



Registration of a Charge

Company name: **PCF BANK LIMITED**

Company number: **02794633**



X805H7TC

Received for Electronic Filing: **27/02/2019**

Details of Charge

Date of creation: **22/02/2019**

Charge code: **0279 4633 0005**

Persons entitled: **LEUMI ABL LIMITED AS SECURITY TRUSTEE FOR THE SECURED PARTIES**

Brief description: **NOT APPLICABLE.**

Contains fixed charge(s).

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.**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 2794633

Charge code: 0279 4633 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 22nd February 2019 and created by PCF BANK LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 27th February 2019 .

Given at Companies House, Cardiff on 28th February 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**



Dated 22 February 2019

PCF BANK LIMITED
as Chargor

LEUMI ABL LIMITED
as Security Agent

SECURITY AGREEMENT

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This Security Agreement is dated

22 February

2019

Between:

- (1) **PCF BANK LIMITED**, a company incorporated in England and Wales (registered number 02794633) with its registered office at Pinners Hall, 105-108 Old Broad Street, London, EC2N 1ER (the **Chargor**) in favour of:
- (2) **LEUMI ABL LIMITED**, a company incorporated in England and Wales (registered number 00620951), with its registered office at 126 Dyke Road, Brighton, East Sussex, BN1 3TE, as security trustee for the Secured Parties on the terms and conditions set out in the Facility Agreement (the **Security Agent**, which expression shall include any person for the time being appointed as trustee or as an additional trustee for the purpose of, and in accordance with, the Facility Agreement).

It is agreed as follows:

1 Definitions and Interpretation

1.1 Definitions

Terms defined in the Facility Agreement shall have the same meaning when used in this Security Agreement unless otherwise defined herein or therein (as applicable) and in addition the following words and expressions where used in this Security Agreement shall have the meanings given to them below:

Act means the Law of Property Act 1925

Collateral Rights means all rights, powers and remedies of the Security Agent provided by or pursuant to this Security Agreement or by law

Collections Account means the sterling bank account of the Chargor with the Account Bank in England with account number 34673539 and sort code 60-40-05 and/or any other account with the Account Bank which is designated by the Chargor and the Agent as the "Collections Account", as the same may be redesignated or renumbered from time to time (including any sub-accounts thereof)

Enforcement Event means the occurrence of an event which results in the Security created by or pursuant to this Security Agreement becoming enforceable in accordance with clause 10.1 (Enforcement)

Facility Agreement means the facility agreement dated on or about the date of this Security Agreement and made between, amongst others, the Chargor as borrower, servicer and original guarantor, PCF Group Plc as parent and Leumi ABL Limited as arranger and original lender

Related Rights means, in relation to the Charged Property:

- (a) the proceeds of sale of any part of the Charged Property
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of the Charged Property
- (c) all rights, benefits, claims, contracts, warranties, remedies, Security, indemnities or covenants for title in respect of the Charged Property and

- (d) any monies and proceeds paid or payable in respect of the Charged Property

Secured Obligations means all obligations covenanted to be discharged by the Chargor in clause 2 (Payment of Secured Obligations)

Secured Parties has the meaning given to the term in the Facility Agreement

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

Specific Contracts means the Account Bank Agreement, all Customer Loan Documentation in respect of each Eligible Customer Loan and any other document designated by the Security Agent and the Chargor as a Specific Contract from time to time

1.2 Interpretation

In this Security Agreement:

- (a) the rules of interpretation contained in clause 1.2 (*Construction*) of the Facility Agreement shall apply to the construction of this Security Agreement;
- (b) any reference to the **Security Agent**, the **Chargor**, the **Agent** or the **Secured Parties** shall be construed so as to include its or their (and any subsequent) successors and any permitted transferees in accordance with their respective interests; and
- (c) references in this Security Agreement to any clause or Schedule shall be to a clause or schedule contained in this Security Agreement.

1.3 Third party rights

- (a) Unless expressly provided to the contrary in this Security Agreement a person who is not a party to this Security Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 (the **Third Parties Act**) to enforce or enjoy the benefit of any term of this Security Agreement.
- (b) Notwithstanding any term of this Security Agreement, the consent of any person who is not a party to this Security Agreement is not required to rescind or vary this Security Agreement at any time.

1.4 Deed

It is intended that this Security Agreement takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

2 Payment of Secured Obligations

2.1 Covenant to pay

The Chargor hereby covenants with the Security Agent (as trustee for the Secured Parties) that it shall discharge all obligations, as and when they fall due in accordance with their terms, which the Obligors may at any time have to the Security Agent (whether for its own account or as trustee for the Secured Parties) or any of the other Secured Parties under or pursuant to the Finance Documents (including this Security Agreement) including any liabilities in respect of any further advances made under the Finance Documents, whether present or future, actual or contingent (and whether incurred solely or jointly and whether as principal or as surety or in

some other capacity). The Chargor shall pay to the Security Agent when due and payable every sum at any time owing, due or incurred by the Chargor to the Security Agent (whether for its own account or as trustee for the Secured Parties) or any of the other Secured Parties in respect of any such liabilities, **provided that** neither such covenant nor the Security constituted by this Security Agreement shall extend to or include any liability or sum which would, but for this proviso, cause such covenant or Security to be unlawful or prohibited by any applicable law.

2.2 Interest on demands

If the Chargor fails to pay any sum on the due date for payment of that sum the Chargor shall pay interest on any such sum (before and after any judgment and to the extent interest at a default rate is not otherwise being paid on such sum) from the date of demand until the date of payment calculated on a daily basis at the rate determined by and in accordance with the provisions of clause 10.3 (*Default Interest*) of the Facility Agreement (without double counting in respect of such provision in the Facility Agreement).

3 Fixed charges, assignments and floating charge

3.1 Fixed charges

The Chargor hereby charges with full title guarantee in favour of the Security Agent (as trustee for the Secured Parties) as security for the payment and discharge of the Secured Obligations, by way of first fixed charge:

- (a) all the Chargor's present and future right, title and interest from time to time in and to the Collections Account;
- (b) all monies from time to time standing to the credit of the Collections Account;
- (c) to the extent that any assignment in clause 3.2 is ineffective as an assignment, the assets referred to in that clause.

3.2 Assignments

- (a) The Chargor hereby assigns with full title guarantee to the Security Agent as trustee for the Secured Parties as security for the payment and discharge of the Secured Obligations, subject to a proviso for re-assignment on redemption, all the Chargor's right, title and interest from time to time in and to each of the Specific Contracts and their Related Rights, in each case both present and future.
- (b) The Chargor shall remain liable to perform all its obligations under the Specific Contracts.
- (c) Notwithstanding the other terms of this clause 3.2, prior to the occurrence of an Enforcement Event which is continuing (and in respect of which the Agent has exercised any of its rights under paragraphs (b) or (c) of clause 24.18 (*Acceleration*) of the Facility Agreement), the Chargor may, subject to the other terms of the Finance Documents, continue to exercise all and any of its rights under and in connection with the Specific Contracts.

4 Perfection of Security

4.1 Notices of assignment and charge in respect of Specific Contracts

The Chargor shall deliver to the relevant counterparty (with a copy to the Security Agent) in respect of each Specific Contract assigned pursuant to clause 3.2 (Assignments), a notice of assignment substantially in the form set out in The Schedule (*Form of Notice of Assignment of Specific Contract*) (or, in the case of the Account Bank Agreement, such form as agreed by the Chargor and the Security Agent prior to the date of this Security Agreement) duly executed by it:

- (a) in respect of any Specific Contract which constitutes Customer Loan Documentation in respect of an Eligible Customer Loan promptly following a request by the Security Agent after the occurrence of an Enforcement Event which is continuing (and in respect of which the Agent has exercised any of its rights under paragraphs (b) or (c) of clause 24.18 (*Acceleration*) of the Facility Agreement); and
- (b) in respect of any Specific Contract which is not Customer Loan Documentation, promptly following execution of this Security Agreement or promptly upon the Chargor entering into that Specific Contract and in each case within 1 Business Day of the same and in each case the Chargor shall use all reasonable endeavours to procure that each notice is acknowledged promptly by the relevant counterparty.

4.2 Notice of charge in respect of the Collections Account

- (a) The Chargor shall give notice in the form specified in part 3 of the Schedule to the Account Bank where the Collections Account is held that the Chargor has created a fixed charge over the balance standing to the credit of that Collection Account.
- (b) The Chargor shall give the notice(s) referred to in clause 4.2(a):
 - (i) in the case of a Collections Account held by the Chargor as the date of this Deed, on the date of this Deed; and
 - (ii) in the case of a Collections Account opened after the date of this Deed, on that Collections Account being opened.
- (c) The Chargor shall use reasonable endeavours to procure that the recipient of such notice acknowledges that notice in substantially the form specified in part 4 of the Schedule within 5 Business Days of that notice being given.

5 Further Assurance

5.1 Necessary action

The Chargor shall at its own expense take all such action as the Security Agent or any Receiver or administrator may reasonably request (including making all filings and registrations) for the purpose of the creation, perfection, protection, confirmation or maintenance of any Security created or intended to be created in favour of the Security Agent or any Receiver or administrator by or pursuant to this Security Agreement.

5.2 Implied covenants for title

The obligations of the Chargor under this Security Agreement shall be in addition to the covenants for title deemed to be included in this Security Agreement by virtue of Part 1 of the Law of Property (Miscellaneous Provisions) Act 1994.

5.3 Validity of security

The Chargor shall not do or cause or permit to be done anything which is reasonably likely to in any way jeopardise or otherwise prejudice the validity and enforceability of the Security created or intended to be created by this Security Agreement.

6 Negative Pledge and Disposals

6.1 Security

The Chargor shall not (and shall not agree to) without the prior written consent of the Security Agent at any time during the subsistence of this Security Agreement, create or permit to subsist any Security over all or any part of the Charged Property other than Permitted Transactions.

6.2 No disposal of interests

The Chargor shall not (and shall not agree to) without the prior written consent of the Security Agent at any time during the subsistence of this Security Agreement, except as expressly permitted pursuant to the Facility Agreement or by this clause 6 (including, without limitation, any Permitted Transaction or the application of any cash in accordance with clause 23 (*Accounts*) of the Facility Agreement):

- (a) execute any transfer or assignment of, or other right to use all or any part of the Charged Property; or
- (b) create any legal or equitable estate or other interest in, or over, or otherwise relating to, all or any part of the Charged Property; or
- (c)
 - (i) grant or vary, or accept any surrender, or cancellation or disposal of, any licence, consent or other right to use, in relation to any of the Charged Property; or
 - (ii) allow or grant any person any licence or right to use or to become entitled to assert any proprietary interest in, or right over, the Charged Property, which may, in each case, adversely affect the validity, enforceability or value of any of the Charged Property or the ability of the Security Agent to exercise any of the Collateral Rights; or
- (d) assign or otherwise dispose of any interest in the Collections Account and no right, title or interest in relation to the Collections Account maintained with the Security Agent, or the credit balance standing to the Collections Account shall be capable of assignment or other disposal; or
- (e) lend or otherwise dispose of, or grant any rights (whether of pre-emption or otherwise) over, all or any part of the Related Rights.

7 Collections Account

7.1 Collections Account: operation before an Event of Default

Prior to the occurrence of an Account Blocking Event which is continuing, the Chargor shall be entitled to operate the Collections Account subject to the terms of the Facility Agreement.

7.2 Collections Account: operation after an Event of Default

After the occurrence of an Account Blocking Event which is continuing, the Chargor shall not be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on the Collections Account except with the prior consent of the Security Agent.

7.3 Collections Account: application of monies

Upon the Security constituted by this Security Agreement becoming enforceable pursuant to clause 10.1 (Enforcement), the Security Agent shall be entitled without notice to apply, transfer or set-off any or all of the credit balances from time to time on the Collections Account in or towards the payment or other satisfaction of all or part of the Secured Obligations in accordance with clause 14 (Application of monies).

7.4 Collections Account: representations

The Chargor represents to the Security Agent on the date of this Security Agreement and on each day prior to the release of the Security constituted by this Security Agreement in accordance with clause 18.1 (Redemption of security) that:

- (a) the Collections Account is the subject of an appropriate mandate in form and content reasonably satisfactory to the Security Agent which shall be irrevocable until such time as each of the Security Agent and the Chargor shall otherwise agree;
- (b) no party (other than the Account Bank) has any rights of set-off or counterclaim in respect of the Collections Account; and
- (c) the Collections Account is not the subject of any claim, assertion, right, action or other restriction or arrangement of whatever nature which does or may impinge upon the ownership of the Collections Account by the Chargor (other than any rights of set-off or counterclaim held by the Account Bank).

8 Collections held on trust

8.1 The Chargor shall ensure that all Collections are promptly collected into the Collections Account and dealt with in accordance with the terms of the Facility Agreement.

8.2 Collections received by the Chargor into an account other than the Collections Account or otherwise received by the Chargor but which have not been paid into the Collections Account shall in each case be transferred to the Collections Account pursuant to the terms of the Facility Agreement and such Collections shall be held on trust by the Chargor for the Security Agent on behalf of the Secured Parties prior to such transfer to the Collections Account being made.

9 Specific Contracts

The Chargor shall not at any time during the subsistence of this Security Agreement make or agree to make any amendments, variations or modifications to the Specific Contracts or waive any of its rights under the Specific Contracts, without the prior written consent of the Security

Agent except, in the case of any Customer Loan Documentation, to the extent not prohibited pursuant to the terms of the Facility Agreement.

10 Enforcement of Security

10.1 Enforcement

At any time after the occurrence of an Event of Default which is continuing and in respect of which the Agent has exercised any of its rights under clause 24.18 (Acceleration) of the Facility Agreement, or if the Chargor requests the Security Agent to exercise any of its powers under this Security Agreement, the Security created by or pursuant to this Security Agreement shall become immediately enforceable and the Security Agent may, without notice to the Chargor or prior authorisation from any court, in its absolute discretion:

- (a) enforce all or any part of that Security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Charged Property and the Security Agent (or its nominee(s)) shall have an immediate and absolute power of sale or other disposition over the Charged Property (including, without limitation, the power to execute, seal, deliver or otherwise complete any transfers or other documents required to vest any of the Related Rights in the Security Agent, any of its nominees or in any purchaser of any Related Rights); and
- (b) whether or not it has appointed a Receiver, exercise all or any of the powers, authorities and discretions conferred by the Act (as varied or extended by this Security Agreement) on mortgagees and by this Security Agreement on any Receiver or otherwise conferred by law on mortgagees or Receivers.

10.2 No liability as mortgagee in possession

Neither the Security Agent nor any of its nominees nor any Receiver shall be liable to account as a mortgagee in possession in respect of all or any part of the Charged Property or be liable for any loss upon realisation or for any neglect, default or omission in connection with the Charged Property to which a mortgagee or mortgagee in possession might otherwise be liable, and in particular the Security Agent (or its nominee(s)) or any Receiver shall not be liable for any loss occasioned by any exercise or non-exercise of rights attached to the Related Rights.

10.3 Right of appropriation

To the extent that any of the Charged Property constitutes "financial collateral" and this Security Agreement and the obligations of the Chargor hereunder constitute a "security financial collateral arrangement" (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) (the **Regulations**)) the Security Agent shall have the right after an Enforcement Event has occurred to appropriate all or any part of such financial collateral in or towards discharge of the Secured Obligations. For this purpose, the parties agree that the value of such financial collateral so appropriated shall be in the case of cash, the amount standing to the credit of each of the Collection Account, together with any accrued but unposted interest, at the time the right of appropriation is exercised. In each case, the parties agree that the method of valuation provided for in this Security Agreement shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

10.4 Effect of moratorium

The Security Agent shall not be entitled to exercise its rights under clause 10.1 (Enforcement) or clause 12.1 (Appointment and removal) where the right arises as a result of an Event of Default occurring solely due to any person obtaining or taking steps to obtain a moratorium pursuant to Schedule A1 of the Insolvency Act 1986.

11 Extension and variation of the Act**11.1 Extension of powers**

The power of sale or other disposal conferred on the Security Agent, its nominee(s) and any Receiver by this Security Agreement shall operate as a variation and extension of the statutory power of sale under Section 101 of the Act and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Security Agreement.

11.2 Restrictions

The restrictions contained in Sections 93 and 103 of the Act shall not apply to this Security Agreement or to the exercise by the Security Agent of its right to consolidate all or any of the Security created by or pursuant to this Security Agreement with any other Security in existence at any time or to its power of sale, which powers may be exercised by the Security Agent without notice to the Chargor on or at any time after the occurrence of an Enforcement Event.

11.3 Transfer of Security

(a) At any time after the occurrence of an Enforcement Event, the Security Agent may:

- (i) redeem any prior Security against any Charged Property; and/or
- (ii) procure the transfer of any such Security to itself; and/or
- (iii) settle and pass the accounts of the prior mortgagee or chargee; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the Chargor.

(b) The Chargor shall pay to the Security Agent immediately on demand the costs and expenses incurred by the Security Agent in taking any action contemplated by clause 11.3(a), including the payment of any principal or interest.

11.4 Suspense account

If the Security created by this Security Agreement is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, the Security Agent (or any Receiver) may pay the proceeds of any recoveries effected by it into a suspense account.

12 Appointment of receiver**12.1 Appointment and removal**

At any time after the occurrence of an Enforcement Event or if requested to do so by the Chargor, the Security Agent may by deed or otherwise (acting through an authorised officer of the Security Agent), without prior notice to the Chargor:

- (a) appoint one or more persons to be a Receiver of the whole or any part of the Charged Property;
- (b) appoint two or more Receivers of separate parts of the Charged Property;
- (c) remove (so far as it is lawfully able) any Receiver so appointed; and
- (d) appoint another person(s) as an additional or replacement Receiver(s).

12.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to clause 12.1 (Appointment and removal) shall be:

- (a) entitled to act individually or together with any other person appointed or substituted as Receiver;
- (b) for all purposes shall be deemed to be the agent of the Chargor which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the Security Agent; and
- (c) entitled to remuneration for his services at a rate to be fixed by the Security Agent from time to time (without being limited to the maximum rate specified by the Act).

12.3 Statutory powers of appointment

The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of the Security Agent under the Act (as extended by this Security Agreement) or otherwise and such powers shall remain exercisable from time to time by the Security Agent in respect of any part of the Charged Property. Except as provided in clause 10.4 (Effect of moratorium), any restriction imposed by law on the right of a mortgagee to appoint a receiver (including under section 109(1) of the Act) does not apply to this Security Agreement.

13 Powers of receiver

Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up, liquidation or dissolution of the Chargor) have and be entitled to exercise, in relation to the Charged Property (and any assets of the Chargor which, when got in, would be Charged Property) in respect of which he was appointed, and as varied and extended by the provisions of this Security Agreement (in the name of or on behalf of the Chargor or in his own name and, in each case, at the cost of the Chargor):

- (a) all the powers conferred by the Act on mortgagors and on mortgagees in possession and on receivers appointed under the Act;
- (b) all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- (c) all the powers and rights of an absolute owner and power to do or omit to do anything which the Chargor itself could do or omit to do; and
- (d) the power to do all things (including bringing or defending proceedings in the name or on behalf of the Chargor) which seem to the Receiver to be incidental or conducive to (a) any of the functions, powers, authorities or discretions conferred on or vested in him or (b) the exercise of the Collateral Rights (including realisation of all or any part of the

Charged Property) or (c) bringing to his hands any assets of the Chargor forming part of, or which when got in would be, Charged Property.

14 Application of monies

All monies received or recovered by the Security Agent, its nominee(s) or any Receiver pursuant to this Security Agreement or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Act) be applied first in the payment of the costs, charges and expenses incurred and payments made by the Receiver, the payment of his remuneration and the discharge of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of his powers, and thereafter shall be applied by the Security Agent (notwithstanding any purported appropriation by the Chargor) in accordance with paragraph 7.1 of Schedule 13 of the Facility Agreement.

15 Protection of purchasers

15.1 Consideration

The receipt of the Security Agent, its nominee(s) or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Charged Property or making any acquisition, the Security Agent, its nominee(s) or any Receiver may do so for such consideration, in such manner and on such terms as it thinks fit.

15.2 Protection of purchasers

No purchaser or other person dealing with the Security Agent, its nominee(s) or any Receiver shall be bound to inquire whether the right of the Security Agent, such nominee(s) or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Security Agent, such nominee(s) or such Receiver in such dealings.

16 Power of attorney

16.1 Appointment and powers

The Chargor by way of security irrevocably appoints the Security Agent and any Receiver severally to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents and do all things which the attorney may consider to be required or desirable for:

- (a) carrying out any obligation imposed on the Chargor by this Security Agreement which the Chargor has failed to perform in accordance with the terms of this Security Agreement (including the completion, execution and delivery of any deeds, charges, assignments or other Security and any transfers of the Charged Property); and
- (b) enabling the Security Agent and any Receiver to exercise, or delegate the exercise of, any of the rights, powers, authorities and discretions conferred on them by or pursuant to this Security Agreement or by law and (without prejudice to the generality of the foregoing) to execute as a deed or under hand and deliver and otherwise perfect any deed, assurance, agreement, instrument or act which it may reasonably deem proper in or for the purpose of exercising any of such rights, powers, authorities and discretions.

16.2 Ratification

The Chargor shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers.

16.3 Security Agent's power to remedy breaches

If at any time the Chargor fails to perform any of the covenants contained in this Security Agreement it shall be lawful for the Security Agent, but the Security Agent shall have no obligation, to take such action on behalf of the Chargor (including, without limitation, the payment of money) as may in the Security Agent's or any other Secured Party's reasonable opinion be required to ensure that such covenants are performed. Any losses, costs, charges and expenses incurred by the Security Agent in taking such action shall be reimbursed by the Chargor on demand.

17 Effectiveness of security**17.1 Continuing security**

- (a) The Security created by or pursuant to this Security Agreement shall remain in full force and effect as a continuing security for the Secured Obligations unless and until the Secured Obligations have been irrevocably and unconditionally discharged in full and the Finance Parties have no further obligation to make any advance available to any Obligor pursuant to any Finance Document.
- (b) No part of the Security from time to time intended to be constituted by this Security Agreement will be considered satisfied or discharged by any intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations.

17.2 Cumulative rights

The Security created by or pursuant to this Security Agreement and the Collateral Rights shall be cumulative, in addition to and independent of every other Security which the Security Agent or any Secured Party may at any time hold for the Secured Obligations or any other obligations or any rights, powers and remedies provided by law. No prior Security held by the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties over the whole or any part of the Charged Property shall merge into the Security constituted by this Security Agreement.

17.3 No prejudice

The Security created by or pursuant to this Security Agreement and the Collateral Rights shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to the Chargor or any other person, or the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties or by any variation of the terms of the trust upon which the Security Agent holds the Security or by any other thing which might otherwise prejudice that Security or any Collateral Right.

17.4 Remedies and waivers

No failure on the part of the Security Agent to exercise, or any delay on its part in exercising, any Collateral Right shall operate as a waiver of that Collateral Right, nor shall any single or partial exercise of any Collateral Right preclude any further or other exercise of that or any other Collateral Right.

17.5 No liability

None of the Security Agent, its nominee(s) or any Receiver shall be liable by reason of (a) taking any action expressly permitted by this Security Agreement or (b) any neglect or default in connection with the Charged Property or (c) taking possession of or realising all or any part of the Charged Property.

17.6 Partial invalidity

If, at any time, any provision of this Security Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Security Agreement nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the Security intended to be created by or pursuant to this Security Agreement is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the Security.

17.7 Waiver of defences

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

- (a) any time, indulgence, waiver or consent granted to, or composition with, any person; or
- (b) the release of any person under the terms of any composition or arrangement with any creditor of the Chargor; or
- (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 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; or
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person; or
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature) or replacement of a Finance Document or any other document or Security or of the Secured Obligations (including, without limitation, any increase to the Secured Obligations as may be agreed by the Chargor from time to time); or
- (f) any unenforceability, illegality, invalidity, voidability or non-provability of any obligation of any person under any Finance Document or any other document or Security or of the Secured Obligations; or
- (g) any insolvency or similar proceedings.

17.8 Immediate recourse

The Chargor waives any right it may have of first requiring any Secured Party (or the Security Agent or agent on its behalf) to proceed against any other person or enforce any other rights or Security or claim payment from any person before claiming from the Chargor under this Security

Agreement. This waiver applies irrespective of any law or any provision of this Security Agreement to the contrary.

17.9 Deferral of rights

Until such time as the Secured Obligations have been discharged in full, the Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under this Security Agreement:

- (a) to be indemnified by any Obligor;
- (b) to claim any contribution from any guarantor of the Chargor's obligations under this Security Agreement or under any other Finance Document; and/or
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, this Security Agreement by any Secured Party.

18 Release of security

18.1 Redemption of security

Upon the Secured Obligations being discharged in full and none of the Secured Parties being under any further actual or contingent obligation to make advances or provide other financial accommodation to the Chargor or any Obligor under any of the Finance Documents, the Security Agent shall, at the request and cost of the Chargor, release and cancel the Security constituted by this Security Agreement and procure the reassignment to the Chargor of the property and assets assigned to the Security Agent pursuant to this Security Agreement, in each case subject to clause 18.2 (Avoidance of payments) and without recourse to, or any representation or warranty by, the Security Agent or any of its nominees.

18.2 Avoidance of payments

If the Security Agent considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws the liability of the Chargor under, and the Security created by, this Security Agreement shall continue and such amount shall not be considered to have been irrevocably paid.

19 Set-off

19.1 The Chargor authorises the Security Agent (but the Security Agent shall not be obliged to exercise such right) to set off any matured Secured Obligation against any matured obligation owed by the Security Agent to the Chargor, regardless of the place of payment, booking branch or currency of either the Secured Obligations or such obligation, and apply any credit balance to which the Chargor is entitled on any account with the Security Agent in accordance with clause 14 (Application of monies). If the Secured Obligations and such obligation are in different currencies, the Security Agent may convert either the Secured Obligations or such obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

19.2 Without prejudice to any right of set-off the Security Agent may have under any other Finance Document or otherwise, if any time deposit matures on any account the Chargor has with the Security Agent prior to the release of all of the Charged Property pursuant to clause 18.1 (Redemption of security) when:

- (a) an Enforcement Event has occurred; and
- (b) no Secured Obligation is due and payable,

that time deposit will automatically be renewed for any further maturity which the Security Agent considers appropriate.

20 Subsequent security interests

If the Security Agent (acting in its capacity as trustee or otherwise) or any of the other Secured Parties at any time receives or is deemed to have received notice of any subsequent Security affecting all or any part of the Charged Property or any assignment or transfer of the Charged Property which is prohibited by the terms of this Security Agreement or the Facility Agreement, all payments made thereafter by or on behalf of the Chargor to the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Obligations as at the time when the Security Agent received such notice.

21 Assignment

The Security Agent may only assign or transfer all or any of its rights or obligations under this Charge in accordance with the Facility Agreement.

22 Notices

The provisions of clause 33 (*Notices*) of the Facility Agreement shall apply to this Security Agreement.

23 Discretion and delegation

23.1 Discretion

Any liberty or power which may be exercised or any determination which may be made under this Security Agreement by the Security Agent or any Receiver may, subject to the terms and conditions of the Facility Agreement, be exercised or made or not exercised or made (as applicable) in its absolute and unfettered discretion or on the instructions of the Majority Lenders without any obligation to give reasons.

23.2 Delegation

Each of the Security Agent and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Security Agreement (including the power of attorney) on such terms and conditions as it shall see fit which delegation shall not preclude either the subsequent exercise any subsequent delegation or any revocation of such power, authority or discretion by the Security Agent or the Receiver itself. Neither the Security Agent nor any Receiver shall be in any way liable or responsible to the Chargor for any loss or damage arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate.

24 Counterparts

This Security Agreement 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 Security Agreement.

25 Governing law

This Security Agreement and all matters including non-contractual obligations arising out of or in connection with it are governed by English law.

26 Jurisdiction**26.1 English courts**

The courts of England have exclusive jurisdiction to settle any dispute arising out of, or connected with this Security Agreement (including a dispute regarding the existence, validity or termination of this Security Agreement or the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Security Agreement) (a **Dispute**).

26.2 Convenient forum

The parties to this Security Agreement agree that the courts of England are the most appropriate and convenient courts to settle Disputes between them and, accordingly, that they will not argue to the contrary.

26.3 Exclusive jurisdiction

This clause 26 is for the benefit of the Security Agent only. As a result and notwithstanding clause 26.1 (*English courts*), it does not prevent the Security Agent from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law the Security Agent may take concurrent proceedings in any number of jurisdictions.

This Security Agreement has been signed on behalf of the Security Agent and executed as a deed by the Chargor and is delivered by it on the date specified above.

The Schedule

Part 1 - Form of Notice of Assignment of Specific Contract

To: [Counterparty]

Date: [◆]

Dear Sirs,

We hereby give you notice that we have assigned to [Leumi ABL Limited] (**Security Agent**) pursuant to a security agreement entered into by us in favour of the Security Agent dated [◆] 2018 (the **Security Agreement**) all our right, title and interest in and to [insert details of contract] (the **Contract**) including all monies which may be payable to us in respect of the Contract.

With effect from the date of your receipt of this notice [(but subject always to the terms of the Contract)]¹:

- 1 all payments by you to us under or arising from the Contract should be made to us until such time as you receive notice from the Security Agent instructing you otherwise following the occurrence of an Enforcement Event (as defined in the Security Agreement) (**Payment Notice**). Upon receipt of a Payment Notice we instruct you to comply with all payment instructions in respect of any payments to be made under or arising from the Contract as set out in the Payment Notice;
- 2 upon your receipt of a Payment Notice from the Security Agent:
 - 2.1 all remedies provided for in the Contract or available at law or in equity are exercisable by the Security Agent;
 - 2.2 all rights to compel performance of the Contract are exercisable by the Security Agent although we shall remain liable to perform all the obligations assumed by it under the Contract; and
 - 2.3 all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Contract belong to the Security Agent to the exclusion of us and no changes may be made to the terms of the Contract otherwise than as provided for in the facility agreement between, among others, ourselves as arranger and original lender dated [◆] as amended and/or restated from time to time including on or around the date of the Security Agreement;
- 3 you are authorised and instructed, without requiring further approval from us, to provide the Security Agent with such information relating to the Contract as it may from time to time request and to send it copies of all notices issued by you under the Contract to the Security Agent as well as to us; and
- 4 these instructions may not be revoked, nor may the terms of the Contract be amended, varied or waived without the prior written consent of the Security Agent.

[Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning it to the Security Agent at [◆] marked for the attention of [◆].]

Yours faithfully,

.....
for and on behalf of

¹ To be inserted only in relation to the Account Bank Agreement.

PCF Bank Limited

Part 2 - Form of acknowledgement of notice of assignment

[To: [Leumi ABL Limited] as Security Agent

Date: [◆]

We acknowledge receipt of a notice in the terms set out above and confirm that we have not received notice of any previous assignments or charges of or over any of the rights, interests and benefits in and to the Contract and that we will comply with the terms of that notice.

We further confirm that no amendment, waiver or release of any of such rights, interests and benefits arising under the Contract shall be effective without the prior written consent of the Security Agent, unless it is of a minor technical or non-operational nature or in any way which could not be reasonably expected materially and adversely to affect the interests of the Security Agent.

For and on behalf of [*Counterparty*]

By:]

Part 3 - Form of Notice of charge of Collections Account

To: [Account Bank]

Date: [◆]

Dear Sirs,

Account number: ◆ (Collections Account)

Sort code: ◆

Account holder: PCF Bank Limited

We hereby notify you that we have charged to ◆ (Security Agent), as security trustee for itself and certain financial institutions, all our right, title and interest in and to the monies from time to time standing to the credit of the Collections Account.

We refer to the account bank agreement dated on or around the date of this notice between ourselves, the Security Agent and yourselves (**Account Bank Agreement**).

We hereby irrevocably and unconditionally authorise and instruct you to operate the Collections Account in accordance with the terms of the Account Bank Agreement.

We also advise you that the provisions of this notice may only be revoked or varied with the prior written consent of the Security Agent.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning it to the Security Agent and the other copy to us.

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

Yours faithfully,

.....
for and on behalf of
PCF Bank Limited

Part 4 - Form of acknowledgement of notice of charge

To: [name of Security Agent] (**Security Agent**), as security trustee for itself and certain financial institutions

[address]

To: PCF Bank Limited (**Chargor**)

Date: [◆]

Dear Sirs

We refer to the notice of charge dated [insert date of notice] provided to us by the Chargor, and the account(s) listed in that notice (the **Security Account(s)**). We further refer to the account bank agreement entered into on [date of ABA] by, amongst others, National Westminster Bank plc and the Chargor (the **Account Bank Agreement**).

Subject to the Account Bank Agreement, we note that the Chargor is free to continue to operate the Security Account(s) until such time as the Security Agent provides us with notice to the contrary. Any such notice must be provided to [Financial Institutions, 9th Floor, 250 Bishopsgate, London EC2M 4AA].

We confirm that:

- (i) if you provided a copy of the charge document, we have not reviewed this and are not on notice of any provision contained in it, other than any provisions set out in the notice of charge detailed above;
- (ii) subject to the Account Bank Agreement, we will be entitled to rely upon any instruction or notice purporting to be from the Security Agent in relation to any Security Account without further enquiry or investigation into: (a) the identity of individuals providing such instruction or notice; or (b) whether a default or other event allowing the Security Agent to provide such instruction or notice has in actual fact occurred;
- (iii) subject to the Account Bank Agreement, we do not waive any rights of set-off, lien, netting, combination or consolidation which we may have now or in the future in respect of any Security Account or any monies standing to the credit of it;
- (iv) we, at the department specified above, have not, at the date of this acknowledgment, received any prior notice of charge in relation to any Security Account, provided that we shall be under no obligation to update the Chargor or the Security Agent in this respect.

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

Yours faithfully

[For and on behalf of National Westminster Bank Plc]

SIGNATURES

The Chargor

EXECUTED as a DEED

By: **PCF BANK LIMITED**

Director

In the presence of:

Witness Signature:

Witness Name:

ALMA SHARANDACHE

Witness Address:

The Security Agent

SIGNED as a DEED

By: **LEUMI ABL LIMITED**

Attorney for Leumi ABL Limited

Attorney for Leumi ABL Limited

as attorney for

Leumi ABL Limited

under a power of attorney dated

14 August 2012 in the presence of:

Name:

Address:

Occupation:

SIGNATURES

The Chargor

EXECUTED as a DEED

By: PCF BANK LIMITED

Director

In the presence of:

Witness Signature:

Witness Name:

Witness Address:

The Security Agent

SIGNED as a DEED

By: LEUMI ABL LIMITED

 Paul Hird

Attorney for Leumi ABL Limited

 Kevin Yates

Attorney for Leumi ABL Limited

as attorney for
Leumi ABL Limited
under a power of attorney dated
14 August 2012 in the presence of:

Name: **Luke Dolman**

Address:

Occupation: **Transaction Support**

Leumi ABL Ltd
Pacific House
126 Dyke Road
Brighton
East Sussex
BN1 3TE