

MR01

Particulars of a charge

87592/52

A fee is payable with this form
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online.
Please go to www.companieshouse.gov.uk

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☒ **What this form is NOT for**
You may not use this form to
register a charge where there is no
instrument Use form MR08

For further information, please
refer to our guidance at
www.companieshouse.gov.uk

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

☒ You **must** enclose a certified copy of the instrument with this form. It
will be scanned and placed on the public record

SATURDAY



A346FB41

A21

22/03/2014

#377

COMPANIES HOUSE



Filing in this form
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

1

Company details

Company number 0 2 3 9 2 3 3 6

Company name in full Calrec Audio Limited

2

Charge creation date

Charge creation date 01 09 2013 20 11 2014

3

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

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

Name Electra Partners LLP

Name

Name

Name

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

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

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4

Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Continuation page

Please use a continuation page if you need to enter more details

Description

- 1 The leasehold land known as Nutclough Mill, Hebden Bridge, HX7 8EZ, registered at the Land Registry with leasehold title absolute numbers WYK936223 and YY13198
2. The leasehold land at Nutclough Mill, Hebden Bridge West Yorkshire being part of land in title number WYK289277 and more particularly described in an underlease between (1) Nutclough Mill Limited and (2) Calrec Audio Limited, to be granted pursuant to an Agreement for Lease made between (1) Nutclough Mill Limited, (2) D&M Audio Holdings UK Limited, (3) D&M Holdings Inc and (4) Calrec Audio Limited and date on or around the date hereof

5

Fixed charge or fixed security

Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☒ Yes

☐ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☒ Yes Continue

☐ No Go to Section 7

Is the floating charge expressed to cover all the property and undertaking of the company?

☒ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ Yes

☐ No

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Particulars of a charge

8

Trustee statement ①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

① This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here

Signature

Signature

X *Taylor Wossing LLP*

X

This form must be signed by a person with an interest in the charge

MR01

Particulars of a charge



Presenter information

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name LZJ

Company name Taylor Wessing LLP

Address 5 New Street Square

Post town London

County/Region

Postcode E C 4 A 3 T W

Country

DX 41 London London - Chancery Lane

Telephone +44 (0)207 300 7000



Certificate

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



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'



Where to send

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

For companies registered in England and Wales:
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

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

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



Further information

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

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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number. 2392336

Charge code: 0239 2336 0009

The Registrar of Companies for England and Wales hereby certifies that a charge dated 19th March 2014 and created by CALREC AUDIO LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 22nd March 2014

Given at Companies House, Cardiff on 26th March 2014



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED

19 MARCH 2014

CALREC AUDIO LIMITED
as Chargor

and

ELECTRA PARTNERS LLP
as Security Trustee

Certified to be a true copy
of the original
Taylor Wessing LLP
Taylor Wessing LLP

GUARANTEE AND DEBENTURE
SUBJECT TO THE INTERCREDITOR DEED

5 New Street Square, London EC4A 3TW
Tel +44 (0)20 7300 7000
Fax +44 (0)20 7300 7100
DX 41 London
www.taylorwessing.com

TaylorWessing

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THIS DEBENTURE is made on 19 March 2014

BETWEEN

- (1) **CALREC AUDIO LIMITED** as Chargor, and
- (2) **ELECTRA PARTNERS LLP** as Security Trustee for the Secured Parties,

each a "Party" and together the "Parties"

AGREED TERMS

1. Definitions and Interpretation

1.1 Definitions

In this deed, terms and expressions defined in the Security Trust Deed have the same meaning when used herein (unless otherwise defined), and

"Account" means any present or future account of the Chargor with a bank or other financial institution or any other account which is opened in place of such account at the request of or with the consent of the Security Trustee,

"Account Bank" means any bank or other financial institution with which an Account is held,

"Administrator" means any one or more persons appointed as an administrator of the Chargor by the Security Trustee under paragraph 14 of schedule B1 to the Insolvency Act,

"Banking Financing" means any third party secured loan financing raised by an Obligor and/or its subsidiaries after the date of this deed,

"Charged Property" means the assets mortgaged, charged or assigned by the Chargor under this deed,

"Chargor" means Calrec Audio Limited a company incorporated in England and Wales with registration number 02392336 whose registered office is at Nutclough Mill, Valley Road, Hebden Bridge, West Yorkshire, HX7 8EZ,

"Company" means Remix Bidco Limited, a company incorporated in England and Wales with registration number 08542553 whose registered office is at Kernick Industrial Estate, Penryn, Cornwall TR10 9LU,

"Debts" means all book and other debts and rights to money and income (other than Rental Income) liquidated and unliquidated due or owing to the Chargor including the benefit of all negotiable instruments, securities, guarantees and indemnities for such debts and rights but excluding cash at bank,

"Dividends" means all dividends, interest and other money payable in respect of the Investments,

"Enforcement Event" means the occurrence of an Event of Default and/or any of the events referred to in paragraphs (a) to (g) (inclusive) of clause 5.2 (*Conversion*),

"Environment" means humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following media

- (a) air (including, without limitation, air within natural or man-made structures, whether above or below ground),
- (b) water (including, without limitation, territorial, coastal and inland waters, water under or within land and water in drains and sewers), and
- (c) land (including, without limitation, land under water),

"Environmental Law" means any applicable law or regulation which relates to

- (a) the pollution or protection of the Environment,
- (b) the conditions of the workplace, or
- (c) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including, without limitation, any waste,

"Event of Default" means any of the events specified in Condition 4 5 of the Class A Secured Loan Note Instrument and/or Condition 3 4 of the Class B Secured Loan Note Instrument,

"Existing Security" means

- (a) a debenture creating a fixed and floating charge over the assets of the Chargor in favour of Yorkshire Bank plc dated on or around 28 July 1989, and
- (b) a legal charge granted by the Chargor in favour of Yorkshire Bank plc on or around 19 May 1993,

"Existing Security Charged Assets" means any rights or assets which are effectively charged to Yorkshire Bank plc pursuant to the Existing Security,

"Financial Collateral Regulations" means the Financial Collateral Arrangements (No 2) Regulations 2003 SI 2003/3226,

"Insolvency Act" means the Insolvency Act 1986,

"Insolvency" in respect of any person means

- (a) the Chargor is unable to, or admits an inability to, settle its debts as the same fall due for payment,
- (b) that person's bankruptcy, dissolution, liquidation, winding up or administration or that person entering into any voluntary arrangement or composition with creditors,
- (c) the appointment of a receiver or administrative receiver in respect of all or part of that person's assets, and
- (d) any event having a similar effect under the laws of any relevant jurisdiction,

and **"Insolvent"** shall be construed accordingly,

"Intellectual Property" means all present and future rights of the Chargor in respect of any patent, copyright, trade mark, service mark, invention, design, knowhow, confidential information or any other kind of intellectual property whether registered or unregistered and any registration or application for registration, licence or permission relating to any of the foregoing,

"Intercreditor Deed" means the intercreditor deed dated on or about the date of this deed made between, among others, the Security Trustee, the Chargor, Mixer Bidco, the Company and Allen & Heath,

"Investment" means any

- (a) stock, share, bond or any form of loan capital of or in any legal entity,
- (b) unit in any unit trust or similar scheme,
- (c) warrant or other right to acquire any such investment,

and any offer, right or benefit in respect of any such investment other than Dividends,

"Lease" includes any underlease, tenancy, letting, licence, any document supplemental or collateral to any of them and any agreement to enter into any of them and the expression tenant will be construed accordingly,

"LPA" means the Law of Property Act 1925,

"Mixer Bidco" means Mixer Bidco Limited, a company incorporated in England and Wales with registration number 08548433 whose registered office is at 5 New Street Square, London, EC4A 3TW,

"Obligors" means the Chargor, Company, Mixer Bidco, Allen & Heath and any other person described as a Chargor in the Security Trust Deed and **"Obligor"** means any one of them,

"Permitted Security" means

- (a) the Existing Security,
- (b) any Security in favour of the Security Trustee or in respect of which the Security Trustee is subrogated, and
- (c) a lien arising in the ordinary course of business by operation of law and discharged as soon as possible but in any event within 30 days,

"Plant and Equipment" means any fittings, plant, equipment, machinery, tools, vehicles, furniture and other tangible movable property which are not Real Property,

"Property" means any property described in schedule 1,

"Real Property" means

- (a) any freehold, leasehold or immoveable property (including the Property), and
- (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated or forming part of such property,

"Receiver" means any one or more persons appointed as a receiver, receiver and manager or administrative receiver under this deed,

"Rental Income" means all rent and other income, payments or sums payable to the Chargor in respect of any Property or any part thereof by any lessee, tenant, licensee or other occupier of all or any part of such Property pursuant to a Lease (including any surety for the same),

"Sale" means the transfer, assignment, sale, compulsory acquisition or other disposal, or the grant or creation of any interest derived out of all or any part of any Property (including the grant of a Lease at a premium) and **"Sold"** shall be construed accordingly,

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

"Security Trustee" means Electra Partners LLP, a limited liability partnership registered under the laws of England with registration number OC320352 whose registered office is at Paternoster House, 65 St Paul's Churchyard, London EC4M 8AB, in its capacity as security trustee for the Secured Parties or any successor security trustee appointed under the terms of the Security Trust Deed,

"Security Trust Deed" the security trust deed dated on or about the date of this deed made between, among others, the Security Trustee, the Chargor, Mixer Bidco, the Company and Allen & Heath, and

"Yorkshire Deed of Priorities" means a deed of priority dated on or about the date of this deed between Yorkshire Bank Plc, the Security Trustee and the Chargor

1 2 *Interpretation*

In this deed, unless a contrary indication appears

- (a) any reference to a provision of law is a reference to that provision as amended or re-enacted from time to time,
- (b) any reference to clauses, paragraphs and schedules are to the clauses, paragraphs of and schedules to this deed,
- (c) any reference to **"this clause"** is to the clause with a bold heading in which such expression appears and includes each sub-clause in that clause,
- (d) any reference to a time is to London time,
- (e) the words **"including"** and **"in particular"** are used by way of illustration or emphasis only and do not limit the generality of any words preceding them,
- (f) the words **"other"** and **"otherwise"** are not limited by any words preceding them,
- (g) clause and schedule headings are for ease of reference only,
- (h) **"obligations"** means obligations and liabilities,
- (i) references to obligations include the whole or any part of them, present and future, actual and contingent,
- (j) any reference to **"powers"** include rights, powers, discretions and authorities,

- (k) a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality),
- (l) the singular includes the plural and vice versa,
- (m) any reference to any asset include any proceeds of sale of any such asset, and
- (n) any reference to any agreement, deed or document is a reference to that deed, agreement or document as it may from time to time be amended novated, supplemented or replaced by a document having a similar effect

1 3 *Incorporation*

This deed incorporates the terms of any document entered into, or correspondence, between the parties to the extent required to ensure the validity of any purported disposition under this deed of any freehold or leasehold property under s 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989

1 4 *Continuation of undertakings*

Any undertaking made by or obligation imposed on the Chargor in this deed will continue in force until the Security Trustee is satisfied that it has no further obligation to provide financial accommodation to the Chargor and all the Secured Liabilities have been irrevocably paid or discharged in full

2. **Guarantee and Indemnity**

2 1 *Guarantee and Indemnity*

The Chargor irrevocably and unconditionally

- (a) guarantees to the Secured Parties punctual performance by each Obligor of all that Obligor's obligations under the Loan Note Documents,
- (b) undertakes with the Secured Parties that whenever an Obligor does not pay any amount when due under or in connection with any Loan Note Document, the Chargor shall immediately on demand pay that amount as if it was the principal obligor, and
- (c) agrees with the Secured Parties that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify the Secured Parties immediately on demand against any cost, loss or liability the Secured Parties incurs as a result of an Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it on the date when it would have been due. The amount payable by the Chargor under this indemnity will not exceed the amount it would have had to pay under this Clause 2 if the amount claimed had been recoverable on the basis of a guarantee

2 2 *Continuing guarantee*

The guarantee under this Clause 2 is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Loan Note Documents, regardless of any intermediate payment or discharge in whole or in part

2 3 *Reinstatement*

If any discharge, release or arrangement (whether in respect of the obligations of the Borrower or any security for those obligations or otherwise) is made by the Secured Parties 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 the Chargor under this Clause 2 will continue or be reinstated as if the discharge, release or arrangement had not occurred

2 4 *Additional security*

The guarantee under this Clause 2 is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by the Secured Parties

3. **Undertaking to Pay**

The Chargor undertakes with the Security Trustee to pay the Secured Liabilities to the Security Trustee when due and payable

4 **Fixed Security**

As continuing security for the payment of the Secured Liabilities the Chargor with full title guarantee

- (a) charges to the Security Trustee by way of legal mortgage all Real Property owned by the Chargor at the date of this deed, including the Property,
- (b) charges to the Security Trustee by way of equitable mortgage any Real Property acquired by the Chargor after the date of this deed,
- (c) assigns to the Security Trustee by way of fixed security its rights and interest in any Rental Income,
- (d) assigns to the Security Trustee by way of fixed security its rights and interest in
 - (i) any present or future right to occupy any Real Property under licence,
 - (ii) rights under any present or future contract for the purchase of any Real Property and damages payable in respect of any such contract,
- (e) assigns to the Security Trustee by way of equitable mortgage its rights and interest in
 - (i) any Investments listed in schedule 3,
 - (ii) any Dividends in respect of any Investments listed in schedule 3,
 - (iii) any other present or future Investment owned by the Chargor,
 - (iv) any Dividends in respect of any such other Investments,
- (f) charges to the Security Trustee by way of fixed charge its rights and interest in
 - (i) the Real Property listed in schedule 1,

- (ii) any Plant and Equipment listed in schedule 2,
- (iii) its present and future goodwill and uncalled capital,
- (iv) any present or future Debts owing to the Chargor,
- (v) any money now or at any time after the date of this deed standing to the credit of any Account,
- (vi) any present or future insurances in respect of any Charged Property and the proceeds of such insurances,
- (vii) any present or future Intellectual Property, and
- (g) assigns to the Security Trustee by way of fixed security its rights and interest in any agreements listed in schedule 4 and any guarantee or security for the performance of any such agreements

5. Floating Security

5 1 Floating charge

As continuing security for the payment of the Secured Liabilities the Chargor charges to the Security Trustee by way of floating charge with full title guarantee the whole of its assets to the extent that such assets are not effectively mortgaged, charged or assigned to the Security Trustee by way of fixed security under clause 4 (*Fixed Security*)

5 2 Conversion

Subject to clause 5 3 (*Moratorium under Insolvency Act*), the Security Trustee may at any time by written notice to the Chargor convert the floating charge created by clause 5 1 (*Floating Charge*) into a fixed charge as regards any assets specified in the notice if

- (a) the Chargor fails to pay any of the Secured Liabilities when the same become due and payable,
- (b) the Chargor becomes Insolvent,
- (c) in the opinion of the Security Trustee such assets are at risk of becoming subject to any Security (other than a Permitted Security) or are otherwise at risk of ceasing to be within the ownership or control of the Chargor save as permitted by the Security Trustee under clause 11 2 (*Disposals*)
- (d) the Chargor does not comply with any provision of this deed,
- (e) any rights conferred upon the Security Trustee by any provision of this deed in any respect cease to be in full force and effect or to be continuing or are or purport to be determined or disputed or become invalid or unenforceable,
- (f) it is or becomes unlawful for the Chargor to perform any of its obligations under this deed, or
- (g) the Chargor repudiates this deed or evidences an intention to repudiate this deed

5 3 *Moratorium under Insolvency Act*

The Security Trustee shall not be entitled to convert the floating charge created by clause 5 1 (*Floating Charge*) into a fixed charge as a result only of the Chargor obtaining a moratorium or anything done with a view to obtaining a moratorium under s 1A of and schedule A1 to the Insolvency Act

5 4 *Qualifying floating charge*

Paragraph 14(2)(a) of schedule B1 to the Insolvency Act applies to the floating charge created by clause 5 1 (*Floating Charge*) which is a "qualifying floating charge" for the purpose of paragraph 14(1) of schedule B1 to the Insolvency Act

6. **Rental Income**

6 1 *Prohibited dealings*

The Chargor shall not without first obtaining the written consent of the Security Trustee compound, release or do anything by virtue of which the collection and recovery of any of any Rental Income may be impeded, delayed or prevented

6 2 *Notice of assignment of Rental Income and acknowledgement*

- (a) If required by the Security Trustee, pay or procure the payment of all Rental Income into any bank account nominated by the Security Trustee for such purpose and the Chargor shall not be entitled to withdraw or direct the withdrawal of any monies from any such account without first obtaining the consent in writing of the Security Trustee
- (b) The Chargor shall if required by the Security Trustee give notice of the assignment of any Rental Income in the form set out in part 1 of schedule 5 to each tenant of a Property and shall use reasonable endeavours to procure that each such tenant executes and delivers to the Security Trustee an acknowledgement of such notice in the form set out in part 2 of schedule 5

6 3 *Notice of charge of Accounts*

The Chargor shall, if required by the Security Trustee, give notice of the charge of any Account into which Rental Income is paid in the form set out in part 1 of schedule 6 to the relevant Account Bank and shall use reasonable endeavours to procure that the relevant Account Bank executes and delivers to the Security Trustee an acknowledgement of such notice in the form set out in part 2 of schedule 6

7. **Debts**

7 1 *Dealings with Debts*

The Chargor shall

- (a) use its best endeavours (having regard exclusively to the interests of the Security Trustee) to realise the Debts and not give any release or waiver or do anything which may prejudice the collection and recovery of any of the Debts,
- (b) from time to time if required by the Security Trustee provide the Security Trustee with the names and addresses of the debtors of the Chargor and the

amount of the Debts owing from each of them and such other information relating to the Debts as the Security Trustee may require,

- (c) if required by the Security Trustee, pay the proceeds of realisation of any Debt into a bank account nominated by the Security Trustee for such purpose and the Chargor shall not be entitled to withdraw or direct the withdrawal of any monies from any such account without first obtaining the consent in writing of the Security Trustee, and
- (d) permit the Account Bank to disclose to the Security Trustee from time to time upon request full details of all the Chargor's accounts with such bank and any other information relating to the Chargor held by such bank

7 2 *Notice of charge of Account*

The Chargor shall if required by the Security Trustee give notice of the charge of each Account into which any Debt is paid to the relevant Account Bank in the form set out in part 1 of schedule 6 and shall use reasonable endeavours to procure that the Account Bank executes and delivers to the Security Trustee an acknowledgement of the rights of the Security Trustee in respect of such Account in the form set out in part 2 of schedule 6

8 *Investments*

8 1 *Deposit of certificates*

The Chargor shall if required by the Security Trustee deposit with the Security Trustee

- (a) the certificates or other documents of title to each Investment owned by the Chargor on such date,
- (b) on the date of the acquisition of any Investment acquired by the Chargor after the date of this deed or on the withdrawal of any Investment owned by the Chargor from any clearance system, the certificates or other documents of title to each such Investment,
- (c) duly executed undated blank transfers in respect of each such Investment and forms of waiver of any pre-emption rights necessary to enable such transfers to be registered

8 2 *Payment of money due*

The Chargor shall promptly pay all money which may from time to time be due in respect of any Investment forming part of the Charged Property

8 3 *Nominees*

If any Investment forming part of the Charged Property is registered in the name of a nominee the Chargor shall on demand provide to the Security Trustee an equitable mortgage over such Investment or power of attorney or acknowledgement of the rights created by this deed over such Investment in favour of the Security Trustee in such terms as the Security Trustee may require duly executed by or on behalf of such nominee

8.4 *Completion of transfers*

The Security Trustee may at any time complete any transfers of any Investment delivered to it under clause 8.1(c) in favour of itself or any nominee for it as transferee and may present the same for registration

8.5 *Dividends and voting rights before Enforcement Event*

Until the occurrence of an Enforcement Event

- (a) the Chargor shall be entitled to receive all Dividends in respect of any Investment forming part of the Charged Property free from the security created by this deed, and
- (b) the Chargor will be entitled to exercise all voting rights attached to any Investment forming part of the Charged Property and if the Security Trustee is registered as the holder of any such Investment it will exercise all voting rights attached to it as directed by the Chargor

8.6 *Dividends and voting rights after Enforcement Event*

After the occurrence of an Enforcement Event

- (a) if any Investment forming part of the Charged Property is not then registered in the name of the Security Trustee or a nominee for the Security Trustee the Security Trustee will be entitled to become so registered or to procure registration in the name of a nominee,
- (b) all Dividends will be payable to the Security Trustee and may be applied by the Security Trustee in reduction of the Secured Liabilities whether or not any Investment forming part of the Charged Property is registered in the name of the Security Trustee or any nominee for the Security Trustee or in the name of the Chargor or any nominee for the Chargor,
- (c) the Security Trustee will be entitled at its discretion to exercise or procure the exercise of all voting rights attached to any Investment forming part of the Charged Property that is registered in the name of the Security Trustee or any nominee for the Security Trustee for the purpose only of preserving the value of such Investment or realising the security over such Investment created by this deed, and
- (d) the Chargor shall exercise or procure the exercise of any voting rights attached to any Investment forming part of the Charged Property that is registered in the name of the Chargor or any nominee for the Chargor as directed by the Security Trustee for the purpose mentioned in paragraph (c) above

8.7 *Dematerialisation*

The Chargor must promptly take all action required for the rematerialisation of any Investments forming part of the Charged Property held in dematerialised form in a clearance system

9. Representations

9 1 Status

- (a) It is a limited liability company duly incorporated and validly existing under the law of England and Wales
- (b) It has the power to own its assets and carry on its business in England and Wales as it is being conducted
- (c) Its centre of main interests for the purposes of Council Regulation (EC) No 1346/2000 of 29 May 2000 on insolvency procedures is in England and Wales

9 2 Binding obligations

The obligations expressed to be assumed by it in this deed are legal, valid, binding and enforceable obligations

9 3 Non-conflict with other obligations

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

- (a) any law or regulation applicable to it,
- (b) its constitutional documents, or
- (c) any agreement or instrument binding upon it or any of its assets

9 4 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this deed and the transactions contemplated by it

9 5 Validity and admissibility in evidence

All authorisations required or desirable

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in this deed, and
 - (b) to make this deed admissible in evidence in its jurisdiction of incorporation,
- have been obtained or effected and are in full force and effect

9 6 Security

There is no Security over any of the assets of the Chargor except for Permitted Security

9 7 Security Documents

This deed creates valid Security over the assets to which they relate

10. Positive Undertakings

10 1 The Chargor and the Security Trustee hereby acknowledge and agree as follows

- (a) that the Existing Security Charged Assets are charged in favour of Yorkshire Bank plc, and
- (b) the Security created by this deed is subordinated to the Existing Security in accordance with the Yorkshire Deed of Priorities and the Intercreditor Deed

10 2 The Chargor shall, if required by the Security Trustee, enter into an intercreditor agreement (or similar document) to subordinate the Security created by this deed and to rank the Security behind any Security granted in favour of Yorkshire Bank plc and/or the Bank Financing (and any entities with which any Obligor or its subsidiaries have entered into interest rate and/or foreign exchange hedging in connection with such Bank Financing) and Yorkshire Bank plc and/or the creditors of such Bank Financing (and such hedging entities) or a trustee on their behalf shall become a party to such intercreditor agreement (or similar document)

11. Negative Undertakings

11 1 *Negative pledge*

The Chargor shall not create or permit to subsist any Security over any of the Charged Property other than a Permitted Security

11 2 *Disposals*

- (a) The Chargor shall not without the prior written consent of the Security Trustee sell, transfer, lease or otherwise dispose or purport or agree to dispose of
 - (i) any of its assets which are expressed to be mortgaged by way of legal or equitable mortgage, assigned by way of security or charged by way of fixed security or charge to the Security Trustee under clause 4 (Fixed Security),
 - (ii) cash, where the Chargor is prohibited from doing so pursuant to the Loan Note Documents,
 - (iii) any of its other assets other than on arm's length terms in the ordinary course of its trading
- (b) The proceeds of any disposal permitted by the Security Trustee under paragraph (a) above shall be paid by the Chargor into any bank account nominated by the Security Trustee for such purpose and the Chargor shall not be entitled to withdraw or direct the withdrawal of any monies from any such account without first obtaining the consent in writing of the Security Trustee

12 Undertakings relating to the Charged Property

12 1 *Repair*

- (a) The Chargor shall keep the Charged Property which is of a repairable nature in good and substantial repair and condition

- (b) If the Chargor fails to comply with the undertakings in paragraph (a) above the Security Trustee will be entitled to repair and maintain the Charged Property and carry out works of reinstatement at the cost of the Chargor and will for this purpose have the rights of entry set out in this clause

12.2 *Proprietorship*

The Chargor shall not permit any person

- (a) to be registered as proprietor under the Land Registration Act 2002 of any Charged Property nor create or permit to arise any interest referred to in schedule 1 or schedule 3 of such Act affecting any Charged Property, or
- (b) to become entitled to any proprietary right or interest which might affect the value of any Charged Property

12.3 *Notification of acquisitions and disposals*

The Chargor shall promptly notify the Security Trustee of any proposal, contract, conveyance, option, transfer or other disposition involving the acquisition by the Chargor of any interest in any Real Property or, without prejudice to clause 9 (Negative Undertakings), any sale, lease, transfer or other disposal by the Chargor of an interest in any Real Property

12.4 *Powers of leasing*

The Chargor's statutory and any other powers of entering into Leases and accepting or agreeing to accept surrenders of Leases are excluded and shall not be exercisable by the Chargor in relation to the Charged Property and the Chargor shall not without the prior written consent of the Security Trustee

- (a) part with possession or occupation of, confer any licence or right to occupy nor confer any interest in any Charged Property,
- (b) grant any permission to assign, underlet or part with possession or occupation of any Charged Property,
- (c) agree or permit any amendment to or waiver of the terms of any Lease (including any Lease under which the Chargor is tenant), or
- (d) exercise any power to determine any Lease

12.5 *Right of entry*

The Chargor shall permit the Security Trustee, its agents and contractors at reasonable times and upon reasonable notice (or at any time without notice after the occurrence of an Enforcement Event or in case of emergency) to enter into or upon any Charged Property without becoming liable as mortgagee in possession

- (a) to view the state and condition of or to value it,
- (b) to comply with or object to any direction or notice or other matter served upon the Chargor, and
- (c) to carry out at the cost of the Chargor any repairs or maintenance or to take any action which the Security Trustee considers necessary or desirable in connection with any Charged Property to procure compliance with any obligation of the Chargor in this deed

12.6 Insurance

- (a) The Chargor shall except as provided in paragraph (c) below keep all Real Property and all its other assets which are of an insurable nature insured (and if required by the Security Trustee in the names of the Security Trustee and the Chargor as co insureds in the case of the Real Property) against all risks which a prudent person carrying on a business similar to that of the Chargor would reasonably insure against (including terrorism cover) and against such other risks as the Security Trustee may from time to time specify
- (i) in the case of assets other than buildings to their full replacement value, and
 - (ii) in the case of buildings on a full reinstatement basis and against all professional fees, value added tax, demolition and site clearance charges and loss of rental and other income derived from such buildings for at least three years
- (b) All such insurances shall be in amount and form and with an insurance office acceptable to the Security Trustee and the Chargor shall as soon as requested produce the policy and the last receipt for such insurances to the Security Trustee and shall apply all monies received by virtue of such insurances either in making good the loss or damage in respect of which the monies were received or at the option of the Security Trustee in or towards reduction of the Secured Liabilities. If the Chargor fails to comply with this clause the Security Trustee will be entitled to effect any relevant insurance at the cost of the Chargor
- (c) If the Real Property includes any leasehold property of which the Chargor is the tenant and the landlord under the lease (or any superior landlord) is responsible for the insurance of any buildings on such Real Property and if the terms of such insurance are satisfactory to the Security Trustee and the Chargor
- (i) procures that the interest of the Security Trustee is endorsed on every relevant policy,
 - (ii) procures that every relevant policy contains a clause of the type referred to in paragraph (d) below, and
 - (iii) provides a full copy of every relevant policy to the Security Trustee once in every year together with a copy of the receipt for that year's premium,
- then such insurance will be deemed to have been accepted by the Security Trustee in satisfaction of the obligation of the Chargor to insure the relevant buildings
- (d) The Chargor shall ensure that every insurance policy contains a clause (in terms satisfactory to the Security Trustee) under which such insurance will not be prejudiced, vitiated or avoidable as against a mortgagee in the event of any misrepresentation, act or neglect or failure to disclose on the part of the insured party or parties and will not be invalidated as against a mortgagee for failure to pay any premium owing without the insurer giving to the Security Trustee ten working days prior written notice

12 7 *Identification plate*

The Chargor shall if so requested by the Security Trustee

- (a) place and maintain on any Plant and Equipment forming part of the Charged Property, in a conspicuous place, a clearly legible identification plate containing the following wording

"NOTICE OF CHARGE

This [description of item] and ancillary equipment is subject to a fixed charge in favour of Electra Partners LLP ",

- (b) obtain from any landlord of premises on which any such Plant and Equipment is located a waiver of such landlord's rights of distress in form and substance satisfactory to the Security Trustee

12 8 *Documents of title*

The Chargor shall deposit with the Security Trustee all deeds and documents of title relating to the Charged Property

12 9 *Failure to comply*

If the Chargor fails to comply with any of its obligations under this deed the Security Trustee may take such steps as it considers appropriate to procure compliance with such obligations at the cost of the Chargor

13. **Enforcement of Security**

13 1 *Security Trustee's powers*

On the occurrence of an Enforcement Event this deed shall become enforceable and the Security Trustee may immediately or at any time thereafter

- (a) appoint one or more persons as an Administrator of the Chargor in accordance with schedule B1 to the Insolvency Act,
- (b) exercise the power of sale and all other powers conferred by s 101 of the LPA as varied or extended by this deed,
- (c) subject to s 72A of and paragraph 43 of Schedule A1 to the Insolvency Act, appoint one or more persons as a receiver and manager or administrative receiver of any Charged Property,
- (d) exercise all the powers conferred on a Receiver by this deed, the LPA and the Insolvency Act,
- (e) by notice to the Chargor end the Chargor's right to possession of all or any Real Property forming part of the Charged Property and enter into possession of all or such part of such Real Property,
- (f) to the extent that this deed constitutes a "security financial collateral arrangement" as defined in the Financial Collateral Regulations, appropriate any Charged Property which constitutes "financial collateral" as defined in the Financial Collateral Regulations in or towards satisfaction of the Secured Liabilities and the Security Trustee shall value such Charged Property by

reference to an independent valuation or other procedure selected by the Security Trustee acting reasonably

13 2 Powers under the LPA

- (a) S 103 of the LPA will not apply to this deed
- (b) The power of sale and all other powers conferred by s 101 of the LPA as varied or extended by this deed will arise upon execution of this deed by the Chargor

13 3 Administrators

If the Security Trustee appoints two or more persons as Administrator of the Chargor, the appointment may specify whether those persons are to act jointly or concurrently

13 4 Receivers

- (a) The Security Trustee may appoint any Receiver upon such terms as to remuneration and otherwise as the Security Trustee thinks fit and the maximum rate specified in s 109(6) of the LPA shall not apply
- (b) Any Receiver will be the agent of the Chargor for all purposes and the Chargor will be responsible for such Receiver's acts and defaults and for his remuneration, costs, fees, taxes and expenses to the exclusion of liability on the part of the Security Trustee
- (c) Where two or more persons are appointed as Receiver any act authorised to be done by the Receiver may be done by all of them acting jointly or by any one or more of them acting severally
- (d) The Security Trustee may at any time by writing remove any Receiver (subject to the obtaining of any required order of the court in the case of an administrative receiver) whether or not the Security Trustee appoints any other person as Receiver in his place

14 Powers of Receiver and Security Trustee

14 1 Statutory powers

A Receiver shall have and be entitled to exercise all the powers conferred on a receiver by the LPA and, whether or not such a Receiver is an administrative receiver, all the powers conferred upon an administrative receiver by Schedule 1 to the Insolvency Act which powers are incorporated in this deed

14 2 Additional powers

By way of addition to and without limiting any other powers referred to in this clause a Receiver shall have power (both before and after the commencement of any liquidation of the Chargor) to do every act and thing and exercise every power

- (a) which the Chargor would have been entitled to do or exercise if no Receiver had been appointed or which the Receiver would have been entitled to do or exercise if the Receiver were the absolute legal and beneficial owner of the Charged Property,
- (b) which such Receiver in his absolute discretion considers necessary or desirable for maintaining or enhancing the value of any Charged Property or for

or in connection with the enforcement of the Security created by this deed or the realisation of any Charged Property,

and may use the name of the Chargor in connection with any exercise of such powers

14 3 *Prior encumbrances*

At any time after the Security given by this deed has become enforceable, the Security Trustee may redeem any prior Security against the Charged Property or procure a transfer of such Security to itself and may agree the accounts of the person entitled to that Security and any accounts so agreed will be binding on the Chargor. Any money paid by the Security Trustee in connection with a redemption or transfer of any prior Security will form part of the Secured Liabilities

14 4 *Possession*

If the Security Trustee, any Receiver or any delegate of either of them takes possession of any Charged Property it may go out of possession at any time

15. Delegation of Powers by Security Trustee or Receiver

15 1 *Delegation*

The Security Trustee or any Receiver may from time to time delegate by power of attorney or in any other manner to any person any powers which are for the time being exercisable by the Security Trustee or a Receiver under this deed in relation to any Charged Property and any such delegation may be made upon such terms as the Security Trustee or such Receiver may think fit

15 2 *Liability for delegates*

Neither the Security Trustee nor any Receiver will be in any way liable or responsible to the Chargor for any loss or damage arising from any act or omission on the part of any such delegate unless such loss or damage is caused by the fraud, gross negligence or wilful misconduct of the delegate

16. Exclusion of Liability

16 1 *No obligation to recover*

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

16 2 *Liability as mortgagee in possession*

If the Security Trustee or any Receiver takes possession of any Charged Property, it will not be liable to account to the Chargor for anything except actual receipts or be liable to the Chargor for any loss arising from any realisation of any Charged Property or for any default or omission for which a receiver or mortgagee in possession would be liable

16 3 *Losses on enforcement*

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

- (a) any sale of any Charged Property,
- (b) any act, default or omission of the Security Trustee or any Receiver in relation to any Charged Property, or
- (c) any exercise or non-exercise by the Security Trustee or any Receiver of any power conferred upon it in relation to any Charged Property by or pursuant to this deed or by the LPA,

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

17. Reimbursement and Indemnity

17 1 Reimbursement

The Chargor shall pay to the Security Trustee on demand

- (a) any money paid by the Security Trustee or any Receiver
 - (i) as a result of the Security Trustee or any Receiver taking action which the Security Trustee or any Receiver considers necessary or desirable in connection with any Charged Property or to procure compliance with any obligation of the Chargor in this deed, or
 - (ii) in respect of any action or thing expressed in this deed to be done at the cost of the Chargor,
- (b) all costs, fees, taxes and expenses incurred by the Security Trustee or any Receiver under or in connection with this deed or its enforcement and/or the preservation of the Security Trustee's rights under this deed

17 2 Indemnity

The Chargor shall indemnify each of the Security Trustee and any Receiver against all liabilities, claims and expenses whether arising out of contract or in tort or in any other way (including any liability under any Environmental Law) which it may at any time incur in connection with this deed or for anything done or omitted to be done in the exercise or purported exercise of its powers pursuant to this deed unless such liabilities, claims and expenses are caused by its fraud, gross negligence or wilful misconduct

18. Application of Sums Realised

18 1 Order of application

Subject to the Intercreditor Deed and claims having priority to the Security created by this deed, all money recovered by the Security Trustee or any Receiver as a result of the enforcement of this deed or otherwise by reason of the Security created by this deed will be applied in the following order

- (a) in payment of all costs, fees, taxes and expenses incurred by the Security Trustee or any Receiver in or pursuant to the exercise of the powers set out in this deed and all other outgoings properly payable by any Receiver,
- (b) in payment of remuneration to any Receiver,

- (c) in or towards payment of the Secured Liabilities, and
- (d) the balance (if any) will be applied as required by law

18.2 *Contingent or future liabilities*

If any money is received by the Security Trustee or a Receiver as a result of the enforcement of this deed or otherwise by reason of the Security created by this deed at a time when the Secured Liabilities include contingent or future liabilities the Security Trustee or any Receiver may hold some or all of such money in a suspense account

19. **Protection of Persons Dealing with Security Trustee or Receiver**

No person dealing with the Security Trustee or any Receiver will be concerned to enquire

- (a) whether any event has happened upon which any of the powers conferred by this deed may have arisen or be exercisable,
- (b) otherwise as to the propriety or regularity of any exercise of the powers conferred by this deed or of any act purporting or intended to be in exercise of such powers, or
- (c) whether any Secured Liabilities remain owing

20. **Notice of Subsequent Charge**

If the Security Trustee receives notice of any Security or other interest affecting any Charged Property other than as permitted pursuant to the terms of this deed

- (a) it may open a new account for the Chargor in its books and may transfer any outstanding balance owing by the Chargor to such new account, or
- (b) if it does not open a new account then, unless it gives express written notice to the contrary to the Chargor, all payments made by the Chargor to it will as from the time of receipt of such notice be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Liabilities

21. **Further Assurance**

When required by the Security Trustee or any Receiver the Chargor shall, at its own cost

- (a) execute a charge by way of legal mortgage, assignment by way of security or fixed charge over any assets of the Chargor and such legal mortgage, assignment or charge shall secure the Secured Liabilities and contain a power of sale which arises immediately upon execution, provisions excluding s93 of the LPA and the restrictions contained in s103 of the LPA and such other provisions including any similar to those in this deed as the Security Trustee may reasonably require,
- (b) execute any documents or do any other thing which the Security Trustee or any Receiver may require for perfecting or protecting any Security created by

this deed or in connection with the exercise of any powers given to the Security Trustee or any Receiver under this deed, and

- (c) convey, transfer, assign or otherwise deal with any Charged Property in such manner as the Security Trustee or any Receiver may require in connection with any enforcement of any Security created by this deed

22. Power of Attorney by Chargor

The Chargor irrevocably and by way of security appoints each of the Security Trustee, any person selected by the Security Trustee and any Receiver its attorney in each case (with full power to appoint substitutes and to delegate) severally in its name and on its behalf to execute any document or do any act or thing which

- (a) the Chargor is entitled to execute or do in relation to the Charged Property including giving a receipt for any money and exercising any rights or remedies forming part of the Charged Property, or
- (b) the Chargor is obliged to execute or do under this deed

23 Protective Provisions

23.1 Waiver of defences

The obligations of the Chargor under this deed and the security constituted by this deed will not be affected by an act, omission, matter or thing which, but for this clause, would reduce, release or prejudice any of such obligations or security including (whether or not known to it or the Secured Parties)

- (a) any time, waiver or consent granted to, or composition with, any other Obligor or other person,
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any Obligor,
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over property of, any other Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security,
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any other Obligor or any other person,
- (e) any amalgamation, merger or reconstruction of any Secured Party with any other person or any sale or transfer of the whole or any part of the assets of any Secured Party to any other person,
- (f) the existence of any claim, set-off or other rights which any other Obligor may have at any time against any Secured Party, whether in connection with the Loan Note Documents or otherwise,
- (g) any novation, amendment (however fundamental) or replacement of a Loan Note Document or any other document or security,

- (h) any obligation of any person under any Loan Note Document or any other document or security being unenforceable, or
- (i) any insolvency or similar proceedings

23.2 *Chargor Intent*

Without prejudice to the generality of clause 23.1 (Waiver of Defences), the Chargor expressly confirms that it intends that the security created by this deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Loan Note Documents and/or any loan or amount made available under any of the Loan Note Documents for the purposes of or in connection with any of the following acquisitions of any nature, increasing working capital, enabling investor distributions to be made, carrying out restructurings, refinancing existing facilities, refinancing any other indebtedness, making available acceptance credit facilities, note purchase facilities, guarantee, stand-by or documentary credit issuance facilities, making facilities available to new borrowers, any other variation or extension of the purposes for which any such facility or amount might be made available from time to time, and any fees, costs and/or expenses associated with any of the foregoing

23.3 *Immediate recourse*

The Chargor waives any right it may have of first requiring any Secured Party to proceed against or enforce any other rights or security or claim payment from any person before enforcing the security constituted by this deed. This waiver applies irrespective of any law or any provision of a Loan Note Document to the contrary

23.4 *Appropriations*

Until the Secured Liabilities have been irrevocably paid in full, the Security Trustee may

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by the Security Trustee in respect of the Secured Liabilities, or apply and enforce the same in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and the Chargor shall not be entitled to the benefit of the same, and
- (b) hold in an interest-bearing suspense account any money received under this deed

23.5 *Deferral of Chargor's rights*

Until the Secured Liabilities have been irrevocably paid in full and unless the Security Trustee otherwise directs, the Chargor will not exercise any rights which it may have by reason of the enforcement of this deed

- (a) to be indemnified by the Company,
- (b) to claim any contribution from any other Obligor or any other person in respect of any obligations of that person under the Loan Note Documents,
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of any Secured Party under the Loan Note Documents or of any other guarantee or security taken pursuant to, or in connection with, the Loan Note Documents by any Secured Party,

- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which the Chargor has given security under this deed,
- (e) to exercise any right of set-off against any Obligor, and/or
- (f) to claim or prove as a creditor of any Obligor in competition with any Secured Party

23 6 *Turnover*

If the Chargor receives any benefit, payment or distribution in relation to the rights referred to in clause 23 5 (Deferral of Chargor's rights) it shall hold that benefit, payment or distribution to the extent necessary to enable the Secured Liabilities to be repaid in full on trust for the Security Trustee as trustee for the Secured Parties and shall promptly pay or transfer the same to the Security Trustee or as the Security Trustee may direct for application as provided in clause 18 (Application of Sums Realised)

24. Discharge of Security

24 1 *Discharge conditional*

Any discharge of the Chargor by the Security Trustee in reliance on a payment or Security received by the Security Trustee will cease to be effective if that payment or Security is avoided, reduced or invalidated for any reason and the Security Trustee will be entitled to recover from the Chargor on demand the amount of the Secured Liabilities discharged by such payment or Security

24 2 *Retention of security*

Following any discharge of the Chargor made by the Security Trustee in reliance on a payment or security the Security Trustee may retain the Security constituted by this deed until the expiry of the maximum period within which such payment or Security can be avoided, reduced or invalidated for any reason. If the person making such payment or giving such Security goes into liquidation or administration or equivalent proceedings in any foreign jurisdiction within that period the Security Trustee may retain the Security constituted by this deed for as long as it thinks fit

25. Redemption

After the repayment or discharge in full of the Secured Liabilities and provided that the Security Trustee is satisfied that the Security Trustee is not under any obligation to provide financial accommodation to the Chargor the Security Trustee will at the request and cost of the Chargor release the Charged Property from the Security created by this deed

26. Remedies and Waivers

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

27. Calculations and Certificates

27 1 *Certificates and Determinations*

Any certification or determination by the Security Trustee of a rate or amount under or in connection with the Secured Liabilities or this deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates

27 2 *Day count convention*

Any interest, commission or fee accruing under this deed will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days

28. Miscellaneous

28 1 *Intercreditor Deed*

This deed is subject to the Intercreditor Deed and to the extent that there are any inconsistencies between this deed and the Intercreditor Deed, the Intercreditor Deed shall prevail

28 2 *Possession*

The Chargor shall be entitled to possession of any Real Property forming part of the Charged Property until termination of such right by the Security Trustee under clause 13 1 (Security Trustee's Powers)

28 3 *Third Party Rights*

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

28 4 *Continuing Security*

This deed is a continuing Security and extends to the balance from time to time of the Secured Liabilities irrespective of any intermediate payment of monies due to the Security Trustee

28 5 *Other Security*

This deed is in addition to and will not in any way be prejudiced or affected by the holding or release by the Security Trustee or any other person of any other Security at any time held by the Security Trustee

28 6 *Consolidation*

The restrictions on the right of consolidating mortgage securities contained in s 93 of the LPA will not apply to this deed

28 7 *Land Registry Consent*

By executing this deed the Chargor consents to the entry of the following restriction against any registered titles (and any unregistered properties subject to compulsory first registration) which are at any time subject to this deed

"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 [date] in favour of [chargee] referred to in the charges register or, if appropriate, signed on such proprietor's behalf by its duly authorised officer "

28 8 *Changes to the parties*

- (a) The Security Trustee may freely transfer or assign any or all of its rights and/or obligations under or in connection with this deed
- (b) The Chargor may not assign any of its rights or transfer any of its rights or obligations under this deed
- (c) The Security Trustee may disclose any information about the Chargor to any person connected to or associated with it, and to any person to whom it proposes to assign or transfer (or has assigned or transferred) any of its rights under this deed

28 9 *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

29. Notices

29 1 *Communications in writing*

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

29 2 *Addresses*

The address and fax number of each party for any communication or document to be made or delivered under or in connection with this deed is

- (a) in the case of the Chargor

Address Kernick Industrial Estate, Penryn, Cornwall, TR10 9LU

Fax number +44 (0) 1326 377 097

(b) in the case of any Security Trustee

Address Paternoster House, 65 St Paul's Churchyard, London
EC4M 8AB

Fax number +44 (0) 207 214 4201

or any substitute address, fax number or department or officer as a party may notify to the other by not less than five Business Days' notice. In the case of the Chargor, the address of its registered office or of any place where it carries on business shall also be addresses of the Chargor for the purpose of this clause

29.3 *Delivery*

(a) Any communication or document made or delivered by the Security Trustee on the Chargor under or in connection with this deed will be effective

- (i) if left at an address referred to in this clause, when so left,
- (ii) if posted by first class post to an address referred to in this clause, on the next working day in the place of receipt following the day when it was posted,
- (iii) if transmitted by fax to a fax number referred to in this clause, when the sending fax machine produces a print out which confirms that transmission has taken place

(b) Any communication or document to be made or delivered to the Security Trustee will be effective only when actually received by the Security Trustee

29.4 *Notification of address and fax number*

Promptly upon receipt of notification of an address, and fax number or change of address or fax number pursuant to clause 29.2 (Addresses) or changing its own address or fax number, the Security Trustee shall notify the Chargor

30. **Law**

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

31. **Jurisdiction**

31.1 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 and a dispute regarding a non-contractual obligation referred to in clause 30 (Law)) (a "Dispute")

31.2 The Security Trustee and the Chargor agree that the courts of England are the most appropriate and convenient courts to settle Disputes. The Chargor will not argue to the contrary

31.3 This clause is for the benefit of the Security Trustee only. As a result, the Security Trustee shall not be prevented from taking proceedings relating to a Dispute in any

other courts with jurisdiction To the extent allowed by law, the Security Trustee may take concurrent proceedings in any number of jurisdictions

This deed has been executed and delivered as a deed by the Chargor and signed on behalf of the Security Trustee on the date shown at the beginning of this deed

SCHEDULE 1

The Property

- 1 The leasehold land known as Nutclough Mill, Hebden Bridge, HX7 8EZ, registered at the Land Registry with leasehold title absolute numbers WYK936223 and YY13198
- 2 The leasehold land at Nutclough Mill, Hebden Bridge West Yorkshire being part of land in title number WYK289277 and more particularly described in an underlease between (1) Nutclough Mill Limited and (2) Calrec Audio Limited, to be granted pursuant to an Agreement for Lease made between (1) Nutclough Mill Limited, (2) D&M Audio Holdings UK Limited, (3) D&M Holdings Inc and (4) Calrec Audio Limited and date on or around the date hereof

SCHEDULE 3

List of Investments

Chargor	Name of Company in which securities are held	Securities held
Calrec Audio Limited	Calrec Audio America, LLC	100% of the equity interest

SCHEDULE 5

Part 1

Notice of Assignment to Tenant

To []

[Date]

Dear Sirs,

We refer to a lease dated [] (the "**Lease**") between us and you

We give you notice by a debenture dated *[insert]* 2014 entered into between us and Electra Partners LLP (the "**Security Trustee**"), we have assigned to the Security Trustee all our rights and interest in all amounts now or at any time in the future payable to us under or in connection with the Lease including but not limited to each of the following amounts

- 1 rent including any increase of rent or interim rent agreed by us or payable pursuant to any provisions of the Landlord and Tenant Act 1954 and all other amounts payable under the Lease,
- 2 amounts payable from any deposit held as security for performance of your obligations under the Lease,
- 3 any profits, damages, compensation, settlement or expenses awarded or agreed as a result of any claim made by us under the Lease,
- 4 any amount payable or the value of any consideration to be given by or on behalf of you for the surrender or variation of the Lease,
- 5 any interest payable on any amount referred to above,
- 6 value added tax on any amount referred to above,

(together the "**Rental Income**")

We irrevocably instruct and authorise you notwithstanding any previous instructions which we may have given to you to the contrary to pay all Rental Income to our account at [] (Account No []) under reference [] (the "**Rent Account**") or to such other account and/or bank as may from time to time be notified to you by the Security Trustee all moneys forming part of the Rental Income and otherwise to act in accordance with the instructions of the Security Trustee in connection with the Rental Income

This notice and any non-contractual obligations arising out of or in connection with this notice are governed by the law of England

Would you please acknowledge receipt of this notice and your acceptance of the instructions and authorisations contained in it by signing the attached form of acknowledgement and returning it to the Security Trustee at []

Yours faithfully,

CALREC AUDIO LIMITED

Part 2
Acknowledgement

To []

[Date]

Dear Sirs,

We acknowledge receipt of a notice (a copy of which is attached) dated [] and addressed to us by Calrec Audio Limited (the "**Chargor**") Expressions defined in such notice have the same meanings in this acknowledgement

We acknowledge and confirm that

- 1 we will pay the Rental Income into the Rent Account or to such other account and/or bank as the Security Trustee may from time to time notify to us,
- 2 we have not, as at the date of this letter, received any notice that any third party has or will have any right or interest in or has made or will be making any claim or demand or taking any action against the Rental Income

This acknowledgement and any non-contractual obligations arising out of or in connection with this acknowledgement are governed by the law of England and in connection with any proceedings with respect to this acknowledgement and any such non-contractual obligations we submit to the jurisdiction of the Courts of England for your exclusive benefit

Yours faithfully,

[]

SCHEDULE 6

Part 1

Form of notice to Account Bank

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

Dated []

Dear Sirs

We refer to the account of [] (the "Chargor") with you numbered []

We give you notice that, by a debenture dated [insert] 2014 the Chargor has charged to Electra Partners LLP (the "Security Trustee") by way of fixed charge its interest in and to the money from time to time standing to the credit of the account referred to above (the "Charged Account") and to all interest (if any) accruing on the Charged Account

We irrevocably authorise and instruct you until you receive written notice from the Security Trustee to the contrary

- 1 to pay all or any part of monies from time to time standing to the credit of the Charged Account to the Security Trustee (or as it may direct) promptly following receipt of written instructions from the Security Trustee to that effect,
- 2 to disclose to the Security Trustee any information relating to the Chargor and the Charged Account which the Security Trustee may from time to time request you to provide, and
- 3 not to permit the Chargor to receive, withdraw or otherwise transfer any credit balance from time to time on the Charged Account without first obtaining the consent in writing of the Security Trustee

This notice and any non-contractual obligations arising out of or in connection with this notice are governed by the law of England

Would you please acknowledge receipt of this letter and your acceptance of the above by signing the attached form of acknowledgement and returning it to the Security Trustee at []

Yours faithfully,

CALREC AUDIO LIMITED

Part 2
Acknowledgement

To []

[Date]

Dear Sirs,

We acknowledge receipt of a notice (a copy of which is attached) dated [] and addressed to us by Calrec Audio Limited (the "**Chargor**") Expressions defined in such notice have the same meanings in this acknowledgement

We acknowledge and confirm that

- 1 we accept the instructions in the notice and will act in accordance with the provisions of such notice until the Security Trustee notifies us in writing that the notice is revoked,
- 2 we have not received notice that any third party has any interest in the Charged Account,
- 3 we have not claimed or exercised, nor will we claim or exercise against the Chargor, any right of set-off, lien, combination of accounts, counterclaim or other right relating to the Charged Account

This acknowledgement and any non-contractual obligations arising out of or in connection with this acknowledgement are governed by the law of England and in connection with any proceedings with respect to this acknowledgment and any such non-contractual obligations we submit to the jurisdiction of the Courts of England for your exclusive benefit

Yours faithfully,

[]

EXECUTED by
CALREC AUDIO LIMITED
acting by a director
in the presence of

)
)
)
)



Director

Signature of witness



Name of witness


KATE SINGER

Address of witness

TAYLOR WESSING LLP
5 NEW STREET SQUARE
LONDON EC4A 3TW

EXECUTED by
ELECTRA PARTNERS LLP
acting by its duly authorised attorney
in the presence of

)
)
)
)



Attorney

Signature of witness



Name of witness

KATE SINGER

Address of witness

TAYLOR WESSING LLP
5 NEW STREET SQUARE
LONDON EC4A 3TW