Companies House

MR01(ef)

Registration of a Charge

Company name: **CARROLL & PARTNERS LIMITED**

Company number: **02267055**

Received for Electronic Filing: **11/11/2019**

X8I130DS

Details of Charge

Date of creation: **06/11/2019**

Charge code: **0226 7055 0008**

Persons entitled: **LUCID TRUSTEE SERVICES LIMITED AS SECURITY TRUSTEE**

Brief description: **NONE.**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION**

FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.

Certified by: **ASHURST LLP**

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 2267055

Charge code: 0226 7055 0008

The Registrar of Companies for England and Wales hereby certifies that a charge dated 6th November 2019 and created by CARROLL & PARTNERS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 11th November 2019 .

Given at Companies House, Cardiff on 12th November 2019

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

Execution Version

Debenture

The companies listed in schedule 1

and

PSC UK PTY LTD

and

Lucid Trustee Services Limited
as Security Agent

Note: the application of recoveries under this debenture is regulated by the terms of the Intercreditor Agreement

6 November 2019

CONTENTS

CLAUSE		PAGE
1.	DEFINITIONS AND INTERPRETATION	1
2.	COVENANT TO PAY	5
3.	CHARGING CLAUSE	5
4.	FURTHER ASSURANCE	7
5.	REPRESENTATIONS AND WARRANTIES	8
6.	UNDERTAKINGS - GENERAL	9
7.	MATERIAL PROPERTY	10
8.	INVESTMENTS	11
9.	EQUIPMENT	12
10.	BOOK DEBTS	13
11.	BANK ACCOUNTS	13
12.	INTELLECTUAL PROPERTY	14
13.	HEDGING AGREEMENTS AND ASSIGNED AGREEMENTS	14
14.	INSURANCES	15
15.	ATTORNEY	15
16.	ENFORCEMENT	16
17.	EXTENSION AND VARIATION OF STATUTORY POWERS	17
18.	STATUS, POWERS, REMOVAL AND REMUNERATION OF RECEIVER	18
19.	PROTECTION OF THIRD PARTIES	20
20.	PROTECTION OF SECURITY AGENT AND RECEIVER	20
21.	APPLICATION OF ENFORCEMENT PROCEEDS	20
22.	PROTECTION OF SECURITY	21
23.	SET-OFF	23
24.	CHANGES TO PARTIES	24
25.	CURRENCY	24
26.	MISCELLANEOUS	24
27.	GOVERNING LAW AND JURISDICTION	25

SCHEDULE 1	26
Chargors	26
SCHEDULE 2	27
Material Property	27
SCHEDULE 3	28
Subsidiary Shares	28
SCHEDULE 4	30
Operating Accounts	30
SCHEDULE 5	32
Assigned Agreements (Contracts)	32
SCHEDULE 6	33
Intellectual property	33
SCHEDULE 7	34
Equipment	34
SCHEDULE 8	35
SCHEDULE 9	37
Forms of notice to counterparties	37
Part 1	37
Form of notice to counterparties of Assigned Agreements/Hedging Agreements	37
Part 2	39
Form of notice to insurers	39
SCHEDULE 10	41
Form of notice to Account Banks	41
SCHEDULE 11	44
Form of Security Accession Deed	44

Admitted

THIS DEED is made on 6 November ~~October~~ 2019

BETWEEN:

(1) **THE COMPANIES** listed in schedule 1 (Chargors);

(2) **PSC UK PTY LTD** (ACN 154 179 754) (the "**Australian Chargor**") and

(3) **LUCID TRUSTEE SERVICES LIMITED** as security trustee for itself and the other Secured Parties (the **"Security Agent"**, which expression shall include any person from time to time appointed as a successor, replacement or additional trustee in relation to the interests created by this deed).

THE PARTIES AGREE AS FOLLOWS:

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

In this deed:

"Assigned Agreements" means the Acquisition Documents, the contracts listed as Assigned Agreements in schedule 5 (Assigned Agreements (Contracts)) or listed as Assigned Agreements in any Security Accession Deed, the Intra-Group Loans and any other agreement designated as an Assigned Agreement by the relevant Chargor (or the Obligors' Agent on its behalf) and the Security Agent;

"Bank Accounts" means all rights in relation to cash-deposit, current or other accounts held with any bank, financial institution or other person;

"Book Debts" means all book and other debts of any nature and all monetary claims (excluding any such debts or claims in relation to the Bank Accounts, the Assigned Agreements, the Insurances and the Hedging Agreements);

"Charged Property" means the assets mortgaged, charged or assigned to the Security Agent by this deed;

"Chargors" means each of the companies listed in schedule 1 (Chargors) and each company which grants security over its assets in favour of the Security Agent by executing a Security Accession Deed;

"Declared Default" means an Event of Default which has resulted in the Facility Agent exercising any of its rights under clause 25.19 (Acceleration) of the Loan Note Subscription Agreement;

"Default Basis" means the rate at which interest is payable and the basis for determining payments due, as provided for in clause 11.3 (Default Interest) of the Loan Note Subscription Agreement;

"Delegate" means any delegate, agent, attorney or co-trustee appointed by the Security Agent;

"Equipment" means all plant, machinery, vehicles, computers, office and other equipment including that equipment (if any) listed in schedule 7 (Equipment) or in any Security Accession Deed;

"Event of Default" means an Event of Default under the Loan Note Subscription Agreement;

"Floating Charge Asset" means an asset charged under clause 3.4 (Floating Charge);

"Hedging Agreements" means the hedging agreements listed in schedule 5 (Hedging Agreements) or in any Security Accession Deed;

"Insurances" means the benefits arising from all policies of insurance (including all rights of recovery and all proceeds of them) either now or in the future held by, or written in favour of, a Chargor or in which it is otherwise interested, including those policies (if any) listed in schedule 8 (Insurance Policies) or in any Security Accession Deed but excluding any third party liability or public liability insurance and any directors' and officers' insurance;

"Intellectual Property" means any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests, whether registered or unregistered, the benefit of all applications and rights to use such assets including the intellectual property rights (if any) listed in schedule 6 (Intellectual Property) or in any Security Accession Deed;

"Intercreditor Agreement" has the meaning given to that term in the Loan Note Subscription Agreement;

"Intra-Group Loans" means the intra-group loan agreements (if any) listed in schedule 5 (Assigned Agreements) or in any relevant Security Accession Deed, and any other loan designated as an Intra-Group Loan by the relevant Chargor (or the Obligors' Agent on its behalf) and the Security Agent;

"Investments" means any stock, share, debenture, loan stock, security, interest in any investment fund and any other comparable investment (whether or not marketable) whether owned directly by or to the order of a Chargor or by any trustee, fiduciary or clearance system on its behalf (including the Subsidiary Shares);

"Lenders" means the Lenders as defined in the Loan Note Subscription Agreement;

"Loan Note Subscription Agreement" means the loan note subscription agreement made between PSC UK Group Holdings Pty Ltd (a company incorporated in Australia with registered number ACN 635 836 403), PSC UK Pty Ltd, Lucid Agency Services Limited as facility agent and others dated on or about the date of this deed;

"Material Property" means all freehold, and leasehold property and the buildings and fixtures (including trade fixtures) that has a market value in excess of £500,000 (or its equivalent in other currencies) located in England and Wales from time to time including the property (if any) listed in schedule 2 (Material Property) or in any Security Accession Deed;

"Obligors' Agent" means the Obligors' Agent as defined in the Loan Note Subscription Agreement;

"Obligors" means the Obligors as defined in the Loan Note Subscription Agreement;

"Operating Accounts" means the accounts (if any) listed in schedule 4 (Operating Accounts) or listed as Operating Accounts in any Security Accession Deed, and any other Bank Account which is a Holding Account or which is designated as an Operating Account by the relevant Chargor (or the Obligors' Agent on its behalf) and the Security Agent, and any replacement account or any sub-division or sub-account of those accounts;

"Receiver" means a receiver or receiver and manager in each case appointed under this deed;

"Related Rights" means, in relation to any asset:

(a) the proceeds of sale of that asset or any part of that asset;

(b) all dividends, distributions, interest and/or other income paid or payable in relation to that asset (including on any Investment), together with all shares or other property derived from that asset and all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to that asset (whether by way of conversion, redemption, bonus, preference, option or otherwise);

(c) any monies and proceeds paid or payable in relation to that asset;

(d) all rights under any licence, agreement for sale or agreement for lease in respect of that asset; and

(e) the benefit of all other rights, powers, claims, consents, contracts, warranties, security, guarantees, indemnities or covenants for title in respect of that asset;

"Secured Obligations" means all present and future liabilities and obligations at any time due, owing or incurred by any Obligor to any Secured Party under any Senior Finance Document, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity except for any money or liability which, if it were so included, would cause the infringement of section 678 or 679 of the Companies Act 2006 and taking into account the operation of clause 20.11(c) (Severance of Obligations) of the Loan Note Subscription Agreement;

"Secured Parties" means the Senior Finance Parties (including any person who accedes to the Loan Note Subscription Agreement as a Senior Finance Party) and any Receiver or Delegate, but, in the case of each Senior Finance Party, only if it is a party to the Intercreditor Agreement or has acceded to the Intercreditor Agreement in the appropriate capacity, pursuant to clause 17.8 (Creditor Accession Undertaking) of the Intercreditor Agreement;

"Security Accession Deed" means a deed executed by a member of the Group substantially in the form set out in schedule 11 (Form of Security Accession Deed);

"Senior Finance Documents" means the Senior Finance Documents as defined in the Loan Note Subscription Agreement (including any Hedging Agreements);

"Senior Finance Parties" means the Senior Finance Parties as defined in the Loan Note Subscription Agreement (including any Hedge Counterparty); and

"Subsidiary Shares" means all shares owned by a Chargor in its Subsidiaries including the shares (if any) listed in schedule 3 (Subsidiary Shares) or in any Security Accession Deed.

1.2 **Construction**

(a) In this deed, unless a contrary intention appears, a reference to:

(i) words and expressions defined in the Loan Note Subscription Agreement have the same meanings when used in this deed unless otherwise defined in this deed;

(ii) the principles of construction contained in clause 1.2 (Construction) of the Loan Note Subscription Agreement apply equally to the construction of this deed, except that references to Loan Note Subscription Agreement will be construed as references to this deed;

(iii) **"assets"** includes present and future properties, revenues and rights of every description;

(iv) any **"Chargor"**, any **"Secured Party"** or any other person shall be construed so as to include its successors in title, permitted assignees and 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 Senior Finance Documents;

(v) this **"deed"** includes any Security Accession Deed;

(vi) **"including"** means including without limitation and **"includes"** and **"included"** shall be construed accordingly;

(vii) **"losses"** includes losses, actions, damages, claims, proceedings, costs, demands, expenses (including fees) and liabilities and **"loss"** shall be construed accordingly;

(viii) a **"person"** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or any two or more of the foregoing;

(ix) a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

(x) a **"Senior Finance Document"** or any other agreement or instrument is a reference to that agreement or instrument as amended, novated, supplemented, extended, restated or replaced;

(xi) a provision of law is a reference to that provision as amended or re-enacted; and

(xii) any clause or schedule is a reference to, respectively, a clause of and schedule to this deed and any reference to this deed includes its schedules.

(b) The terms of the documents under which the Secured Obligations arise and of any side letters between any Chargor and any Secured Party relating to the Secured Obligations are incorporated in this deed to the extent required for any purported disposition of any Material Property contained in this deed to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

(c) The parties intend that this document shall take effect as a deed, notwithstanding the fact that a party may only execute it under hand.

1.3 **Third Party Rights**

(a) Any Receiver or Delegate will have the right to enforce the provisions of this deed which are given in its favour however the consent of a Receiver or Delegate is not required for the rescission or variation of this deed.

(b) Subject to paragraph (a), a person who is not a party to this deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this deed.

2. COVENANT TO PAY

Each Chargor and the Australian Chargor as primary obligors covenant with the Security Agent (for the benefit of itself and the other Secured Parties) that it will on demand pay the Secured Obligations when they fall due for payment.

3. CHARGING CLAUSE

3.1 Fixed Charges

Each Chargor, as security for the payment and discharge of the Secured Obligations, charges in favour of the Security Agent with full title guarantee all of its right, title and interest in the following assets, both present and future, from time to time owned by it or in which it has an interest and, in each case, all Related Rights:

(a) by way of first legal mortgage, all Material Property; and

(b) by way of first fixed charge:

(i) all other interests (not effectively charged under clause 3.1(a)) in any Material Property;

(ii) all Subsidiary Shares

(iii) all Investments (other than Subsidiary Shares);

(iv) all Equipment;

(v) all Book Debts;

(vi) all Intellectual Property;

(vii) its goodwill and uncalled capital; and

(viii) to the extent not effectively assigned by clause 3.2 (Security Assignment):

(A) the Assigned Agreements;

(B) the Insurances; and

(C) the Hedging Agreements.

3.2 Security Assignment

As further security for the payment and discharge of the Secured Obligations, each Chargor assigns absolutely with full title guarantee in favour of the Security Agent all its right, title and interest in the following assets, both present and future, and, in each case, all Related Rights:

(a) the Assigned Agreements;

(b) the Insurances; and

(c) the Hedging Agreements,

provided that on payment or discharge in full of the Secured Obligations the Security Agent will at the request and cost of the relevant Chargor re-assign the relevant rights, title and interest in the assigned assets to that Chargor (or as it shall direct).

3.3 Fixed Security

Clause 3.1 (Fixed Charges) and clause 3.2 (Security Assignment) shall be construed as creating a separate and distinct mortgage, fixed charge or security assignment over each relevant asset within any particular class of assets specified in this deed. Any failure to create effective fixed security (for whatever reason) over an asset shall not affect the fixed nature of the security on any other asset, whether within the same class of assets or not.

3.4 **Floating Charge**

As further security for the payment and discharge of the Secured Obligations, each Chargor charges with full title guarantee in favour of the Security Agent by way of first floating charge all its present and future assets not effectively charged by way of fixed charge under clause 3.1 (Fixed Charges) or assigned under clause 3.2 (Security Assignment).

3.5 **Conversion of Floating Charge**

(a) Subject to paragraph (b) below, if:

(i) a Declared Default has occurred; or

(ii) the Security Agent is reasonably of the view that any legal process or execution is being enforced against any Floating Charge Asset or that any Floating Charge Asset is in danger of being seized or otherwise in jeopardy,

the Security Agent may, by notice to any Chargor, convert the floating charge created under this deed into a fixed charge as regards those assets which it specifies in the notice.

(b) The floating charge created under this deed may not be converted into a fixed charge solely by reason of the obtaining of a moratorium under section 1A of the Insolvency Act 1986 in relation to a Chargor, or anything done with a view to obtaining such a moratorium.

3.6 **Automatic Conversion of Floating Charge**

If:

(a) any Chargor creates (or purports to create) any Security in breach of clause 6.2 (Negative Pledge) over any Floating Charge Asset; or

(b) any person levies or attempts to levy any distress, attachment, execution or other legal process against any Floating Charge Asset,

the floating charge created under this deed over the relevant Floating Charge Asset will automatically and immediately be converted into a fixed charge.

3.7 **Leases Restricting Charging**

(a) There shall be excluded from the charge created by clause 3.1 (Fixed Charges) and from the operation of clause 4 (Further Assurance) any leasehold Material Property held by a Chargor under a lease which either precludes absolutely or conditionally (including requiring the consent of any third party) that Chargor from creating any charge over its leasehold interest in that property (each an **"Excluded Property"**) until the relevant condition or waiver has been satisfied or obtained.

(b) For each Excluded Property, each relevant Chargor undertakes to apply for the relevant consent or waiver of prohibition or condition within fourteen days of the date of this deed (or, as the case may be, the date of the acquisition of the

relevant Excluded Property) and, in respect of each Excluded Property which provides that the relevant third party will not unreasonably withhold its consent to charging, to use its reasonable endeavours to obtain that consent as soon as possible and to keep the Security Agent informed of the progress of its negotiations.

(c) Forthwith upon receipt of the relevant waiver or consent, the relevant formerly Excluded Property shall stand charged to the Security Agent under clause 3.1 (Fixed Charges). If required by the Security Agent (acting reasonably) at any time following receipt of that waiver or consent, the relevant Chargor will forthwith execute a valid legal mortgage in such form as the Security Agent shall reasonably require.

3.8 **Intellectual Property Restricting Charging**

(a) There shall be excluded from the charge created by clause 3.1 (Fixed Charges) and from the operation of clause 4 (Further Assurance) any Intellectual Property in which a Chargor has an interest under any licence or other agreement which either precludes absolutely or conditionally (including requiring the consent of any third party) that Chargor from creating any charge over its interest in that Intellectual Property (each an "**Excluded Intellectual Property**") until the relevant condition or waiver has been satisfied or obtained.

3.9 **Bank Accounts Restricting Charging**

(a) There shall be excluded from the charge created by clause 3.1 (Fixed Charges) and from the operation of clause 4 (Further Assurance) any Insurance Bank Accounts held by a Chargor (each an "**Excluded Bank Account**") until such time as such relevant restriction or condition which precludes the creation of Security over such assets is waved or removed by the Regulator.

3.10 **Bidco Subordinated Loan Agreement**

As security for the payment and discharge of the Secured Obligations, the Australian Chargor:

(a) to the extent not effectively assigned by paragraph (b) below, charges in favour of the Security Agent with full title guarantee all of its right, title and interest in the following assets, both present and future, from time to time owned by it or in which it has an interest and, in each case, all Related Rights; and

(b) assigns absolutely with full title guarantee in favour of the Security Agent all its right, title and interest in the Bidco Subordinated Loan Agreement, both present and future, together with all Related Rights, provided that on payment or discharge in full of the Secured Obligations the Security Agent will at the request and cost of the Australian Chargor re-assign the relevant rights, title and interest in the Bidco Subordinated Loan Agreement to the Australian Chargor (or as it shall direct).

4. **FURTHER ASSURANCE**

(a) Subject to the Agreed Security Principles, each Chargor and the Australian Chargor shall promptly at its own expense do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)):

(i) to perfect the Security created or intended to be created under or evidenced by the Transaction Security Documents (which may include the execution of

a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security or, in the case of the Australian Chargor only, to 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 of the Security Agent or the Senior Finance Parties provided by or pursuant to the Senior Finance Documents or by law;

(ii) to confer on the Security Agent or on 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) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created by this deed.

(b) Subject to the Agreed Security Principles, each Chargor and the Australian Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Secured Parties by or pursuant to this deed.

5. REPRESENTATIONS AND WARRANTIES

5.1 Matters Represented

Unless otherwise specified in this clause 5, each Chargor represents and warrants to the Security Agent as set out in clauses 5.2 (Material Property) and 5.3 (Subsidiary Shares) on the date of this deed and on each day on which a Repeating Representation (under the Loan Note Subscription Agreement) is repeated or deemed to be repeated.

5.2 Material Property

Schedule 2 (Material Property) identifies all Material Property situated in England and Wales which is beneficially owned by it as at the date of this deed. There are no proceedings, actions or circumstances relating to any of that Material Property which materially and adversely affect the value of that Material Property or its ability to use that Material Property for the purposes for which it is currently used.

5.3 Subsidiary Shares

(a) Subject to paragraph (b) below, it is the legal and beneficial owner of the Subsidiary Shares identified against its name in schedule 3 (Subsidiary Shares) (save in relation to those Subsidiary Shares which are held by a nominee for it, in which case it is the beneficial owner only of those Subsidiary Shares).

(b) In respect of the Subsidiary Shares relating to Paragon International Holdings Limited listed in schedule 3 (Subsidiary Shares), PSC Rainbow Holdings Limited represents that on and from the Closing Date (and on each date thereafter on which a Repeating Representation (under the Loan Note Subscription Agreement) is repeated or deemed to be repeated) it is the beneficial owner and (subject to PSC Rainbow Holdings Limited's name being recorded in the register of shareholders of the relevant subsidiary following stamping of the stock transfer form by HM Revenue & Customs) the legal owner, of those Subsidiary Shares.

(c) All of the Subsidiary Shares are fully paid.

6. UNDERTAKINGS - GENERAL

6.1 Duration of Undertakings

All of the undertakings given in this deed are given from the date of this deed and for so long as any security constituted by this deed remains in force.

6.2 Negative Pledge

No Chargor nor the Australian Chargor may create or agree to create or permit to subsist any Security or Quasi-Security over all or any part of the Charged Property except as permitted by and in accordance with the Loan Note Subscription Agreement.

6.3 Disposal Restrictions

No Chargor nor the Australian Chargor may enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of all or any part of the Charged Property except as permitted by and in accordance with the Loan Note Subscription Agreement.

6.4 Preservation of Charged Property

(a) Each Chargor and the Australian Chargor will observe and perform in all material respects all covenants and stipulations from time to time affecting the Charged Property, make all payments, carry out all registrations or renewals and generally take all steps which are necessary to preserve, maintain and renew when necessary or desirable all the Charged Property where a failure to do so has, or is reasonably likely to have, a Material Adverse Effect.

(b) No Chargor nor the Australian Chargor may vary any lease, licence, contract or other document relevant to its interest in any Charged Property where such variation would have a material adverse effect on the value of the relevant Charged Property or the rights of the Secured Parties, save as expressly permitted under the Loan Note Subscription Agreement (or, in respect of the Australian Chargor, in relation to the Bidco Subordinated Loan Agreement only, as permitted by the Intercreditor Agreement).

(c) Each Chargor and the Australian Chargor will enforce the due observance and performance of all material covenants given for its benefit in relation to the Charged Property where failure to do so has, or is reasonably likely to have, a Material Adverse Effect.

6.5 Documents Relating to Charged Property

(a) Without prejudice to any specific requirements in this deed for the delivery of documents, each Chargor and the Australian Chargor will promptly deliver to the Security Agent all documents relating to the Charged Property which the Security Agent from time to time reasonably requires.

(b) The Security Agent may retain any document delivered to it under this deed for so long as any security constituted by this deed remains in force and, if for any reason it returns any document to the relevant Chargor or the Australian Chargor (or its nominee) before that time, it may by notice to the relevant Chargor or the Australian Chargor require that the relevant document be redelivered to it in accordance with paragraph (a) above and the relevant Chargor or the Australian Chargor shall promptly comply (or procure compliance) with that notice.

6.6 **Power to Remedy**

If a Chargor or the Australian Chargor fails to comply with any undertaking given in this deed and that failure is not remedied to the satisfaction of the Security Agent within 14 days of the Security Agent notifying the Obligors' Agent that remedy is required, it will allow (and irrevocably authorises) the Security Agent, or any Delegate, to take any action on behalf of that Chargor or the Australian Chargor which is necessary to ensure that those covenants are complied with.

7. **MATERIAL PROPERTY**

7.1 **Maintenance**

Each Chargor will keep in good and substantial repair all of the Material Property in which it has an interest.

7.2 **Material Property Acquisitions**

Each Chargor will promptly notify the Security Agent if it acquires, or enters any agreement to acquire, any interest in any Material Property for an aggregate consideration of (or which interest in Material Property has an aggregate value of) more than £500,000.

7.3 **Leases**

Each Chargor shall:

(a) comply in all material respects with all covenants and conditions applicable to it (whether as lessor, lessee or in any other capacity) contained in any lease, licence or other document relevant to its interest in any Material Property;

(b) enforce the due observance and performance of all material covenants given for its benefit in relation to any Material Property;

(c) not accept any surrender of any lease of Material Property in respect of which it is the lessor, except as permitted by the Loan Note Subscription Agreement or with the prior consent of the Security Agent; and

(d) give immediate notice to the Security Agent if it receives any notice under section 146 of the Law of Property Act 1925 or any proceedings are commenced against it for the forfeiture of any lease of any Material Property.

7.4 **Perfection of Material Property Security**

(a) Each Chargor will promptly, following execution of this deed or (if later) acquisition of Material Property, deposit with the Security Agent (or as it shall direct) certified copies of all deeds and documents of title relating to all Material Property in which it has an interest and, if those deeds and documents are with the Land Registry, will promptly deposit them with the Security Agent (or as it shall direct) upon their release.

(b) In relation to Material Property situated in England and Wales and charged by way of legal mortgage under this deed, each 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 Material Property in which it has an interest (including any unregistered properties subject to compulsory first registration at the date of this deed) 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 or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated ● in favour of ● (as security agent) referred to in the charges register."

(c) Subject to the terms of the Loan Note Subscription Agreement, the Lenders are under an obligation to make further advances (which obligation is deemed to be incorporated into this deed) and this security has been made for securing those further advances. In relation to Material Property which is situated in England and Wales and charged by way of legal mortgage under this deed, the Security Agent may apply to the Chief Land Registrar for a notice to be entered onto the Register of Title of all that Material Property (including any unregistered Material Property subject to compulsory first registration at the date of this deed) that there is an obligation to make further advances on the security of the registered charge.

8. INVESTMENTS

8.1 Investment Acquisitions

Each Chargor will promptly notify the Security Agent if it acquires, or enters any agreement to acquire, any interest in an Investment.

8.2 Voting and Distribution Rights

(a) Until the occurrence of an Event of Default which is continuing, the relevant Chargor may:

(i) receive and retain all dividends, distributions and other monies paid on or derived from the Investments; and

(ii) exercise all voting and other rights and powers attaching to the Investments provided that it may not exercise any such voting or other rights or powers in a manner which is inconsistent with any Senior Finance Document or which may be prejudicial to the value of the security given by this deed or the realisation of it.

(b) On and after the occurrence of a Declared Default:

(i) the relevant Chargor will promptly pay all dividends, distributions and other monies paid on or derived from the Investments into a bank account designated by the Security Agent; and

(ii) the Security Agent may (in its sole discretion) directly or indirectly (by instruction to the relevant legal owner of the relevant Investments) exercise, refrain from exercising or disclaim any right to exercise any voting or other rights and powers attaching to the Investments. Any exercise of such voting rights may only be for the purpose of preserving the value of the security given by this deed or facilitating the realisation of it. The relevant Chargor will promptly comply with any direction given by the Security Agent in relation to the exercise of voting or other rights and powers. Any such disclaimer will confer on the relevant Chargor the authority to direct the exercise of the disclaimed right, as if a Declared Default had not occurred, in accordance with paragraph (a)(ii) above.

(c) At any time when any Investments are registered in the name of the Security Agent or its nominee, the Security Agent will not be under any duty to ensure that any dividends, distributions or other monies payable in respect of those Investments are duly and promptly paid or received by it or its nominee, or to

verify that the correct amounts are paid or received, or to take any action in connection with the taking up of any (or any offer of any) stocks, shares, rights, monies or other property paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus, rights, preference, option, warrant or otherwise on or in respect of or in substitution for, any of those Investments.

8.3 **Perfection of Investments Security**

Each Chargor will promptly, following the execution of this deed or (if later) acquisition of an Investment (or, in respect of Paragon International Holdings Limited, following the return of the relevant stock transfer form by HMRC following its stamping) deposit with the Security Agent (or as it shall direct) all stock and share certificates and other documents of title relating to the Investments in which it has an interest together with stock transfer forms executed in blank and left undated on the basis that the Security Agent shall be able to hold such documents of title and stock transfer forms until the Secured Obligations have been irrevocably and unconditionally discharged in full and shall be entitled, at any time, following the occurrence of an Event of Default and for so long as it is continuing or if the Security Agent reasonably considers that the security constituted by this deed is in jeopardy to complete, under its power of attorney given by clause 15 (Attorney) below, the stock transfer forms on behalf of the relevant Chargor in favour of itself or its nominee(s).

8.4 **Perfection of Uncertificated Investments Security**

Each Chargor will, in respect of the Uncertificated Investments in which it has an interest:

(a) promptly following the execution of this deed or (if later) acquisition of an Uncertificated Investment, procure that any Uncertificated Investments in which it has an interest are transferred to:

(i) that Chargor's Escrow Balance; or

(ii) (if the Security Agent requires) a CREST account of the Security Agent or its nominee; and

in relation to any Uncertificated Investments required to be transferred to its Escrow Balance, deliver an instruction to CREST identifying the Security Agent (or, if the Security Agent so requires, its nominee) as its escrow agent in respect of the relevant Escrow Balance; and

(b) if required by the Security Agent, promptly procure the conversion of all or the required part (as applicable) of the Uncertificated Investments in which it has an interest into certificated form and will deposit of all certificates and other documents of title in respect of such Uncertificated Investments in accordance with clause 8.3 (Perfection of Investments Security).

In this deed:

"CREST" means Euroclear UK & Ireland Limited (as operator of the CREST settlement system) or any successor operator for the time being;

"Escrow Balance" means the escrow balance of an account maintained with CREST; and

"Uncertificated Investments" means an Investment which is "uncertificated" within the meaning of the Uncertificated Securities Regulations 2001 (SI 2001/3755).

9. **EQUIPMENT**

9.1 **Maintenance**

Each Chargor will keep all Equipment in which it has an interest comprised in the Charged Property in good and substantial repair (fair wear and tear excepted) and in good working order.

9.2 **Perfection of Equipment Security**

Each Chargor will, promptly following the execution of this deed or (if later) acquisition of Equipment, securely affix to and maintain on each item of Equipment listed against its name in schedule 7 (Equipment) or in any Security Accession Deed, a plaque (which is conspicuous in size and place), inscribed as below and not conceal, alter or remove such plaque or its inscription or permit it to be concealed, altered or removed:

"NOTICE OF CHARGE

This [specify nature of Equipment] and additions and ancillary equipment are subject to a first fixed charge in favour of [Lucid Trustee Services Limited] (as security agent)."

10. **BOOK DEBTS**

10.1 **Collection of Book Debts**

Each Chargor will collect all Book Debts due to it pay the proceeds into an Operating Account forthwith on receipt and, pending that payment, hold those proceeds on trust for the Security Agent.

10.2 **Restriction on Dealings**

Without prejudice to clause 6.2 (Negative Pledge) and clause 6.3 (Disposal Restrictions) no Chargor may charge, factor, discount, assign or otherwise transfer any of the Book Debts in favour of any other person, or purport to do so unless permitted by the Loan Note Subscription Agreement or with the prior consent of the Security Agent.

11. **BANK ACCOUNTS**

11.1 **Perfection of Bank Account Security**

(a) Other than in the circumstances described in paragraph (b) below, each Chargor will, within five Business Days following execution of this deed or (if later), five Business Days following designation of a Bank Account as an Operating Account:

(i) give notice (substantially in the form set out in schedule 10 (Form of notice to Account Banks)) to each institution with which it holds any Operating Account (each an "**Account Bank**"), of the charges created by this deed over those accounts and provide evidence satisfactory to the Security Agent (acting reasonably) of the delivery of that notice; and

(ii) use reasonable endeavours to procure that each Account Bank promptly acknowledges that notice by countersigning a copy of it and delivering that copy to the Security Agent within 20 Business Days.

(b) Where the Security Agent is an Account Bank in relation to any Operating Account in existence at the time of creation of security over it by this deed, the execution of this deed by the Security Agent will be treated as acknowledgement by the Security Agent (in its capacity as Account Bank) of notice of the security created by this deed and its confirmation of the matters set out in schedule 10 (Form of notice to Account Banks).

12. INTELLECTUAL PROPERTY

12.1 Intellectual Property Acquisitions

Each Chargor will promptly notify the Security Agent if it creates, acquires, or enters any agreement to acquire, any interest in Intellectual Property which is of material value to its business.

12.2 Perfection of Intellectual Property Security

In respect of any Intellectual Property to which clause 12.1 above relates, each Chargor appoints the Security Agent as its agent to apply for the Secured Parties' interest in that Chargor's Intellectual Property to be recorded on any of the following registers, in the Security Agent's discretion:

(a) the relevant Intellectual Property register of the UK Intellectual Property Office;

(b) the relevant Intellectual Property register of the EU Office of Harmonization for the Internal Market; and

(c) all other national, regional and international Intellectual Property registers.

13. HEDGING AGREEMENTS AND ASSIGNED AGREEMENTS

13.1 Performance and Maintenance of Agreements

Each Chargor will (except in relation to any Intra-Group Loan):

(a) duly perform all its obligations under the Hedging Agreements and Assigned Agreements;

(b) enforce the due observance and performance of all material covenants given for its benefit in relation to the Hedging Agreements and Assigned Agreements; and

(c) not make or agree to make any amendments (except of a non-material and purely administrative nature) to, waive any of its rights under, or exercise any right to terminate any of the Hedging Agreements or Assigned Agreements, except:

(i) (in the case of the Hedging Agreements) as permitted by the Intercreditor Agreement;

(ii) (in the case of the Assigned Agreements) as permitted by the Loan Note Subscription Agreement or the Intercreditor Agreement; or

(iii) (in either case) with the prior consent of the Security Agent.

13.2 Proceeds of Hedging Agreements

Each Chargor will collect all amounts payable to it under the Hedging Agreements and deal with those monies subject to any restrictions or requirements contained in the Intercreditor Agreement.

13.3 Proceeds of Assigned Agreements

Each Chargor will, as agent for the Security Agent, collect all amounts payable to it under the Assigned Agreements and forthwith pay those monies into such accounts as are required by the Loan Note Subscription Agreement and, pending that payment, hold those proceeds on trust for the Security Agent.

13.4 **Perfection of Agreements Security**

(a) Other than in the circumstances described in paragraph (b) below (and other than in respect of the Acquisition Documents) each Chargor and the Australian Chargor will, within five Business Days, following execution of this deed (or, in respect of any Assigned Agreement designated as such or Hedging Agreement entered into after the date of execution of this deed, within five Business Days after such designation or execution of that agreement):

(i) give notice (substantially in the form set out in the relevant part of schedule 9 (Forms of notice to counterparties)) to the other parties to the Assigned Agreements and Hedging Agreements (or, in respect of the Australian Chargor only, the Bidco Subordinated Loan Agreement) of the security created by this deed over its interest therein and provide evidence satisfactory to the Security Agent (acting reasonably) of the delivery of that notice; and

(ii) use reasonable endeavours to procure that each counterparty promptly acknowledges that notice by countersigning a copy of it and delivering that copy to the Security Agent within 10 Business Days.

(b) Where a party to this deed is a counterparty to an Assigned Agreement, Hedging Agreement or the Bidco Subordinated Loan Agreement in existence at the time of creation of security over it by this deed, the execution of this deed by that party (in whatever capacity) will be treated as acknowledgement by it (in its capacity as counterparty to any relevant Assigned Agreement, Hedging Agreement or the Bidco Subordinated Loan Agreement) of notice of the security created by this deed and its confirmation of the matters set out in part 1 schedule 9 (Forms of notice to counterparties of Assigned Agreements/Hedging Agreements).

14. **INSURANCES**

14.1 **Proceeds of Insurances**

Each Chargor will collect all amounts payable to it under the Insurances and forthwith pay those monies into such accounts as are required by the Loan Note Subscription Agreement and, pending that payment, hold those proceeds on trust for the Security Agent.

14.2 **Perfection of Insurances Security**

(a) Each Chargor will, within five Business Days, following execution of this deed (or, in respect of any Insurances entered into after the date of execution of this deed, within five Business Days thereafter):

(i) give notice (substantially in the form set out in the relevant part of schedule 9 (Forms of notice to counterparties)) to the other parties to the Insurances of the security created by this deed over its interest therein and provide evidence satisfactory to the Security Agent (acting reasonably) of the delivery of that notice, and

(ii) use reasonable endeavours to procure that each counterparty promptly acknowledges that notice by countersigning a copy of it and delivering that copy to the Security Agent within 20 Business Days of service.

15. **ATTORNEY**

(a) Each Chargor and the Australian Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any person nominated for

the purpose by the Security Agent or any Receiver (in writing and signed by an officer of the Security Agent or Receiver) as its attorney (with full power of substitution and delegation) in its name and on its behalf and as its act and deed to execute, deliver and perfect any deed, agreement or other instrument and to do any act or thing:

(i) which that Chargor or the Australian Chargor is required to do by the terms of any Senior Finance Document; and/or

(ii) which is for the purpose of enabling the exercise of any rights or powers conferred on the Security Agent or any Receiver by any Senior Finance Document or by law,

and each Chargor and the Australian Chargor covenants with the Security Agent and each Receiver to ratify and confirm all such acts or things made, done or executed by that attorney.

(b) The power given under paragraph (a) may be exercised at any time after:

(i) the expiry of 10 Business Days following the failure by the relevant Chargor or the Australian Chargor to do that which it is required to do by the terms of any Senior Finance Document; or

(ii) an Event of Default has occurred, which is continuing.

16. ENFORCEMENT

16.1 Exercise of Enforcement Powers

At any time after a Declared Default has occurred or notice demanding payment of any sum which is then due but unpaid in respect of the Secured Obligations has been given by the Security Agent or any other Secured Party to any Chargor or the Australian Chargor:

(a) the security created by or pursuant to this deed is immediately enforceable;

(b) the Security Agent may enforce all or any part of the security and take possession of and hold, sell or otherwise dispose and/or deal with all or any part of the Charged Property; and

(c) the Security Agent may exercise the power of sale and all other rights and powers conferred by this deed or by statute (as varied or extended by this deed) on the Security Agent or on a Receiver, irrespective of whether the Security Agent has taken possession or appointed a Receiver of the Charged Property.

16.2 Appointment of Receiver or Administrator

(a) Subject to paragraph (d) and (e) below, if:

(i) a Declared Default has occurred;

(ii) notice demanding payment of any sum which is then due but unpaid in respect of the Secured Obligations has been given by the Security Agent or any other Secured Party to any Chargor; or

(iii) so requested by the relevant Chargor,

the Security Agent may by writing under hand appoint any person (or persons) to be a Receiver of all or any part of the Charged Property.

(b) Section 109(1) of the Law of Property Act 1925 shall not apply to this deed.

(c) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to the floating charge created by this deed.

(d) The Security Agent shall be entitled to appoint a Receiver save to the extent prohibited by section 72A of the Insolvency Act 1986.

(e) A Receiver may not be appointed solely by reason of the obtaining of a moratorium under section 1A of the Insolvency Act 1986 in relation to a Chargor, or anything done with a view to obtaining such a moratorium.

16.3 **Appropriation**

(a) In this deed, **"financial collateral"** has the meaning given to that term in the Financial Collateral Arrangements (No 2) Regulations 2003 (SI 2003/3226).

(b) If:

(i) a Declared Default has occurred; or

(ii) notice demanding payment of any sum which is due but unpaid in respect of the Secured Obligations has been given by the Security Agent or any other Secured Party to any Chargor or the Australian Chargor,

the Security Agent may appropriate all or part of the financial collateral in or towards satisfaction of the Secured Obligations.

(c) The Security Agent must attribute a value to the appropriated financial collateral in a commercially reasonable manner.

(d) Where the Security Agent exercises its rights of appropriation and the value of the financial collateral appropriated differs from the amount of the Secured Obligations, as the case may be, either:

(i) the Security Agent must account to the relevant Chargor or the Australian Chargor for the amount by which the value of the appropriated financial collateral exceeds the Secured Obligations; or

(ii) the Chargors and the Australian Chargor will remain liable to the Secured Parties for any amount whereby the value of the appropriated financial collateral is less than the Secured Obligations.

16.4 **Restriction on Withdrawal of Dealing Authority**

The Security Agent shall not be entitled to give any notice referred to in paragraph 2(b) of the notice in the form of schedule 10 (Form of notice to Account Banks) unless and until a Declared Default has occurred or any of the circumstances described in clause 3.5 (Conversion of Floating Charge) or clause 3.6 (Automatic Conversion of Floating Charge) have arisen.

17. **EXTENSION AND VARIATION OF STATUTORY POWERS**

17.1 **Statutory Powers**

The powers conferred on mortgagees, receivers or administrative receivers by statute shall apply to the security created by this deed, unless they are expressly or impliedly excluded. If there is ambiguity or conflict between the powers conferred by statute and those contained in this deed, those contained in this deed shall prevail.

17.2 **Section 101 LPA Powers**

The power of sale and other powers conferred by section 101 of the Law of Property Act 1925 shall arise on the date of this deed and for that purpose the Secured Obligations are deemed to have fallen due on the date of this deed.

17.3 **Powers of Leasing**

The Security Agent may lease, make agreements for leases at a premium or otherwise, accept surrenders of leases and grant options or vary or reduce any sum payable under any leases or tenancy agreements as it thinks fit, without the need to comply with any of the provisions of sections 99 and 100 of the Law of Property Act 1925.

17.4 **Restrictions Disapplied**

The restrictions on the consolidation of mortgages and on exercise of the power of sale imposed by sections 93 and 103 respectively of the Law of Property Act 1925 shall not apply to the security constituted by this deed.

18. **STATUS, POWERS, REMOVAL AND REMUNERATION OF RECEIVER**

18.1 **Receiver as Agent**

Each Receiver shall be the agent of the relevant Chargor which shall be solely responsible for his or her acts or defaults, and for his or her remuneration and expenses, and be liable on any agreements or engagements made or entered into by him. The Security Agent will not be responsible for any misconduct, negligence or default of a Receiver.

18.2 **Powers of Receiver**

Each Receiver appointed under this deed shall have all the powers conferred from time to time on receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (each of which is deemed incorporated in this deed), so that the powers set out in schedule 1 to the Insolvency Act 1986 shall extend to every Receiver, whether or not an administrative receiver. In addition, notwithstanding any liquidation of the relevant Chargor, each Receiver shall have power to:

(a) develop, reconstruct, amalgamate or diversify any part of the business of the relevant Chargor;

(b) enter into or cancel any contracts on any terms or conditions;

(c) incur any liability on any terms, whether secured or unsecured, and whether to rank for payment in priority to this security or not;

(d) let or lease or concur in letting or leasing, and vary the terms of, determine, surrender leases or tenancies of, or grant options and licences over, or otherwise deal with, all or any of the Charged Property, without being responsible for loss or damage;

(e) establish subsidiaries to acquire interests in any of the Charged Property and/or arrange for those subsidiaries to trade or cease to trade and acquire any of the Charged Property on any terms and conditions;

(f) make and effect all repairs, renewals and improvements to any of the Charged Property and maintain, renew, take out or increase insurances;

(g) exercise all voting and other rights attaching to the Investments and stocks, shares and other securities owned by the relevant Chargor and comprised in the Charged Property;

(h) redeem any prior Security on or relating to the Charged Property and settle and pass the accounts of the person entitled to that prior Security, so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the relevant Chargor and the money so paid shall be deemed to be an expense properly incurred by the Receiver;

(i) appoint and discharge officers and others for any of the purposes of this deed and/or to guard or protect the Charged Property upon terms as to remuneration or otherwise as he may think fit;

(j) settle any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the relevant Chargor or relating to any of the Charged Property;

(k) implement or continue the development of (and obtain all consents required in connection therewith) and/or complete any buildings or structures on any Material Property comprised in the Charged Property;

(l) purchase or acquire any land or any interest in or right over land;

(m) exercise on behalf of the relevant Chargor all the powers conferred on a landlord or a tenant by any legislation from time to time in force in any relevant jurisdiction relating to rents or agriculture in respect of any part of the Property; and

(n) do all other acts and things (including signing and executing all documents and deeds) as the Receiver considers to be incidental or conducive to any of the matters or powers in this clause 18.2, or otherwise incidental or conducive to the preservation, improvement or realisation of the Charged Property, and use the name of the relevant Chargor for all such purposes,

and in each case may use the name of any Chargor and exercise the relevant power in any manner which he may think fit.

18.3 **Removal of Receiver**

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

18.4 **Remuneration of Receiver**

The Security Agent may from time to time fix the remuneration of any Receiver appointed by it. Sections 109(6) and 109(8) of the Law of Property Act 1925 shall not apply to a Receiver appointed under this deed.

18.5 **Several Receivers**

If at any time there is more than one Receiver, each Receiver may separately exercise all of the powers conferred by this deed (unless the document appointing such Receiver states otherwise).

19. PROTECTION OF THIRD PARTIES

19.1 No Obligation to Enquire

No purchaser from, or other person dealing with, the Security Agent, any Receiver or Delegate shall be obliged or concerned to enquire whether:

(a) the right of the Security Agent or any Receiver to exercise any of the powers conferred by this deed has arisen or become exercisable or as to the propriety or validity of the exercise or purported exercise of any such power; or

(b) any of the Secured Obligations remain outstanding or be concerned with notice to the contrary and the title and position of such a purchaser or other person shall not be impeachable by reference to any of those matters.

19.2 Receipt Conclusive

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

20. PROTECTION OF SECURITY AGENT AND RECEIVER

20.1 Role of Security Agent

The provisions set out in clause 29 (Role of the Facility Agent, the Arrangers, and Others) of the Loan Note Subscription Agreement and clause 16 (The Security Agent) of the Intercreditor Agreement shall govern the rights, duties and obligations of the Security Agent under this deed.

20.2 Delegation

The Security Agent may delegate by power of attorney or in any other manner all or any of the powers, authorities and discretions which are for the time being exercisable by it under this deed to any person or persons upon such terms and conditions (including the power to sub-delegate) as it may think fit. The Security Agent will not be liable or responsible to any Chargor or the Australian Chargor or any other person for any losses arising from any act, default, omission or misconduct on the part of any Delegate.

20.3 No Liability

Neither the Security Agent nor any Receiver or Delegate shall be liable in respect of any of the Charged Property or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers, unless caused by its or his or her gross negligence or wilful default.

20.4 Possession of Charged Property

Without prejudice to clause 20.3 (No Liability), if the Security Agent or any Delegate enters into possession of the Charged Property, it will not be liable to account as mortgagee in possession and may at any time at its discretion go out of such possession.

21. APPLICATION OF ENFORCEMENT PROCEEDS

21.1 Order of Application

All proceeds of enforcement (whether cash or non-cash) received or recovered by the Security Agent or any Receiver pursuant to this deed shall (subject to the claims of any

person having prior rights thereto) be applied in the order and manner specified by the Intercreditor Agreement notwithstanding any purported appropriation by any Chargor or the Australian Chargor.

21.2 **Suspense Account**

(a) Until the Secured Obligations are paid in full, each Secured Party may place and keep (to the extent possible and for such time as it shall determine) any recoveries or other proceeds of enforcement (whether cash or non-cash) received pursuant to this deed or otherwise on account of any Chargor's or the Australian Chargor's liability in respect of the Secured Obligations in an interest bearing separate suspense account, without having any obligation to apply all or any part of the same in or towards discharge of the Secured Obligations.

(b) If the security created by this deed is enforced at a time when no amount is due under the Senior Finance Documents but at the time when amounts may or will become due, a Secured Party may pay any recoveries or other proceeds of enforcement into a suspense account.

22. PROTECTION OF SECURITY

22.1 **Continuing Security**

This security is to be a continuing security notwithstanding any intermediate payment or settlement of all or any part of the Secured Obligations or any other matter or thing.

22.2 **Other Security**

(a) This security is to be in addition to and shall neither be merged in nor in any way exclude or prejudice or be affected by any other security or other right which the Security Agent or any other Secured Party may now or after the date of this deed hold for any of the Secured Obligations.

(b) This security may be enforced against each Chargor and the Australian Chargor without first having recourse to any other rights of the Security Agent or any other Secured Party.

22.3 **Cumulative Powers**

(a) The powers which this deed confers on the Security Agent, the other Secured Parties and any Receiver appointed under this deed are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as the relevant person thinks appropriate.

(b) The Security Agent, the other Secured Parties or the Receiver may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever.

(c) The respective powers of the Security Agent, the other Secured Parties and the Receiver will in no circumstances be suspended, waived or otherwise prejudiced by anything other than an express consent or amendment.

22.4 **Amounts Avoided**

If any amount paid by a Chargor or the Australian Chargor in respect of the Secured Obligations is capable of being avoided or set aside on the liquidation or administration of the relevant Chargor or the Australian Chargor or otherwise, then for the purposes of this deed that amount shall not be considered to have been paid.

22.5 **Discharge Conditional**

If any discharge, release or arrangement (whether in respect of the obligations of any Chargor, the Australian Chargor or other Obligor, or in respect of 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 and the Australian Chargor under this deed will continue or be reinstated as if the discharge, release or arrangement had not occurred.

22.6 **Waiver of Defences**

The obligations of each Chargor and the Australian Chargor under this deed will not be affected by an act, omission, matter or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this deed (without limitation and whether or not known to it or any Secured Party) including:

(a) any time, waiver or consent granted to, or composition with, any person;

(b) the release of any person under the terms of any composition or arrangement;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person;

(d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any other person;

(e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Senior Finance Document or any other document or security;

(f) any unenforceability, illegality or invalidity of any obligation of any person under any Senior Finance Document or any other document or security; or

(g) any insolvency or similar proceedings.

22.7 **Non-competition**

Until all amounts which may be or become payable in respect of the Secured Obligations have been irrevocably paid in full and unless the Security Agent otherwise directs, no Chargor nor the Australian Chargor will exercise any rights which it may have by reason of performance by it of its obligations under this deed or by reason of any amounts being payable, or liability arising under this deed:

(a) to claim any right of indemnity or contribution in respect of any payment made or other satisfaction of that Chargor's or the Australian Chargor's liability under this deed;

(b) to take the benefit (whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Senior Finance Documents; and/or

(c) to claim or prove as a creditor of any Obligor in competition with any Secured Party.

Each Chargor and the Australian Chargor shall hold any benefit, payment or distribution received by it contrary to this clause 22.7 (Non-competition) on trust for the Secured Parties and shall promptly pay or transfer the same to the Security Agent or as the

Security Agent may direct for application in accordance with clause 21 (Application of Enforcement Proceeds).

22.8 **Release of Right of Contribution**

If any Chargor or the Australian Chargor (a **"Retiring Chargor"**) ceases to be a Chargor (or, in the case of the Australian Chargor, ceases to be a chargor under this deed) in accordance with the terms of the Senior Finance Documents for the purpose of any sale or other disposal of that Chargor or the Australian Chargor, then on the date such Chargor or the Australian Chargor ceases to be a Chargor (or, in the case of the Australian Chargor, ceases to be a chargor under this deed):

(a) that Chargor or the Australian Chargor (as the case may be) is released by each other remaining Chargor and the Australian Chargor (where relevant) from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Chargor or the Australian Chargor (where relevant) arising by reason of the performance by any other Chargor or the Australian Chargor (where relevant) of its obligations under the Senior Finance Documents; and

(b) each other Chargor or the Australian Chargor (where relevant) waives any rights it may have by reason of the performance of its obligations under the Senior Finance Documents 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 any Senior Finance Document or of any other security taken pursuant to, or in connection with, any Senior Finance Document where such rights or security are granted by or in relation to the assets of the Retiring Chargor.

22.9 **Subsequent Security - Ruling-off Accounts**

If the Security Agent or any other Secured Party receives notice of any subsequent Security or other interest affecting any of the Charged Property (except as permitted by the Loan Note Subscription Agreement) it may open a new account for the relevant Chargor or the Australian Chargor in its books. If it does not do so then (unless it gives express notice to the contrary to the Obligors' Agent), as from the time it receives that notice, all payments made by the relevant Chargor or the Australian Chargor to it shall (in the absence of any express appropriation to the contrary) be treated as having been credited to a new account of the relevant Chargor or the Australian Chargor and not as having been applied in reduction of the Secured Obligations.

22.10 **Redemption of Prior Charges**

The Security Agent may, at any time after a Declared Default has occurred, redeem any prior Security on or relating to any of the Charged Property or procure the transfer of that Security to itself, and may settle and pass the accounts of any person entitled to that prior Security. Any account so settled and passed shall (subject to any manifest error) be conclusive and binding on each Chargor and the Australian Chargor. Each Chargor and the Australian Chargor will on demand pay to the Security Agent all principal monies and interest and all losses incidental to any such redemption or transfer.

23. **SET-OFF**

(a) Any Secured Party may set off any matured obligation due from a Chargor or the Australian Chargor under the Senior Finance Documents (to the extent beneficially owned by that Secured Party) against any matured obligation owed by that Secured Party to that Chargor or the Australian Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in

different currencies, the 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.

(b) If the relevant obligation or liability of a Chargor or the Australian Chargor is unliquidated or unascertained, the Secured Party may set-off the amount which it estimates (in good faith) will be the final amount of that obligation or liability once it becomes liquidated or ascertained.

24. CHANGES TO PARTIES

24.1 Assignment by the Security Agent

The Security Agent may at any time assign or otherwise transfer all or any part of its rights under this deed in accordance with the Senior Finance Documents.

24.2 Changes to Parties

Each Chargor and the Australian Chargor authorises and agrees to changes to parties under clause 26 (Changes to the Lenders) and clause 28 (Changes to the Obligors) of the Loan Note Subscription Agreement and clause 17 (Changes to the Parties) of the Intercreditor Agreement and authorises the Security Agent to execute on its behalf any document required to effect the necessary transfer of rights or obligations contemplated by those provisions.

24.3 Consent of Chargors

Each Chargor and the Australian Chargor consents to the accession to this deed of additional Chargors and agrees that any such accession will in no way prejudice the Security granted by it, or affect the covenants given by it, in this deed.

25. CURRENCY

25.1 No Discharge

No payment to the Security Agent (whether under any judgment or court order or otherwise) shall discharge any obligation or liability in respect of which it was made unless and until the Security Agent has received payment in full in the currency in which the obligation or liability is payable or, if the currency of payment is not specified, was incurred. To the extent that the amount of any such payment shall on actual conversion into that currency fall short of that obligation or liability expressed in that currency, the Security Agent shall have a further separate cause of action in relation to the shortfall and shall be entitled to enforce the security constituted by this deed to recover that amount.

26. MISCELLANEOUS

26.1 Certificates Conclusive

A certificate or determination of the Security Agent as to any amount or rate under this deed is, in the absence of manifest error, conclusive evidence of the matter to which it relates.

26.2 Invalidity of any Provision

If any provision of this deed is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way.

26.3 **Counterparts**

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

26.4 **Failure to Execute**

Failure by one or more parties (**"Non-Signatories"**) to execute this deed on the date hereof will not invalidate the provisions of this deed as between the other parties who do execute this deed. Such Non-Signatories may execute this deed on a subsequent date and will thereupon become bound by its provisions.

26.5 **Covenant to Release**

Once all the Secured Obligations have been paid in full and none of the Security Agent nor any Secured Party has any actual or contingent liability to advance further monies to, or incur liability on behalf of, any member of the Group, the Security Agent and each Secured Party shall, at the request and cost of each Chargor and the Australian Chargor, take any action which is necessary to release the Charged Property from the security constituted by this deed.

27. **GOVERNING LAW AND JURISDICTION**

(a) This deed and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

(b) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this deed (including a dispute regarding the existence, validity or termination of this deed or any non-contractual obligation arising out of or in connection with this deed) (a **"Dispute"**).

(c) The parties to this deed 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.

IN WITNESS whereof this deed has been duly executed and delivered on the above date first above written.

SCHEDULE 1

Chargors

Name	Registered Number
PSC UK Holdings Ltd	10030181
Insurance Holdings Ltd	05601837
PSC Rainbow Holdings Limited	12106587
Easy Broking Online Limited	06200255
Breeze Underwriting Limited	08738757
Carroll & Partners Limited	02267055
Paragon International Holdings Limited	04081301
Paragon International Insurance Brokers Limited	03215272

SCHEDULE 2

Material Property

SCHEDULE 3

Subsidiary Shares

Chargor	Subsidiary	Number and class of shares	Details of nominees (if any) holding legal title to shares
Insurance Holdings Ltd	Carroll London Markets Holdings Limited	2 Ordinary shares with a nominal value of £1	
Insurance Holdings Ltd	UK Facilities Limited	50,000 Ordinary shares with nominal value of £1 30,000 redeemable Preference shares with a nominal value of £1	
Insurance Holdings Ltd	Carroll & Partners Limited	500,000 Ordinary shares with a nominal value of £1	
Insurance Holdings Ltd	Breeze Underwriting Limited	9,000 Ordinary shares with a nominal value of £0.01	
Insurance Holdings Ltd	Just Motorsport Limited	584 Ordinary shares with a nominal value of £1	
Insurance Holdings Ltd	Fenchurch Insurance Risk Management Limited	600 Ordinary shares with a nominal value of £1	
Insurance Holdings Ltd	Easy Broking Online Limited	105,000 Ordinary shares with a nominal value of £1	
Insurance Holdings Ltd	Just Business Cover Ltd	425 Ordinary shares with a nominal value of £0.01	
PSC Rainbow Holdings Limited	Paragon International Holdings Limited	240,438 Ordinary shares with a nominal value of £1	
PSC Rainbow Holdings Limited	Paragon International Holdings Limited	32,875 A Ordinary shares with a nominal value of £1	
PSC Rainbow Holdings Limited	Paragon International Holdings Limited	3,332 A1 Ordinary shares with a nominal value of £1	
PSC Rainbow Holdings Limited	Paragon International Holdings Limited	13,058 B Ordinary shares with a nominal value of £1	

Chargor	Subsidiary	Number and class of shares	Details of nominees (if any) holding legal title to shares
PSC Rainbow Holdings Limited	Paragon International Holdings Limited	46,591 C Ordinary shares with a nominal value of £1	
PSC Rainbow Holdings Limited	Paragon International Holdings Limited	7,297 C1 Ordinary shares with a nominal value of £1	
Paragon International Holdings Limited	Paragon International Insurance Brokers Limited	290,614 Ordinary shares with a nominal value of £1	

SCHEDULE 4

Operating Accounts

Chargor	Account Bank	Sort Code	Account Number
Breeze Underwriting Limited	National Westminster Bank plc		
Breeze Underwriting Limited	National Westminster Bank plc		
Breeze Underwriting Limited	National Westminster Bank plc		
Breeze Underwriting Limited	National Westminster Bank plc		
Carroll & Partners Limited	National Westminster Bank plc		
Carroll & Partners Limited	National Westminster Bank plc		
Carroll & Partners Limited	National Westminster Bank plc		
Carroll & Partners Limited	National Westminster Bank plc		
Carroll & Partners Limited	National Westminster Bank plc		
Carroll & Partners Limited	National Westminster Bank plc		
Carroll & Partners Limited	National Westminster Bank plc		
Carroll & Partners Limited	National Westminster Bank plc		
Carroll & Partners Limited	National Westminster Bank plc		
Easy Broking Online Limited	Lloyds Bank plc		
Insurance Holdings Limited	National Westminster Bank plc		
PSC UK Holdings Limited	National Westminster Bank plc		
Paragon International Holdings Limited	The Royal Bank of Scotland plc		

Paragon International Holdings Limited	The Royal Bank of Scotland plc		
Paragon International Insurance Brokers Limited	The Royal Bank of Scotland plc		
Paragon International Insurance Brokers Limited	The Royal Bank of Scotland plc		
Paragon International Insurance Brokers Limited	The Royal Bank of Scotland plc		
Paragon International Insurance Brokers Limited	The Royal Bank of Scotland plc		
Paragon International Insurance Brokers Limited	The Royal Bank of Scotland plc		
Paragon International Insurance Brokers Limited	The Royal Bank of Scotland plc		
Paragon International Insurance Brokers Limited	The Royal Bank of Scotland plc		

SCHEDULE 5

Assigned Agreements

1. The Acquisition Agreement.

SCHEDULE 6

Intellectual property

SCHEDULE 7

Equipment

SCHEDULE 8

Insurance Policies

Chargors	Policy type	Policy provider	Policy reference
Carroll & Partners Limited, Breeze Underwriting Limited, Easy Broking Online Limited and Insurance Holdings Limited	Errors and Omission	The Griffin Insurance Association Limited	055/2019
Carroll & Partners Limited, Breeze Underwriting Limited, Easy Broking Online Limited and Insurance Holdings Limited	Cyber Insurance	CFC Underwriting Limited	ESI011838897
Carroll & Partners Limited, Breeze Underwriting Limited, Easy Broking Online Limited and Insurance Holdings Limited	Office Combined Insurance	Travellers Insurance Company Limited	UC CMK 3983034
Carroll & Partners Limited, Breeze Underwriting Limited, Easy Broking Online Limited and Insurance Holdings Limited	Crime Liability	1. Pembroke; 2. Vibe; and 3. QBE	B114118CLM395619
Carroll & Partners Limited, Breeze Underwriting Limited, Easy Broking Online Limited and Insurance Holdings Limited	Business Travel	Chubb European Group SE (CEG)	UKBBBO42342119
Paragon International Holdings Limited and Paragon International Insurance Brokers Limited	Errors and Omission	1. W. R. Berkley Syndicate Limited; and 2. Dual Corporate Risks Limited.	B0146 LDINT1900178
Paragon International Holdings Limited and Paragon International Insurance Brokers Limited	Errors and Omission	1. Dual Corporate Risks Limited; 2. Allied World Assurance Company (Europe) DAC; 3. Probitas	B0146 LDINT1900179

		Syndicate 1492; 4. Starr Underwriting Agents Limited; and 5. Great Lakes Insurance SE	
Paragon International Holdings Limited and Paragon International Insurance Brokers Limited	Errors and Omission	1. Great Lakes Insurance SE; and 2. Markel International Limited	B0146 LDINT1902821
Paragon International Holdings Limited and Paragon International Insurance Brokers Limited	Cyber Insurance	Lloyd's Insurance Company S.A.	B0146 CYINT1900211
Paragon International Holdings Limited and Paragon International Insurance Brokers Limited	Office Combined Insurance	Travellers Insurance Company Limited	UC CMK 3996865

SCHEDULE 9

Forms of notice to counterparties

Part 1

Form of notice to counterparties of Assigned Agreements/Hedging Agreements

To: [***insert name and address of counterparty***]

Dated: ●

Re: [*here identify the relevant Assigned Agreement/Hedging Agreement*] (the "Agreement")

We notify you that **[*insert name of Chargor*]** (the **"Chargor"**) has assigned to **[*insert name of Security Agent*]** (the **"Security Agent"**) for the benefit of itself and certain other parties (the **"Secured Parties"**) all its right, title and interest in the Agreement as security for certain obligations owed by the Chargor and others to the Secured Parties.

We further notify you that:

1. the Chargor may not amend or terminate the Agreement without the prior written consent of the Security Agent;

2. you may continue to deal with the Chargor in relation to the Agreement until you receive written notice to the contrary from the Security Agent. Thereafter, the Chargor 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;

3. you are authorised to disclose information in relation to the Agreement to the Security Agent on request;

4. after receipt of written notice in accordance with paragraph 2 above, you must pay all monies to which the Chargor is entitled under the Agreement direct to the Security Agent (and not to the Chargor) unless the Security Agent otherwise agrees in writing; and

5. the provisions of this notice may only be revoked with the written consent of the Security Agent.

Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to the Chargor) 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 have not received notice that the Chargor has assigned or charged its rights under the Agreement to a third party or created any other interest (whether by way of security or otherwise) in the Agreement in favour of a third party; and

(c) you have not claimed or exercised, nor do you have any outstanding right to claim or exercise against the Chargor any right of set-off, counter-claim or other right relating to the Agreement.

The provisions of this notice are governed by English law.

Yours faithfully

.....
Name:
for and on behalf of
[***insert name of Chargor***]

[***On acknowledgement copy***]

To: [insert name and address of Security Agent]

Copy to: [insert name and address of Chargor]

We acknowledge receipt of the above notice and confirm the matters set out in paragraphs (a) to (c) above.

.....
Name:
for and on behalf of
[***insert name of Counterparty***]

Dated: ●

Part 2

Form of notice to insurers

To: [***insert name and address of insurance company***]

Dated: ●

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

We notify you that **[*insert name of Chargor*]** (the **"Chargor"**) has assigned to **[*insert name of Security Agent*]** (the **"Security Agent"**) for the benefit of itself and certain other parties (the **"Secured Parties"**) all its right, title and interest in the benefits arising under the Policies (including rights of recovery and proceeds) as security for certain obligations owed by the Chargor and others to the Secured Parties. The Chargor remains the insured person under the Policies.

We further notify you that:

1. you may continue to deal with the Chargor in relation to the Policies until you receive written notice to the contrary from the Security Agent. Thereafter, the Chargor will cease to have any right to deal with you in relation to the Policies and therefore from that time you should deal only with the Security Agent;

2. you are authorised to disclose information in relation to the Policies to the Security Agent on request; and

3. the provisions of this notice may only be revoked with the written consent of the Security Agent.

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

(a) you agree to act in accordance with the provisions of this notice;

(b) after receipt of written notice in accordance with paragraph 2 above, you will pay all monies to which the Chargor is entitled under the Policies direct to the Security Agent (and not to the Chargor) unless the Security Agent otherwise agrees in writing;

(c) you will not cancel or otherwise allow the Policies to lapse without giving the Security Agent not less than 14 days' written notice;

(d) you have not received notice that the Chargor has assigned or charged its rights under the Policies to a third party or created any other interest (whether by way of security or otherwise) in the Policies in favour of a third party; and

(e) you have not claimed or exercised nor do you have any outstanding right to claim or exercise against the Chargor, any right of set-off, counter-claim or other right relating to the Policies.

The provisions of this notice are governed by English law.

Yours faithfully

.....
Name:
for and on behalf of
[***insert name of Chargor***]

[***On acknowledgement copy***]

To: [***insert name and address of Security Agent***]

Copy to: [***insert name and address of Chargor***]

We acknowledge receipt of the above notice and confirm the matters set out in paragraphs (a) to (e) above.

.....
Name:
for and on behalf of
[***insert name of insurance company***]

Dated: ●

SCHEDULE 10

Form of notice to Account Banks

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

Dated: ●

Re: The ● Group of Companies - Security over Bank Accounts

We notify you that the companies identified in the schedule to this notice (together with the Parent, the **"Customers"**) have charged in favour of [***insert name of Security Agent***] (the **"Security Agent"**) for the benefit of itself and certain other parties all their 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 (the **"Charged Accounts"**) and to all interest (if any) accruing on the Charged Accounts.

1. We irrevocably authorise and instruct you:

   (a) to hold all monies from time to time standing to the credit of the Charged Accounts to the order of the Security Agent and to pay all or any part of those monies to the Security Agent (or as it may direct) promptly following receipt of written instructions from the Security Agent to that effect; and

   (b) to disclose to the Security Agent any information relating to the Customers and the Charged Accounts which the Security Agent may from time to time request you to provide.

2. We also advise you that:

   (a) by counter-signing this notice the Security Agent confirms that you may continue to deal with the Customer in respect of the Charged Accounts and the Customer may make withdrawals from the Charged Accounts until such time as the Security Agent shall notify you in writing that their permission is withdrawn. That permission may be withdrawn or modified by the Security Agent in its absolute discretion at any time; and

   (b) the provisions of this notice may only be revoked or varied with the prior written consent of the Security Agent.

3. Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to the Parent) 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 any Customer has assigned or charged its rights to the monies standing to the credit of the Charged Accounts or otherwise granted any security or 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 Charged Accounts, except for the netting of credit and debit balances pursuant to current

account netting arrangements previously approved in writing by the Security Agent; and

(d) you have not claimed or exercised, nor do you have outstanding any right to claim or exercise against any Customer, any right of set-off, counter-claim or other right relating to the Charged Accounts.

The provisions of this notice are governed by English law.

Schedule

Customer	Account Number	Sort Code	Status
●	●	●	[Blocked][Not blocked]

Yours faithfully,

.....
Name:
for and on behalf of
[***Insert name of Obligors' Agent***]
as agent for and on behalf of
all of the Customers

Counter-signed by

.....
Name:
for and on behalf of
[***Insert name of Security Agent***]

[***On acknowledgement copy***]

To: [***Insert name and address of Security Agent***]

Copy to: [***Insert name of "topco" Chargor***] (on behalf of all the Customers)

We acknowledge receipt of the above notice and confirm the matters set out in paragraphs (a) to (d) above.

.....
Name:
for and on behalf of
[***Insert name of Account Bank***]

Dated: ●

SCHEDULE 11

Form of Security Accession Deed

[THIS INSTRUMENT MUST BE REGISTERED AT THE COMPANIES REGISTRY CONSIDER OTHER NECESSARY FILINGS]

THIS SECURITY ACCESSION DEED is made on ●

BETWEEN:

(1) ● (a company incorporated in [●] with registered number ●) (the **"New Chargor"**); and

(2) ● as security trustee for itself and the other Secured Parties (the **"Security Agent"**).

RECITAL:

This deed is supplemental to a debenture dated ● September 2019 between, inter alia, the Chargors named therein and the Security Agent, as previously supplemented and amended by earlier Security Accession Deeds (if any) (the **"Debenture"**).

NOW THIS DEED WITNESSES as follows:

1. **INTERPRETATION**

1.1 **Definitions**

Terms defined in the Debenture have the same meaning when used in this deed.

1.2 **Construction**

Clause 1.2 (Construction) of the Debenture will be deemed to be set out in full in this deed, but as if references in that clause to the Debenture were references to this deed.

2. **ACCESSION OF NEW CHARGOR**

2.1 **Accession**

The New Chargor agrees to be a Chargor for the purposes of the Debenture with immediate effect and agrees to be bound by all of the terms of the Debenture as if it had originally been a party to it as a Chargor.

2.2 **Covenant to Pay**

The New Chargor as primary obligor covenants with the Security Agent (for the benefit of itself and the other Secured Parties) that it will pay on demand the Secured Obligations when they fall due for payment.

2.3 **Fixed Charges**

The New Chargor, as security for the payment and discharge of the Secured Obligations, charges in favour of the Security Agent with full title guarantee all of its right, title and interest in the following assets, both present and future, from time to time owned by it or in which it has an interest and, in each case, all Related Rights:

(a) by way of first legal mortgage, all Material Property (including as specified in schedule 1 (Property)); and

(b) by way of first fixed charge:

(i) all other interests (not effectively charged under clause 2.3(a)) in the Material Property;

(ii) all Subsidiary Shares (including as specified in schedule 2 (Subsidiary Shares));

(iii) all Investments (other than the Subsidiary Shares);

(iv) all Equipment;

(v) all Book Debts;

(vi) all Intellectual Property (including as specified in schedule 4 (Intellectual Property));

(vii) its goodwill and uncalled capital;

(viii) to the extent not effectively assigned by clause 2.4 (Security Assignment):

(A) the Assigned Agreements;

(B) the Insurances; and

(C) the Hedging Agreements.

2.4 **Security Assignment**

As further security for the payment and discharge of the Secured Obligations, the New Chargor assigns absolutely with full title guarantee in favour of the Security Agent all its right, title and interest in the following assets, both present and future, and in each case, all Related Rights:

(a) the Assigned Agreements (including as specified in schedule 5 (Assigned Agreements));

(b) the Insurances (including as specified in schedule 8 (Insurance Policies)); and

(c) the Hedging Agreements,

provided that on payment or discharge in full of the Secured Obligations the Security Agent will at the request and cost of the New Chargor re-assign the relevant rights, title and interest in the assigned assets to the New Chargor (or as it shall direct).

2.5 **Fixed Security**

Clause 2.3 (Fixed Charges) and clause 2.4 (Security Assignment) shall be construed as creating a separate and distinct mortgage, fixed charge or security assignment over each relevant asset within any particular class of assets specified in this deed. Any failure to create effective fixed security (for whatever reason) over an asset shall not affect the fixed nature of the security on any other asset, whether within the same class of assets or not.

2.6 **Floating Charge**

As further security for the payment and discharge of the Secured Obligations, the New Chargor charges with full title guarantee in favour of the Security Agent by way of first floating charge all its assets, both present and future, not effectively charged by way of first fixed charge under clause 2.3 (Fixed Charges) or assigned under clause 2.4 (Security Assignment) and, in each case, all Related Rights.

3. **INCORPORATION INTO DEBENTURE**

The Debenture and this deed shall be read together as one instrument on the basis that references in the Debenture to "this deed" will be deemed to include this deed.

4. **NOTICES**

The New Chargor confirms that its address details for notices are as follows:

Address: ●

Facsimile: ●
Attention: ●

5. **LAW**

This deed and any dispute, controversy, proceedings or claims of whatever nature arising out of or in any way relating to this deed (including any non-contractual disputes or claims) shall be governed by, and construed in accordance with, English law.

IN WITNESS whereof this deed has been duly executed and delivered on the date first above written.

SCHEDULE 1

Material Property

SCHEDULE 2

Subsidiary Shares

SCHEDULE 3

Operating Accounts

SCHEDULE 4

Intellectual Property

SCHEDULE 5

Assigned Agreements

SCHEDULE 6

Insurance Policies

SIGNATORIES TO DEED OF ACCESSION

New Chargor

Executed as a deed by [***insert name in bold and upper case***]:)
)
)
)

Director .....
Name:

Director/Secretary .....
Name:

OR

Executed as a deed by [***insert name of company in bold and upper case***]:)
)
)
)

Signature of director .....

Name of director .....

Signature of witness .....

Name of witness .....

Address of witness .....

.....

.....

Occupation of witness .....

Notice Details

Address:

Facsimile:
Attention:

The Security Agent

Signed for and on behalf of [***insert name of Security Agent in bold and upper case***]:	)	.....
	)	Name:
	)	
	)	

Notice Details

Address:

Facsimile:
Attention:

SIGNATORIES TO DEBENTURE

Chargors

Executed as a deed by)
PSC UK HOLDINGS LTD)
)
)

Signature of director .....

Name of director NOEL LENIHAN

Signature of witness .....

Name of witness EMILY MCCALLUM .....

Address of witness

.....

.....

Occupation of witness

Notice Details

Address: 96 Wellington Parade, East Melbourne, Victoria, 3002, Australia

Email: joshua.reid@pscinsurance.com.au
Attention: Joshua Reid

Executed as a deed by)
INSURANCE HOLDINGS LTD)
)
)

Signature of director .....

Name of director NOEL LENIHAN

Signature of witness .....

Name of witness EMILY MCCALLUM

Address of witness .....

Occupation of witness

Notice Details

Address: 48 Gracechurch Street, London, EC3V 0EJ

Email: Noel.lenihan@pscinsurance.co.uk
Attention: Noel Lenihan

Executed as a deed by)
PSC RAINBOW HOLDINGS LIMITED)
)
)

Signature of director .....

Name of director NOEL LENIHAN

Signature of witness .....

Name of witness EMILY MCCALLUM

Address of witness .....

.....

Occupation of witness

Notice Details

Address: 3rd Floor 48 Gracechurch Street, London, England EC3V 0EJ

Email: Noel.lenihan@pscinsurance.co.uk
Attention: Noel Lenihan

Executed as a deed by)
EASY BROKING ONLINE LIMITED)
)
)

Signature of director .....

Name of director NOEL LENIHAN

Signature of witness .....

Name of witness EMILY MCCALLUM

Address of witness .....

.....

Occupation of witness .....

Notice Details

Address: Minories House, 2-5 Minories, London, United Kingdom, EC3N 1BJ

Email: Noel.lenihan@pscinsurance.co.uk
Attention: Noel Lenihan

Executed as a deed by)
BREEZE UNDERWRITING LIMITED)
)
)

Signature of director .....

Name of director NOEL LENIHAN

Signature of witness .....

Name of witness EMILY MCCALLUM

Address of witness

Occupation of witness .....

Notice Details

Address: 42 - 43 Broomfield House Lanswoodpark Business Centre, Broomfield Road, Elmstead, Colchester, England, CO7 7FD

Email: Noel.lenihan@pslinsurance.co.uk
Attention: Noel Lenihan

Executed as a deed by)
CARROLL & PARTNERS LIMITED)
)
)

Signature of director .....

Name of director NOEL LENIHAN

Signature of witness .....

Name of witness EMILY MCCALLUM

Address of witness

Occupation of witness

Notice Details

Address: 48 Gracechurch Street, London, EC3V 0EJ

Email: Noel.lenihan@pscinsurance.co.uk
Attention: Noel Lenihan

Executed as a deed by)
PARAGON INTERNATIONAL)
HOLDINGS LIMITED)
)

Signature of director .....

Name of director Tara Falk .....

Signature of witness .....

Name of witness Angel Pathan .....

Address of witness .....

.....

.....

Occupation of witness .....

Notice Details

Address: 140 Leadenhall Street, London, EC3V 4QT

Email: amcphie@paragonbrokers.com
Attention: Noel Lenihan

Executed as a deed by)
PARAGON INTERNATIONAL)
INSURANCE BROKERS LIMITED)
)

Signature of director ....

Name of director Tara Falk

Signature of witness .....

Name of witness Angel Pathan

Address of witness .....

.....

.....

Occupation of witness .....

Notice Details

Address: 140 Leadenhall Street, London, EC3V 4QT

Email: amcphie@paragonbrokers.com
Attention: Angus McPhie

The Australian Chargor

EXECUTED as a Deed by **PSC UK PTY LTD** in accordance with section 127 of the *Corporations Act 2001*:

Signature of director	Signature of director/secretary
Name	Name

Notice Details

Address: 96 Wellington Parade, East Melbourne, Victoria, 3002, Australia

Email: joshua.reid@pscinsurance.com.au
Attention: Joshua Reid

Security Agent

LUCID TRUSTEE SERVICES LIMITED

By: .....

Address: 6th Floor, No. 1 Building 1-5 London Wall Buildings, London Wall, London, EC2M 5PG

Email: Deals@Lucid-ats.com

FAO: Transaction Management