorney for [NAME OF
COMPANY]

Witness signature _____

Witness name: _____

Witness address: _____

Address: [•]

Facsimile No:[•]

Attention: [•]

THE SECURITY AGENT

Signed _____ by _____)
for and on behalf of [NAME OF _____)
SECURITY AGENT]: _____)
Signature _____

Address: [•]

Facsimile No: [•]

Attention: [•]

SCHEDULE 5- SUPPLEMENTAL DEBENTURE

The Supplemental Debenture is made on

20●●

Between:

- (1) ● Limited (company number ●) whose registered office is at ● (the "Chargor"); and
- (2) ● (the "Lender").

Background

- (A) Pursuant to the Original Debenture (as defined below), the Chargor created Security over all of its assets for, amongst other things, its present and future obligations and liabilities under the Finance Documents.
- (B) The Chargor has acquired interests in additional assets and has agreed to enter into this Supplemental Debenture to create security over such assets.
- (C) This Supplemental Debenture is supplemental to the Original Debenture (as defined below).

This Supplemental Debenture witnesses as follows:

8. Definitions and interpretation

8.1. Definitions

Terms defined in the Original Debenture shall, unless otherwise defined in this Supplemental Debenture or unless a contrary intention appears, bear the same meaning when used in this Supplemental Debenture and the following definitions shall apply:

["Additional Insurance Policy" means ●.]

["Additional Property" means:

- (l) all of the freehold and/or leasehold property of the Chargor specified in the schedule (Additional Property);
- (m) any buildings, fixtures, fittings, plant or machinery from time to time on or forming part of the property referred to in paragraph 1.1(l) above; and
- (n) the Related Rights arising in relation to any of the assets described in paragraphs 1.1(l) and 1.1(m) above.]

["Assigned Contract" means ●.]

["Blocked Account" means ●.]

"Original Debenture" means the debenture made between [amongst others] (1) the Chargor and (2) the Security Agent dated ●.

8.2. Construction

- (b) Unless a contrary intention appears, clause 1 (*Definitions and Interpretation*) of the Original Debenture applies to this Supplemental Debenture, and shall be deemed to be incorporated into this Supplemental Debenture, mutatis mutandis, as though set out in full in this Supplemental Debenture, with any reference to "**this Agreement**" being deemed to be a reference to "**this Supplemental Debenture**", subject to any necessary changes.
- (o) Any references to the Security Agent or any Receiver shall include its Delegate.

8.3. **Law of Property (Miscellaneous Provisions) Act 1989**

To the extent necessary for any agreement for the disposition of the Security Assets in this Supplemental Debenture to be a valid agreement under section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the other Finance Documents and of any side letters between the parties to this Supplemental Debenture are incorporated into this Supplemental Debenture.

8.4. **Implied covenants for title**

The obligations of the Chargor under this Supplemental Debenture shall be in addition to the covenants for title deemed to be included in this Supplemental Debenture by virtue of Part I of the Law of Property (Miscellaneous Provisions) Act 1994.

8.5. **Effect as a deed**

This Supplemental Debenture is intended to take effect as a deed notwithstanding that the Security Agent may have executed it under hand only.

8.6. **Trusts**

The perpetuity period for any trusts created by this Supplemental Debenture is 125 years.

9. **Security Assets**

9.1. Supplemental to clause **Error! Reference source not found.** (Security Assets) of the Original Debenture, the Chargor, as security for the payment of the Secured Liabilities:

- (a) charges in favour of the Security Agent, with full title guarantee, by way of legal mortgage, the Additional Property.]
- (p) [assigns, by way of security, with full title guarantee to the Security Agent all its right, title and interest in the Assigned Contract.]
- (q) [assigns, by way of security, with full title guarantee to the Security Agent all its right, title and interest in the Additional Insurance Policy.]
- (r) [charges in favour of the Security Agent, with full title guarantee, by way of first fixed charge, the Blocked Account.]

9.2. [The Chargor hereby irrevocably consents to the Security Agent applying to the Chief Land Registrar for a restriction to be entered on the Register of Title of all that Additional Property on the prescribed Land Registry form and in the following or substantially similar terms:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the supplemental debenture dated • in favour of • referred to in the charges register."

9.3. [In relation to the Additional Property, the Security Agent may apply to the Chief Land Registrar for a notice to be entered onto the Register of Title of all that Additional Property of the obligation to make further advances.]

10. **Incorporation**

The provisions of clause **Error! Reference source not found.** (Covenant to pay) and clauses [4] (Nature of Security) to [19] (Miscellaneous) (inclusive) of the Original Debenture apply to this Supplemental Debenture as though they were set out in full in this Supplemental Debenture except that references to "this Deed" in the Original Debenture are to be construed as references to "this Supplemental Debenture".

11. Continuation

- 11.1. Except insofar as supplemental hereby, the Original Debenture will remain in full force and effect.
- 11.2. The Chargor agrees that the execution of this Supplemental Debenture shall in no way prejudice or affect the security granted by it (or the covenants given by it) under the Original Debenture.
- 11.3. References in the Original Debenture to **"this Deed"** and expressions of similar import shall be deemed to be references to the Original Debenture as supplemented by this Supplemental Debenture and to this Supplemental Debenture.
- 11.4. This Supplemental Debenture is designated as a Finance Document.

12. Governing law

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

13. Jurisdiction

- 13.1. The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Supplemental Debenture (including a dispute relating to the existence, validity or termination of this Supplemental Debenture or any non-contractual obligation arising out of or in connection with this Supplemental Debenture) (a **"Dispute"**).
- 13.2. 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.
- 13.3. This clause is for the benefit of the Security Agent only. As a result, the Security Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

In witness this Supplemental Debenture is executed on the date appearing at the head of page 1.

Schedule**Additional Property**

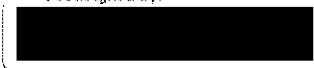
Chargor	Address or description of Additional Property	Title Number (if registered)

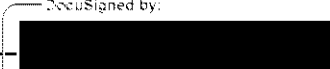
[Signature blocks to be inserted here]

SIGNATURE PAGES TO LOAN NOTE DEBENTURE

THE ORIGINAL CHARGORS

Executed as a deed, but not delivered until)
the first date specified on page 1, by)
ALPHABET BIDCO LIMITED acting by:)

Director 
Name: John Carson

Director 
Name: Richard Iles-Caine

Address: **Phoenix House, Smeaton Close, Rabans Lane, Industrial Area, Aylesbury
HP19 8UW**

Email:

Attention: **The Directors**

Executed as a deed, but not delivered until)
the first date specified on page 1, by)
PHOENIX DATACOM GROUP LIMITED)
acting by:

Director

Name:

DocuSigned by:

98FB2A5C3D1C4D1...

John Carson

in the presence of:

Witness name:

Witness address:

Witness occupation:

DocuSigned by:

090F55800A4547B...

Amanda Louise Carson

Housewife

Address: Phoenix House, Smeaton Close, Rabans Lane, Industrial Area, Aylesbury
HP19 8UW

Email: n/a

Attention: The Directors

Executed as a deed, but not delivered until)
the first date specified on page 1, by)
PHOENIX DATACOM LIMITED acting by:)

Director

DocuSigned by:

John Carson

Name:

DocuSigned by:

in the presence of:

Amanda Louise Carson

Witness name:

Witness address:

Witness occupation:

Housewife


Address: Phoenix House, Smeaton Close, Rabans Lane, Industrial Area, Aylesbury
HP19 8UW

Email: n/a

Attention: The Directors

THE SECURITY AGENT

Signed by Chris Morris)
for and on behalf of)
LDC (MANAGERS) LIMITED:)

Signature  DocuSigned by:
A63EBD4535CA45A...

Address: One Vine Street, London W1J OAH (with copy to notices@ldc.co.uk)
Attention: Chris Morris