



Registration of a Charge

Company name: **ZOGGS INTERNATIONAL LTD**

Company number: **02895315**



X7FVG8AH

Received for Electronic Filing: **04/10/2018**

Details of Charge

Date of creation: **25/09/2018**

Charge code: **0289 5315 0009**

Persons entitled: **RISK CAPITAL PARTNERS LLP**

Brief description: **1. THE DOMAIN NAME BUYZOGGS.CO.UK WITH THE PROVIDER FASTHOSTS INTERNET LTD; AND 2. THE DOMAIN NAME SHOPZOGGS.CO.UK WITH THE PROVIDER FASTHOSTS INTERNET LTD. (SEE SCHEDULE 6 (PART 2) OF THE INSTRUMENT FOR FURTHER DETAILS)**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **CMS CAMERON MCKENNA NABARRO OLSWANG LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 2895315

Charge code: 0289 5315 0009

The Registrar of Companies for England and Wales hereby certifies that a charge dated 25th September 2018 and created by ZOGGS INTERNATIONAL LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 4th October 2018 .

Given at Companies House, Cardiff on 8th October 2018

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATE: 25 SEPTEMBER 2018

DEBENTURE

Among

ZOGGS GROUP LIMITED
(as Parent)

THE COMPANIES LISTED IN SCHEDULE 1
(as Chargors)

and

RISK CAPITAL PARTNERS LLP
(as Loan Note Security Trustee)

*THIS DEBENTURE IS SUBJECT TO THE TERMS OF AN INTERCREDITOR DEED (AS DEFINED
HEREIN)*

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This Debenture is made on **25 SEPTEMBER** 2018

AMONG

- (1) **ZOGGS GROUP LIMITED** (registered in England with number 09514671) ("**Parent**");
- (2) The Subsidiaries of the Parent listed in schedule 1 (*The Original Chargors*) (together with the Parent, the "**Original Chargors**"); and
- (3) **RISK CAPITAL PARTNERS LLP**, a limited liability partnership incorporated in England (registered number OC322005) and having its registered office at 31 North Row, London, W1K 6DA as security agent and security trustee for the Secured Parties (defined below) (the "**Loan Note Security Trustee**").

WHEREAS:

- (A) Each Original Chargor enters into this Deed in connection with a secured loan note instrument dated on or around the date of this deed and made by the Parent.
- (B) The board of directors of each Original Chargor are satisfied that the giving of the security contained or provided for in this Deed is in the interests of that Original Chargor and each board has passed a resolution to this effect.
- (C) This Deed is subject to the terms of the Intercreditor Deed and the Security Trust Deed.
- (D) The Loan Note Security Trustee holds the benefit of this Deed on trust for the Secured Parties on the terms of the Security Trust Deed.

IT IS AGREED

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed (including the Recitals):

"**Account**" has the meaning given to it in clause 3.3(h) (*First fixed charges*);

"**Additional Chargor**" means a company which creates Security over its assets in favour of the Loan Note Security Trustee by executing a Security Deed of Accession;

"**Blocked Account**" means, prior to the Discharge Date, each Mandatory Prepayment Account and each Holding Account (each defined in the Senior Facilities Agreement);

"**Chargor**" means an Original Chargor or an Additional Chargor;

"**Chattels**" has the meaning given to it in clause 3.3(d) (*First fixed charges*);

"**Debt Document**" has the meaning given to that term in the Security Trust Deed;

"**Debts**" has the meaning given to it in clause 3.3(g) (*First fixed charges*);

"**Declared Default**" means a Secured Party exercising any of its rights under a Debt Document following and by reason of the occurrence of an Event of Default;

"**Delegate**" means any delegate, agent, nominee, attorney or co trustee appointed by the Loan Note Security Trustee;

"**Discharge Date**" has the meaning given to that term in the Intercreditor Deed;

"**Event of Default**" has the meaning given to that term in the Security Trust Deed;

“Fixtures” means in respect of any Secured Property, all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery now or at any time after the date of this Deed on that Secured Property;

“Floating Charge Assets” means all the assets and undertaking from time to time subject to the floating charge created under clause 3.4 (*Floating charge*);

“Group” has the meaning given to that term in the Loan Note Instrument;

“Insurance Policies” means, in respect of a Chargor, all policies of insurance, relating to the Secured Property present and future in which it has an interest;

“Intellectual Property” means:

- (a) all patents, trademarks, service marks, designs, design rights, business names, moral rights, inventions and all other registered or unregistered intellectual property rights;
- (b) all copyrights (including rights in software), database rights, domain names, source codes, brand names and all other similar registered or unregistered intellectual property rights;
- (c) all applications for intellectual property rights and the benefit of any priority dates attaching to such applications and all benefits deriving from intellectual property rights including royalties, fees, profit sharing agreements and income from licences;
- (d) all know-how, confidential information and trade secrets; and
- (e) all physical material in which any intellectual property might be incorporated,

including, without limitation, any of the same specified in schedule 6 (*Intellectual Property*);

“Intercreditor Deed” means the intercreditor deed dated on or around the date of this Deed and made between, among others, the Parent, the Original Chargors, the Senior Lender, and the Secured Subordinated Creditors (as defined therein);

“Investments” means any shares, stocks, debenture security, securities, bonds and investments of any type (other than the Subsidiary Shares) whatever, including but not limited to, negotiable instruments, certificates of deposit, eligible debt securities, interests in collective investment schemes, or other investments referred to in section 22 of, and as defined in Part II of Schedule 2 to, the Financial Services and Markets Act 2000 and Part III of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, whether certificated or uncertificated, physical or dematerialised, registered or unregistered, held by the relevant Chargor or by a trustee or clearance system or nominee;

“Loan Note Instrument” has the meaning given to that term in the Security Trust Deed;

“Majority Noteholders” has the meaning given to that term in the Loan Note Instrument;

“Party” means a party to this Deed;

“Permitted Disposal”:

- (a) prior to the Senior Discharge Date, has the meaning given to that term in the Senior Facilities Agreement;
- (b) following the Senior Discharge Date, means:
 - (i) of trading assets or stock (which is not the subject of any security in favour of the Loan Note Security Trustee or which is the subject of a floating charge

only in favour of the Loan Note Security Trustee) or cash (other than any cash which is the subject of a fixed charge in favour of the Loan Note Security Trustee) made by any member of the Group in the ordinary course of trading of the disposing entity;

- (ii) of an asset (other than any shares or business) by a Chargor (the “**Disposing Company**”) to another Chargor (the “**Acquiring Company**”) but if the Disposing Company has given Security over the asset, the Acquiring Company must give equivalent Security over that asset to the Loan Note Security Trustee substantially in the form of the Security provided by the Disposing Company to the Loan Note Security Trustee over that asset;
- (iii) of assets (other than any shares or businesses) in exchange (within 90 days or such longer period as the Loan Note Security Trustee may agree) for other assets comparable or superior as to type, value and quality;
- (iv) of obsolete or redundant vehicles, plant and equipment for cash;
- (v) of cash equivalent investments for cash or in exchange for other cash equivalent investments;
- (vi) arising as a result of any Permitted Security;
- (vii) any other disposal made with the prior written consent of the Loan Note Security Trustee;

“Permitted Security”:

- (a) prior to the Senior Discharge Date, has the meaning given to that term in the Senior Facilities Agreement;
- (b) following the Senior Discharge Date, means:
 - (i) any lien arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any member of the Group;
 - (ii) any netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements;
 - (iii) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of trading and on the supplier’s standard or usual terms and not arising as a result of any default or omission by any member of the Group;
 - (iv) any Security arising as a result of a disposal which is a Permitted Disposal;
 - (v) any Security entered into by a Chargor in respect of leasehold real property or otherwise in favour of landlords in the ordinary course of business;
 - (vi) any Security arising as a consequence of any finance or capital lease;
 - (vii) the rent deposit deed created 21 April 1999 by Zoggs International Limited in favour of Brenda Bull and Malcolm Bull;
 - (viii) any Security created with the prior written consent of the Loan Note Security Trustee;

“Permitted Transaction”:

- (a) prior to the Senior Discharge Date, has the meaning given to that term in the Senior Facilities Agreement;
- (b) following the Senior Discharge Date, means:
 - (i) any disposal required, financial indebtedness incurred, guarantee, indemnity or Security given, or other transaction arising, under the Debt Documents;
 - (ii) the solvent liquidation or reorganisation of any member of the Group which is not a Chargor so long as any payments or assets distributed as a result of such liquidation or reorganisation are distributed to other members of the Group;
 - (iii) transactions (other than (i) any sale, lease, licence, transfer or other disposal and (ii) the granting or creation of Security or the incurring or permitted to subsist of Financial Indebtedness) conducted in the ordinary course of trading on arm’s length terms;
 - (iv) any other transaction made with the prior written consent of the Loan Note Security Trustee;

“Premises” means any building on a Secured Property;

“Receiver” means any receiver, manager or administrative receiver appointed by the Loan Note Security Trustee in respect of any Chargor or any of the Secured Assets;

“Related Rights” means, in respect of any Investment or Subsidiary Share:

- (a) all monies paid or payable in respect of that Investment or Subsidiary Share (whether as income, capital or otherwise);
- (b) all shares, investments or other assets derived from that Investment or Subsidiary Share and
- (c) all rights derived from or incidental to that Investment or Subsidiary Share;

“Relevant Agreement” means any agreement designated as a Relevant Agreement by the Loan Note Security Trustee and the Parent in writing.

“Relevant Policies” means all Insurance Policies (other than key-man policies and policies in respect of third party liability) together with all monies payable in respect of those policies;

“Secured Assets” means, in respect of any Chargor, all of its assets and undertaking the subject of any Security created by, under or supplemental to, this Deed in favour of the Loan Note Security Trustee;

“Secured Loan Note Creditors” has the meaning given to that term in the Security Trust Deed;

“Secured Obligations” means, in respect of any Chargor, all monies and liabilities now or after the date of this Deed due, owing or incurred by that Chargor to the Secured Parties pursuant to the Debt Documents, in any manner and in any currency or currencies and whether present or future, actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety, together with all interest accruing on such monies and liabilities and all costs, charges and expenses incurred by the Loan Note Security Trustee under any Debt Document, except for any obligation which, if it were included here, would constitute unlawful financial assistance, or its equivalent in any other jurisdiction;

“Secured Parties” means the Loan Note Security Trustee, the Secured Loan Note Creditors, and any Receiver or Delegate and **“Secured Party”** means any of them;

“Secured Property” means at any time all freehold or leasehold or commonhold property which is (if leasehold of a term longer than 25 years remaining on the lease) subject to any Security created by, under or supplemental to this Deed;

“Security Deed of Accession” means a deed in the form set out in schedule 7 (*Form of Security Deed of Accession*) by which a person will become a party to this Deed as a Chargor;

“Security Period” means the period beginning on the date of this Deed and ending on the date on which the Loan Note Security Trustee is satisfied acting in good faith, that the Secured Obligations have been irrevocably and unconditionally satisfied in full and all facilities made available by the Secured Loan Note Creditors to the Parent (or any other Chargor) have been cancelled;

“Security Trust Deed” means the security trust deed entered into among the Original Chargors, the Secured Loan Note Creditors, and the Loan Note Security Trustee and dated on or around the date of this Deed;

“Senior Discharge Date” has the meaning given to that term in the Intercreditor Deed;

“Senior Facilities Agreement” means the facilities agreement originally dated 1 May 2015, as first amended and restated pursuant to an amendment and restatement agreement dated 10 March 2016, and as amended pursuant to an amendment agreement dated on or around the date of this Deed and entered into between, among others the Parent, the Original Chargors, and the Senior Lender;

“Senior Lender” means HSBC UK Bank PLC; and

“Subsidiary Shares” means, in respect of a Chargor, all shares present and future held by it in its Subsidiaries (including those listed in schedule 2 (*Subsidiary Shares*)).

1.2 Interpretation

- (a) Unless otherwise defined in this Deed a term defined in the Security Trust Deed has the same meaning when used in this Deed or any notices, acknowledgements or other documents issued under or in connection with this Deed.
- (b) In this Deed the term dispose includes any sale, lease, licence, transfer or loan.
- (c) Clause 1.2 (*Interpretation*) of the Security Trust Deed is incorporated in this Deed as if set out here in full but so that each reference in that clause to “this Deed” shall be read as a reference to this Deed.

1.3 Third party rights

- (a) Unless expressly provided to the contrary in any Debt Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed or any other Debt Document issued or entered into under or in connection with it.
- (b) Unless expressly provided to the contrary in any Debt Document the consent of any person who is not a Party is not required to rescind or vary this Deed or any other Debt Document entered into under or in connection with it.

1.4 Administration

- (a) Any reference in this Deed, or any other Debt Document entered into under or in connection with it, to the making of an administration order shall be treated as including a reference to the appointment of an administrator under paragraph 14 (by the holder of a qualifying floating charge in respect of a Charger's assets) or 22 (by a Chargor or the directors of a Chargor) of Schedule B1 to the Insolvency Act 1986 or any steps taken toward such order or appointment.
- (b) Any reference in this Deed or any other Debt Document entered into under or in connection with it, to making an application for an administration order by petition shall be treated as including a reference to making an administration application to the court under Schedule B1 to the Insolvency Act 1986, appointing an administrator under paragraph 14 or 22 of that Schedule, or giving notice under paragraph 15 or 26 of that Schedule of intention to appoint an administrator or any steps taken towards such application or notice.

1.5 Incorporated terms

The terms of the Debt Documents and of any side letters relating to the Debt Documents and the Secured Obligations are incorporated into this Deed to the extent required for any purported disposition of any Secured Assets contained in this Deed to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.6 Debt document

This Deed is a Debt Document and a Security Document.

1.7 Conflict with the Intercreditor Deed and Security Trust Deed

- (a) This Deed is subject to the terms of the Intercreditor Deed and the Security Trust Deed.
- (b) If there is any conflict or inconsistency between any provision of this Deed and any provision of the Intercreditor Deed or the Security Trust Deed, the provisions of this Intercreditor Deed or the Security Trust Deed (as applicable) shall prevail.
- (c) Prior to the Discharge Date, if there is any conflict or inconsistency between any provision of the Security Trust Deed and any provision of the Intercreditor Deed, the provisions of the Intercreditor Deed shall prevail.

1.8 Security Trust Deed

The Security Trustee holds the benefit of this Deed, this Security and all covenants, obligations and liabilities created pursuant to this Deed on trust for the Secured Parties pursuant to the terms of the Security Trust Deed.

1.9 Personal Liability

A director, officer or employee who signs in good faith a certificate or other document required to be delivered pursuant to a Debt Document on behalf of a member of the Group but which proves to be incorrect or misleading shall not incur any individual personal liability to the Loan Note Security Trustee provided such person did not act fraudulently or was grossly negligently or with wilful default in so signing such certificate or other document.

2. COVENANT TO PAY

Each Chargor covenants with the Loan Note Security Trustee to pay and discharge the Secured Obligations when they become due for payment and discharge.

3. CHARGING PROVISIONS

3.1 General

All Security created by a Chargor under clauses 3.2 to 3.4 inclusive is:

- (a) a continuing security for the payment and discharge of the Secured Obligations;
- (b) granted with full title guarantee;
- (c) granted in respect of all the right, title and interest (if any), present and future, of that Chargor in and to the relevant Secured Asset; and
- (d) granted in favour of the Loan Note Security Trustee.

3.2 Assignments

- (a) Each Chargor assigns (subject to a proviso for reassignment on redemption) the Relevant Agreements to which it is a party.
- (b) Following the Discharge Date, each Chargor assigns (subject to a proviso for reassignment on redemption) the Relevant Policies.
- (c) Each Chargor shall remain liable to perform all its obligations under the Relevant Agreements and the Relevant Policies to which it is a party.
- (d) Notwithstanding the other terms of this clause 3.2, prior to the occurrence of a Declared Default which is continuing, each Chargor may, subject to the other terms of the Debt Documents, continue to exercise all and any of its rights under and in connection with the Relevant Agreements and the Relevant Policies.

3.3 First fixed charges

Each Chargor charges by first fixed charge:

- (a) all interests and estates in any freehold, leasehold or commonhold property now or subsequently owned by it and, in each case, the Premises and Fixtures on each such property;
- (b) the proceeds of sale of its Secured Property and all licences to enter on or use any Secured Property;
- (c) the benefit of all other agreements, instruments and rights relating to its Secured Property;
- (d) all plant, machinery, vehicles, computers, office and other equipment, all furniture, furnishings, equipment and tools and any removals or replacement of them, (together “**Chattels**”) present and future and the benefit of all contracts, licences, warranties, maintenance contracts relating to them and any renewals and replacements of them;
- (e) the Subsidiary Shares together with all Related Rights;
- (f) the Investments together with all Related Rights;
- (g) all book and other debts due to the relevant Chargor and their proceeds (both collected and uncollected) (together “**Debts**”) and all rights, guarantees, security or other

collateral in respect of the Debts (or any of them) and the benefit of any judgment or order to pay a sum of money and all rights to enforce the Debts (or any of them);

- (h) all monies from time to time standing to the credit of each account held by the relevant Chargor with any bank, building society, financial institution or other person other than any Blocked Account (each an “Account”);
- (i) all its Intellectual Property;
- (j) all its goodwill and uncalled capital;
- (k) the benefit of all authorisations held or utilised by it in connection with its business or the use of any of its assets and the right to recover and receive compensation payable in respect of any of them; and
- (l) to the extent that any assignment in clause 3.2 is ineffective as an assignment, the assets referred to in that clause.

3.4 Floating charge

Each Chargor charges by way of first floating charge all its assets and undertaking wherever located both present and future other than any assets effectively charged by way of fixed charge or assigned under clauses 3.2 or 3.3.

3.5 Qualifying floating charge

This Deed contains a qualifying floating charge and paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by or under this Deed.

3.6 Conversion of floating charge to a fixed charge

The Loan Note Security Trustee may at any time by notice in writing to any Chargor convert the floating charge created under clause 3.4 into a fixed charge as regards any Floating Charge Asset as it shall specify in the notice if:

- (a) a Declared Default is continuing; or
- (b) in the opinion of the Loan Note Security Trustee (acting reasonably) that Floating Charge Asset is in danger of being seized or any legal process or execution is being enforced against that Floating Charge Asset, in which event, the conversion to a fixed charge shall only affect that Floating Charge Asset.

3.7 Automatic conversion of floating charge to a fixed charge

If (unless permitted in writing by the Loan Note Security Trustee or expressly permitted under the terms of any Debt Document):

- (a) a Chargor creates or attempts to create any Security over any of its Floating Charge Assets;
- (b) any person levies or attempts to levy any distress, attachment, execution or other legal process against any Floating Charge Asset; or
- (c) any corporate action, legal proceedings or other procedures or steps are taken for the winding up, dissolution, administration or reorganisation of any Chargor,

the floating charge created by this Deed will automatically and immediately without notice be converted into a fixed charge over the relevant assets or, in the circumstances described in clause 3.7(c), over all of the Floating Charge Assets of that Chargor.

3.8 Small company moratorium

Where a Chargor is an eligible company within the meaning of paragraphs 2 to 4 (inclusive) of Schedule A1 to the Insolvency Act 1986, then the obtaining of a moratorium, including any preliminary decision, or investigation in terms of paragraph 43 to Schedule A1 of the Insolvency Act 1986 shall not cause the floating charge created by this Deed to crystallise into a fixed charge, nor cause restrictions which would not otherwise apply to be imposed on the disposal of its property and assets by that Chargor.

4. CONTINUING SECURITY

4.1 The Security constituted by this Deed shall be continuing security and shall remain in full force and effect, unless and until discharged by the Loan Note Security Trustee regardless of any intermediate payment or discharge by any Chargor or any other person of the whole or any part of the Secured Obligations.

4.2 Recourse

The Security constituted by this Deed:

- (a) is in addition to any other Security which the Loan Note Security Trustee may hold at any time for the Secured Obligations (or any of them); and
- (b) may be enforced without first having recourse to any other rights of the Loan Note Security Trustee.

5. NEGATIVE PLEDGE

5.1 No Chargor shall create or permit to subsist any Security over any of its assets without the prior written consent of the Loan Note Security Trustee.

5.2 No Chargor shall:

- (a) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by a Chargor or any other member of the Group;
- (b) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
- (c) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
- (d) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

5.3 Clauses 5.1 and 5.2 do not apply to any Security or arrangement which is Permitted Security or a Permitted Transaction.

6. RESTRICTIONS ON DISPOSALS

6.1 No Chargor shall enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any Secured Assets.

6.2 Clause 6.1 does not apply to any Permitted Disposal or any Permitted Transaction.

7. FURTHER ASSURANCE

7.1 Each Chargor shall promptly do all such acts and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Loan Note Security Trustee may reasonably specify (and in such form as the Loan Note Security Trustee may reasonably require) in favour of the Loan Note Security Trustee or its nominee(s):

- (a) to create, perfect, protect and maintain the Security created or intended to be created under or evidenced by this Deed or for the exercise of any rights, powers and remedies of the Loan Note Security Trustee provided by or pursuant to this Deed or by law;
- (b) to confer on the Loan Note Security Trustee Security over any property and assets of that Chargor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to this Deed; and/or
- (c) (if a Declared Default is continuing) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created by or under this Deed.

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

7.3 Any document required to be executed by a Chargor under this clause 7 will be prepared at the cost of that Chargor.

8. LAND REGISTRY

8.1 Application for restriction

- (a) In relation to the Secured Properties, land and buildings situated in England and Wales title to which is registered or is to be registered at the Land Registry, each Chargor consents to an application being made to the Chief Land Registrar for registration of a restriction on the register of title of all present and future registered freehold, leasehold or commonhold property of that Chargor (and any unregistered properties subject to compulsory first registration at the date of this Deed).
- (b) Each Chargor confirms that so far as any of the Secured Property is unregistered, a Chargor is in actual occupation of such Property on an exclusive basis and, except by virtue of any leases, underleases, tenancies, licences or other agreements or arrangements giving rise to rights of occupation (in each case as amended) to which the Property is subject, no person, other than a Chargor, has any right (actual or contingent) to possession, occupation or use of or interest in the Secured Properties.

8.2 Tacking and further advances

The Secured Loan Note Creditors are, subject to the terms of the Debt Documents, under an obligation to make further advances to the Parent and this security has been made for securing such further advances. The Loan Note Security Trustee and each Chargor by this Deed consent to an application being made to the Chief Land Registrar to enter a note of such obligation on the register of title to all present and future registered property of that Chargor (and any unregistered properties subject to compulsory first registration at the date of this Deed).

9. NOTICES OF ASSIGNMENTS AND CHARGES

9.1 Relevant Agreements

- (a) Following the Discharge Date and upon request by the Loan Note Security Trustee, each Chargor which is party to a Relevant Agreement shall give notice in the form specified in part 1 (*Form of notice of assignment*) of schedule 3 to the other parties to each Relevant Agreement designated as such following the date of this Deed that the Chargor has assigned to the Loan Note Security Trustee all its right, title and interest in that Relevant Agreement.
- (b) The relevant Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice in substantially the form specified in part 2 (*Form of acknowledgement*) of schedule 3 within 5 Business Days of that notice being given.

9.2 Charge over accounts

- (a) Following the Discharge Date and upon request by the Loan Note Security Trustee, each Chargor holding an Account shall give notice in the form specified in part 1 (*Form of notice of charge*) of schedule 5 to the financial institution at which such Account is held that the Chargor has created a fixed charge over the balance standing to the credit of that Account.
- (b) The relevant Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice substantially in the form specified in part 2 (*Form of acknowledgement*) of schedule 5 within 5 Business Days of that notice being given.

9.3 Insurance Policies

- (a) Following the Discharge Date and upon request by the Loan Note Security Trustee, each Chargor which is an insured party under a Relevant Policy shall give notice in the form specified in part 1 (*Form of notice of charge*) of schedule 4 to each insurer under each Relevant Policy that the Chargor has assigned to the Loan Note Security Trustee all its right, title and interest in that Relevant Policy.
- (b) The relevant Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice substantially in the form specified in part 2 (*Form of acknowledgement*) of schedule 4 within 5 Business Days of that notice being given.

9.4 Register of Trade Marks

Following the Discharge Date, each Chargor as registered proprietor hereby appoints the Loan Note Security Trustee as its agent to apply for the particulars of this Deed and the Loan Note Security Trustee's interest in the Intellectual Property and any other or future trade marks or trade mark applications registered or to be registered in the United Kingdom in the name of that Chargor, to be made on the Register of Trade Marks under section 25(1) of the Trade Marks Act 1994. Each Chargor hereby agrees to execute all documents and forms reasonably required to enable such particulars to be entered on the Register of Trade Marks.

10. UNDERTAKINGS

Each Chargor undertakes to the Loan Note Security Trustee in accordance with this clause 10. The undertakings in this clause 10 shall remain in force during the Security Period.

10.1 Real property

(a) Access

It will permit the Loan Note Security Trustee and such person or persons as the Loan Note Security Trustee shall nominate at all reasonable times and on reasonable notice to enter on any part of its Secured Property.

(b) Future acquisitions and legal mortgage

It shall:

- (i) notify the Loan Note Security Trustee promptly of any acquisition of any freehold, leasehold or other interest in freehold or leasehold property where it shall have the benefit of any such property;
- (ii) provided the Discharge Date has occurred, at its cost, execute and deliver to the Loan Note Security Trustee on demand, a legal mortgage (in form and substance satisfactory to the Loan Note Security Trustee and in substantially the same terms as this Deed) in favour of the Loan Note Security Trustee of any freehold or leasehold (if leasehold of a term longer than 25 years remaining on the lease) or other interest in property which becomes vested in it after the date of this Deed;
- (iii) obtain any consents required for the Security referred to in this clause 10.1(b); and
- (iv) if applicable procure that notice of this Deed is noted in the appropriate manner on the title to any property which becomes vested in it after the date of this Deed.

(c) Deposit of title deeds

Following the Discharge Date, if requested and in so far as the Chargor is reasonably able to do so, it shall deposit with the Loan Note Security Trustee all deeds and documents to title relating to its Secured Property other than if already held by the Loan Note Security Trustee's solicitors on behalf of and to the Loan Note Security Trustee's order or at HM Land Registry for the purpose of registration.

(d) Outgoings

It will indemnify the Loan Note Security Trustee and any Receiver against all present and future rents, rates, taxes, assessments and outgoings of whatsoever nature imposed on or payable in respect of its Secured Property or any part of it or payable by the owner or occupier of it upon the same becoming due and payable.

10.2 Leases

(a) Lease and covenant compliance

It shall:

- (i) perform all the terms on its part contained in any lease or agreement for lease under which it holds an interest in a Secured Property or to which any of its Secured Property is subject;
- (ii) properly perform (and indemnify the Loan Note Security Trustee and each Receiver for any breach of) any covenants and stipulations of whatsoever nature affecting any of its Secured Property;
- (iii) as soon as reasonably practicable notify the Loan Note Security Trustee of any notice received by it under section 146 of the Law of Property Act 1925 or any proceedings commenced or steps taken against it for the forfeiture of any lease under which it holds an interest in a Secured Property,

in the case of (i) and (ii) above, where failure to do so will, or is reasonably likely to, be materially adverse to the Secured Parties.

(b) Landlord's consent

If under the terms of any lease under which it holds an interest in any Secured Property, the Chargor is not permitted to charge its interest in such Secured Property without the consent of the landlord;

- (i) it undertakes, provided that the Discharge Date has occurred, upon request of the Security Trustee and promptly to make an application for landlord's consent to the creation of the fixed charge contained in clause 3.3 (*First fixed charges*) and any charge to be created under clause 7 (*Further assurance*), shall use all reasonable endeavours to obtain such consent as soon as possible and shall keep the Loan Note Security Trustee (upon request acting reasonably) informed of the progress of its negotiations with such landlord;
- (ii) subject to clause 10.2(b)(iii) if the landlord indicates in writing that it proposes to commence, or commences an action of forfeiture of the lease, the Loan Note Security Trustee shall release from such fixed charge, the relevant Chargor's interest in the lease;
- (iii) clause 10.2(b)(ii) shall only apply where the relevant Chargor has complied with its obligations under clause 10.2(b)(ii), but the landlord has not given the consent requested of it;
- (iv) upon receipt by the Loan Note Security Trustee of evidence in writing of the unconditional consent of the landlord to the creation and existence of the fixed charge over the Chargor's interest in such lease, clause 10.2(b)(ii) shall cease to apply in respect of the relevant Secured Property.

(c) No variation to lease

Following the Discharge Date, it shall not without the prior written consent of the Loan Note Security Trustee alter or vary or agree to alter or vary the terms of any material lease under which it holds any Secured Property or any lease to which any Secured Property is subject, where failure to do so will, or is likely to be materially adverse to the Secured Parties.

(d) No surrender or termination

Following the Discharge Date, it shall not without the prior written consent of the Loan Note Security Trustee, surrender or otherwise terminate any lease under which it holds

a Secured Property or terminate, forfeit or accept a surrender of any lease to which any Secured Property is subject.

(e) Lease or right to occupy

Following the Discharge Date, it will not without the prior written consent of the Loan Note Security Trustee:

- (i) grant any lease or tenancy or exercise any other power of leasing of the whole or part of any Secured Property; or
- (ii) grant any person any contractual licence or the right to occupy any Secured Property or part with possession of it.

(f) Forfeiture

It shall not do or permit anything which may render any lease or agreement for lease under which it holds an interest in a Secured Property, or to which the Secured Property is subject, liable to forfeiture or otherwise determinable and where failure to do so will, or is likely to be materially adverse to the Secured Parties.

10.3 Chattels

Where failure to do so will, or is likely to be materially adverse to the Secured Parties:

- (a) it will keep all Chattels comprised in its Secured Assets in a good state of repair and in good working order and condition; and
- (b) it shall repair, as and when necessary any material defect or damage to any of its Chattels as soon as reasonably practicable and if it fails to do so the Loan Note Security Trustee may (acting reasonably), but shall not be obliged to, do so.

10.4 Subsidiary Shares and Investments

- (a) Following the Discharge Date and upon request from the Loan Note Security Trustee it shall:
 - (i) deliver to the Loan Note Security Trustee all certificates of title and other documents of title or evidence of ownership in respect of its Subsidiary Shares or Investments and the Related Rights; and
 - (ii) deliver to the Loan Note Security Trustee such transfer documents (with the transferee left blank) or any other documents as the Loan Note Security Trustee may require (acting reasonably) or otherwise request in respect of those Subsidiary Shares, Investments and Related Rights.
- (b) After the Discharge Date has occurred, on the date of acquisition of those Subsidiary Shares, Investments or Related Rights, it shall:
 - (i) deliver to the Loan Note Security Trustee all certificates of title and other documents of title or evidence of ownership in respect of its Subsidiary Shares or Investments and the Related Rights; and
 - (ii) deliver to the Loan Note Security Trustee such transfer documents (with the transferee left blank) or any other documents as the Loan Note Security Trustee may require (acting reasonably) or otherwise request in respect of those Subsidiary Shares, Investments and Related Rights.

- (c) Until a Declared Default has occurred and is continuing, it shall be entitled to receive and retain all dividends, distributions and other monies receivable in respect of its Subsidiary Shares, Investments and Related Rights.
- (d) It shall not exercise its voting and other rights in respect of its Subsidiary Shares, Investments and Related Rights in a manner which is reasonably likely to be prejudicial to the interests of the Loan Note Security Trustee.
- (e) It shall make all payments which may become due and payable in respect of any of its Subsidiary Shares, Investments and Related Rights. If it fails to make any such payments, the Loan Note Security Trustee may but shall not be obliged to make such payment on behalf of the relevant Chargor. Any sums so paid by the Loan Note Security Trustee shall be repayable by the relevant Chargor to the Loan Note Security Trustee on demand and pending such repayment shall constitute part of the Secured Obligations.
- (f) It shall remain liable to observe and perform all of the conditions and obligations assumed by it in respect of its Subsidiary Shares, Investments and Related Rights and the Loan Note Security Trustee shall not be required to perform or fulfil any obligation of any Chargor in respect of any Subsidiary Shares, Investments or Related Rights.
- (g) It shall comply with any notice served on it under Companies Act 2006 or pursuant to the articles of association or any other constitutional document of any relevant entity in respect of or in connection with the Subsidiary Shares, Investments or Related Rights and will, as soon as reasonably practicable provide to the Loan Note Security Trustee a copy of that notice.
- (h) It shall ensure that none of its Subsidiary Shares are converted into uncertificated form without the prior written consent of the Loan Note Security Trustee (consent not to be unreasonably withheld).
- (i) Following the Discharge Date and as soon as reasonably practicable on conversion of any of its Subsidiary Shares, Investment or Related Rights from a certificated to an uncertificated form, and on the acquisition by it of any Subsidiary Shares, Investments or Related Rights in an uncertificated form, it shall give such instructions or directions and take such other steps and enter into such documentation as the Loan Note Security trustee may (acting reasonably) require in order to protect or preserve the Security intended to be created by this Deed.

10.5 Insurance

- (a) Following the Discharge Date, it shall (and the Company shall ensure that each Chargor will) following a request from the Loan Note Security Trustee use reasonable endeavours to ensure that the name of the Loan Note Security Trustee be noted on each policy of insurance as mortgagee.
- (b) Following the Discharge Date, if a Chargor shall be in default of effecting or maintaining insurances or in producing any such policy or receipt to the Loan Note Security Trustee on demand, the Loan Note Security Trustee may (acting reasonably) take out or renew such insurances in any sum which the Loan Note Security Trustee may think expedient and all monies expended and costs incurred by the Loan Note Security Trustee under this provision shall be for the account of any such Chargor.

10.6 Book and other debts

It shall collect and realise the Debts in the ordinary course of business as agent for the Loan Note Security Trustee and pay their proceeds into the relevant Account on receipt. It shall hold all such proceeds on trust for the Loan Note Security Trustee pending payment of them into the relevant Account.

10.7 Intellectual Property

The Chargor shall:

- (a) do all acts as are reasonably practicable to maintain, protect and safeguard (including, without limitation, registration with all relevant authorities) its interest in the Intellectual Property and not discontinue the use of any of its Intellectual Property; and
- (b) take all such reasonable steps, including the commencement of legal proceedings, as may be necessary to safeguard and maintain the validity, reputation, integrity, registration or subsistence of its interest in the Intellectual Property, necessary for the business of the relevant Chargor,

in each case where a failure to do so is reasonably likely to be materially adverse to the Secured Parties.

10.8 General

It shall not do or cause or permit to be done anything which is or is reasonably likely to materially depreciate, jeopardise or otherwise materially prejudice the value to the Secured Parties of the Security (taken as a whole) created by or under this Deed except to the extent permitted by the Debt Documents or this Deed.

11. POWER TO REMEDY

- 11.1 If a Chargor fails to comply with any of the undertakings set out in clause 10 (*Undertakings*) it shall allow and irrevocably authorises the Loan Note Security Trustee and/or such persons as it shall nominate to take such action on behalf of that Chargor as shall be reasonably necessary to ensure that it complies with those undertakings.
- 11.2 If any Chargor fails to perform any obligation or other covenant affecting the Secured Property or other Security Asset, each Chargor shall permit the Loan Note Security Trustee or its agents and contractors:
 - (a) to enter on the Secured Property;
 - (b) to comply with or object to any notice served on any Chargor relating to the Secured Property or other Security Asset; and
 - (c) to take any action the Loan Note Security Trustee may reasonably consider expedient to prevent or remedy any breach of any such term or to comply with or object to any such notice.
- 11.3 Each Chargor shall within three (3) Business Days of demand indemnify the Loan Note Security Trustee against any cost, loss or liability incurred by it in taking any of the steps referred to in this clause 11.

12. SECURITY POWER OF ATTORNEY

Each Chargor, by way of security, irrevocably and severally appoints the Loan Note Security Trustee, each Receiver and any of their delegates or sub-delegates to be its attorney to take any action which the Chargor is obliged to take under this Deed (but has, after receiving written notice from the Loan Note Security Trustee or a Receiver requiring it to do so, failed to do) for so long as the Loan Note Security Trustee or Receiver considers (acting reasonably) necessary to do so. Each Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause 12.

13. ENFORCEMENT OF SECURITY

13.1 When security is enforceable

On the occurrence of any Declared Default which is continuing, the Security created by and under this Deed is immediately enforceable.

13.2 Acts of enforcement

The Loan Note Security Trustee may, at its absolute discretion, at any time after any Declared Default which is continuing:

- (a) enforce all or any part of the Security created by or under this Deed in any manner it sees fit;
- (b) exercise its rights and powers conferred upon mortgagees by the Law of Property Act 1925, as varied and extended by this Deed, and rights and powers conferred on a Receiver by this Deed, whether or not it has taken possession or appointed a Receiver to any of the Secured Assets;
- (c) appoint a Receiver to all or any part of the Secured Assets;
- (d) appoint an administrator in respect of any Chargor and take any steps to do so;
- (e) exercise its power of sale under section 101 of the Law of Property Act 1925 (as amended by this Deed); or
- (f) if permitted by law, appoint an administrative receiver in respect of any Chargor.

13.3 Right of appropriation

To the extent that the Security created by this Deed constitutes a “security financial collateral arrangement” and the Secured Assets constitute “financial collateral” for the purpose of the Financial Collateral Arrangements (No 2) Regulations 2003 (**Regulations**), the Loan Note Security Trustee shall have the right on giving prior notice to the relevant Chargor, at any time after the Security becomes enforceable, to appropriate all or any part of those Secured Assets in or towards discharge of the Secured Obligations. For this purpose, the parties agree that the value of the appropriated Secured Assets shall be, in the case of cash, the amount of cash appropriated and, in the case of Subsidiary Shares and Investments, determined by the Loan Note Security Trustee by reference to any available publicly available market price in the absence of which by such other means as the Loan Note Security Trustee (acting reasonably) may select including, without limitation, an independent valuation. For the purpose of Regulation 18(1) of the Regulations, each Chargor agrees that any such determination by the Loan Note Security Trustee will constitute a valuation “in a commercially reasonable manner”.

13.4 Statutory powers - general

- (a) For the purposes of all powers implied by statute, the Secured Obligations are deemed to have become due and payable on the date of this Deed.
- (b) Section 103 of the Law of Property Act 1925 and section 93 of the Law of Property Act 1925 do not apply to the Security constituted by or under this Deed.
- (c) The statutory powers of leasing conferred on the Loan Note Security Trustee are extended so that, without the need to comply with any provision of section 99 or section 100 of the Law of Property Act 1925, the Loan Note Security Trustee is empowered to lease and make agreements for lease at a premium or otherwise, accept surrenders of leases and grant options or vary or reduce any sum payable under any leases or tenancy agreements as it may think fit.
- (d) Each Receiver and the Loan Note Security Trustee is entitled to all the rights, powers, privileges and immunities conferred by the Law of Property Act 1925 and the Insolvency Act 1986 on mortgagees and Receivers.

13.5 Contingencies

If the Loan Note Security Trustee enforces the Security constituted by or under this Deed at a time when no amounts are due to the Loan Note Security Trustee under the Debt Documents but at a time when amounts may or will become so due, the Loan Note Security Trustee (or the Receiver) may pay the proceeds of any recoveries effected by it into an interest bearing suspense account except where such monies are sufficient to discharge the Secured Obligations in which case the monies will be so applied.

13.6 Mortgagee in possession - no liability

Neither the Loan Note Security Trustee nor any Receiver will be liable, by reason of entering into possession of a Secured Asset, to account as mortgagee in possession or for any loss on realisation (except actual receipts) or for any default or omission for which a mortgagee in possession might otherwise be liable.

13.7 Redemption of prior mortgages

At any time after the Security created by or under this Deed has become enforceable, the Loan Note Security Trustee may, at the sole cost of the Chargors (payable to the Loan Note Security Trustee on demand):

- (a) redeem any prior form of Security over any Secured Asset; and/or
- (b) procure the transfer of that Security to itself; and/or
- (c) settle and pass the accounts of any prior mortgagee, chargee or encumbrancer which once so settled and passed shall be conclusive and binding on the Chargors.

13.8 Subsidiary Shares and Investments - following a Declared Default

- (a) If there is a Declared Default which is continuing, each Chargor shall on request by the Loan Note Security Trustee:
 - (i) procure that each such transfer is as soon as reasonably practicable registered by the relevant company or other entity;
 - (ii) procure that, immediately on their issue, all share certificates or other documents of title in the appropriate form, in respect of the relevant Subsidiary

Shares, Investments and/or Related Rights, are delivered to the Loan Note Security Trustee in each case showing the registered holder as the Loan Note Security Trustee or its nominee or nominees (as applicable); and

- (iii) exercise all voting rights in respect of its Subsidiary Shares, Investments and Related Rights only in accordance with the instructions of the Loan Note Security Trustee.
- (b) On a Declared Default which is continuing, the Loan Note Security Trustee may complete any transfer documents held by it in respect of the Subsidiary Shares, the Investments and/or the Related Rights in favour of itself or such other person or nominee as it shall select.
- (c) Provided the Discharge Date has occurred, at any time after the Security created by or under this Deed has become enforceable, the Loan Note Security Trustee and its nominee or nominees may sell all or any of the Subsidiary Shares, Investments or Related Rights of the Chargors (or any of them) in any manner permitted by law and on such terms as the Loan Note Security Trustee shall in its absolute discretion determine.
- (d) If any Chargor receives any dividends, distributions or other monies in respect of its Subsidiary Shares, Investments and Related Rights at a time when the Loan Note Security Trustee has made a request under clause 13.8(a) or taken any steps to enforce the Security created by or under this Deed under clause 13.2, the relevant Chargor shall immediately pay such sums received directly to the Loan Note Security Trustee for application in accordance with clause 16 (*Application of monies*) and shall hold all such sums on trust for the Loan Note Security Trustee pending payment of them to such account as the Loan Note Security Trustee shall direct.

14. RECEIVER

14.1 Appointment of Receiver

(a)

- (i) At any time after any Security created by or under this Deed is enforceable, the Loan Note Security Trustee may appoint a Receiver to all or any part of the Secured Assets in accordance with clause 13.2(c) (*Acts of enforcement*).
- (ii) At any time, if so requested in writing by any Chargor, without further notice, the Loan Note Security Trustee may appoint a Receiver to all or any part of the Secured Assets as if the Loan Note Security Trustee had become entitled under the Law of Property Act 1925 to exercise the power of sale conferred under the Law of Property Act 1925.

- (b) Any Receiver appointed under this Deed shall be the agent of the relevant Chargor and that Chargor shall be solely responsible for his acts or defaults and for his remuneration and liable on any contracts or engagements made or entered into by him unless directly caused by his gross negligence or misconduct and in no circumstances whatsoever shall the Loan Note Security Trustee be in any way responsible for any misconduct, negligence or default of the Receiver.

- (c) Where a Chargor is an eligible company within the meaning of paragraphs 2 to 4 (inclusive) of Schedule A1 to the Insolvency Act 1986:

- (i) obtaining a moratorium; or
- (ii) anything done with a view to obtaining a moratorium including any preliminary decision or investigation in terms of paragraph 43 of Schedule A1 to the Insolvency Act 1986,

shall not be grounds for appointment of a Receiver.

14.2 Removal

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

14.3 Powers of Receiver

(a) General

- (i) In addition to those conferred by the Law of Property Act 1925 on any Receiver appointed under that Act, each Receiver has, and is entitled to exercise, all of the rights, powers and discretions set out in this clause 14.3.
- (ii) If there is more than one Receiver holding office at the same time, unless the document appointing him states otherwise, each Receiver may exercise all of the powers conferred on a Receiver under this Deed or under the Insolvency Act 1986 individually and to the exclusion of any other Receivers.
- (iii) A Receiver of a Chargor has all the rights, powers and discretions of an administrative receiver under the Insolvency Act 1986.

- (iv) A Receiver may, in the name of any Chargor:
 - (A) do all other acts and things which he may consider expedient for realising any Secured Asset; and
 - (B) exercise in relation to any Secured Asset all the powers, authorities and things which he would be capable of exercising if he were its absolute beneficial owner.

(b) **Borrow money**

A Receiver may raise and borrow money (either unsecured or on the security of any Secured Asset, either in priority to the security constituted by this Deed or otherwise) on any terms and for whatever purpose which he thinks fit. No person lending that money need enquire as to the propriety or purpose of the exercise of that power or to check the application of any money so raised or borrowed.

(c) **Carry on business**

A Receiver may carry on the business of any relevant Chargor as he thinks fit and, for the avoidance of doubt, a Receiver may apply for such Authorisations as he considers in his absolute discretion appropriate,

(d) **Compromise**

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of any relevant Chargor or relating in any way to any Secured Asset.

(e) **Delegation**

A Receiver may delegate his powers in accordance with clause 15 (*Delegation*).

(f) **Employees**

For the purposes of this Deed, a Receiver as he thinks appropriate, on behalf of the relevant Chargor or for itself as Receiver, may:

- (i) appoint and discharge managers, officers, agents, accountants, servants, workmen and others upon such terms as to remuneration or otherwise as he may think proper; and
- (ii) discharge any such persons appointed by the relevant Chargor.

(g) **Leases**

A Receiver may let any Secured Asset for any term and at any rent (with or without a premium) which he thinks proper and may accept a surrender of any lease or tenancy of any Secured Assets on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender).

(h) **Legal actions**

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings or submit to arbitration or any form of alternative dispute resolution in the name of the relevant Chargor in relation to any Secured Asset as he considers expedient.

(i) **Possession**

A Receiver may take immediate possession of, get in and collect any Secured Asset.

(j) **Protection of assets**

A Receiver may, in each case as he may think fit:

- (i) make and effect all repairs and insurances and do all other acts which the relevant Chargor might do in the ordinary conduct of its business be they for the protection or for the improvement of the Secured Assets;
- (ii) commence and/or complete any building operations on the Secured Property or other Secured Asset; and
- (iii) apply for and maintain any planning permission, building regulation approval or any other permission, consent or licence.

(k) **Receipts**

A Receiver may give valid receipts for all monies and execute all assurances and things which may be expedient for realising any Secured Asset.

(l) **Sale of assets**

A Receiver may sell, exchange, convert into monies and realise any Secured Asset by public auction or private contract in any manner and on any terms which he thinks proper. The consideration for any such transaction may consist of cash, debenture or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit. Fixtures and any plant and machinery annexed to any part of the Secured Property may be severed and sold separately from the property containing them without the consent of the relevant Chargor.

(m) **Subsidiaries**

A Receiver may form a Subsidiary of the relevant Chargor and transfer to that Subsidiary any Secured Asset.

(n) **Deal with Secured Assets**

A Receiver may, without restriction sell, let or lease, or concur in selling, letting or leasing, or vary the terms of, determine, surrender or accept surrenders of, leases or tenancies of, or grant options and licences over or otherwise dispose of or deal with, all or any part of the Secured Assets without being responsible for loss or damage, and so that any such sale, lease or disposition may be made for cash payable by instalments, loan stock or other debt obligations or for shares or securities of another company or other valuable consideration. The Receiver may form and promote, or concur in forming and promoting, a company or companies to purchase, lease, licence or otherwise acquire interests in all or any of the Secured Assets or otherwise, arrange for such companies to trade or cease to trade and to purchase, lease, license or otherwise acquire all or any of the Secured Assets on such terms and conditions whether or not including payment by instalments secured or unsecured as he may think fit.

(o) **Voting rights**

A Receiver may exercise all voting and other rights attaching to the Investments, Subsidiary Shares, Related Rights, and stocks, shares and other securities owned by that Chargor and comprised in the Secured Assets in such manner as he may think fit.

(p) **Security**

A Receiver may redeem any prior Security and settle and pass the accounts of the person entitled to the prior Security so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on that Chargor and the money so paid shall be deemed to be an expense properly incurred by the Receiver.

(q) **Acquire land**

The Receiver may purchase or acquire any land and purchase, acquire or grant any interest in or right over land.

(r) **Development**

A Receiver may implement or continue the development of (and obtain all consents required in connection therewith) and/or complete any buildings or structures on, any real property comprised in the Secured Property and do all acts and things incidental to the Secured Property.

(s) **Landlord's obligations**

A Receiver may on behalf of a Chargor and without consent of or notice that Chargor exercise all the powers conferred on a landlord or a tenant by the Landlord and Tenants Acts, the Rents Acts and Housing Acts or any other legislation from time to time in force in any relevant jurisdiction relating to rents or agriculture in respect of any part of the Secured Property.

(t) **Uncalled capital**

A Receiver may make calls conditionally or unconditionally on the members of any relevant Chargor in respect of uncalled capital.

(u) **Incidental matters**

A Receiver may do all other acts and things including without limitation, signing and executing all documents and deeds as may be considered by the Receiver to be incidental or conducive to any of the matters or powers listed here or granted by law or otherwise incidental or conducive to the preservation, improvement or realisation of the Secured Assets and to use the name of the relevant Chargor for all the purposes set out in this clause 14.

14.4 Remuneration

The Loan Note Security Trustee may from time to time fix the remuneration of any Receiver appointed by it.

15. DELEGATION

15.1 The Loan Note Security Trustee and any Receiver may delegate by power of attorney or in any other manner all or any of the powers, authorities and discretions which are for the time being exercisable by the Loan Note Security Trustee and the Receiver (as appropriate) under this Deed to any person or persons as it shall think fit. Any such delegation may be made upon such terms and conditions (including the power to sub-delegate) as the Loan Note Security Trustee and Receiver (as appropriate) may think fit.

- 15.2 The Loan Note Security Trustee and any Receiver will not be liable or responsible to any Chargor or any other person for any losses, liabilities or expenses arising from any act, default, omission or misconduct on the part of any delegate.

16. APPLICATION OF MONIES

- 16.1 Sections 109(6) and (8) (Appointment, powers, remuneration and duties of receiver) of the Law of Property Act 1925 shall not apply to a Receiver appointed under this Deed.
- 16.2 All monies received by the Loan Note Security Trustee or any Receiver under this Deed shall be applied in accordance with the terms of the Security Trust Deed and applied in discharge of the Secured Obligations.
- 16.3 The Loan Note Security Trustee and any Receiver may place any money received, recovered or realised pursuant to this Deed in an interest bearing suspense account and it may retain the same for such period as it considers expedient without having any obligation to apply the same or any part of it in or towards discharge of the Secured Obligations except where such monies are sufficient to discharge the Secured Obligations in which case the monies will be so applied.

17. REMEDIES AND WAIVERS

- 17.1 No failure to exercise, nor any delay in exercising, on the part of the Loan Note Security Trustee or any Receiver, 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 Deed are cumulative and not exclusive of any rights or remedies provided by law.
- 17.2 A waiver given or consent granted by the Loan Note Security Trustee under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

18. PROTECTION OF THIRD PARTIES

- 18.1 No person (including a purchaser) dealing with the Loan Note Security Trustee or a Receiver or its or his agents has an obligation to enquire of the Loan Note Security Trustee, Receiver or others:
- (a) whether the Secured Obligations have become payable;
 - (b) whether any power purported to be exercised has become exercisable;
 - (c) whether any Secured Obligations or other monies remain outstanding;
 - (d) how any monies paid to the Loan Note Security Trustee or to the Receiver shall be applied; or
 - (e) the status, propriety or validity of the acts of the Receiver or Loan Note Security Trustee.
- 18.2 The receipt of the Loan Note Security Trustee or any Receiver shall be an absolute and a conclusive discharge to a purchaser and shall relieve him of any obligation to see to the application of any monies paid to or by the direction of the Loan Note Security Trustee or any Receiver.
- 18.3 In clauses 18.1 and 18.2, purchaser includes any person acquiring, for money or monies worth, any lease of, or Security over, or any other interest or right whatsoever in relation to, the Secured Assets or any of them.

19. ADDITIONAL SECURITY

The Security created by or under this Deed is in addition to and is not in any way prejudiced by any guarantee or security now or subsequently held by the Loan Note Security Trustee.

20. SETTLEMENTS CONDITIONAL

20.1 If the Loan Note Security Trustee (acting reasonably) believes that any amount paid by a Chargor or any other person in respect of the Secured Obligations is capable of being avoided or set aside for any reason, then for the purposes of this Deed, such amount shall not be considered to have been paid.

20.2 Any settlement, discharge or release between a Chargor and the Loan Note Security Trustee shall be conditional upon no Security or payment to or for the Loan Note Security Trustee by that Chargor or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any law relating to bankruptcy, insolvency or liquidation or otherwise.

21. SUBSEQUENT SECURITY

If the Loan Note Security Trustee receives notice of any other subsequent Security or other interest affecting all or any of the Secured Assets (other than Permitted Security) it may open a new account or accounts for the relevant Chargor in its books. If it does not do so then, unless it gives express written notice to the contrary to the relevant Chargor, as from the time of receipt of such notice by the Loan Note Security Trustee, all payments made by that Chargor to the Loan Note Security Trustee shall be treated as having been credited to a new account of that Chargor and not as having been applied in reduction of the Secured Obligations.

22. SET-OFF

The Loan Note Security Trustee may set off any matured obligation due from a Chargor under the Debt Documents (to the extent beneficially owned by the Loan Note Security Trustee) against any matured obligation owed by the Loan Note Security Trustee to that Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Loan Note Security Trustee may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

23. NOTICES

Any communication under this Deed or any other Security or Debt Document created by or under this Deed, shall be made and given in accordance with the terms of clause 6 (*Notices*) of the Security Trust Deed.

24. INVALIDITY

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

25. ASSIGNMENT

The Loan Note Security Trustee may assign or otherwise transfer all or any part of its rights under this Deed or any Security created by or under it in accordance with the terms of the Debt Documents.

26. RELEASES

Upon the expiry of the Security Period, the Loan Note Security Trustee shall, at the request and cost of the Chargors, take whatever action is necessary to release and reassign to each relevant Chargor:

- (a) its rights arising under this Deed;
 - (b) the Secured Assets from the Security created by and under this Deed,
- and return all documents or deeds of title delivered to it under this Deed.

27. CURRENCY CLAUSES

- 27.1 If a payment is made to the Loan Note Security Trustee under this Deed in a currency ("**Payment Currency**") other than the currency in which it is expressed to be payable ("**Contractual Currency**"), the Loan Note Security Trustee may convert that payment into the Contractual Currency at the rate at which it (acting reasonably and in good faith) is able to purchase the Contractual Currency with the Payment Currency on or around the date of receipt of the payment and to the extent that the converted amount of the payment falls short of the amount due and payable the Chargors will remain liable for such shortfall.

28. CERTIFICATES AND DETERMINATIONS

Any certificate or determination by any Secured Party of a rate or amount under any Debt Document is, in the absence of manifest error, prima facie evidence of the matters to which it relates.

29. EXCLUSION OF LIABILITY

29.1 **No liability**

Neither the Loan Note Security Trustee nor any Receiver shall be liable in respect of all or any part of the Secured Assets or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers unless such loss or damage is caused by its gross negligence or wilful acts of default and recklessness.

30. COSTS AND EXPENSES

Clause 3 (*Costs and Expenses*) of the Security Trust Deed shall apply to this Deed as if set out here in full.

31. COUNTERPARTS

This Deed or any Debt Document entered into under or in connection with this Deed may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Deed or any such Debt Document entered into under or in connection with this Deed by e-mail attachment or telecopy shall be an effective mode of delivery.

32. GOVERNING LAW

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

33. ENFORCEMENT

33.1 Jurisdiction of English courts

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a “**Dispute**”).
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This clause 33 is for the benefit of the Loan Note Security Trustee. As a result, the Loan Note 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 Loan Note Security Trustee may take concurrent proceedings in any number of jurisdictions.

This Deed has been entered into as a deed on the date given at the beginning of this Deed.

SCHEDULE 1
THE ORIGINAL CHARGORS

Name	Jurisdiction of incorporation	Registered number
Zoggs Group Limited	England and Wales	09514671
Zoggs Acquisitions Limited	England and Wales	09473869
The Kendal Group Limited	England and Wales	04710181
Zoggs International Ltd	England and Wales	02895315
Zoggs Limited	England and Wales	04784295
GINC UK Limited	England and Wales	04609317

SCHEDULE 2
SUBSIDIARY SHARES

Chargor	Name and registered number of Subsidiary	Number and class of shares
Zoggs Group Limited (Company number 09514671)	Zoggs Acquisitions Limited (Company number 09473869)	7,152 Ordinary Shares of £1 each
Zoggs Acquisitions Limited (Company number 09473869)	The Kendal Group Limited (Company number 04710181)	1,344,183 Ordinary Shares of £0.0001 each
The Kendal Group Limited (Company number 04710181)	Zoggs International Ltd (Company number 02895315)	29,000 Ordinary Shares of £1.00 each
	Zoggs Limited (Company number 04784295)	1 Ordinary Share of £1.00 each
Zoggs Limited (Company number 04784295)	GINC UK Limited (Company number 04609317)	1 Ordinary Share of £1.00 each

SCHEDULE 3
RELEVANT AGREEMENTS

Part 1- Form of notice of assignment

To: [●]

Dated: [●]

Dear Sirs

The agreement described in the attached schedule (Agreement)

We hereby notify you that we have assigned to [●] (Loan Note Security Trustee) all our right, title and interest in and to the Agreement.

We hereby confirm that:

1. we will remain liable under the Agreement to perform all the obligations assumed by us under the Agreement; and
2. none of the Loan Note Security Trustee, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Agreement.

We will also remain entitled to exercise all our rights, powers and discretions under the Agreement, and you should continue to give notices under the Agreement to us, unless and until you receive notice from the Loan Note Security Trustee to the contrary stating that the security has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given to, the Loan Note Security Trustee or as it directs.

Please sign and return the acknowledgement attached to one enclosed copy of this notice to the Loan Note Security Trustee 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

[●] Limited

SCHEDULE

Date	Parties	Description
[●]	[●]	[●]

[Attach form of acknowledgment]

Part 2- Form of acknowledgement

To: [name of Loan Note Security Trustee]
[address]

To: [name of Chargor] ("**Chargor**")
[address]

Dated: [●]

We acknowledge receipt of the notice of assignment (**Notice**) of which the above is a duplicate. Terms defined in the Notice shall have the same meaning when used in this acknowledgement. We confirm that:

- (a) there has been no amendment, waiver or release of any rights or interests in the Agreement since the date of the Agreement;
- (b) we will not agree to any amendment, waiver or release of any provision of the Agreement without the prior written consent of the Loan Note Security Trustee;
- (c) we shall act in accordance with the Notice;
- (d) as at the date of this acknowledgement we have not received any notice of assignment or charge of the Chargor's interest in the Agreement in favour of any other person;
- (e) as at the date of this acknowledgement, we are not aware of any breach by the Chargor of the terms of the Agreement; and
- (f) we do not have and have not claimed or exercised any right or claim against the Chargor or exercised or attempted to exercise any right of set-off, counterclaim or other right relating to the Agreement.

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

For and on behalf of

[●]

SCHEDULE 4
RELEVANT POLICIES

Part 1 - Form of notice of assignment

To: [insurer]

Dated: [●]

Dear Sirs

The insurance policies described in the attached schedule (Relevant Policies)

We hereby notify you that we have assigned to [●] (Loan Note Security Trustee) all our right, title and interest in and to the Relevant Policies.

We hereby confirm that:

1. we will remain liable under the Relevant Policies to perform all the obligations assumed by us under the Relevant Policies; and
2. none of the Loan Note Security Trustee, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Relevant Policies.

We will also remain entitled to exercise all our rights, powers and discretions under the Relevant Policies, and you should continue to give notices under the Relevant Policies to us, unless and until you receive notice from the Loan Note Security Trustee to the contrary stating that the security has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given to, the Loan Note Security Trustee or as it directs.

Please sign and return the acknowledgement attached to one enclosed copy of this notice to the Loan Note Security Trustee 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

[●] Limited

SCHEDULE

Date of policy	Insured	Policy type	Policy number
[●]	[●]	[●]	[●]

[Attach form of acknowledgment]

Part 2 - Form of acknowledgement

To: [name of Loan Note Security Trustee]
[address]

To: [name of Chargor] ("Chargor")
[address]

Dated: [●]

We acknowledge receipt of the notice of assignment (**Notice**) of which the above is a duplicate. Terms defined in the Notice shall have the same meaning when used in this acknowledgement. We confirm that:

- (a) there has been no amendment, waiver or release of any rights or interests in any Relevant Policy since the date of such policy;
- (b) we have noted the Loan Note Security Trustee's interest as mortgagee and first loss payee on each Relevant Policy;
- (c) we will not agree to any amendment, waiver or release of any provision of any Relevant Policy without the prior written consent of the Loan Note Security Trustee;
- (d) we shall act in accordance with the Notice;
- (e) as at the date of this acknowledgement we have not received any notice of assignment or charge of the Chargor's interest in any Relevant Policy or the proceeds of any Relevant Policy in favour of any other person; and
- (f) we do not have and have not claimed or exercised any right or claim against the Chargor or exercised or attempted to exercise any right of set-off, counterclaim or other right relating to any Relevant Policy.

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

For and on behalf of
[insurance company]

SCHEDULE 5
ACCOUNTS

Part 1 - Form of notice of charge

To: *[insert name and address of account holding institution]*

Account number: [●] (Account)

Sort code: [●]

Account holder: [●] Limited

We hereby notify you that we have charged by way of first fixed charge to [●] (Loan Note Security Trustee) all our right, title and interest in and to the monies from time to time standing to the credit of the Account.

We hereby irrevocably and unconditionally authorise and instruct you:

1. to hold all monies from time to time standing to the credit of the Account to the order of the Loan Note Security Trustee and accordingly to pay all or any part of those monies to the Loan Note Security Trustee (or as it may direct) promptly following receipt of written instructions from the Loan Note Security Trustee to that effect; and
2. to disclose to the Loan Note Security Trustee such information relating to us and the Account as the Loan Note Security Trustee may from time to time request you to provide.

By countersigning this notice, the Loan Note Security Trustee authorises you to permit us to withdraw and otherwise deal with funds standing to the credit of the Account until:

- (a) you receive a notice in writing to the contrary from the Loan Note Security Trustee;
- (b) a petition is presented for a winding up order in respect of us or an application is made for an administration order in respect of us,

(whichever occurs first).

Please sign and return the acknowledgement attached to one enclosed copy of this notice to the Loan Note Security Trustee 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 [●] Limited

Countersigned for and on behalf of

the Loan Note Security Trustee:

[Attach form of acknowledgment]

Part 2 – Form of acknowledgement

To: [name of Loan Note Security Trustee]
[address]

To: [name of Chargor] (“Chargor”)
[address]

Dated: [●]

We acknowledge receipt of the notice of charge (Notice) of which the above is a duplicate. Terms defined in the Notice shall have the same meaning when used in this acknowledgement.

We confirm that:

1. we shall act in accordance with the Notice;
2. as at the date of this acknowledgement we have not received any notice of assignment or charge or other security over the Chargor’s interest in the Account in favour of any other person; and
3. we will not exercise any right of combination of accounts, set-off or lien over any monies standing to the credit of the Account.

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

For and on behalf of

[account holding institution]

SCHEDULE 6
INTELLECTUAL PROPERTY

Part 1 - The Trade Marks

Proprietor/ADP number	TM number	Jurisdiction/ apparent status	Classes	Mark text
GINC UK Limited	UK00001359954	UK/Registered	9	BOBIN
GINC UK Limited	UK00002539654	UK/Registered	9	FUSION AIR
GINC UK Limited	UK00002562946	UK/Registered	25	LITE-FIT
GINC UK Limited	UK00000958401	UK/Registered	9	POLYOTTER
GINC UK Limited	UK00001323053	UK/Registered	9	LOGO- POLYOTTER
GINC UK Limited	UK00001499427	UK/Registered	9	ZOGGS
GINC UK Limited	UK00002050026	UK/Registered	25	ZOGGSTOGGS
GINC UK Limited	UK00003036396	UK/Registered	9	SOFT SEAL
GINC UK Limited	UK00003049507	UK/Registered	5 and 25	SWIMSURE
GINC UK Limited	011280658	CTM/Registered	9,24 & 25	AQUALAST
GINC UK Limited	008474389	CTM /Registered	24,25 & 28	BOOTY SUIT
GINC UK Limited	003411089	CTM/Registered	24 & 25	ELASTOMAX
GINC UK Limited	012171005	CTM/Registered	9	PHANTOM
GINC UK Limited	011320132	CTM/Registered	9, 25 & 28	SWIMFREE
GINC UK Limited	010828366	CTM/Registered	9, 25 & 28	LOGO - EASY INFLATE VALVE FOR QUIKER INFLATION!
GINC UK Limited	004913505	CTM/Registered	9, 25 & 28	ZOGGS

GINC UK Limited	000197319	CTM/Registered	25	LOGO - ZOGGS TOGGS
GINC UK Limited	012399382	CTM/Registered	9, 25 & 28	FOGBUSTER
GINC UK Limited	1078524	International/ Registered Granted in Australia and EU	25	LITE-FIT
GINC UK Limited	1201496	International/ Registered Refused in Australia and New Zealand	9	PHANTOM
GINC UK Limited	1213665	International/ Registered Granted in Australia and New Zealand but refused in the USA	9	FOGBUSTER
GINC UK Limited	919192	International/ Registered Granted in Israel, Norway, Singapore and Turkey	9 & 25	ZOGGS

Part 2 – The Domain Name

Proprietor	Domain Name	Provider
Zoggs International Limited	buyzoggs.co.uk	Fasthosts Internet Ltd
The Kendal Group Limited	buyzoggs.com	Tucows Inc
Zoggs International Limited	shopzoggs.co.uk	Fasthosts Internet Ltd
Zoggs International Limited	shopzoggs.com	Tucows Inc
Zoggs International Limited	swim4fitness.biz	Tucows Inc
Zoggs Europe Ltd	swim4fitness.co.uk	Fasthosts Internet Ltd
Zoggs International Limited	swim4fitness.com	Tucows Inc
Zoggs International Limited	swim4fitness.info	Tucows Inc
Zoggs International Limited	swim4fitness.org	Tucows Inc
Zoggs International Limited	swimexperience.com	Tucows Inc
Zoggs International Limited	swimshapes.co.uk	Fasthosts Internet Ltd
Zoggs International Limited	swimshapes.com	Tucows Inc
Zoggs International Limited	zoggs.biz	Tucows Inc
Zoggs International Ltd	zoggs.co.uk	Fasthosts Internet Ltd
Zoggs International Limited	zoggs.com	Tucows Inc
Zoggs International Limited	zoggs.info	Tucows Inc
Zoggs International Limited	zoggs.net	Tucows Inc
Zoggs International Limited	zoggs.org	Tucows Inc
Zoggs International Limited	zoggs.uk	Tucows Inc
Zoggs international Limited	zoggs4kids.co.uk	Fasthosts Internet Ltd
Zoggs International Limited	zoggs-au.com	Tucows Inc
Zoggs International Limited	zoggs-au.net	Tucows Inc
Zoggs International Limited	zoggs-australia.biz	Tucows Inc
Zoggs International Limited	zoggs-australia.com	Tucows Inc

Zoggs International Limited	zoggs-australia.info	Tucows Inc
Zoggs International Limited	zoggs-australia.net	Tucows Inc
Zoggs International Limited	zoggs-australia.org	Tucows Inc
Zoggs International Limited	zoggsdirect.co.uk	Fasthosts Internet Ltd
Zoggs International Limited	zoggsdirect.com	Tucows Inc
Zoggs International Limited	zoggsexpress.co.uk	Fasthosts Internet Ltd
Zoggs International Limited	zoggsexpress.com	Tucows Inc
Zoggs International Limited	zoggsmail.com	Tucows Inc
Zoggs International Limited	zoggsmail.info	Tucows Inc
Zoggs International Limited	zoggsretail.co.uk	Fasthosts Internet Ltd
Zoggs International Limited	zoggsretail.com	Tucows Inc
Zoggs International Limited	zoggs-uk.biz	Tucows Inc
Zoggs International Limited	zoggs-uk.com	Tucows Inc
Zoggs International Limited	zoggs-uk.info	Tucows Inc
Zoggs International Limited	zoggs-uk.net	Tucows Inc
Zoggs International Limited	zoggs-uk.org	Tucows Inc
Zoggs International Limited	zoggsusa.co.uk	Fasthosts Internet Ltd
Zoggs International Limited	zoggs-usa.info	Tucows Inc
Zoggs International Limited	zoggs-usa.net	Tucows Inc
Zoggs International Limited	zoggs-usa.org	Tucows Inc
Zoggs International Limited	zoggy.co.uk	Fasthosts Internet Ltd
Zoggs International Limited	goggledoctor.com	Tucows Inc
Zoggs International Limited	goggledoctor.co.uk	Fasthosts Internet Ltd
GINC UK Limited	zoggsshop.com	ENOM, INC.
GINC UK Limited	zoggsshop.net	ENOM, INC.

SCHEDULE 7
FORM OF SECURITY DEED OF ACCESSION

This Deed is made on [●]

AMONG

- (1) [●] (registered in England with number [●]) for itself and for the Chargors (“**Parent**”);
- (2) [●] (registered in England with number [●]) (“**Acceding Chargor**”); and
- (3) [●] the Loan Note Security Trustee (“**Loan Note Security Trustee**”).

WHEREAS

- (E) This Deed is supplemental to a debenture dated [●] between, *inter alia*, the Parent, the Chargors and the Loan Note Security Trustee (“**Debenture**”).

IT IS AGREED

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

- (a) Save to the extent otherwise defined in this Deed, terms defined in the Debenture have the same meaning when used in this Deed.
- (b) In this Deed, *Subsidiary Shares* means all shares present and future held by the Acceding Chargor or its Subsidiaries including those listed in schedule [●] (*Subsidiary Shares*) to this Deed.

1.2 Interpretation

Clauses 1.2 (*Interpretation*), 1.3 (*Third party rights*), 1.4 (*Administration*), 1.5 (*Incorporated terms*), 1.7 (*Conflict with the Intercreditor Deed and the Security Trust Deed*), 1.7 (*Security Trust Deed*), and 1.9 (*Personal Liability*) of the Debenture are incorporated in this Deed as if they were set out in full in this Deed, but so that references in those clauses to this Deed shall be construed as references to this Security Deed of Accession.

2. ACCESSION OF ACCEDING CHARGOR

2.1 Accession

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

2.2 Covenant to pay

The Acceding Chargor covenants with the Loan Note Security Trustee that it will pay and discharge the Secured Obligations when they become due for payment and discharge.

2.3 Charging provisions

All Security created by the Acceding Chargor under clauses 2.4 to 2.6 inclusive is:

- (a) a continuing security for the payment and discharge of the Secured Obligations;
- (b) granted with full title guarantee;

- (c) granted in respect of all the right, title and interest (if any), present and future of the Acceding Chargor in and to the relevant Secured Asset; and
- (d) in favour of the Loan Note Security Trustee.

2.4 **Assignments**

- (a) The Acceding Chargor assigns the Relevant Agreements described in schedule [●] (*Relevant Agreements*) to this Deed.
- (b) The Acceding Chargor shall remain liable to perform all its obligations under the Relevant Agreements.
- (c) Notwithstanding the other terms of this clause 2.4, prior to the occurrence of a Declared Default which is continuing, the Acceding Chargor may, subject to the other terms of the Debt Documents, continue to exercise all and any of its rights under and in connection with the Relevant Agreement.

2.5 **First fixed charges**

The Acceding Chargor charges by way of first fixed charge:

- (a) all interests and estate in any freehold, leasehold or commonhold property now or subsequently owned by it and in each case, the Premises and Fixtures on each such property;
- (b) the proceeds of sale of its Secured Property and all licences to enter on or use any Secured Property;
- (c) the benefit of all other agreements, instruments and rights relating to its Secured Property;
- (d) all plant, machinery, vehicles, computers, office and other equipment, all furniture, furnishings, equipment and tools and any removals or replacement of them, (together the “**Chattels**”) present and future and the benefit of all contracts, licences, warranties, maintenance contracts relating to them and any renewals and replacements of them;
- (e) the Subsidiary Shares together with all Related Rights;
- (f) the Investments together with all Related Rights;
- (g) all book and other debts due to the Acceding Chargor and their proceeds (both collected and uncollected) (together “**Debts**”) and all rights, guarantees, security or other collateral in respect of the Debts or any of them) and the benefit of any judgment or order to pay a sum of money and all rights to enforce the Debts (or any of them);
- (h) all monies from time to time standing to the credit of each account held by the Acceding Chargor with any bank, building society, financial institution or other person other than any Blocked Account (each an “**Account**”);
- (i) all its Intellectual Property;
- (j) all its goodwill and uncalled capital;
- (k) the benefit of all authorisations held or utilised by it in connection with its business or the use of any of its assets and the right to recover and receive compensation payable in respect of any of them;

- (l) to the extent that any assignment in clause 2.4 is ineffective as an assignment, the assets referred to in that clause.

2.6 Floating charge

The Acceding Chargor charges by way of first floating charge all its assets and undertaking wherever located both present and future other than any assets effectively charged by way of fixed charge or assigned under clauses 2.4 or 2.5.

2.7 Qualifying floating charge

This Deed contains a qualifying floating charge and paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by or under this Deed.

3. CONSENT OF EXISTING CHARGING COMPANIES

The Chargors agree to the terms of this Deed and agree that its execution will in no way prejudice or affect any Security granted by any of them by or under the Debenture.

4. SECURITY POWER OF ATTORNEY

The Acceding Chargor, by way of security, irrevocably and severally appoints the Loan Note Security Trustee, each Receiver and any of their delegates or sub-delegates to be its attorney to take any action which the Acceding Chargor is obliged to take under this Deed or the Debenture. The Acceding Chargor ratifies and confirms whatever any attorney does or prompts to do pursuant to its appointment under this clause 4.

5. NOTICES

The Acceding Chargor confirms that its address details for notices in relation to clause 23 (*Notices*) of the Debenture are as follows:

Address: [●]

Attention: [●]

6. 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.

7. GOVERNING LAW AND JURISDICTION

Clause 32 (*Governing law*) of the Debenture shall be incorporated in this Deed as if set out here in full but so that references to the Debenture shall be construed as references to this Deed.

This Deed has been entered into as a deed on the date given at the beginning of this Deed.

EXECUTION

Parent

Executed as a deed by)
ZOGGS GROUP LIMITED)
acting by a Director in the presence of)
) Director
)

Name of witness: RUTH JONES

Signature of witness:

Address:



.....
CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place,
78 Cannon Street,
London
EC4N 6AF

Occupation: SOLICITOR

Original Chargors

Executed as a deed by)
ZOGGS GROUP LIMITED)
acting by a Director in the presence of)
) Director
)

Name of witness: RUTH JONES

Signature of witness:

Address:



.....
CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place,
78 Cannon Street,
London
EC4N 6AF

Occupation: SOLICITOR

Executed as a deed by)
ZOGGS ACQUISITIONS LIMITED)
acting by a Director in the presence of)
) Director
)

Name of witness: RUTH JONES

Signature of witness: 

Address: CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place,
78 Cannon Street,
London
EC4N 6AF

Occupation: SOLICITOR

Executed as a deed by)
THE KENDAL GROUP LIMITED)
acting by a Director in the presence of)
) Director
)

Name of witness: RUTH JONES

Signature of witness: 

Address: CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place,
78 Cannon Street,
London
EC4N 6AF

Occupation: SOLICITOR

Executed as a deed by
ZOGGS INTERNATIONAL LTD
acting by a Director in the presence of

)
)
)
)
)

Director

Name of witness:

RUTH JONES

Signature of witness:

[Redacted Signature]

Address:

CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place,
78 Cannon Street,
London
EC4N 6AF

Occupation:

SOLICITOR

Executed as a deed by
ZOGGS LIMITED
acting by a Director in the presence of

)
)
)
)
)

Director

Name of witness:

RUTH JONES

Signature of witness:

[Redacted Signature]

Address:

CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place,
78 Cannon Street,
London
EC4N 6AF

Occupation:

SOLICITOR

Executed as a deed by)
GINC UK LIMITED)
acting by a Director in the presence of)
) Director
)

Name of witness:

RUTH JONES

Signature of witness:

Address:

MS Cameron McKenna Nabarro Olswang LLP
London Place,
78 Cannon Street,
London
EC4N 6AF

Occupation:

SOLICITOR

Loan Note Security Trustee

Executed as a deed by)
RISK CAPITAL PARTNERS LLP)
on being signed by a member in the presence of)
) Member
)

Name of witness:

RUTH JONES

Signature of witness:

Address:

Cameron McKenna Nabarro Olswang LLP
London Place,
78 Cannon Street,
London
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