

MR01

Particulars of a charge

667207/13 Laserform

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

**You can use the WebFiling service to file this form online.**  
Please go to [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)

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

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

For further information, please  
refer to our guidance at  
[www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)

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

☒ You **must** enclose a certified copy of the instrument with this form scanned and placed on the public record. **Do not send the original**



\*L42CSWM8\*

LD3

02/03/2015

#69

COMPANIES HOUSE

For official use

**1 Company details**

Company number 0 3 1 5 2 7 3 7

Company name in full ☒ Claranet Limited

→ **Filling in this form**

Please complete in typescript or in  
bold black capitals

All fields are mandatory unless  
specified or indicated by \*

**2 Charge creation date**

Charge creation date ☒ 2 5 / 0 2 / 2 0 1 5

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

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

Name ☒ Ares Management Limited

Name

Name

Name

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

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

# MR01

## Particulars of a charge

4

### Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument

Brief description

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"

Please limit the description to the available space

5

### Other charge or fixed security

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

☒ Yes

☐ No

6

### Floating charge

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

☒ Yes Continue

☐ No Go to **Section 7**

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

☒ Yes

7

### Negative Pledge

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

☒ Yes

☐ No

8

### Trustee statement <sup>1</sup>

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

☐

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

9

### Signature

Please sign the form here

Signature

Signature

X

Mayflower LLP

X

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

**MR01****Particulars of a charge****Presenter information**

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name ~~Sharn Gill~~ **SARAH WARD**

Company name  
**Macfarlanes LLP**

Address **20 Cursitor Street**

Post town

County/Region **London**

Postcode 

E	C	4	A		1	L	T
---	---	---	---	--	---	---	---

Country **UK**

DX **DX No 138 Chancery Lane**

Telephone **+44 (0)20 7831 9222**

**Certificate**

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

**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

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

**Important information**

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

**How to pay**

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

Make cheques or postal orders payable to 'Companies House'

**Where to send**

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

**For companies registered in England and Wales:**

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ  
DX 33050 Cardiff

**For companies registered in Scotland:**

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

**For companies registered in Northern Ireland:**

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

**Further information**

For further information, please see the guidance notes on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk) or email [enquires@companieshouse.gov.uk](mailto:enquires@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)**



**FILE COPY**

## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 3152737

Charge code: 0315 2737 0012

The Registrar of Companies for England and Wales hereby certifies that a charge dated 25th February 2015 and created by CLARANET LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 2nd March 2015.

10x

Given at Companies House, Cardiff on 10th March 2015



**Companies House**



**THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES**

EXECUTION VERSION

Date 25 February 2015

**THE COMPANIES identified in Schedule 1  
as Original Chargors**

**ARES MANAGEMENT LIMITED  
as Security Agent**

**SECURITY AGREEMENT**

**This deed is subject to the terms of the Intercreditor Agreement**

SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G  
COMPANIES ACT 2006, THIS COPY INSTRUMENT IS  
CERTIFIED TO BE A CORRECT COPY OF THE ORIGINAL  
INSTRUMENT

*Macfarlanes LLP*

MACFARLANES LLP  
20 CURSITOR STREET  
LONDON EC4A 1LT

DATE: 02/03/2015

**MACFARLANES**

Macfarlanes LLP  
20 Cursitor Street  
London EC4A 1LT

## CONTENTS

Clause		Page
1	Definitions and interpretation	1
2	Covenant to pay, Further advances	5
3	Grant of security	5
4	Restrictions on dealing	10
5	Debts and Accounts	11
6	Properties	11
7	Equipment	12
8	Intellectual Property	12
9	Securities	13
10	Power to remedy	14
11	Enforcement	14
12	Administrator and Receiver	16
13	Amounts received	17
14	Power of attorney and delegation	18
15	Protection of security and further assurance	19
16	Costs and indemnity	20
17	Miscellaneous	20
18	Notices	21
19	Assignment and transfer	22
20	Release of Security	22
21	Governing law	23
22	Counterparts	23
<b>Schedule</b>		
1	Original Chargors	24
2	Properties currently owned	25
3	Original Securities	26
4	Accounts	27
5	Form of Accession Deed	29
6	Part 1 - Form of notice to insurers	35
	Part 2 - Form of acknowledgement from insurers	37
7	Part 1 - Form of notice to counterparties of Assigned Agreements	38
	Part 2 - Form of acknowledgement from counterparties of Assigned Agreements	40
8	Part 1 - Form of notice of charge to third party bank over the Mandatory Prepayment Account	41
	Part 2 - Form of acknowledgement from third party bank over the Mandatory Prepayment Account	43
	Part 3 - Form of notice of charge to third party bank over other accounts	44
	Part 4 - Form of acknowledgement from third party bank over other accounts	46

**DATE**

25 February

**2015**

**PARTIES**

- 1 **THE COMPANIES** whose names, registered numbers and registered offices are set out in schedule 1 (the "**Original Chargors**"), and
- 2 **ARES MANAGEMENT LIMITED** as agent and trustee for the Secured Parties (as defined below) (the "**Security Agent**")

**BACKGROUND**

- A The Chargors are entering into this deed in connection with the Finance Documents
- B The Security Agent and the Chargors intend this document to take effect as a deed notwithstanding the fact that a party may only execute this document under hand

**IT IS AGREED** as follows

1 **Definitions and interpretation**

1.1 **Definitions**

Unless otherwise provided in this deed, terms defined in the Facilities Agreement shall have the same meaning where used in this deed

In addition, in this deed, unless the context otherwise requires, the following words shall have the following meanings

**Accession Deed**, a deed substantially in the form of schedule 5 (*Form of Accession Deed*),

**Accounts**: all accounts (including the Mandatory Prepayment Account and any accounts listed in schedule 4 (*Accounts*)), and all moneys from time to time standing to the credit (including any interest thereon) of such accounts and all rights in relation thereto, with any bank, financial institution or other person in any jurisdiction now or at any time hereafter (and from time to time) owned, operated or held by any Chargor or in which any Chargor has an interest,

**Additional Chargor**: any person which becomes a Chargor by executing an Accession Deed,

**Administrator**: a person appointed in accordance with Schedule B1 Insolvency Act 1986 to manage a Chargor's affairs, business and property,

**Agent** the Agent under and as defined in the Facilities Agreement,

**Assigned Agreements**: the Hedging Agreements and any other agreement designated in writing as an Assigned Agreement by the Parent and the Security Agent,

**Charged Assets** all the assets for the time being subject to the Security created by this deed (and references to the Charged Assets include references to any part of them),

**Chargor**: an Original Chargor or an Additional Chargor,

**Debts**, all book and other debts, of any kind whatsoever now or at any time hereafter (and from time to time) due, owing or payable to any Chargor or in which any Chargor has an interest and the proceeds of the same, including the benefit of any judgement or order to pay a sum of money, and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to the same,

**Declared Default** an Event of Default in respect of which the Agent has given notice under clause 26 19 (*Acceleration*) of the Facilities Agreement (other than a notice declaring Utilisations and/or amounts outstanding under the Ancillary Facilities to be due on demand in accordance with clauses 26 19 2 3 or 26 19 2 5 (*Acceleration*) of the Facilities Agreement),

**Discharge Date:** the meaning given to such term in the Intercreditor Agreement,

**Equipment:** all equipment, plant, machinery, tools, vehicles, furniture and other tangible moveable property now or at any time hereafter (and from time to time) owned by any Chargor, and any part thereof, together with the benefit of all contracts and warranties relating to the same (other than any which are for the time being part of any Chargor's stock-in-trade or work-in-progress),

**Facilities Agreement.** the agreement dated on or around the date of this deed and made between (amongst others) Ares Management Limited as Senior Facility Arranger, Agent and Security Agent, The Royal Bank of Scotland plc as Super Senior Facility Arranger and Clara Net Holdings Limited as Parent relating to certain loan and other banking facilities,

**Floating Charge Assets:** all the assets for the time being subject to the floating charge created by this deed (and references to the Floating Charge Assets include references to any part of it),

**Goodwill:** all goodwill now or at any time hereafter (and from time to time) of or in a Chargor,

**Insolvency Event:** the occurrence of any of the events or circumstances set out in clauses 26 6 (*Insolvency*) – 26 8 (*Creditors' Process*) (inclusive) of the Facilities Agreement,

**Insurance Policies:** all contracts and policies of insurance or assurance and all moneys payable under or pursuant to such policies, now or at any time hereafter (and from time to time) taken out by or on behalf of any Chargor or (to the extent of its interest) in which any Chargor has an interest, excluding contracts and policies of insurance or assurance in respect of which the proceeds of any claim would not be required to be applied in prepayment of the Facilities in accordance with the Facilities Agreement, other than contracts and policies in relation to business interruption insurance,

**Intellectual Property:** all interests in respect of any patent (including supplementary protection certificates), trade mark, service mark, trade name, registered design, design right, copyright, know-how, utility model, topographical or similar right, moral right, invention, confidential information, trade secret, database right, right in passing off and any other right in intellectual property subsisting anywhere in the world in any of the foregoing whether registered or unregistered and in each case, any registrations, extensions, renewals or applications of or for the same, now or at any time hereafter (and from time to time) owned or held by any Chargor or (to the extent of its interest) in which any Chargor has an interest,

**Lenders:** the Lenders (as such term is defined in the Facilities Agreement),

**LPA:** the Law of Property Act 1925,

**Material Intellectual Property:** any Intellectual Property that is material to the business or operations of a Chargor or to the business or operations of the Group as a whole,

**Obligor:** each Obligor as defined in the Facilities Agreement,

**Original Securities:** the shares, stock, loan capital, securities, bonds and/or other investments described in schedule 3,

**Properties:** all estates or interests in any freehold and leasehold properties (whether registered or unregistered) and all commonhold or other immoveable properties now or at any time hereafter (and from time to time) owned by any Chargor (including the properties



which are briefly described in schedule 2 (*Properties currently owned*) but excluding in each case Short Leasehold Properties),

**Property Interests:** all interests in or over the Properties and all rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to the Properties, in each case, now or at any time hereafter (and from time to time) owned or held by any Chargor,

**Receiver** a person appointed by the Security Agent to be a receiver or receiver and manager or (if permitted by law) an administrative receiver of all or any part of the Charged Assets of any Chargor,

**Secured Liabilities** all present and future liabilities and obligations at any time due, owing or incurred by each Obligor to any Secured Party under or in connection with the Finance Documents, both actual and contingent and whether incurred solely or jointly, as principal or surety and/or in any other capacity,

**Securities.** the Original Securities and all stocks, shares, loan capital, securities, bonds and investments of any kind whatsoever (whether or not marketable) now or at any time hereafter (and from time to time) owned by any Chargor, or in which any Chargor has an interest, together with all allotments offered or arising in respect thereof or incidental thereto and all stocks, shares, loan capital, securities, bonds, investments, rights, income, money or property accruing, deriving, offered or paid from time to time by way of dividend, distribution, interest, exchange, capital reorganisation, conversion, redemption, bonus, rights, preference, option or otherwise in respect thereof, excluding, in each case, all interests in Dormant Companies and, for the avoidance of doubt, all allotments offered or arising in respect thereof or incidental thereto,

**Securities Issuer:** the issuer of any Securities,

**Security Period:** the period starting on the date of this deed and ending on Discharge Date,

**Secured Parties:** has the meaning given to such term in the Facilities Agreement, and

**Short Leasehold Properties:** all leasehold properties for a term of less than 15 years unexpired at the date of acquisition of the lease (whether registered or unregistered) owned by any Chargor, save where the continuing occupation of the relevant land or, as the case may be, property, is required in order to carry on the business and operations of that Chargor

## 1 2 Construction

1 2 1 Unless otherwise provided in this deed, the provisions of clause 1 2 (*Construction*) of the Facilities Agreement apply to this deed as though they were set out in full in this deed, *mutatis mutandis*

1 2 2 In this deed (unless the context requires otherwise) any reference to

1 2 2 1 each Chargor, each Secured Party, each Obligor, any Securities Issuer, any Administrator or Receiver or any other person shall be construed so as to include their successors in title, permitted assigns, permitted transferees and (in the case of any Administrator or Receiver) lawful substitutes and/or replacements,

1 2 2 2 a Finance Document or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended (however fundamentally, including any amendment providing for any increase in the amount of any facility or other liability) from time to time with the agreement of the relevant parties and (where such consent is, by the terms

of any Finance Document or the relevant document, required to be obtained as a condition to such amendment being permitted) the prior consent of the Security Agent,

- 1 2 2 3 "assets" includes present and future properties, revenues and rights of every description,
- 1 2 2 4 the Security constituted by this deed becoming "enforceable" shall mean that the Security created under this deed has become enforceable under clause 11 1 (*Enforcement events*),
- 1 2 2 5 "owned" includes having legal or equitable title to or a right to have legal or equitable title transferred,
- 1 2 2 6 "law" includes the common law, any statute, bye-law, regulation or instrument and any kind of subordinate legislation, and any order, requirement, code of practice, circular, guidance note, licence, consent or permission made or given pursuant to any of the foregoing,
- 1 2 2 7 a provision of law is a reference to that provision as amended or re-enacted from time to time,
- 1 2 2 8 a time of day is a reference to London time,
- 1 2 2 9 any gender includes a reference to the other genders,
- 1 2 2 10 the singular includes a reference to the plural and vice versa, and
- 1 2 2 11 a clause or schedule is to a clause or schedule (as the case may be) of or to this deed

1 2 3 Clause and schedule headings are for ease of reference only

### 1 3 **Nature of security over real property**

A reference in this deed to any freehold, leasehold or commonhold property includes

- 1 3 1 all buildings and fixtures (including trade and tenant's fixtures) which are at any time situated on that property,
- 1 3 2 the proceeds of sale of any part of that property, and
- 1 3 3 the benefit of any covenants for title given or entered into by any predecessor in title of any Chargor in respect of that property or any monies paid or payable in respect of those covenants

### 1 4 **Secured Liabilities**

References in this deed to the Secured Liabilities shall be construed in relation to the Finance Documents so as to include (i) any increase or reduction in any amount made available thereunder and/or any alteration and/or addition to the purposes for which any such amount, or increased or reduced amount, may be used, (ii) any ancillary facilities provided in substitution for or in addition to the facilities originally made available thereunder, (iii) any rescheduling of the indebtedness incurred thereunder whether in isolation or in connection with any of the foregoing and (iv) any combination of any of the foregoing

## **2 Covenant to pay; Further advances**

### **2 1 Covenant to pay**

Each Chargor hereby covenants with the Security Agent (as trustee for the Secured Parties) that it will on demand pay and discharge all Secured Liabilities to the Secured Parties when the same become due in accordance with the terms of the Finance Documents whether by acceleration or otherwise, together with interest at such rate of interest determined in accordance with clause 12 3 (*Default interest*) of the Facilities Agreement from the due date of payment until the date on which such amount is paid and discharged in full

### **2 2 Potential invalidity**

Neither the covenant to pay in clause 2 1 (*Covenant to pay*) nor the Security constituted by this deed shall extend to or include any liability or sum which would, but for this clause, cause such covenant or Security to be unlawful under any applicable law

### **2 3 Further advances**

This deed secures further advances made under or pursuant to the terms of the Finance Documents and the Lenders are, subject to and upon the terms and conditions of the Finance Documents, under an obligation to make further advances

## **3 Grant of security**

### **3 1 Fixed security**

As a continuing security for the payment and discharge of the Secured Liabilities, each Chargor with full title guarantee hereby

3 1 1 grants to the Security Agent (as trustee for the Secured Parties), a charge by way of legal mortgage over all its Properties which are listed in schedule 2 (*Properties currently owned*) opposite its name,

3 1 2 charges to the Security Agent (as trustee for the Secured Parties), by way of first fixed charge, all its

3 1 2 1 Properties acquired by it after the date of this deed,

3 1 2 2 Property Interests,

3 1 2 3 Equipment,

3 1 2 4 Securities,

3 1 2 5 Material Intellectual Property,

3 1 2 6 Mandatory Prepayment Account,

3 1 2 7 Goodwill, and

3 1 2 8 rights, title and interest to any agreement, licence, consent or authorisation relating to its business at any time not otherwise mortgaged, charged or assigned pursuant to clauses 3 1 1-3 1 4 inclusive

3 1 3 assigns to the Security Agent (as trustee for the Secured Parties) absolutely, subject to a proviso for reassignment on redemption, all of its right, title and interest in and to the Insurance Policies, and

3 1 4 assigns to the Security Agent (as trustee for the Secured Parties) absolutely, subject to a proviso for reassignment on redemption, the benefit of the Assigned Agreements to which it is a party or an addressee and any claims arising under any of the same, and the benefit of any guarantee or security for the performance of the Assigned Agreements

### 3 2 **Dealing with Charged Assets**

Save for in respect of the Mandatory Prepayment Account charged under clause 3 1 2 6 above, until the occurrence of a Declared Default, any Chargor which has mortgaged, charged or assigned (or expressed to be mortgaged, charged or assigned) by or pursuant to this deed its interest in any Charged Asset shall be entitled to deal with any Charged Asset in the ordinary course of business notwithstanding such mortgage, charge or assignment, provided that such dealing is permitted in accordance with the terms of the Finance Documents

### 3 3 **Floating security**

#### 3 3 1 **Floating charge**

As a continuing security for the payment or discharge of the Secured Liabilities, each Chargor with full title guarantee hereby charges to the Security Agent (as trustee for the Secured Parties), by way of first floating charge, (a) all of its undertaking and assets, including without limitation its Accounts (other than the Mandatory Prepayment Account charged pursuant to clause 3 1 2 6 above) and its Debts, at any time not effectively mortgaged, charged or assigned pursuant to clauses 3 1 1-3 1 4 inclusive above and (b) all its assets situated in Scotland

#### 3 3 2 **Qualifying floating charge**

Sched B1 para 14 Insolvency Act 1986 (as inserted by s 248 of, and Sched 16 Enterprise Act 2002) applies to the floating charge created by this deed

#### 3 3 3 **Automatic conversion of floating charge**

Notwithstanding anything express or implied in this deed, and without prejudice to any law which may have similar effect, if

3 3 3 1 a Declared Default has occurred, or

3 3 3 2 any Chargor creates or attempts to create any Security (other than any Permitted Security) or any trust in favour of another person over all or any of its assets, or

3 3 3 3 any Chargor disposes or attempts to dispose of all or any of its assets other than (i) by way of a Permitted Disposal, or (ii) in the ordinary course of its trading, or

3 3 3 4 an Insolvency Event has occurred,

the floating charge created by this deed will automatically and immediately (without notice) be converted into a fixed charge over the Floating Charge Assets

#### 3 3 4 **Conversion of floating charge by notice**

Notwithstanding anything express or implied in this deed, if the Security Agent (acting in good faith) reasonably considers (in its sole discretion) that any Floating Charge Assets are in danger of being seized, the Security Agent may at any time thereafter, by notice to a Chargor, convert the floating charge

created by this deed with immediate effect into a fixed charge over all or any of the Floating Charge Assets of the relevant Chargor specified in such notice (but without prejudice to the Security Agent's rights to serve a notice in respect of any other Floating Charge Assets and any other rights of the Security Agent whatsoever)

**3 3 5 Assets acquired after any floating charge conversion**

Any asset acquired by any Chargor after any conversion of the floating charge created under this deed, in accordance with clauses 3 3 3 or 3 3 4 above which but for such conversion would be subject to a floating charge shall, (unless the Security Agent confirms in writing to the contrary) be charged to the Security Agent (as trustee for the Secured Parties) by way of first fixed charge

**3 3 6 Reconversion of fixed charge assets into floating charge assets**

The Security Agent may at any time after any conversion of the floating charge created under this deed over any Charged Assets into a fixed charge in accordance with clauses 3 3 3 (*Automatic Conversion of floating charge*) or 3 3 4 (*Conversion of floating charge by notice*) reconvert such fixed charge into a floating charge by notice to the relevant Chargor

**3 4 Title documents**

Each Chargor shall as soon as reasonably practicable, but in any event within five Business Days, following

3 4 1 the execution of this deed, or

3 4 2 in the case of an Additional Chargor, the date of the relevant Accession Deed, or

3 4 3 (if later) the date of acquisition of the relevant Charged Assets,

deposit with the Security Agent (and the Security Agent shall during the continuance of this security be entitled to hold)

3 4 3 1 all deeds and documents of title relating to the Properties and Material Intellectual Property as the Security Agent may from time to time require, and

3 4 3 2 all certificates relating to the Securities and such instruments of transfer in blank and other documents as the Security Agent may from time to time require

**3 5 Security notices**

3 5 1 Each Chargor shall as soon as reasonably practicable, but in any event within five Business Days, following

3 5 1 1 the execution of this deed, or

3 5 1 2 in the case of an Additional Chargor, the date of the relevant Accession Deed, or

3 5 1 3 in the case of any Insurance Policy taken out or any Account opened, in each case by any Chargor after its execution of or accession to this deed, the date (as applicable) on which such Insurance Policy is taken out or such Account is opened)

- (i) give notice in the form or substantially in the form set out in part 1 of schedule 6 (*Form of notice to insurers*) to the relevant insurers of the assignment pursuant to clause 3.1.3 (*Fixed security*) of its rights and interest in and under the Insurance Policies and use its reasonable endeavours to procure that each addressee of such notice will promptly provide an acknowledgement to the Security Agent in the form or substantially in the form set out in part 2 of schedule 6 (*Form of acknowledgement from insurers*), and
- (ii) in the case of the Mandatory Prepayment Account, give notice in the form or substantially in the form set out in part 1 of schedule 8 (*Form of notice of charge to third party bank over the Mandatory Prepayment Account*) to any bank, financial institution or other person of charging to the Security Agent pursuant to clause 3.1.2.6 of its rights and interests under such Account and use its reasonable endeavours (not involving the payment of any money or provision of other consideration other than with regard to associated costs and expenses) to procure that each addressee of such notice will promptly provide an acknowledgement to the Security Agent in the form or substantially in the form set out in part 2 of schedule 8 (*Form of acknowledgement from third party bank over the Mandatory Prepayment Account*),
- (iii) in the case of any Accounts (other than the Mandatory Prepayment Account), give notice in the form or substantially in the form set out in part 3 of schedule 8 (*Form of notice of charge to third party bank over other accounts*) to any bank, financial institution or other person of charging to the Security Agent pursuant to 3.3.1 (*Floating charge*) of its rights and interests under such accounts and use its reasonable endeavours (not involving the payment of any money or provision of other consideration other than with regard to associated costs and expenses) to procure that each addressee of such notice will promptly provide an acknowledgement to the Security Agent in the form or substantially in the form set out in part 4 of schedule 8 (*Form of acknowledgement from third party bank over other accounts*),

and in each case if the Chargor has used its reasonable endeavours, but has not been able to obtain acknowledgement, its obligation to obtain acknowledgement shall cease on the expiry of 45 Business Days of the date of service of the relevant notice

3.5.2 Each Chargor shall as soon as reasonably practicable, but in any event within five Business Days, following the occurrence of a Declared Default in the case of any Assigned Agreement entered into (or designated as such in accordance with this deed) by any Chargor after its execution of or accession to this deed, give notice in the form or substantially in the form set out in part 1 of schedule 7 (*Form of notice to counterparties of Assigned Agreements*) to the other parties to the Assigned Agreements to which it is a party of the assignment pursuant to clause 3.1.4 (*Fixed security*) of its rights and interest in and under the Assigned Agreements and use its reasonable endeavours to procure that

each addressee of such notice will promptly provide an acknowledgement to the Security Agent in the form or substantially in the form set out in part 2 of schedule 7 (*Form of acknowledgement from counterparties to Assigned Agreements*) and if the Chargor has used its reasonable endeavours, but has not been able to obtain acknowledgement, its obligation to obtain acknowledgement shall cease on the expiry of 45 Business Days of the date of service of the relevant notice

### 3 6 Security restrictions

#### 3 6 1 Restriction

3 6 1 1 There shall be excluded from the Security created by clauses 3 1 1 to 3 1 4 of this deed, any asset which is notified to the Security Agent as being held by an Chargor under an agreement (including, in respect of Properties, a lease and, in respect of Intellectual Property, any licensing agreement) which precludes either absolutely or conditionally (including requiring the consent of any third party) that Chargor from creating any Security over its interest in that asset (such agreement being a "**Restrictive Agreement**" and such asset being an "**Excluded Asset**") until the relevant condition or waiver referred to in clause 3 6 2 below has been satisfied or obtained For the avoidance of doubt, no Excluded Asset shall be excluded from the security created by clause 3 3 1 (*Floating charge*) of this deed (the "**Floating Charge Security**")

3 6 1 2 If a Chargor receives notice from a counterparty to a Restrictive Agreement of its intention to terminate a Restrictive Agreement on the grounds that Floating Charge Security has been granted over an Chargor's interest in the relevant Excluded Asset in breach of the terms of a Restrictive Agreement, the relevant Chargor will

- (i) as soon as reasonably practicable upon receipt of such notice or on becoming aware of such intention, inform the Security Agent, and
- (ii) take such action as the Security Agent shall reasonably request to resolve any issue or dispute with the relevant counterparty in such a way so as to enable the Floating Charge Security created over such Excluded Asset to remain in place, provided that such action will not involve placing the commercial relationship between the relevant Chargor and counterparty in jeopardy (as agreed by the relevant Chargor and the Security Agent, each acting reasonably)

#### 3 6 2 Consent

3 6 2 1 For each material Excluded Asset, the relevant Chargor undertakes to

- (i) apply for the consent or waiver of prohibition or conditions within ten Business Days of
  - (a) the date of this deed (in relation to Excluded Assets owned at the date of this deed), or
  - (b) in the case of an Additional Chargor, the date of the relevant Accession Deed, or

- (c) the date on which the relevant Chargor acquired the Excluded Asset

and, in each case which provides that the relevant counterparty shall not unreasonably withhold its consent to charging, to use its reasonable endeavours to obtain that consent or waiver of prohibition as soon as possible, provided that obtaining the consent or waiver will not involve placing the commercial relationship between the relevant Chargor and counterparty in jeopardy (as agreed by the relevant Chargor and the Security Agent, each acting reasonably),

- (ii) upon request, keep the Security Agent informed of its progress in obtaining such consent or waiver, and
- (iii) forthwith upon receipt of such consent or waiver, provide the Security Agent with a copy

3 6 2 2 Immediately upon receipt of the relevant waiver or consent, the relevant formerly Excluded Asset shall stand charged to the Security Agent (as trustee for the Secured Parties) under clauses 3 1 1 to 3 1 4 of this deed, as the case may be. If required by the Security Agent at any time following receipt of that waiver or consent, the relevant Chargor will execute a further valid fixed charge in such form as the Security Agent shall require

#### **4 Restrictions on dealing**

##### **4 1 Negative pledge and restriction on disposal**

Each Chargor hereby covenants with the Security Agent that it will not at any time except in accordance with the terms of the Facilities Agreement

4 1 1 create or purport to create or permit to subsist any Security on or in relation to the Charged Assets, or

4 1 2 enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer, surrender or otherwise dispose of or cease to exercise control of all, or part of any interest in any Charged Assets

##### **4 2 Land Registry restriction**

4 2 1 In respect of any Property registered at the Land Registry each Chargor hereby consents to the entry of the following restriction on the register of its title to such Property

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [ ] in favour of Ares Management Limited referred to in the charges register, or if appropriate signed on such proprietor's behalf by its conveyancer"

4 2 2 Each Chargor authorises the Security Agent to make any application which it deems appropriate (acting reasonably) for the designation of this deed or any other Finance Document as an exempt information document under rule 136 Land Registration Rules 2003 and will use its reasonable endeavours to assist with any such application made by or on behalf of the Security Agent. Each Chargor will promptly notify the Security Agent in writing if it receives notice of



any person's application under rule 137 Land Registration Rules 2003 for the disclosure of this deed or any other Finance Document, following its designation as an exempt information document and will not make any application under rule 138 Land Registration Rules 2003 for the removal of the designation of any such document as an exempt information document

## **5 Debts and Accounts**

### **5 1 Debts**

After the security constituted by this deed has become enforceable on the occurrence of a Declared Default, the Security Agent may require the Chargor to give notice of its rights and interests over the Debts pursuant to clause 3 3 (*Floating security*) to the debtors from whom the Debts are due, owing or incurred and use its reasonable endeavours to procure that each addressee of such notice will promptly provide an acknowledgement to the Security Agent and if the Chargor has used its reasonable endeavours, but has not been able to obtain acknowledgement, its obligation to obtain acknowledgement shall cease on the expiry of 45 Business Days of the date of service of the relevant notice

### **5 2 Accounts**

The Security Agent has sole signing rights on the Mandatory Prepayment Account

### **5 3 Withdrawals**

5 3 1 Except with the prior consent of the Security Agent no Chargor may withdraw any amounts from time to time standing to the credit of the Mandatory Prepayment Account,

5 3 2 after the security constituted by this deed has become enforceable on the occurrence of a Declared Default, each Chargor shall comply with any notice served by the Security Agent on that Chargor prohibiting it from withdrawing all or any monies from time to time standing to the credit of any of its Accounts except with the prior consent of the Security Agent, and

5 3 3 after the security constituted by this deed has become enforceable on the occurrence of a Declared Default, the Security Agent may serve notice to the relevant third party bank withdrawing its permission to allow the Chargor to withdraw any amounts from any Account

## **6 Properties**

Each Chargor hereby covenants with the Security Agent that it will

### **6 1 Maintenance**

keep all buildings on each Property and all fixtures belonging to it thereon and therein in a good state of repair (fair wear and tear excepted),

### **6 2 Preservation of property**

not without the prior consent of the Security Agent (not to be unreasonably withheld or delayed) make any substantial change in the structure of or a change of use of any Property,

### **6 3 Information**

provide such material information in relation to any Property as may be required by the Security Agent for the maintenance or enforcement of the security created by this deed,

**6 4 No restrictive obligations**

not without the prior consent of the Security Agent

6 4 1 enter into any onerous or restrictive obligations affecting any Property or any part thereof, or

6 4 2 create or permit to arise any overriding interest or easement or right whatever in or over any Property or any part thereof,

which would have a Material Adverse Effect,

**6 5 Property acquisitions**

if it acquires any freehold or leasehold property, whether registered or unregistered

6 5 1 inform the Security Agent promptly of such acquisition,

6 5 2 promptly on request by the Security Agent and at the reasonable cost of that Chargor, execute and deliver to the Security Agent a legal mortgage in favour of the Security Agent of that property in such form as the Security Agent may require provided that the form of such document is consistent with, and no more onerous than, the then-existing Transaction Security Documents (or such other Security in the jurisdiction where such property is located as the Security Agent may require), and

6 5 3 comply with all registration requirements resulting from the acquisition of such property and the creation of Security over such property pursuant to this deed and the legal mortgage (or other Security) referred to above

**7 Equipment**

Each Chargor hereby covenants with the Security Agent as follows

**7 1 Equipment information**

to give the Security Agent (acting reasonably) such material information concerning the location, condition, use and operation of the Equipment as the Security Agent may require for the maintenance or enforcement of the security created by this deed,

**7 2 Notice of Charge**

if so requested by the Security Agent in writing, following the occurrence of a Declared Default, place and maintain on each item of Equipment, in a conspicuous place, a clearly legible identification plate containing the following wording

"NOTICE OF CHARGE

This [*description of item*] and ancillary equipment is subject to a fixed charge dated [ ] in favour of Ares Management Limited "

**8 Intellectual Property**

Each Chargor hereby covenants with the Security Agent that it shall, if requested to do so by the Security Agent (acting reasonably), sign or procure the signature of, and comply with all reasonable instructions of the Security Agent in respect of, any document required to make entries in any public register of Intellectual Property which either record the existence of this deed or the restrictions on disposal imposed by this deed

**9 Securities**

**9 1 Registration of Securities**

The Security Agent may, following the occurrence of a Declared Default, cause any or all of the Securities to be registered in the name of the Security Agent or its nominee. Each Chargor agrees to, as soon as reasonably practicable, execute and deliver to the Security Agent all such transfers and other documents and do all such things as may be necessary or desirable to achieve such registration.

**9 2 Additional registration obligations**

Each Chargor hereby

9 2 1 grants and agrees to procure as necessary, all consents, waivers, approvals and permissions which are necessary, under the articles of association of any Securities Issuer or otherwise, for the transfer of the Securities to the Security Agent or its nominee or to a purchaser upon enforcement of this deed, and

9 2 2 agrees to procure the amendment of the share transfer provisions of each Securities Issuer's articles of association in such manner as the Security Agent may reasonably require in order to permit such a transfer.

**9 3 Dividends and voting rights prior to enforcement**

Until the security constituted by this deed becomes enforceable

9 3 1 all cash dividends or other cash distributions paid or payable in respect of the Securities may be paid directly to the relevant Chargor which shall be permitted to apply such dividends or distributions as it deems fit to the extent permitted by the Facilities Agreement and the Intercreditor Agreement,

9 3 2 any cash dividends or other cash distributions paid in respect of any of the Securities and received by the Security Agent or its nominee shall be released and paid to such Chargor,

9 3 3 the relevant Chargor may exercise all voting and other rights and powers attaching to the Securities and exercisable by the relevant Chargor provided that the exercise of such voting and other rights and powers would not adversely affect the validity or enforceability of the security under this deed or contravene any Finance Document, and

9 3 4 the Security Agent will (to the extent that it has or will acquire any such rights or powers) exercise all voting and other rights and powers attaching to the Securities and exercisable by the Security Agent or its nominee as the relevant Chargor may from time to time direct provided that acting in accordance with such directions would not adversely affect the validity or enforceability of the security under this deed or contravene any Finance Document.

**9 4 Dividends and voting rights post enforcement**

After the security constituted by this deed has become enforceable

9 4 1 all dividends and other distributions paid in respect of the Securities and received by any Chargor shall be held on trust for the Security Agent (as trustee for the Secured Parties) and forthwith paid into the Mandatory Prepayment Account or, if received by the Security Agent or its nominee, shall be retained by the Security Agent, and

9 4 2 (subject to service of notice on the relevant Chargor of the intention to do so for the purposes of preserving or realising the value of the relevant Securities) the

Security Agent may exercise, or direct the exercise (or refrain from exercising or directing the exercise) of, all voting and other rights and powers attaching to the Securities as the Security Agent may in its absolute discretion think fit and each Chargor shall, and shall procure that its nominees shall, comply with any such directions from the Security Agent concerning the exercise of such rights and powers

**9 5 Additional undertakings**

Each Chargor further undertakes to the Security Agent that it shall

- 9 5 1      duly and promptly pay all calls, instalments and other moneys which may be payable from time to time in respect of the Securities, unless and to the extent that such calls or payments are being contested in good faith, it being acknowledged by the Chargors that the Security Agent shall be under no liability whatsoever in respect of any such calls, instalments or other moneys,
- 9 5 2      not without the Security Agent's prior consent or unless permitted under the Facilities Agreement amend, or agree to the amendment of, the memorandum or articles of association of any Securities Issuer or the rights or liabilities attaching to any of the Securities,
- 9 5 3      promptly give notice of this deed to any custodian of any Securities in any form which the Security Agent may reasonably require and use its reasonable endeavours to ensure that the custodian acknowledges that notice in any form which the Security Agent may reasonably require

**10 Power to remedy**

- 10 1      If a Chargor is at any time in breach of any of its obligations contained in this deed, the Security Agent shall be entitled (but shall not be bound) to remedy such breach provided that the Security Agent shall have notified such failure to the relevant Chargor which has not been remedied by the relevant Chargor within ten Business Days. Each Chargor hereby irrevocably authorises the Security Agent and its agents to do all things reasonably necessary or desirable in connection therewith
- 10 2      The rights of the Security Agent contained in this clause 10 are without prejudice to any other rights of the Security Agent hereunder and the exercise by the Security Agent of its rights under this clause shall not make the Security Agent liable to account as a mortgagee in possession

**11 Enforcement**

**11 1 Enforcement events**

The security constituted by this deed shall become immediately enforceable if a Declared Default occurs

**11 2 Statutory power of sale**

The statutory power of sale shall arise on and be exercisable at any time after the execution of this deed (and the Secured Liabilities shall be deemed to have become due and payable for that purpose), provided that the Security Agent shall not exercise such power of sale until the security constituted by this deed has become enforceable

**11 3 Extension of statutory powers**

- 11 3 1      Any restriction imposed by law on the power of sale (including under s 103 LPA) or on the right of a mortgagee to consolidate mortgages (including under s 93 LPA) does not apply to the security constituted by this deed and the Security Agent or any Receiver shall have the right to consolidate all or any of

the security constituted by this deed with any other Security in existence at any time and to make any applications to the Land Registry in support of the same

- 11 3 2 Any powers of leasing conferred on the Security Agent or any Receiver by law are extended so as to authorise the Security Agent or any Receiver to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent or Receiver may think fit and without the need to comply with any restrictions conferred by law (including under ss 99 or 100 LPA)

**11 4 No obligation to enquire**

No person dealing with the Security Agent, any Administrator or any Receiver appointed hereunder, or its agents or brokers, shall be concerned to enquire

- 11 4 1 whether the security constituted by this deed has become enforceable,
- 11 4 2 whether any power exercised or purported to be exercised has become exercisable,
- 11 4 3 whether any money remains due under the Finance Documents,
- 11 4 4 as to the necessity or expediency of the stipulations and conditions subject to which any sale of any Charged Assets shall be made, or otherwise as to the propriety or regularity of any sale of any of the Charged Assets, or
- 11 4 5 how any money paid to the Security Agent, Administrator or Receiver, or its agents or brokers is to be applied

**11 5 No liability as mortgagee in possession**

None of the Security Agent, any Administrator or any Receiver shall be liable

- 11 5 1 to account as mortgagee in possession in respect of all or any of the Charged Assets, or
- 11 5 2 for any loss upon realisation of, or for any neglect or default of any nature whatsoever in connection with, all or any of the Charged Assets for which a mortgagee in possession might as such be liable

**11 6 Power to dispose of chattels**

After the security constituted by this deed has become enforceable, the Security Agent, any Administrator or any Receiver may dispose of any chattels or produce found on any Property as agent for the relevant Chargor and, without prejudice to any obligation to account for the proceeds of any sale of such chattels or produce the Security Agent, the Administrator or the Receiver shall be indemnified by such Chargor against any liability arising from such disposal

**11 7 Redemption of prior Security**

At any time after the security constituted by this deed shall have become enforceable the Security Agent may

- 11 7 1 redeem any prior Security,
- 11 7 2 procure the transfer thereof to itself, and/or
- 11 7 3 settle and pass the accounts of the prior encumbrancer and any account so settled and passed shall be conclusive and binding on the relevant Chargor and all monies paid by the Security Agent to the prior encumbrancer in accordance with such accounts shall as from such payment be due from such

Chargor to the Security Agent on current account and shall bear interest and be secured as part of the Secured Liabilities

## **12 Administrator and Receiver**

### **12 1 Appointment of Administrator or Receiver**

At any time after

- (a) the security constituted by this deed becomes enforceable,
- (b) any corporate action or any other steps are taken or legal proceedings started by or in respect of any Obligor with a view to the appointment of an Administrator, or
- (c) at the request of the relevant Chargor,

the Security Agent may without further notice, under seal or by writing under hand of a duly authorised officer of the Security Agent

12 1 1 appoint any person or persons to be an Administrator of any Chargor, or

12 1 2 appoint any person or persons to be a Receiver of all or any part of the Charged Assets of any Chargor, and

12 1 3 (subject to s 45 Insolvency Act 1986) from time to time remove any person appointed to be Receiver and appoint another in his place

### **12 2 More than one appointment**

Where more than one person is appointed Administrator or Receiver, they will have power to act separately (unless the appointment by the Security Agent specifies to the contrary)

### **12 3 Additional powers**

12 3 1 The powers of appointing an Administrator or a Receiver conferred by this deed shall be in addition to all statutory and other powers of the Security Agent under the Insolvency Act 1986 and the LPA or otherwise and shall be exercisable without the restrictions contained in s 109 LPA or otherwise

12 3 2 The power to appoint an Administrator or a Receiver (whether conferred by this deed or by statute) shall be and remain exercisable by the Security Agent notwithstanding any prior appointment in respect of all or any part of the Charged Assets

### **12 4 Agent of the relevant Chargor**

12 4 1 Any Administrator or Receiver shall be the agent of the relevant Chargor and the relevant Chargor shall be solely responsible for his acts and remuneration as well as for any defaults committed by him

12 4 2 No Secured Party will incur any liability (either to a Chargor or to any other person) by reason of the appointment of an Administrator or Receiver

### **12 5 Powers of Administrator and Receiver**

A Receiver shall have (and shall be entitled to exercise), in relation to the Charged Assets over which he is appointed, and an Administrator shall have in addition to the powers he enjoys under Sched B1 Insolvency Act 1986, the following powers (as the same may be varied or extended by the provisions of this deed)

- 12 5 1 (in respect of a Receiver) all of the powers of an administrative receiver set out in Sched 1 Insolvency Act 1986 (whether or not the Receiver is an administrative receiver),
- 12 5 2 all of the powers conferred from time to time on receivers, mortgagors and mortgagees in possession by the LPA,
- 12 5 3 all of the powers and rights of a legal and beneficial owner and the power to do or omit to do anything which any relevant Chargor itself could do or omit to do, and
- 12 5 4 the power to do all things which, in the opinion of the Administrator or Receiver (as appropriate) are incidental to any of the powers, functions, authorities or discretions conferred or vested in the Administrator or Receiver pursuant to this deed or upon receivers by statute or law generally (including the bringing or defending of proceedings in the name of, or on behalf of, any relevant Chargor, the collection and/or realisation of Charged Assets in such manner and on such terms as the Administrator or Receiver sees fit; and the execution of documents in the name of the relevant Chargor (whether under hand, or by way of deed or by utilisation of the company seal of such Chargor))

### **13 Amounts received**

#### **13 1 Application of proceeds**

All proceeds of enforcement received or recovered by the Security Agent or any Receiver or any Administrator pursuant to this deed shall be applied in the order and manner specified by the Intercreditor Agreement

#### **13 2 Section 109(8) Law of Property Act 1925**

Neither the Security Agent nor any Receiver or Administrator shall be bound (whether by virtue of s 109(8) LPA, which is hereby varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order as between any of the Secured Liabilities

#### **13 3 Currencies of denomination**

For the purpose of or pending the discharge of any of the Secured Liabilities the Security Agent may convert any monies received, recovered or realised by the Security Agent under this deed from their existing denominations and/or currencies of denomination into such other denominations and/or currencies of denomination as the Security Agent may think fit and any such conversion shall be effected at the Security Agent's then prevailing spot selling rate of exchange

#### **13 4 Suspense account**

All monies received recovered or realised by the Security Agent under this deed may at the discretion of the Security Agent be credited to any interest bearing suspense or impersonal account and may be held in such account for so long as the Security Agent thinks fit pending the application from time to time (as the Security Agent shall be entitled to do as it may think fit) of such monies and accrued interest thereon (if any) in or towards the discharge of any of the Secured Liabilities

#### **13 5 New accounts**

If the Security Agent receives notice of any subsequent charge or other interest affecting all or part of the Charged Assets (other than a Permitted Security), the Security Agent may open a new account or accounts for the relevant Chargor in its books and (without prejudice to the Security Agent's right to combine accounts) no money paid to the credit of such Chargor in any such new account will be appropriated towards or have the effect of

discharging any part of the Secured Liabilities. If the Security Agent does not open a new account or accounts immediately on receipt of such notice then unless the Security Agent gives express notice to the contrary to the relevant Chargor as from the time of receipt of such notice by the Security Agent all payments made by the relevant Chargor to the Security Agent in the absence of any express appropriation by such Chargor to the contrary shall be treated as having been credited to a new account of such Chargor and not as having been applied in reduction of the Secured Liabilities.

**13.6 Security Agent set-off rights**

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

**14 Power of attorney and delegation**

**14.1 Power of attorney**

Each Chargor hereby by way of security irrevocably appoints the Security Agent and (jointly and severally) each and every Administrator or Receiver of this deed to be the attorney of such Chargor and in its name and on its behalf and as its act and deed or otherwise and either

14.1.1 after the occurrence of a Declared Default, or

14.1.2 if a Chargor has failed to comply with clause 15.5 (*Further assurance*) and a period of 10 Business Days has elapsed from the Security Agent giving notice to the Parent or the relevant Chargor or the Parent of such failure to comply,

to sign, execute, seal, deliver, complete any blanks in and otherwise perfect any deed, transfer, assurance, agreement, instrument or act which such Administrator or Receiver or the Security Agent (each acting reasonably) may consider expedient in the exercise of any of his or its powers or in respect of such Chargor's obligations under this deed. The power of attorney hereby granted is to secure the performance of obligations owed to the donees within the meaning of the Powers of Attorney Act 1971.

**14.2 Ratification**

Each Chargor ratifies and confirms and agrees to ratify and confirm

14.2.1 all transactions entered into by the Security Agent and/or any Administrator or Receiver in the proper exercise of its or their powers in accordance with this deed, and

14.2.2 all transactions entered into by the Security Agent and/or any Administrator or Receiver in signing, sealing, delivering and otherwise perfecting any assignment, mortgage, charge, security, document or other act

14.3 The Security Agent and any Administrator or Receiver shall have full power to delegate the powers, authorities and discretions conferred on it or him by this deed (including the power of attorney), on such terms and conditions as it or he shall see fit which shall not preclude exercise of these powers, authorities or discretions by it or him or any revocation of the delegation or subsequent delegation.



## **15 Protection of security and further assurance**

### **15.1 Independent security**

This deed shall be in addition to and independent of every other security or guarantee that the Security Agent or any other Secured Party may at any time hold for any of the Secured Liabilities. No prior security held by the Security Agent or any other Secured Party over the whole or any part of the Charged Assets shall merge in the security created by this deed.

### **15.2 Continuing security**

This deed shall remain in full force and effect as a continuing security for the Secured Liabilities, notwithstanding any settlement of account or intermediate payment or discharge in whole or in part.

### **15.3 No waivers; rights cumulative**

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

### **15.4 No Chargor set-off**

Each Chargor waives any right of set-off it may have now or at any time in the future in respect of the Secured Liabilities (including sums payable by such Chargor under this deed).

### **15.5 Further assurance**

15.5.1 Each Chargor must, promptly upon request by the Security Agent or any Receiver or Administrator, at its own expense, take whatever action the Security Agent or a Receiver or Administrator may require for

15.5.1.1 creating, perfecting or protecting any security intended to be created by or pursuant to this deed,

15.5.1.2 facilitating the realisation of any Charged Asset,

15.5.1.3 exercising any right, power or discretion conferred on the Security Agent, or any Receiver or any Administrator or any of their respective delegates or sub-delegates in respect of any Charged Asset, or

15.5.1.4 creating and perfecting security in favour of the Security Agent (equivalent to the security intended to be created by this deed) over any assets of any Chargor located in any jurisdiction outside England and Wales

15.5.2 This includes

15.5.2.1 the re-execution of this deed,

15.5.2.2 the execution of any legal mortgage, charge, transfer, conveyance, assignment or assurance of any property, whether to the Security Agent or to its nominee, and

15.5.2.3 the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Security Agent (or the Receiver or Administrator, as appropriate) may think expedient

**16 Costs and indemnity**

16 1 The provisions of clause 20 (*Costs and expenses*) of the Facilities Agreement are incorporated into this deed as if set out in full *mutatis mutandis*

16 2 Each Chargor jointly and severally shall within three Business Days of demand indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability incurred by any of them as a result of

16 2 1 any failure by the Parent to comply with its obligations under clause 19 1,

16 2 2 acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised,

16 2 3 the taking, holding, protection or enforcement of the Transaction Security,

16 2 4 the exercise of any of the rights, powers, discretions, authorities and remedies vested in the Security Agent and each Receiver and Delegate by the Finance Documents or by law,

16 2 5 any default by any Obligor in the performance of any of the obligations expressed to be assumed by it in the Finance Documents, or

16 2 6 acting as Security Agent, Receiver or Delegate under the Finance Documents or which otherwise relates to any of the Charged Property (otherwise, in each case, than by reason of the relevant Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct or wilful breach of any Finance Document),

16 3 Each Chargor expressly acknowledges and agrees that the continuation of its indemnity obligations under this clause 16 will not be prejudiced by any release or disposal under clause 13 (*Distressed Disposals and Appropriation*) of the Intercreditor Agreement taking into account the operation of that clause

16 4 The Security Agent and every Receiver and Delegate may, in priority to any payment to the Secured Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this clause 16 and shall have a lien on the Transaction Security and the proceeds of the enforcement of the Transaction Security for all monies payable to it

**17 Miscellaneous**

**17 1 Benefit of Deed**

The benefit of this deed will be held by the Security Agent on and subject to the terms of the Intercreditor Agreement on trust for the benefit of itself and the other Secured Parties without preference or priority amongst themselves as security for the Secured Liabilities

**17 2 Certificates conclusive**

A certificate or determination by the Security Agent as to any amount or rate under this deed shall be conclusive evidence of that amount or rate in the absence of any manifest error

**17 3 Limitations**

The obligations of any Additional Chargor are subject to the limitations (if any) set out in the Accession Deed executed by that Additional Chargor

**17 4 Notice of assignment**

This deed constitutes notice in writing to each Chargor of any charge or assignment of a debt owed by that Chargor to any other member of the Group and contained in any other Finance Document

**17 5 Financial collateral**

17 5 1 To the extent that the Charged Assets constitute "financial collateral" and this deed and the obligations of the Chargors under this deed constitute a "security financial collateral arrangement" (in each case for the purpose of and as defined in the Financial Collateral Arrangements (No 2) Regulations 2003 (SI 2003 no 3226)), the Security Agent shall have the right after the Security constituted by this deed has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Liabilities

17 5 2 For the purpose of clause 17 5 1, the value of the financial collateral appropriated shall be such amount as the Security Agent reasonably determines having taken into account advice obtained by it from an independent investment or accountancy firm of national standing selected by it

**17 6 Severability**

If any of the provisions of this deed is or becomes invalid or unenforceable, the validity and enforceability of the remaining provisions shall not be affected or impaired thereby

**17 7 Section 2(1) Law of Property (Miscellaneous Provisions) Act 1989**

The terms of the Finance Documents and of any side letters between any parties in relation to the Finance Documents are incorporated in this deed to the extent required to ensure that any purported disposition of Charged Assets contained in this deed is a valid disposition in accordance with s 2(1) Law of Property (Miscellaneous Provisions) Act 1989

**17 8 Third party rights**

Save as expressly provided to the contrary in a Finance Document, a third party (being any person other than the Chargors and the Secured Parties and their successors and permitted assigns) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this deed. Notwithstanding any term of any Finance Document, the consent of such third party is not required to rescind or vary this deed at any time

**17 9 Joint and several liability**

The covenants, agreements, obligations and liabilities of the Chargors contained in this deed or implied on their part are joint and several and shall be construed accordingly

**17 10 Trustee Act 2000**

The Chargors and the Security Agent agree that the Security Agent shall not be subject to the duty of care imposed on the trustees by the Trustee Act 2000

**18 Notices**

Any demand, notice, consent or communication to be made or given by or to a Chargor or the Security Agent under or in connection with this deed shall be made and delivered as provided in clause 35 (Notices) of the Facilities Agreement

19      **Assignment and transfer**

19 1      **Assignment by Security Agent**

The Security Agent may at any time without the consent of any Chargor, assign or transfer the whole or any part of its rights under this deed to any person to which it can transfer its rights in accordance with the terms of the Finance Documents

19 2      **Assignment by Chargor**

No Chargor may assign any of its rights or transfer any of its obligations under this deed or enter into any transaction which would result in any of these rights or obligations passing to another person

20      **Release of Security**

20 1      **Release**

Subject to clause 20 3 (*Discharge conditional*), upon the expiry of the Security Period (but not otherwise) the Security Agent shall at the request and cost of the Chargors, take whatever action is necessary to release and re-assign the Charged Assets from the security constituted by this deed

20 2      **Avoidance of payments and reinstatement**

If any payment by an Obligor or any discharge given by a Finance Party (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is (a) capable of being avoided or reduced (in the reasonable opinion of the Security Agent) or (b) avoided or reduced in each case as a result of insolvency or any similar event, then

20 2 1      the liability of each Obligor will continue as if the payment, discharge, avoidance or reduction had not occurred,

20 2 2      each Finance Party will be entitled to recover the value or amount of that security or payment from each Obligor, as if the payment, discharge, avoidance or reduction had not occurred, and

20 2 3      the Security Agent shall be entitled to enforce this deed subsequently as if such payment, discharge, avoidance or reduction had not occurred

20 3      **Discharge conditional**

Any release, discharge or settlement between any Chargor and the Security Agent or any other Finance Party shall be deemed conditional upon no payment or security received by the Security Agent or such other Finance Party in respect of the Secured Liabilities being avoided or reduced or ordered to be refunded pursuant to any provision of any enactment relating to insolvency, bankruptcy, winding-up, administration or receivership and, notwithstanding any such release, discharge or settlement

20 3 1      the Security Agent or its nominee shall be at liberty to retain this deed and the security created by or pursuant to this deed, including all certificates and documents relating to the Charged Assets or any part thereof, for such period as the Security Agent shall deem necessary to provide the Security Agent with security against any such avoidance or reduction or order for refund, and

20 3 2      the Security Agent shall be entitled to recover the value or amount of such security or payment from the Chargor concerned subsequently as if such settlement, discharge or release had not occurred and each Chargor agrees with the Security Agent accordingly and charges the Charged Assets and the proceeds of sale thereof with any liability under this clause, whether actual or contingent

**21 Governing law**

21 1 This deed and any non-contractual obligations arising out of or in connection with it are governed by English law

**21 2 Jurisdiction of English courts**

21 2 1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this deed (including a dispute regarding the existence, validity or termination of this deed) (a "Dispute")

21 2 2 The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary

21 2 3 This clause 21 1 is for the benefit of the Security Agent only As a result, the Security Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions

**22 Counterparts**

This deed may be executed in counterparts, all of which when taken together shall be deemed to constitute one and the same instrument

**In witness** whereof this deed has been executed by the Original Chargors and is intended to be and is hereby delivered as a deed the day and year first above written and has been signed on behalf of the Security Agent

## SCHEDULE 1

### Original Chargors

Name	Registered Number	Registered Office
Claranet Group Limited	04037420	21 Southampton Row London WC1B 5HA
Claranet Limited	03152737	21 Southampton Row London WC1B 5HA
Star Technology Services Limited	03077786	21 Southampton Row London WC1B 5HA
STH Limited	05473890	21 Southampton Row London WC1B 5HA
Claranet Finance Limited	09392854	21 Southampton Row London WC1B 5HA
Tagadab Limited	06164292	21 Southampton Row London WC1B 5HA

## **SCHEDULE 2**

### **Properties currently owned**

#### **Part A: Registered Land**

None at the date of this deed

#### **Part B: Unregistered Land**

None at the date of this deed

**SCHEDULE 3**  
**Original Securities**

<b>Securities Issuer</b>	<b>Type of security and nominal value</b>	<b>Number</b>	<b>Name of Registered Holder</b>
Claranet Limited	250,000 £1 ordinary shares	250,000	Claranet Group Limited
Free UK Internet Limited	2 £1 ordinary shares	2	Claranet Limited
STH Limited	469,835 £0 01 ordinary shares	469,835	Claranet Limited
Star Technology Services Limited	540,000 £1 deferred shares	540,000	STH Limited



## SCHEDULE 4

### Accounts

Chargor	Bank	Currency	Account number	Address of Bank	Sort code
Claranet Group Ltd	National Westminster Bank plc	\$	[REDACTED]	15 Bishopsgate, London, EC2N 3AS	[REDACTED]
Claranet Group Ltd	National Westminster Bank plc	£	[REDACTED]	15 Bishopsgate, London, EC2N 3AS	[REDACTED]
Claranet Group Ltd	National Westminster Bank plc	€	[REDACTED]	15 Bishopsgate, London, EC2N 3AS	[REDACTED]
Claranet Limited	National Westminster Bank plc	\$	[REDACTED]	15 Bishopsgate, London, EC2N 3AS	[REDACTED]
Claranet Limited	National Westminster Bank plc	£	[REDACTED]	15 Bishopsgate, London, EC2N 3AS	[REDACTED]
Claranet Limited	National Westminster Bank plc	€	[REDACTED]	15 Bishopsgate, London, EC2N 3AS	[REDACTED]
Claranet Limited	National Westminster Bank plc	£	[REDACTED]	15 Bishopsgate, London, EC2N 3AS	[REDACTED]
Claranet Limited	National Westminster Bank plc	£	[REDACTED]	15 Bishopsgate, London, EC2N 3AS	[REDACTED]
Star Technology Services Ltd	National Westminster Bank plc	£	[REDACTED]	15 Bishopsgate, London, EC2N 3AS	[REDACTED]
Star Technology Services Ltd	Barclays Bank PLC	£	[REDACTED]	1 Churchill Place, London, E14 5HP	[REDACTED]
Star Technology Services Ltd	Barclays Bank PLC	£	[REDACTED]	1 Churchill Place, London, E14 5HP	[REDACTED]
Star Technology Services Ltd	Barclays Bank PLC	£	[REDACTED]	1 Churchill Place, London, E14 5HP	[REDACTED]

				E14 5HP	
STH Limited	Barclays Bank PLC	£		1 Churchill Place, London, E14 5HP	
STH Limited	National Westminster Bank plc	£		15 Bishopsgate, London, EC2N 3AS	

## SCHEDULE 5

### Form of Accession Deed

DATE

20[ ]

#### PARTIES

- 1 [ ] (registered number [ ]) with its registered office at [ ] (the "Additional Chargor"), and
- 2 **ARES MANAGEMENT LIMITED** acting through its office at [ ] as agent and trustee for the Secured Parties (as defined below) (the "Security Agent")

#### BACKGROUND

- A The Additional Chargor is a Subsidiary of the Topco
- B Claranet Group Limited and the Security Agent (among others) have entered into a security agreement dated [ ], 2015 (the "Security Agreement")
- C The Additional Chargor has agreed to enter into this deed and to become an Additional Chargor under the Security Agreement
- D The Security Agent and the Additional Chargor intend this document to take effect as a deed notwithstanding the fact that a party may only execute this document under hand
- E The Security Agent holds the benefit of this deed on trust for the Secured Parties on the terms of the Finance Documents

#### IT IS AGREED as follows

##### 1 Definitions and interpretation

Terms defined in the Security Agreement have the same meaning in this deed unless given a different meaning in this deed. This deed is a Finance Document

##### 2 Accession and covenant to pay

###### 2.1 With effect from the date of this deed the Additional Chargor

2.1.1 will become a party to the Security Agreement as a Chargor, and

2.1.2 will be bound by all the terms of the Security Agreement which are expressed to be binding on a Chargor

2.2 The Additional Chargor hereby covenants with the Security Agent (as trustee for the Secured Parties) that it will on demand pay and discharge all Secured Liabilities to the Secured Parties when the same become due in accordance with the terms of the Finance Documents whether by acceleration or otherwise, together with interest at such rate of interest determined in accordance with clause [12.3] (*Default interest*) of the Facilities Agreement from the due date of payment until the date on which such amount is paid and discharged in full

2.3 Neither the covenant to pay in clause 2.2 above nor the Security constituted by this deed shall extend to or include any liability or sum which would, but for this clause, cause such covenant or Security to be unlawful under any applicable law

### 3 Grant of security

#### 3 1 Fixed security

As a continuing security for the payment or discharge of the Secured Liabilities, the Additional Chargor with full title guarantee hereby

3 1 1 grants to the Security Agent (as trustee for the Secured Parties), a charge by way of legal mortgage over all its Properties which are listed in schedule 1 (*Properties currently owned*) to this deed,

3 1 2 charges to the Security Agent (as trustee for the Secured Parties), by way of first fixed charge, all its

3 1 2 1 Properties acquired by it after the date of this deed,

3 1 2 2 Property Interests,

3 1 2 3 Equipment,

3 1 2 4 Securities,

3 1 2 5 Material Intellectual Property,

3 1 2 6 Mandatory Prepayment Account,

3 1 2 7 Goodwill, and

3 1 2 8 right, title and interest to any agreement, licence, consent or authorisation relating to its business at any time not otherwise mortgaged, charged or assigned pursuant to clauses 3 1 1-3 1 4 inclusive,

3 1 3 assigns to the Security Agent (as trustee for the Secured Parties) absolutely, subject to a proviso for reassignment on redemption, all of its right, title and interest in and to the Insurance Policies, and

3 1 4 assigns to the Security Agent (as trustee for the Secured Parties), absolutely, subject to a proviso for reassignment on redemption, the benefit of the Assigned Agreements to which it is a party or an addressee and any claims arising under any of the same, and the benefit of any guarantee or security for the performance of the Assigned Agreements

#### 4 Dealing with Charged Assets

Save for in respect of the Mandatory Prepayment Account charged under clause 3 1 2 6 above, until the occurrence of a Declared Default, any Chargor which has mortgaged, charged or assigned (or expressed to be mortgaged, charged or assigned) by or pursuant to this deed its interest in any Charged Asset shall be entitled to deal with any Charged Asset in the ordinary course of business notwithstanding such mortgage, charge or assignment, provided that such dealing is permitted in accordance with the terms of the Finance Documents

#### 4 1 Floating Security

As a continuing security for the payment or discharge of the Secured Liabilities, the Additional Chargor with full title guarantee hereby charges to the Security Agent (as trustee for the Secured Parties), by way of first floating charge, all of its undertaking, property, assets and rights, including without limitation its Accounts (other than the Mandatory Prepayment Account charged pursuant to clause 3 1 2 6 above) and its Debts, at any time

not effectively mortgaged, charged or assigned pursuant to clauses 3 1 1-3 1 4 inclusive above

## 4 2 Security restrictions

### 4 2 1 Restriction

4 2 1 1 There shall be excluded from the Security created by clauses 3 1 1 to 3 1 4 of this deed, any asset which is notified to the Security Agent as being held by the Additional Chargor under an agreement (including, in respect of Properties, a lease and, in respect of Intellectual Property, any licensing agreement) which precludes either absolutely or conditionally (including requiring the consent of any third party) the Additional Chargor from creating any Security over its interest in that asset (such agreement being a "**Restrictive Agreement**" and such asset being an "**Excluded Asset**") until the relevant condition or waiver referred to in clause 3 5 2 below has been satisfied or obtained For the avoidance of doubt, no Excluded Asset shall be excluded from the security created by clause 3 2 (*Floating charge*) of this deed (the "**Floating Charge Security**")

4 2 1 2 If the Additional Chargor receives notice from a counterparty to a Restrictive Agreement of its intention to terminate a Restrictive Agreement on the grounds that Floating Charge Security has been granted over the Additional Chargor's interest in the relevant Excluded Asset in breach of the terms of a Restrictive Agreement, the Additional Chargor will

- (i) as soon as reasonably practicable, upon receipt of such notice or on becoming aware of such intention, inform the Security Agent, and
- (ii) take such action as the Security Agent shall reasonably request to resolve any issue or dispute with the relevant counterparty in such a way so as to enable the Floating Charge Security created over such Excluded Asset to remain in place, provided that such action will not involve placing the commercial relationship between the Additional Chargor and counterparty in jeopardy (as agreed by the Additional Chargor and the Security Agent, each acting reasonably)

### 4 2 2 Consent

4 2 2 1 For each Excluded Asset, the Additional Chargor undertakes to

- (i) apply for the consent or waiver of prohibition or conditions within five Business Days of
  - (a) the date of this deed (in relation to Excluded Assets owned at the date of this deed), or
  - (b) the date on which the Additional Chargor acquires an Excluded Asset

and, in each case, to use its reasonable endeavours to obtain that consent or waiver of prohibition as soon as possible, provided that obtaining the consent or waiver will not involve placing the commercial relationship

between the Additional Chargor and counterparty in jeopardy (as agreed by the Additional Chargor and the Security Agent, each acting reasonably),

- (ii) upon request, keep the Security Agent informed of its progress in obtaining such consent or waiver, and
- (iii) forthwith upon receipt of such consent or waiver, provide the Security Agent with a copy

Immediately upon receipt of the relevant waiver or consent, the relevant formerly Excluded Asset shall stand charged to the Security Agent (as trustee for the Secured Parties) under clauses 3.1.1 to 3.1.4 of this deed, as the case may be. If required by the Security Agent at any time following receipt of that waiver or consent, the Additional Chargor will execute a further valid fixed charge in such form as the Security Agent shall require.

## 22.2 Land Registry restriction

In respect of any Property registered at the Land Registry, the Additional Chargor hereby consents to the entry of the following restriction on the register of its title to such Property:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [ ] in favour of Ares Management Limited referred to in the charges register or, if appropriate, signed on such proprietor's behalf by its conveyancer"

## 22.3 Miscellaneous

With effect from the date of this deed

22.3.1 the Security Agreement will be read and construed for all purposes as if the Additional Chargor had been an original party in the capacity of Chargor (but so that the security created on this accession will be created on the date of this deed),

22.3.2 any reference in the Security Agreement to this deed and similar phrases will include this deed and all references in the Security Agreement to schedule 2 (*Properties currently owned*) (or any part of it) will include a reference to schedule 1 (*Properties currently owned*) to this deed (or relevant part of it)

## 22.4 Governing law

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

## 22.5 Enforcement

22.5.1 Jurisdiction of English courts

22.5.1.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this deed (including a dispute regarding the existence, validity or termination of this deed) (a "Dispute")

22.5.1.2 The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary

22.5.1.3 This clause 22.5.1.3 is for the benefit of the Security Agent only. As a result, the Security Agent shall not be prevented

from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

**22.5.2 Service of process**

Without prejudice to any other mode of service allowed under any relevant law, the Additional Chargor

22.5.2.1 irrevocably appoints Claranet Group Limited as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document, and

22.5.2.2 agrees that failure by a process agent to notify the Additional Chargor of the process will not invalidate the proceedings concerned.

**22.6 Counterparts**

This deed may be executed in counterparts, all of which when taken together shall be deemed to constitute one and the same instrument.

**In Witness** whereof this deed has been duly executed on the date first above written.

**SIGNATORIES (TO ACCESSION DEED)**

**The Additional Chargor**

EXECUTED as a DEED and )  
DELIVERED by [ ] )  
[LIMITED] acting by )

Director

Director/Secretary

**The Security Agent**

SIGNED by )  
for and on behalf of ARES )  
MANAGEMENT LIMITED in the presence of )



## SCHEDULE 6

### PART 1

#### Form of notice to insurers

From [relevant Chargor] (the "Company")

To [insurer]

[ ] 20[ ]

Dear Sirs

We refer to the [describe policy and its number] (the "Policy")

We hereby give notice that, pursuant to a security agreement dated [ ] 2015 (the "Security Agreement"), we have assigned to Ares Management Limited as trustee for the Secured Parties (as defined therein) (the "Security Agent") all our right, title, interest and benefit in and to the Policy

Following receipt by you of a notice of a Declared Default (as defined in the Security Agreement), we irrevocably authorise and instruct you from time to time

- (a) to disclose to the Security Agent without any reference to or further authority from us (and without any enquiry by you as to the justification for each disclosure), such information relating to the Policy as the Security Agent may at any time and from time to time request,
- (b) to hold all sums from time to time due and payable by you to us under the Policy to the order of the Security Agent,
- (c) to pay or release all or any part of the sums from time to time due and payable by you to us under the Policy in accordance with the written instructions given to you by the Security Agent from time to time,
- (d) to comply with any written notice or instructions in any way relating to, or purporting to relate to, the Policy, the sums payable to us from time to time under the Policy or the debts represented thereby which you receive at any time from the Security Agent without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction, and
- (e) to send copies of all notices and other information given or received under the Policy to the Security Agent

We are permitted to deal with you in relation to the Policy until you receive written notice from the Security Agent that a Declared Default (as defined in the Security Agreement) has occurred. Following the occurrence of a Declared Default (as defined in the Security Agreement), we are not permitted to receive from you, otherwise than through the Security Agent, any amount in respect of or on account of the sums payable to us from time to time under the Policy or to agree any amendment or supplement to, or waive any obligation under, the Policy without the prior written consent of the Security Agent

**This notice may only be revoked or amended with the prior written consent of the Security Agent**

**Please confirm by completing the enclosed acknowledgement and returning it to the Security Agent (with a copy to us) that**

- (a) you accept the instructions and authorisations contained in this notice,**
- (b) you have not, at the date this notice is returned to the Security Agent, received any notice that any third party has or will have any right or interest in, or has made, or will be making any claim or demand or taking any action in respect of, the rights of the Company under or in respect of the Policy and you will notify the Security Agent promptly if you should do so in future, and**
- (c) following written notice to you from the Security Agent confirming that a Declared Default (as defined in the Security Agreement) has occurred, you will pay or release all or part of the amounts from time to time due and payable by you under the Policy in accordance with the written instructions given to you by the Security Agent from time to time**

**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**  
**[ ]**

## PART 2

### Form of acknowledgement from insurers

From [insurer]

To Ares Management Limited (the "Security Agent")

[ ] 20[ ]

Dear Sirs

We acknowledge receipt of a notice dated [ ] (the "Notice") and addressed to us by

[ ] (the "Company") regarding the Policy (as defined in the Notice)

- (a) we accept the instructions and authorisations contained in this notice,
- (b) we have not, at the date of this acknowledgement, received any notice that any third party has or will have any right or interest in, or has made, or will be making any claim or demand or taking any action in respect of, the rights of the Company under or in respect of the Policy and we will notify the Security Agent promptly if you should do so in future, and
- (c) following written notice to us from the Security Agent confirming that a Declared Default (as defined in the Security Agreement) has occurred, we will pay or release all or part of the amounts from time to time due and payable by us under the Policy in accordance with the written instructions given to us by the Security Agent from time to time

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

Yours faithfully

[insurer]

## SCHEDULE 7

### PART 1

#### Form of notice to counterparties of Assigned Agreements<sup>1</sup>

From [relevant Chargor]

To [counterparty]

[ ] 20[ ]

Dear Sirs

We refer to the [describe relevant Assigned Agreement] (the "**Agreement**")

We hereby notify you that pursuant to a security agreement dated [ ] 2015 (the "**Security Agreement**") we have assigned to Ares Management Limited as trustee for the Secured Parties (as defined therein) (the "**Security Agent**") absolutely (subject to a proviso for reassignment on redemption) all our right, title, interest and benefit in and to the Agreement

We further notify you that

- (a) you may continue to deal with us in relation to the Agreement until you receive written notice to the contrary from the Security Agent. Thereafter we will cease to have any right to deal with you in relation to the Agreement and therefore from that time you should deal only with the Security Agent,
- (b) you are authorised to disclose information in relation to the Agreement to the Security Agent on request,
- (c) you must pay all monies to which we are entitled under the Agreement direct to the Security Agent (and not to us) unless the Security Agent otherwise agrees in writing, and
- (d) the provisions of this notice may only be revoked with the written consent of the Security Agent

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

- (i) you agree to the terms set out in this notice and to act in accordance with its provisions, and
- (ii) you have not received notice that we have assigned our rights under the Agreement to a third party or created any other interest (whether by way of security or otherwise) in the Agreement in favour of a third party

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

Yours faithfully

---

<sup>1</sup> Only to be served following the occurrence of a Declared Default



## PART 2

### Form of acknowledgement from counterparties of Assigned Agreements

From [counterparty]

To Ares Management Limited

Copy to [relevant Chargor]

[ ] 20[ ]

We hereby acknowledge receipt of the notice dated [ ], a copy of which is attached to the acknowledgement (the "**Notice**") and confirm the matters set out in paragraphs (i) and (ii) of the Notice

for and on behalf of  
[counterparty]

## SCHEDULE 8

### PART 1

#### Form of notice of charge to third party bank over the Mandatory Prepayment Account

To [name and address of third party bank]

Attention [ ]

20[ ]

Dear Sirs

We hereby give you notice that by a security agreement dated [ ] 2015 (the "**Security Agreement**") (a copy of which is attached) we have charged to Ares Management Limited as trustee for the Secured Parties (as defined therein) (the "**Security Agent**") all our right, title and interest in and to all sums of money which are now or may from time to time in the future be held in the following mandatory prepayment account in our name with you together with all interest credited thereto and the debts represented by those sums

[ ] (the "**Account**")

We hereby irrevocably instruct and authorise you

- 1 to credit to the Account all interest from time to time earned on the sums of money held in that Account,
- 2 to disclose to the Security Agent, without any reference to or further authority from us and without any liability or inquiry by you as to the justification for such disclosure, such information relating to the Account and the sums in the Account as the Security Agent may, at any time and from time to time, request you to disclose to it,
- 3 to hold all sums from time to time standing to the credit of the Account in our name with you to the order of the Security Agent,
- 4 to pay or release all or any part of the sums from time to time standing to the credit of the Account in our name with you in accordance with the written instructions of the Security Agent at any time and from time to time, and
- 5 to comply with the terms of any written notice or instructions in any way relating to the Account or the sums standing to the credit of the Account from time to time which you may receive at any time from the Security Agent without any reference to or further authority from us and without any liability or inquiry by you as to the justification for or validity of such notice or instructions

Please note we are not permitted to withdraw any amount from the Account without the prior written consent of the Security Agent

These instructions cannot be revoked or varied without the prior written consent of the Security Agent

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

Please confirm your acceptance of the above instructions by returning the attached acknowledgement to the Security Agent with a copy to ourselves

Yours faithfully

By  
for and on behalf of  
[*relevant Chargor*]



## PART 2

### Form of acknowledgement from third party bank over the Mandatory Prepayment Account

To      Ares Management Limited

20[ ]

Dear Sirs

We confirm receipt of a notice dated [                      ] 20[ ] (the "**Notice**") from [relevant Chargor] (the "**Company**") of a charge, upon the terms of a Security Agreement dated [                      ] 20[ ], over all the Company's right, title and interest in and to all sums of money which are now or may from time to time in the future be held in the following mandatory prepayment account with us in the name of the Company together with interest relating thereto

[ ] (the "**Account**")

We confirm that

- 1            we accept the instructions and authorisations contained in the Notice and undertake to comply with its terms,
- 2            we have not received notice of the interest of any third party in the Account or in the sums of money held in the Account or the debts represented by those sums and we will notify you promptly should we receive notice of any third party interest,
- 3            we have not claimed or exercised, nor will we claim or exercise, any Security or right of set-off or combination or counterclaim or other right in respect of the Account, the sums of money held in the Account or the debts represented by those sums other than as permitted under the relevant terms and conditions relating to the Account,
- 4            we will not permit any amount to be withdrawn from the Mandatory Prepayment Account except against the signature of one of your authorised signatories

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  
[third party bank]

### PART 3

#### Form of notice of charge to third party bank over other accounts

To [name and address of third party bank]

Attention [ ]

20[ ]

Dear Sirs

We hereby give you notice that by a security agreement dated [ ] 2015 (the "**Security Agreement**") (a copy of which is attached) we have charged to Ares Management Limited as trustee for the Secured Parties (as defined therein) (the "**Security Agent**") all our right, title and interest in and to all sums of money which are now or may from time to time in the future be held in the following accounts in our name with you together with all interest credited thereto and the debts represented by those sums

[ ] (together the "**Accounts**")

Following receipt by you of a notice of a Declared Default (as defined in the Security Agreement), we hereby irrevocably instruct and authorise you

- 1 to credit to each Account all interest from time to time earned on the sums of money held in that Account,
- 2 to disclose to the Security Agent, without any reference to or further authority from us and without any liability or inquiry by you as to the justification for such disclosure, such information relating to the Accounts and the sums in each Account as the Security Agent may, at any time and from time to time, request you to disclose to it,
- 3 to hold all sums from time to time standing to the credit of each Account in our name with you to the order of the Security Agent,
- 4 to pay or release all or any part of the sums from time to time standing to the credit of each Account in our name with you in accordance with the written instructions of the Security Agent at any time and from time to time, and
- 5 to comply with the terms of any written notice or instructions in any way relating to the Accounts or the sums standing to the credit of any Account from time to time which you may receive at any time from the Security Agent without any reference to or further authority from us and without any liability or inquiry by you as to the justification for or validity of such notice or instructions

By counter-signing this notice, the Security Agent confirms that we may make withdrawals from the Accounts until such time as the Security Agent shall notify you in writing that a Declared Default (as defined in the Security Agreement) has occurred and their permission is withdrawn, whereupon we will not be permitted to withdraw any amounts from any Account without the prior written consent of the Security Agent

These instructions cannot be revoked or varied without the prior written consent of the Security Agent

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

Please confirm your acceptance of the above instructions by returning the attached acknowledgement to the Security Agent with a copy to ourselves

Yours faithfully

By

## PART 4

### Form of acknowledgement from third party bank over other accounts

To Ares Management Limited

20[ ]

Dear Sirs

We confirm receipt of a notice dated [ ] 20[ ] (the "Notice") from [relevant Chargor] (the "Company") of a charge, upon the terms of a Security Agreement dated [ ] 20[ ], over all the Company's right, title and interest in and to all sums of money which are now or may from time to time in the future be held in the following accounts with us in the name of the Company together with interest relating thereto

[ ] (the "Accounts")

We confirm that

- 1 we accept the instructions and authorisations contained in the Notice and undertake to comply with its terms,
- 2 we have not received notice of the interest of any third party in the Accounts or in the sums of money held in the Accounts or the debts represented by those sums and we will notify you promptly should we receive notice of any third party interest, and
- 3 until you notify us in writing that withdrawals are prohibited, the Company may make withdrawals from the Accounts, upon receipt of written notice from the Security Agent confirming that a Declared Default (as defined in the Security Agreement) has occurred and that withdrawals are prohibited, we will not permit any amount to be withdrawn from any Account except against the signature of one of your authorised signatories

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  
[third party bank]

**SIGNATORIES (TO SECURITY AGREEMENT)**

**The Original Chargors**

**SIGNED as a DEED by  
CLARANET GROUP LIMITED  
in the presence of**

)  
)  
)

[REDACTED]

Witness' signature

[REDACTED]

Witness' name

HARRIET ROBERTS

Witness' address

HOBAN LOVELLS INTERNATIONAL LLP  
ATLANTIC HOUSE  
50 HOLBORN VIADUCT  
EC1A 2FG

**SIGNED as a DEED by  
CLARANET LIMITED  
in the presence of**

)  
)  
)

[REDACTED]

Witness' signature

[REDACTED]

Witness' name

HARRIET ROBERTS

Witness' address

HOBAN LOVELLS INTERNATIONAL LLP  
ATLANTIC HOUSE  
50 HOLBORN VIADUCT  
EC1A 2FG

**SIGNED as a DEED by  
STAR TECHNOLOGY SERVICES  
LIMITED  
in the presence of**

)  
)  
)

[REDACTED]

Witness' signature

[REDACTED]

Witness' name

HARRIET ROBERTS

Witness' address

HOBAN LOVELLS INTERNATIONAL LLP  
ATLANTIC HOUSE  
50 HOLBORN VIADUCT  
EC1A 2FG

SIGNED as a DEED by  
STH LIMITED  
in the presence of

)  
)  
)

Witness' signature

Witness' name

Witness' address

[REDACTED]  
[REDACTED]

HARRIET ROBERTS  
HOGAN LOVELLS INTERNATIONAL LP  
ATLANTIC HOUSE  
50 HOLBORN VIADUCT  
EC1A 2FG

SIGNED as a DEED by  
CLARANET FINANCE LIMITED  
in the presence of

)  
)  
)

Witness' signature

Witness' name

Witness' address

[REDACTED]  
[REDACTED]

HARRIET ROBERTS  
HOGAN LOVELLS INTERNATIONAL LP  
ATLANTIC HOUSE  
50 HOLBORN VIADUCT  
EC1A 2FG

SIGNED as a DEED by  
TAGADAB LIMITED  
in the presence of

)  
)  
)

Witness' signature

Witness' name

Witness' address

[REDACTED]  
[REDACTED]

HARRIET ROBERTS  
HOGAN LOVELLS INTERNATIONAL LP  
ATLANTIC HOUSE  
50 HOLBORN VIADUCT  
EC1A 2FG

EXECUTION VERSION

Date 25 February 2015

**THE COMPANIES identified in Schedule 1  
as Originalchargors**

**ARES MANAGEMENT LIMITED  
as Security Agent**

**SECURITY AGREEMENT**

**This deed is subject to the terms of the Intercreditor Agreement**

SAVE FOR MATERIAL REDACTED PURSUANT TO S 859G  
COMPANIES ACT 2006, THIS COPY INSTRUMENT IS  
CERTIFIED TO BE A CORRECT COPY OF THE ORIGINAL  
INSTRUMENT

*Macfarlanes LLP*

MACFARLANES LLP  
20 CURSITOR STREET  
LONDON EC4A 1LT

DATE 02/03/2015

**MACFARLANES**

Macfarlanes LLP  
20 Cursitor Street  
London EC4A 1LT

## CONTENTS

Clause		Page
1	Definitions and interpretation	1
2	Covenant to pay, Further advances	5
3	Grant of security	5
4	Restrictions on dealing	10
5	Debts and Accounts	11
6	Properties	11
7	Equipment	12
8	Intellectual Property	12
9	Securities	13
10	Power to remedy	14
11	Enforcement	14
12	Administrator and Receiver	16
13	Amounts received	17
14	Power of attorney and delegation	18
15	Protection of security and further assurance	19
16	Costs and indemnity	20
17	Miscellaneous	20
18	Notices	21
19	Assignment and transfer	22
20	Release of Security	22
21	Governing law	23
22	Counterparts	23
<b>Schedule</b>		
1	Original Chargors	24
2	Properties currently owned	25
3	Original Securities	26
4	Accounts	27
5	Form of Accession Deed	29
6	Part 1 - Form of notice to insurers	35
	Part 2 - Form of acknowledgement from insurers	37
7	Part 1 - Form of notice to counterparties of Assigned Agreements	38
	Part 2 - Form of acknowledgement from counterparties of Assigned Agreements	40
8	Part 1 - Form of notice of charge to third party bank over the Mandatory Prepayment Account	41
	Part 2 - Form of acknowledgement from third party bank over the Mandatory Prepayment Account	43
	Part 3 - Form of notice of charge to third party bank over other accounts	44
	Part 4 - Form of acknowledgement from third party bank over other accounts	46





**DATE**

25 February

**2015**

**PARTIES**

- 1 **THE COMPANIES** whose names, registered numbers and registered offices are set out in schedule 1 (the "**Original Chargors**"), and
- 2 **ARES MANAGEMENT LIMITED** as agent and trustee for the Secured Parties (as defined below) (the "**Security Agent**")

**BACKGROUND**

- A The Chargors are entering into this deed in connection with the Finance Documents
- B The Security Agent and the Chargors intend this document to take effect as a deed notwithstanding the fact that a party may only execute this document under hand

**IT IS AGREED** as follows

1 **Definitions and interpretation**

1.1 **Definitions**

Unless otherwise provided in this deed, terms defined in the Facilities Agreement shall have the same meaning where used in this deed

In addition, in this deed, unless the context otherwise requires, the following words shall have the following meanings

**Accession Deed:** a deed substantially in the form of schedule 5 (*Form of Accession Deed*),

**Accounts:** all accounts (including the Mandatory Prepayment Account and any accounts listed in schedule 4 (*Accounts*)), and all moneys from time to time standing to the credit (including any interest thereon) of such accounts and all rights in relation thereto, with any bank, financial institution or other person in any jurisdiction now or at any time hereafter (and from time to time) owned, operated or held by any Chargor or in which any Chargor has an interest,

**Additional Chargor:** any person which becomes a Chargor by executing an Accession Deed,

**Administrator:** a person appointed in accordance with Schedule B1 Insolvency Act 1986 to manage a Chargor's affairs, business and property,

**Agent:** the Agent under and as defined in the Facilities Agreement,

**Assigned Agreements** the Hedging Agreements and any other agreement designated in writing as an Assigned Agreement by the Parent and the Security Agent,

**Charged Assets:** all the assets for the time being subject to the Security created by this deed (and references to the Charged Assets include references to any part of them),

**Chargor.** an Original Chargor or an Additional Chargor,

**Debts:** all book and other debts, of any kind whatsoever now or at any time hereafter (and from time to time) due, owing or payable to any Chargor or in which any Chargor has an interest and the proceeds of the same, including the benefit of any judgement or order to pay a sum of money, and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to the same,

**Declared Default** an Event of Default in respect of which the Agent has given notice under clause 26 19 (Acceleration) of the Facilities Agreement (other than a notice declaring Utilisations and/or amounts outstanding under the Ancillary Facilities to be due on demand in accordance with clauses 26 19 2 3 or 26 19 2 5 (Acceleration) of the Facilities Agreement),

**Discharge Date:** the meaning given to such term in the Intercreditor Agreement,

**Equipment:** all equipment, plant, machinery, tools, vehicles, furniture and other tangible moveable property now or at any time hereafter (and from time to time) owned by any Chargor, and any part thereof, together with the benefit of all contracts and warranties relating to the same (other than any which are for the time being part of any Chargor's stock-in-trade or work-in-progress),

**Facilities Agreement:** the agreement dated on or around the date of this deed and made between (amongst others) Ares Management Limited as Senior Facility Arranger, Agent and Security Agent, The Royal Bank of Scotland plc as Super Senior Facility Arranger and Clara Net Holdings Limited as Parent relating to certain loan and other banking facilities,

**Floating Charge Assets.** all the assets for the time being subject to the floating charge created by this deed (and references to the Floating Charge Assets include references to any part of it),

**Goodwill:** all goodwill now or at any time hereafter (and from time to time) of or in a Chargor,

**Insolvency Event:** the occurrence of any of the events or circumstances set out in clauses 26 6 (*Insolvency*) – 26 8 (*Creditors' Process*) (inclusive) of the Facilities Agreement,

**Insurance Policies:** all contracts and policies of insurance or assurance and all moneys payable under or pursuant to such policies, now or at any time hereafter (and from time to time) taken out by or on behalf of any Chargor or (to the extent of its interest) in which any Chargor has an interest, excluding contracts and policies of insurance or assurance in respect of which the proceeds of any claim would not be required to be applied in prepayment of the Facilities in accordance with the Facilities Agreement, other than contracts and policies in relation to business interruption insurance,

**Intellectual Property:** all interests in respect of any patent (including supplementary protection certificates), trade mark, service mark, trade name, registered design, design right, copyright, know-how, utility model, topographical or similar right, moral right, invention, confidential information, trade secret, database right, right in passing off and any other right in intellectual property subsisting anywhere in the world in any of the foregoing whether registered or unregistered and in each case, any registrations, extensions, renewals or applications of or for the same, now or at any time hereafter (and from time to time) owned or held by any Chargor or (to the extent of its interest) in which any Chargor has an interest;

**Lenders:** the Lenders (as such term is defined in the Facilities Agreement),

**LPA:** the Law of Property Act 1925,

**Material Intellectual Property:** any Intellectual Property that is material to the business or operations of a Chargor or to the business or operations of the Group as a whole,

**Obligor:** each Obligor as defined in the Facilities Agreement,

**Original Securities:** the shares, stock, loan capital, securities, bonds and/or other investments described in schedule 3,

**Properties:** all estates or interests in any freehold and leasehold properties (whether registered or unregistered) and all commonhold or other immoveable properties now or at any time hereafter (and from time to time) owned by any Chargor (including the properties



which are briefly described in schedule 2 (*Properties currently owned*) but excluding in each case Short Leasehold Properties),

**Property Interests:** all interests in or over the Properties and all rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to the Properties, in each case, now or at any time hereafter (and from time to time) owned or held by any Chargor,

**Receiver:** a person appointed by the Security Agent to be a receiver or receiver and manager or (if permitted by law) an administrative receiver of all or any part of the Charged Assets of any Chargor,

**Secured Liabilities:** all present and future liabilities and obligations at any time due, owing or incurred by each Obligor to any Secured Party under or in connection with the Finance Documents, both actual and contingent and whether incurred solely or jointly, as principal or surety and/or in any other capacity,

**Securities:** the Original Securities and all stocks, shares, loan capital, securities, bonds and investments of any kind whatsoever (whether or not marketable) now or at any time hereafter (and from time to time) owned by any Chargor, or in which any Chargor has an interest, together with all allotments offered or arising in respect thereof or incidental thereto and all stocks, shares, loan capital, securities, bonds, investments, rights, income, money or property accruing, deriving, offered or paid from time to time by way of dividend, distribution, interest, exchange, capital reorganisation, conversion, redemption, bonus, rights, preference, option or otherwise in respect thereof, excluding, in each case, all interests in Dormant Companies and, for the avoidance of doubt, all allotments offered or arising in respect thereof or incidental thereto,

**Securities Issuer:** the issuer of any Securities,

**Security Period:** the period starting on the date of this deed and ending on Discharge Date,

**Secured Parties:** has the meaning given to such term in the Facilities Agreement, and

**Short Leasehold Properties:** all leasehold properties for a term of less than 15 years unexpired at the date of acquisition of the lease (whether registered or unregistered) owned by any Chargor, save where the continuing occupation of the relevant land or, as the case may be, property, is required in order to carry on the business and operations of that Chargor

## 1 2 Construction

1 2 1 Unless otherwise provided in this deed, the provisions of clause 1 2 (*Construction*) of the Facilities Agreement apply to this deed as though they were set out in full in this deed, *mutatis mutandis*

1 2 2 In this deed (unless the context requires otherwise) any reference to

1 2 2 1 each Chargor, each Secured Party, each Obligor, any Securities Issuer, any Administrator or Receiver or any other person shall be construed so as to include their successors in title, permitted assigns, permitted transferees and (in the case of any Administrator or Receiver) lawful substitutes and/or replacements,

1 2 2 2 a Finance Document or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended (however fundamentally, including any amendment providing for any increase in the amount of any facility or other liability) from time to time with the agreement of the relevant parties and (where such consent is, by the terms

of any Finance Document or the relevant document, required to be obtained as a condition to such amendment being permitted) the prior consent of the Security Agent,

- 1 2 2 3 "assets" includes present and future properties, revenues and rights of every description,
- 1 2 2 4 the Security constituted by this deed becoming "enforceable" shall mean that the Security created under this deed has become enforceable under clause 11 1 (*Enforcement events*),
- 1 2 2 5 "owned" includes having legal or equitable title to or a right to have legal or equitable title transferred,
- 1 2 2 6 "law" includes the common law, any statute, bye-law, regulation or instrument and any kind of subordinate legislation, and any order, requirement, code of practice, circular, guidance note, licence, consent or permission made or given pursuant to any of the foregoing,
- 1 2 2 7 a provision of law is a reference to that provision as amended or re-enacted from time to time,
- 1 2 2 8 a time of day is a reference to London time,
- 1 2 2 9 any gender includes a reference to the other genders,
- 1 2 2 10 the singular includes a reference to the plural and vice versa, and
- 1 2 2 11 a clause or schedule is to a clause or schedule (as the case may be) of or to this deed

1 2 3 Clause and schedule headings are for ease of reference only

### 1 3 Nature of security over real property

A reference in this deed to any freehold, leasehold or commonhold property includes

- 1.3.1 all buildings and fixtures (including trade and tenant's fixtures) which are at any time situated on that property,
- 1 3 2 the proceeds of sale of any part of that property, and
- 1 3 3 the benefit of any covenants for title given or entered into by any predecessor in title of any Chargor in respect of that property or any monies paid or payable in respect of those covenants

### 1 4 Secured Liabilities

References in this deed to the Secured Liabilities shall be construed in relation to the Finance Documents so as to include (i) any increase or reduction in any amount made available thereunder and/or any alteration and/or addition to the purposes for which any such amount, or increased or reduced amount, may be used, (ii) any ancillary facilities provided in substitution for or in addition to the facilities originally made available thereunder, (iii) any rescheduling of the indebtedness incurred thereunder whether in isolation or in connection with any of the foregoing and (iv) any combination of any of the foregoing

## **2 Covenant to pay; Further advances**

### **2 1 Covenant to pay**

Each Chargor hereby covenants with the Security Agent (as trustee for the Secured Parties) that it will on demand pay and discharge all Secured Liabilities to the Secured Parties when the same become due in accordance with the terms of the Finance Documents whether by acceleration or otherwise, together with interest at such rate of interest determined in accordance with clause 12 3 (*Default interest*) of the Facilities Agreement from the due date of payment until the date on which such amount is paid and discharged in full

### **2 2 Potential invalidity**

Neither the covenant to pay in clause 2 1 (*Covenant to pay*) nor the Security constituted by this deed shall extend to or include any liability or sum which would, but for this clause, cause such covenant or Security to be unlawful under any applicable law

### **2 3 Further advances**

This deed secures further advances made under or pursuant to the terms of the Finance Documents and the Lenders are, subject to and upon the terms and conditions of the Finance Documents, under an obligation to make further advances

## **3 Grant of security**

### **3 1 Fixed security**

As a continuing security for the payment and discharge of the Secured Liabilities, each Chargor with full title guarantee hereby

3 1 1 grants to the Security Agent (as trustee for the Secured Parties), a charge by way of legal mortgage over all its Properties which are listed in schedule 2 (*Properties currently owned*) opposite its name,

3 1 2 charges to the Security Agent (as trustee for the Secured Parties), by way of first fixed charge, all its

3 1 2 1 Properties acquired by it after the date of this deed,

3 1 2 2 Property Interests,

3 1 2 3 Equipment,

3 1 2 4 Securities,

3 1 2 5 Material Intellectual Property,

3 1 2 6 Mandatory Prepayment Account,

3 1 2 7 Goodwill, and

3 1 2 8 rights, title and interest to any agreement, licence, consent or authorisation relating to its business at any time not otherwise mortgaged, charged or assigned pursuant to clauses 3 1 1-3 1 4 inclusive

3 1 3 assigns to the Security Agent (as trustee for the Secured Parties) absolutely, subject to a proviso for reassignment on redemption, all of its right, title and interest in and to the Insurance Policies, and

3 1 4 assigns to the Security Agent (as trustee for the Secured Parties) absolutely, subject to a proviso for reassignment on redemption, the benefit of the Assigned Agreements to which it is a party or an addressee and any claims arising under any of the same, and the benefit of any guarantee or security for the performance of the Assigned Agreements

## 3 2 Dealing with Charged Assets

Save for in respect of the Mandatory Prepayment Account charged under clause 3 1 2 6 above, until the occurrence of a Declared Default, any Chargor which has mortgaged, charged or assigned (or expressed to be mortgaged, charged or assigned) by or pursuant to this deed its interest in any Charged Asset shall be entitled to deal with any Charged Asset in the ordinary course of business notwithstanding such mortgage, charge or assignment, provided that such dealing is permitted in accordance with the terms of the Finance Documents

## 3 3 Floating security

### 3 3 1 Floating charge

As a continuing security for the payment or discharge of the Secured Liabilities, each Chargor with full title guarantee hereby charges to the Security Agent (as trustee for the Secured Parties), by way of first floating charge, (a) all of its undertaking and assets, including without limitation its Accounts (other than the Mandatory Prepayment Account charged pursuant to clause 3 1 2 6 above) and its Debts, at any time not effectively mortgaged, charged or assigned pursuant to clauses 3 1 1-3 1 4 inclusive above and (b) all its assets situated in Scotland

### 3 3 2 Qualifying floating charge

Sched B1 para 14 Insolvency Act 1986 (as inserted by s 248 of, and Sched 16 Enterprise Act 2002) applies to the floating charge created by this deed

### 3 3 3 Automatic conversion of floating charge

Notwithstanding anything express or implied in this deed, and without prejudice to any law which may have similar effect, if

3 3 3 1 a Declared Default has occurred, or

3 3 3 2 any Chargor creates or attempts to create any Security (other than any Permitted Security) or any trust in favour of another person over all or any of its assets, or

3 3 3 3 any Chargor disposes or attempts to dispose of all or any of its assets other than (i) by way of a Permitted Disposal, or (ii) in the ordinary course of its trading, or

3 3 3 4 an Insolvency Event has occurred,

the floating charge created by this deed will automatically and immediately (without notice) be converted into a fixed charge over the Floating Charge Assets

### 3 3 4 Conversion of floating charge by notice

Notwithstanding anything express or implied in this deed, if the Security Agent (acting in good faith) reasonably considers (in its sole discretion) that any Floating Charge Assets are in danger of being seized, the Security Agent may at any time thereafter, by notice to a Chargor, convert the floating charge

created by this deed with immediate effect into a fixed charge over all or any of the Floating Charge Assets of the relevant Chargor specified in such notice (but without prejudice to the Security Agent's rights to serve a notice in respect of any other Floating Charge Assets and any other rights of the Security Agent whatsoever)

**3 3 5 Assets acquired after any floating charge conversion**

Any asset acquired by any Chargor after any conversion of the floating charge created under this deed, in accordance with clauses 3 3 3 or 3 3 4 above which but for such conversion would be subject to a floating charge shall, (unless the Security Agent confirms in writing to the contrary) be charged to the Security Agent (as trustee for the Secured Parties) by way of first fixed charge

**3 3 6 Reconversion of fixed charge assets into floating charge assets**

The Security Agent may at any time after any conversion of the floating charge created under this deed over any Charged Assets into a fixed charge in accordance with clauses 3 3 3 (*Automatic Conversion of floating charge*) or 3 3 4 (*Conversion of floating charge by notice*) reconvert such fixed charge into a floating charge by notice to the relevant Chargor

**3 4 Title documents**

Each Chargor shall as soon as reasonably practicable, but in any event within five Business Days, following

3 4 1 the execution of this deed, or

3 4 2 in the case of an Additional Chargor, the date of the relevant Accession Deed, or

3 4 3 (if later) the date of acquisition of the relevant Charged Assets,

deposit with the Security Agent (and the Security Agent shall during the continuance of this security be entitled to hold)

3 4 3 1 all deeds and documents of title relating to the Properties and Material Intellectual Property as the Security Agent may from time to time require, and

3 4 3 2 all certificates relating to the Securities and such instruments of transfer in blank and other documents as the Security Agent may from time to time require

**3 5 Security notices**

3 5 1 Each Chargor shall as soon as reasonably practicable, but in any event within five Business Days, following

3 5 1 1 the execution of this deed, or

3 5 1 2 in the case of an Additional Chargor, the date of the relevant Accession Deed, or

3 5 1 3 in the case of any Insurance Policy taken out or any Account opened, in each case by any Chargor after its execution of or accession to this deed, the date (as applicable) on which such Insurance Policy is taken out or such Account is opened)



- (i) give notice in the form or substantially in the form set out in part 1 of schedule 6 (*Form of notice to insurers*) to the relevant insurers of the assignment pursuant to clause 3.1.3 (*Fixed security*) of its rights and interest in and under the Insurance Policies and use its reasonable endeavours to procure that each addressee of such notice will promptly provide an acknowledgement to the Security Agent in the form or substantially in the form set out in part 2 of schedule 6 (*Form of acknowledgement from insurers*), and
- (ii) in the case of the Mandatory Prepayment Account, give notice in the form or substantially in the form set out in part 1 of schedule 8 (*Form of notice of charge to third party bank over the Mandatory Prepayment Account*) to any bank, financial institution or other person of charging to the Security Agent pursuant to clause 3.1.2.6 of its rights and interests under such Account and use its reasonable endeavours (not involving the payment of any money or provision of other consideration other than with regard to associated costs and expenses) to procure that each addressee of such notice will promptly provide an acknowledgement to the Security Agent in the form or substantially in the form set out in part 2 of schedule 8 (*Form of acknowledgement from third party bank over the Mandatory Prepayment Account*),
- (iii) in the case of any Accounts (other than the Mandatory Prepayment Account), give notice in the form or substantially in the form set out in part 3 of schedule 8 (*Form of notice of charge to third party bank over other accounts*) to any bank, financial institution or other person of charging to the Security Agent pursuant to 3.3.1 (*Floating charge*) of its rights and interests under such accounts and use its reasonable endeavours (not involving the payment of any money or provision of other consideration other than with regard to associated costs and expenses) to procure that each addressee of such notice will promptly provide an acknowledgement to the Security Agent in the form or substantially in the form set out in part 4 of schedule 8 (*Form of acknowledgement from third party bank over other accounts*),

and in each case if the Chargor has used its reasonable endeavours, but has not been able to obtain acknowledgement, its obligation to obtain acknowledgement shall cease on the expiry of 45 Business Days of the date of service of the relevant notice

### 3.5.2

Each Chargor shall as soon as reasonably practicable, but in any event within five Business Days, following the occurrence of a Declared Default in the case of any Assigned Agreement entered into (or designated as such in accordance with this deed) by any Chargor after its execution of or accession to this deed, give notice in the form or substantially in the form set out in part 1 of schedule 7 (*Form of notice to counterparties of Assigned Agreements*) to the other parties to the Assigned Agreements to which it is a party of the assignment pursuant to clause 3.1.4 (*Fixed security*) of its rights and interest in and under the Assigned Agreements and use its reasonable endeavours to procure that

each addressee of such notice will promptly provide an acknowledgement to the Security Agent in the form or substantially in the form set out in part 2 of schedule 7 (*Form of acknowledgement from counterparties to Assigned Agreements*) and if the Chargor has used its reasonable endeavours, but has not been able to obtain acknowledgement, its obligation to obtain acknowledgement shall cease on the expiry of 45 Business Days of the date of service of the relevant notice

### 3 6      **Security restrictions**

#### 3 6 1      **Restriction**

3 6 1 1      There shall be excluded from the Security created by clauses 3 1 1 to 3 1 4 of this deed, any asset which is notified to the Security Agent as being held by an Chargor under an agreement (including, in respect of Properties, a lease and, in respect of Intellectual Property, any licensing agreement) which precludes either absolutely or conditionally (including requiring the consent of any third party) that Chargor from creating any Security over its interest in that asset (such agreement being a "**Restrictive Agreement**" and such asset being an "**Excluded Asset**") until the relevant condition or waiver referred to in clause 3 6 2 below has been satisfied or obtained. For the avoidance of doubt, no Excluded Asset shall be excluded from the security created by clause 3 3 1 (*Floating charge*) of this deed (the "**Floating Charge Security**")

3 6 1 2      If a Chargor receives notice from a counterparty to a Restrictive Agreement of its intention to terminate a Restrictive Agreement on the grounds that Floating Charge Security has been granted over an Chargor's interest in the relevant Excluded Asset in breach of the terms of a Restrictive Agreement, the relevant Chargor will

- (i)      as soon as reasonably practicable upon receipt of such notice or on becoming aware of such intention, inform the Security Agent, and
- (ii)     take such action as the Security Agent shall reasonably request to resolve any issue or dispute with the relevant counterparty in such a way so as to enable the Floating Charge Security created over such Excluded Asset to remain in place, provided that such action will not involve placing the commercial relationship between the relevant Chargor and counterparty in jeopardy (as agreed by the relevant Chargor and the Security Agent, each acting reasonably)

#### 3 6 2      **Consent**

3 6 2 1      For each material Excluded Asset, the relevant Chargor undertakes to

- (i)      apply for the consent or waiver of prohibition or conditions within ten Business Days of
  - (a)     the date of this deed (in relation to Excluded Assets owned at the date of this deed), or
  - (b)     in the case of an Additional Chargor, the date of the relevant Accession Deed, or

- (c) the date on which the relevant Chargor acquired the Excluded Asset

and, in each case which provides that the relevant counterparty shall not unreasonably withhold its consent to charging, to use its reasonable endeavours to obtain that consent or waiver of prohibition as soon as possible, provided that obtaining the consent or waiver will not involve placing the commercial relationship between the relevant Chargor and counterparty in jeopardy (as agreed by the relevant Chargor and the Security Agent, each acting reasonably),

- (ii) upon request, keep the Security Agent informed of its progress in obtaining such consent or waiver, and
- (iii) forthwith upon receipt of such consent or waiver, provide the Security Agent with a copy

3 6 2 2 Immediately upon receipt of the relevant waiver or consent, the relevant formerly Excluded Asset shall stand charged to the Security Agent (as trustee for the Secured Parties) under clauses 3 1 1 to 3 1 4 of this deed, as the case may be. If required by the Security Agent at any time following receipt of that waiver or consent, the relevant Chargor will execute a further valid fixed charge in such form as the Security Agent shall require

#### **4 Restrictions on dealing**

##### **4 1 Negative pledge and restriction on disposal**

Each Chargor hereby covenants with the Security Agent that it will not at any time except in accordance with the terms of the Facilities Agreement

- 4 1 1 create or purport to create or permit to subsist any Security on or in relation to the Charged Assets, or
- 4 1 2 enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer, surrender or otherwise dispose of or cease to exercise control of all, or part of any interest in any Charged Assets

##### **4 2 Land Registry restriction**

- 4 2 1 In respect of any Property registered at the Land Registry each Chargor hereby consents to the entry of the following restriction on the register of its title to such Property

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [ ] in favour of Ares Management Limited referred to in the charges register, or if appropriate signed on such proprietor's behalf by its conveyancer"

- 4 2 2 Each Chargor authorises the Security Agent to make any application which it deems appropriate (acting reasonably) for the designation of this deed or any other Finance Document as an exempt information document under rule 136 Land Registration Rules 2003 and will use its reasonable endeavours to assist with any such application made by or on behalf of the Security Agent. Each Chargor will promptly notify the Security Agent in writing if it receives notice of

any person's application under rule 137 Land Registration Rules 2003 for the disclosure of this deed or any other Finance Document, following its designation as an exempt information document and will not make any application under rule 138 Land Registration Rules 2003 for the removal of the designation of any such document as an exempt information document

## **5 Debts and Accounts**

### **5.1 Debts**

After the security constituted by this deed has become enforceable on the occurrence of a Declared Default, the Security Agent may require the Chargor to give notice of its rights and interests over the Debts pursuant to clause 3.3 (*Floating security*) to the debtors from whom the Debts are due, owing or incurred and use its reasonable endeavours to procure that each addressee of such notice will promptly provide an acknowledgement to the Security Agent and if the Chargor has used its reasonable endeavours, but has not been able to obtain acknowledgement, its obligation to obtain acknowledgement shall cease on the expiry of 45 Business Days of the date of service of the relevant notice

### **5.2 Accounts**

The Security Agent has sole signing rights on the Mandatory Prepayment Account

### **5.3 Withdrawals**

5.3.1 Except with the prior consent of the Security Agent no Chargor may withdraw any amounts from time to time standing to the credit of the Mandatory Prepayment Account,

5.3.2 after the security constituted by this deed has become enforceable on the occurrence of a Declared Default, each Chargor shall comply with any notice served by the Security Agent on that Chargor prohibiting it from withdrawing all or any monies from time to time standing to the credit of any of its Accounts except with the prior consent of the Security Agent, and

5.3.3 after the security constituted by this deed has become enforceable on the occurrence of a Declared Default, the Security Agent may serve notice to the relevant third party bank withdrawing its permission to allow the Chargor to withdraw any amounts from any Account

## **6 Properties**

Each Chargor hereby covenants with the Security Agent that it will

### **6.1 Maintenance**

keep all buildings on each Property and all fixtures belonging to it thereon and therein in a good state of repair (fair wear and tear excepted),

### **6.2 Preservation of property**

not without the prior consent of the Security Agent (not to be unreasonably withheld or delayed) make any substantial change in the structure of or a change of use of any Property,

### **6.3 Information**

provide such material information in relation to any Property as may be required by the Security Agent for the maintenance or enforcement of the security created by this deed,

**6 4 No restrictive obligations**

not without the prior consent of the Security Agent

6 4 1 enter into any onerous or restrictive obligations affecting any Property or any part thereof, or

6 4 2 create or permit to arise any overriding interest or easement or right whatever in or over any Property or any part thereof,

which would have a Material Adverse Effect,

**6 5 Property acquisitions**

if it acquires any freehold or leasehold property, whether registered or unregistered

6 5 1 inform the Security Agent promptly of such acquisition,

6 5 2 promptly on request by the Security Agent and at the reasonable cost of that Chargor, execute and deliver to the Security Agent a legal mortgage in favour of the Security Agent of that property in such form as the Security Agent may require provided that the form of such document is consistent with, and no more onerous than, the then-existing Transaction Security Documents (or such other Security in the jurisdiction where such property is located as the Security Agent may require), and

6 5 3 comply with all registration requirements resulting from the acquisition of such property and the creation of Security over such property pursuant to this deed and the legal mortgage (or other Security) referred to above

**7 Equipment**

Each Chargor hereby covenants with the Security Agent as follows

**7 1 Equipment information**

to give the Security Agent (acting reasonably) such material information concerning the location, condition, use and operation of the Equipment as the Security Agent may require for the maintenance or enforcement of the security created by this deed,

**7 2 Notice of Charge**

if so requested by the Security Agent in writing, following the occurrence of a Declared Default, place and maintain on each item of Equipment, in a conspicuous place, a clearly legible identification plate containing the following wording

"NOTICE OF CHARGE

This [*description of item*] and ancillary equipment is subject to a fixed charge dated [ ] in favour of Ares Management Limited "

**8 Intellectual Property**

Each Chargor hereby covenants with the Security Agent that it shall, if requested to do so by the Security Agent (acting reasonably), sign or procure the signature of, and comply with all reasonable instructions of the Security Agent in respect of, any document required to make entries in any public register of Intellectual Property which either record the existence of this deed or the restrictions on disposal imposed by this deed

**9 Securities**

**9 1 Registration of Securities**

The Security Agent may, following the occurrence of a Declared Default, cause any or all of the Securities to be registered in the name of the Security Agent or its nominee. Each Chargor agrees to, as soon as reasonably practicable, execute and deliver to the Security Agent all such transfers and other documents and do all such things as may be necessary or desirable to achieve such registration.

**9 2 Additional registration obligations**

Each Chargor hereby

9 2 1 grants and agrees to procure as necessary, all consents, waivers, approvals and permissions which are necessary, under the articles of association of any Securities Issuer or otherwise, for the transfer of the Securities to the Security Agent or its nominee or to a purchaser upon enforcement of this deed, and

9 2 2 agrees to procure the amendment of the share transfer provisions of each Securities Issuer's articles of association in such manner as the Security Agent may reasonably require in order to permit such a transfer.

**9 3 Dividends and voting rights prior to enforcement**

Until the security constituted by this deed becomes enforceable

9 3 1 all cash dividends or other cash distributions paid or payable in respect of the Securities may be paid directly to the relevant Chargor which shall be permitted to apply such dividends or distributions as it deems fit to the extent permitted by the Facilities Agreement and the Intercreditor Agreement,

9 3 2 any cash dividends or other cash distributions paid in respect of any of the Securities and received by the Security Agent or its nominee shall be released and paid to such Chargor,

9 3 3 the relevant Chargor may exercise all voting and other rights and powers attaching to the Securities and exercisable by the relevant Chargor provided that the exercise of such voting and other rights and powers would not adversely affect the validity or enforceability of the security under this deed or contravene any Finance Document, and

9 3 4 the Security Agent will (to the extent that it has or will acquire any such rights or powers) exercise all voting and other rights and powers attaching to the Securities and exercisable by the Security Agent or its nominee as the relevant Chargor may from time to time direct provided that acting in accordance with such directions would not adversely affect the validity or enforceability of the security under this deed or contravene any Finance Document.

**9 4 Dividends and voting rights post enforcement**

After the security constituted by this deed has become enforceable

9 4 1 all dividends and other distributions paid in respect of the Securities and received by any Chargor shall be held on trust for the Security Agent (as trustee for the Secured Parties) and forthwith paid into the Mandatory Prepayment Account or, if received by the Security Agent or its nominee, shall be retained by the Security Agent, and

9 4 2 (subject to service of notice on the relevant Chargor of the intention to do so for the purposes of preserving or realising the value of the relevant Securities) the

Security Agent may exercise, or direct the exercise (or refrain from exercising or directing the exercise) of, all voting and other rights and powers attaching to the Securities as the Security Agent may in its absolute discretion think fit and each Chargor shall, and shall procure that its nominees shall, comply with any such directions from the Security Agent concerning the exercise of such rights and powers

**9 5 Additional undertakings**

Each Chargor further undertakes to the Security Agent that it shall

- 9 5 1      duly and promptly pay all calls, instalments and other moneys which may be payable from time to time in respect of the Securities, unless and to the extent that such calls or payments are being contested in good faith, it being acknowledged by the Chargors that the Security Agent shall be under no liability whatsoever in respect of any such calls, instalments or other moneys,
- 9 5 2      not without the Security Agent's prior consent or unless permitted under the Facilities Agreement amend, or agree to the amendment of, the memorandum or articles of association of any Securities Issuer or the rights or liabilities attaching to any of the Securities,
- 9 5 3      promptly give notice of this deed to any custodian of any Securities in any form which the Security Agent may reasonably require and use its reasonable endeavours to ensure that the custodian acknowledges that notice in any form which the Security Agent may reasonably require

**10 Power to remedy**

- 10 1      If a Chargor is at any time in breach of any of its obligations contained in this deed, the Security Agent shall be entitled (but shall not be bound) to remedy such breach provided that the Security Agent shall have notified such failure to the relevant Chargor which has not been remedied by the relevant Chargor within ten Business Days Each Chargor hereby irrevocably authorises the Security Agent and its agents to do all things reasonably necessary or desirable in connection therewith
- 10 2      The rights of the Security Agent contained in this clause 10 are without prejudice to any other rights of the Security Agent hereunder and the exercise by the Security Agent of its rights under this clause shall not make the Security Agent liable to account as a mortgagee in possession

**11 Enforcement**

**11 1 Enforcement events**

The security constituted by this deed shall become immediately enforceable if a Declared Default occurs

**11 2 Statutory power of sale**

The statutory power of sale shall arise on and be exercisable at any time after the execution of this deed (and the Secured Liabilities shall be deemed to have become due and payable for that purpose), provided that the Security Agent shall not exercise such power of sale until the security constituted by this deed has become enforceable

**11 3 Extension of statutory powers**

- 11 3 1      Any restriction imposed by law on the power of sale (including under s 103 LPA) or on the right of a mortgagee to consolidate mortgages (including under s 93 LPA) does not apply to the security constituted by this deed and the Security Agent or any Receiver shall have the right to consolidate all or any of

the security constituted by this deed with any other Security in existence at any time and to make any applications to the Land Registry in support of the same

- 11 3 2 Any powers of leasing conferred on the Security Agent or any Receiver by law are extended so as to authorise the Security Agent or any Receiver to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent or Receiver may think fit and without the need to comply with any restrictions conferred by law (including under ss 99 or 100 LPA)

**11 4 No obligation to enquire**

No person dealing with the Security Agent, any Administrator or any Receiver appointed hereunder, or its agents or brokers, shall be concerned to enquire

- 11 4 1 whether the security constituted by this deed has become enforceable,  
11 4 2 whether any power exercised or purported to be exercised has become exercisable,  
11 4 3 whether any money remains due under the Finance Documents,  
11 4 4 as to the necessity or expediency of the stipulations and conditions subject to which any sale of any Charged Assets shall be made, or otherwise as to the propriety or regularity of any sale of any of the Charged Assets, or  
11 4 5 how any money paid to the Security Agent, Administrator or Receiver, or its agents or brokers is to be applied

**11 5 No liability as mortgagee in possession**

None of the Security Agent, any Administrator or any Receiver shall be liable

- 11 5 1 to account as mortgagee in possession in respect of all or any of the Charged Assets, or  
11 5 2 for any loss upon realisation of, or for any neglect or default of any nature whatsoever in connection with, all or any of the Charged Assets for which a mortgagee in possession might as such be liable

**11 6 Power to dispose of chattels**

After the security constituted by this deed has become enforceable, the Security Agent, any Administrator or any Receiver may dispose of any chattels or produce found on any Property as agent for the relevant Chargor and, without prejudice to any obligation to account for the proceeds of any sale of such chattels or produce the Security Agent, the Administrator or the Receiver shall be indemnified by such Chargor against any liability arising from such disposal

**11 7 Redemption of prior Security**

At any time after the security constituted by this deed shall have become enforceable the Security Agent may

- 11 7 1 redeem any prior Security,  
11 7 2 procure the transfer thereof to itself, and/or  
11 7 3 settle and pass the accounts of the prior encumbrancer and any account so settled and passed shall be conclusive and binding on the relevant Chargor and all monies paid by the Security Agent to the prior encumbrancer in accordance with such accounts shall as from such payment be due from such



Chargor to the Security Agent on current account and shall bear interest and be secured as part of the Secured Liabilities

## **12 Administrator and Receiver**

### **12 1 Appointment of Administrator or Receiver**

At any time after

- (a) the security constituted by this deed becomes enforceable,
- (b) any corporate action or any other steps are taken or legal proceedings started by or in respect of any Obligor with a view to the appointment of an Administrator, or
- (c) at the request of the relevant Chargor,

the Security Agent may without further notice, under seal or by writing under hand of a duly authorised officer of the Security Agent

12 1 1 appoint any person or persons to be an Administrator of any Chargor, or

12 1 2 appoint any person or persons to be a Receiver of all or any part of the Charged Assets of any Chargor, and

12 1 3 (subject to s 45 Insolvency Act 1986) from time to time remove any person appointed to be Receiver and appoint another in his place

### **12 2 More than one appointment**

Where more than one person is appointed Administrator or Receiver, they will have power to act separately (unless the appointment by the Security Agent specifies to the contrary)

### **12 3 Additional powers**

12 3 1 The powers of appointing an Administrator or a Receiver conferred by this deed shall be in addition to all statutory and other powers of the Security Agent under the Insolvency Act 1986 and the LPA or otherwise and shall be exercisable without the restrictions contained in s 109 LPA or otherwise

12 3 2 The power to appoint an Administrator or a Receiver (whether conferred by this deed or by statute) shall be and remain exercisable by the Security Agent notwithstanding any prior appointment in respect of all or any part of the Charged Assets

### **12 4 Agent of the relevant Chargor**

12 4 1 Any Administrator or Receiver shall be the agent of the relevant Chargor and the relevant Chargor shall be solely responsible for his acts and remuneration as well as for any defaults committed by him

12 4 2 No Secured Party will incur any liability (either to a Chargor or to any other person) by reason of the appointment of an Administrator or Receiver

### **12 5 Powers of Administrator and Receiver**

A Receiver shall have (and shall be entitled to exercise), in relation to the Charged Assets over which he is appointed, and an Administrator shall have in addition to the powers he enjoys under Sched B1 Insolvency Act 1986, the following powers (as the same may be varied or extended by the provisions of this deed)

- 12 5 1 (in respect of a Receiver) all of the powers of an administrative receiver set out in Sched 1 Insolvency Act 1986 (whether or not the Receiver is an administrative receiver),
- 12 5 2 all of the powers conferred from time to time on receivers, mortgagors and mortgagees in possession by the LPA,
- 12 5 3 all of the powers and rights of a legal and beneficial owner and the power to do or omit to do anything which any relevant Chargor itself could do or omit to do, and
- 12 5 4 the power to do all things which, in the opinion of the Administrator or Receiver (as appropriate) are incidental to any of the powers, functions, authorities or discretions conferred or vested in the Administrator or Receiver pursuant to this deed or upon receivers by statute or law generally (including the bringing or defending of proceedings in the name of, or on behalf of, any relevant Chargor, the collection and/or realisation of Charged Assets in such manner and on such terms as the Administrator or Receiver sees fit, and the execution of documents in the name of the relevant Chargor (whether under hand, or by way of deed or by utilisation of the company seal of such Chargor))

### **13 Amounts received**

#### **13 1 Application of proceeds**

All proceeds of enforcement received or recovered by the Security Agent or any Receiver or any Administrator pursuant to this deed shall be applied in the order and manner specified by the Intercreditor Agreement

#### **13 2 Section 109(8) Law of Property Act 1925**

Neither the Security Agent nor any Receiver or Administrator shall be bound (whether by virtue of s 109(8) LPA, which is hereby varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order as between any of the Secured Liabilities

#### **13 3 Currencies of denomination**

For the purpose of or pending the discharge of any of the Secured Liabilities the Security Agent may convert any monies received, recovered or realised by the Security Agent under this deed from their existing denominations and/or currencies of denomination into such other denominations and/or currencies of denomination as the Security Agent may think fit and any such conversion shall be effected at the Security Agent's then prevailing spot selling rate of exchange

#### **13 4 Suspense account**

All monies received recovered or realised by the Security Agent under this deed may at the discretion of the Security Agent be credited to any interest bearing suspense or impersonal account and may be held in such account for so long as the Security Agent thinks fit pending the application from time to time (as the Security Agent shall be entitled to do as it may think fit) of such monies and accrued interest thereon (if any) in or towards the discharge of any of the Secured Liabilities

#### **13 5 New accounts**

If the Security Agent receives notice of any subsequent charge or other interest affecting all or part of the Charged Assets (other than a Permitted Security), the Security Agent may open a new account or accounts for the relevant Chargor in its books and (without prejudice to the Security Agent's right to combine accounts) no money paid to the credit of such Chargor in any such new account will be appropriated towards or have the effect of

discharging any part of the Secured Liabilities. If the Security Agent does not open a new account or accounts immediately on receipt of such notice then unless the Security Agent gives express notice to the contrary to the relevant Chargor as from the time of receipt of such notice by the Security Agent all payments made by the relevant Chargor to the Security Agent in the absence of any express appropriation by such Chargor to the contrary shall be treated as having been credited to a new account of such Chargor and not as having been applied in reduction of the Secured Liabilities.

**13.6 Security Agent set-off rights**

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

**14 Power of attorney and delegation**

**14.1 Power of attorney**

Each Chargor hereby by way of security irrevocably appoints the Security Agent and (jointly and severally) each and every Administrator or Receiver of this deed to be the attorney of such Chargor and in its name and on its behalf and as its act and deed or otherwise and either

14.1.1 after the occurrence of a Declared Default, or

14.1.2 if a Chargor has failed to comply with clause 15.5 (*Further assurance*) and a period of 10 Business Days has elapsed from the Security Agent giving notice to the Parent or the relevant Chargor or the Parent of such failure to comply,

to sign, execute, seal, deliver, complete any blanks in and otherwise perfect any deed, transfer, assurance, agreement, instrument or act which such Administrator or Receiver or the Security Agent (each acting reasonably) may consider expedient in the exercise of any of his or its powers or in respect of such Chargor's obligations under this deed. The power of attorney hereby granted is to secure the performance of obligations owed to the donees within the meaning of the Powers of Attorney Act 1971.

**14.2 Ratification**

Each Chargor ratifies and confirms and agrees to ratify and confirm

14.2.1 all transactions entered into by the Security Agent and/or any Administrator or Receiver in the proper exercise of its or their powers in accordance with this deed, and

14.2.2 all transactions entered into by the Security Agent and/or any Administrator or Receiver in signing, sealing, delivering and otherwise perfecting any assignment, mortgage, charge, security, document or other act.

14.3 The Security Agent and any Administrator or Receiver shall have full power to delegate the powers, authorities and discretions conferred on it or him by this deed (including the power of attorney), on such terms and conditions as it or he shall see fit which shall not preclude exercise of these powers, authorities or discretions by it or him or any revocation of the delegation or subsequent delegation.

**15 Protection of security and further assurance**

**15 1 Independent security**

This deed shall be in addition to and independent of every other security or guarantee that the Security Agent or any other Secured Party may at any time hold for any of the Secured Liabilities. No prior security held by the Security Agent or any other Secured Party over the whole or any part of the Charged Assets shall merge in the security created by this deed.

**15 2 Continuing security**

This deed shall remain in full force and effect as a continuing security for the Secured Liabilities, notwithstanding any settlement of account or intermediate payment or discharge in whole or in part.

**15 3 No waivers; rights cumulative**

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

**15 4 No Chargor set-off**

Each Chargor waives any right of set-off it may have now or at any time in the future in respect of the Secured Liabilities (including sums payable by such Chargor under this deed).

**15 5 Further assurance**

**15 5 1** Each Chargor must, promptly upon request by the Security Agent or any Receiver or Administrator, at its own expense, take whatever action the Security Agent or a Receiver or Administrator may require for

**15 5 1 1** creating, perfecting or protecting any security intended to be created by or pursuant to this deed,

**15 5 1 2** facilitating the realisation of any Charged Asset,

**15 5 1 3** exercising any right, power or discretion conferred on the Security Agent, or any Receiver or any Administrator or any of their respective delegates or sub-delegates in respect of any Charged Asset, or

**15 5 1 4** creating and perfecting security in favour of the Security Agent (equivalent to the security intended to be created by this deed) over any assets of any Chargor located in any jurisdiction outside England and Wales

**15 5 2** This includes

**15 5 2 1** the re-execution of this deed,

**15 5 2 2** the execution of any legal mortgage, charge, transfer, conveyance, assignment or assurance of any property, whether to the Security Agent or to its nominee, and

**15 5 2 3** the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Security Agent (or the Receiver or Administrator, as appropriate) may think expedient

**16 Costs and indemnity**

16 1 The provisions of clause 20 (*Costs and expenses*) of the Facilities Agreement are incorporated into this deed as if set out in full *mutatis mutandis*

16 2 Each Chargor jointly and severally shall within three Business Days of demand indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability incurred by any of them as a result of

16 2 1 any failure by the Parent to comply with its obligations under clause 19 1,

16 2 2 acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised,

16 2 3 the taking, holding, protection or enforcement of the Transaction Security,

16 2 4 the exercise of any of the rights, powers, discretions, authorities and remedies vested in the Security Agent and each Receiver and Delegate by the Finance Documents or by law,

16 2 5 any default by any Obligor in the performance of any of the obligations expressed to be assumed by it in the Finance Documents, or

16 2 6 acting as Security Agent, Receiver or Delegate under the Finance Documents or which otherwise relates to any of the Charged Property (otherwise, in each case, than by reason of the relevant Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct or wilful breach of any Finance Document),

16 3 Each Chargor expressly acknowledges and agrees that the continuation of its indemnity obligations under this clause 16 will not be prejudiced by any release or disposal under clause 13 (*Distressed Disposals and Appropriation*) of the Intercreditor Agreement taking into account the operation of that clause

16 4 The Security Agent and every Receiver and Delegate may, in priority to any payment to the Secured Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this clause 16 and shall have a lien on the Transaction Security and the proceeds of the enforcement of the Transaction Security for all monies payable to it

**17 Miscellaneous**

**17 1 Benefit of Deed**

The benefit of this deed will be held by the Security Agent on and subject to the terms of the Intercreditor Agreement on trust for the benefit of itself and the other Secured Parties without preference or priority amongst themselves as security for the Secured Liabilities

**17 2 Certificates conclusive**

A certificate or determination by the Security Agent as to any amount or rate under this deed shall be conclusive evidence of that amount or rate in the absence of any manifest error

**17 3 Limitations**

The obligations of any Additional Chargor are subject to the limitations (if any) set out in the Accession Deed executed by that Additional Chargor

**17 4 Notice of assignment**

This deed constitutes notice in writing to each Chargor of any charge or assignment of a debt owed by that Chargor to any other member of the Group and contained in any other Finance Document

**17 5 Financial collateral**

17 5 1 To the extent that the Charged Assets constitute "financial collateral" and this deed and the obligations of the Chargors under this deed constitute a "security financial collateral arrangement" (in each case for the purpose of and as defined in the Financial Collateral Arrangements (No 2) Regulations 2003 (SI 2003 no 3226)), the Security Agent shall have the right after the Security constituted by this deed has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Liabilities

17 5 2 For the purpose of clause 17 5 1, the value of the financial collateral appropriated shall be such amount as the Security Agent reasonably determines having taken into account advice obtained by it from an independent investment or accountancy firm of national standing selected by it

**17 6 Severability**

If any of the provisions of this deed is or becomes invalid or unenforceable, the validity and enforceability of the remaining provisions shall not be affected or impaired thereby

**17 7 Section 2(1) Law of Property (Miscellaneous Provisions) Act 1989**

The terms of the Finance Documents and of any side letters between any parties in relation to the Finance Documents are incorporated in this deed to the extent required to ensure that any purported disposition of Charged Assets contained in this deed is a valid disposition in accordance with s 2(1) Law of Property (Miscellaneous Provisions) Act 1989

**17 8 Third party rights**

Save as expressly provided to the contrary in a Finance Document, a third party (being any person other than the Chargors and the Secured Parties and their successors and permitted assigns) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this deed Notwithstanding any term of any Finance Document, the consent of such third party is not required to rescind or vary this deed at any time

**17 9 Joint and several liability**

The covenants, agreements, obligations and liabilities of the Chargors contained in this deed or implied on their part are joint and several and shall be construed accordingly

**17 10 Trustee Act 2000**

The Chargors and the Security Agent agree that the Security Agent shall not be subject to the duty of care imposed on the trustees by the Trustee Act 2000

**18 Notices**

Any demand, notice, consent or communication to be made or given by or to a Chargor or the Security Agent under or in connection with this deed shall be made and delivered as provided in clause 35 (*Notices*) of the Facilities Agreement

**19 Assignment and transfer**

**19 1 Assignment by Security Agent**

The Security Agent may at any time without the consent of any Chargor, assign or transfer the whole or any part of its rights under this deed to any person to which it can transfer its rights in accordance with the terms of the Finance Documents

**19 2 Assignment by Chargor**

No Chargor may assign any of its rights or transfer any of its obligations under this deed or enter into any transaction which would result in any of these rights or obligations passing to another person

**20 Release of Security**

**20 1 Release**

Subject to clause 20 3 (*Discharge conditional*), upon the expiry of the Security Period (but not otherwise) the Security Agent shall at the request and cost of the Chargors, take whatever action is necessary to release and re-assign the Charged Assets from the security constituted by this deed

**20 2 Avoidance of payments and reinstatement**

If any payment by an Obligor or any discharge given by a Finance Party (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is (a) capable of being avoided or reduced (in the reasonable opinion of the Security Agent) or (b) avoided or reduced in each case as a result of insolvency or any similar event, then

20 2 1 the liability of each Obligor will continue as if the payment, discharge, avoidance or reduction had not occurred,

20 2 2 each Finance Party will be entitled to recover the value or amount of that security or payment from each Obligor, as if the payment, discharge, avoidance or reduction had not occurred, and

20 2 3 the Security Agent shall be entitled to enforce this deed subsequently as if such payment, discharge, avoidance or reduction had not occurred

**20 3 Discharge conditional**

Any release, discharge or settlement between any Chargor and the Security Agent or any other Finance Party shall be deemed conditional upon no payment or security received by the Security Agent or such other Finance Party in respect of the Secured Liabilities being avoided or reduced or ordered to be refunded pursuant to any provision of any enactment relating to insolvency, bankruptcy, winding-up, administration or receivership and, notwithstanding any such release, discharge or settlement

20 3 1 the Security Agent or its nominee shall be at liberty to retain this deed and the security created by or pursuant to this deed, including all certificates and documents relating to the Charged Assets or any part thereof, for such period as the Security Agent shall deem necessary to provide the Security Agent with security against any such avoidance or reduction or order for refund, and

20 3 2 the Security Agent shall be entitled to recover the value or amount of such security or payment from the Chargor concerned subsequently as if such settlement, discharge or release had not occurred and each Chargor agrees with the Security Agent accordingly and charges the Charged Assets and the proceeds of sale thereof with any liability under this clause, whether actual or contingent

**21 Governing law**

21 1 This deed and any non-contractual obligations arising out of or in connection with it are governed by English law

**21 2 Jurisdiction of English courts**

21 2 1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this deed (including a dispute regarding the existence, validity or termination of this deed) (a "Dispute")

21 2 2 The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary

21 2 3 This clause 21 1 is for the benefit of the Security Agent only As a result, the Security Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions

**22 Counterparts**

This deed may be executed in counterparts, all of which when taken together shall be deemed to constitute one and the same instrument

**In witness** whereof this deed has been executed by the Original Chargors and is intended to be and is hereby delivered as a deed the day and year first above written and has been signed on behalf of the Security Agent



**SCHEDULE 1****Original Chargors**

<b>Name</b>	<b>Registered Number</b>	<b>Registered Office</b>
Claranet Group Limited	04037420	21 Southampton Row London WC1B 5HA
Claranet Limited	03152737	21 Southampton Row London WC1B 5HA
Star Technology Services Limited	03077786	21 Southampton Row London WC1B 5HA
STH Limited	05473890	21 Southampton Row London WC1B 5HA
Claranet Finance Limited	09392854	21 Southampton Row London WC1B 5HA
Tagadab Limited	06164292	21 Southampton Row London WC1B 5HA

## **SCHEDULE 2**

### **Properties currently owned**

#### **Part A: Registered Land**

None at the date of this deed

#### **Part B: Unregistered Land**

None at the date of this deed

**SCHEDULE 3**  
**Original Securities**

<b>Securities Issuer</b>	<b>Type of security and nominal value</b>	<b>Number</b>	<b>Name of Registered Holder</b>
Claranet Limited	250,000 £1 ordinary shares	250,000	Claranet Group Limited
Free UK Internet Limited	2 £1 ordinary shares	2	Claranet Limited
STH Limited	469,835 £0 01 ordinary shares	469,835	Claranet Limited
Star Technology Services Limited	540,000 £1 deferred shares	540,000	STH Limited

# SCHEDULE 4

## Accounts

Chargor	Bank	Currency	Account number	Address of Bank	Sort code
Claranet Group Ltd	National Westminster Bank plc	\$	[REDACTED]	15 Bishopsgate, London, EC2N 3AS	[REDACTED]
Claranet Group Ltd	National Westminster Bank plc	£	[REDACTED]	15 Bishopsgate, London, EC2N 3AS	[REDACTED]
Claranet Group Ltd	National Westminster Bank plc	€	[REDACTED]	15 Bishopsgate, London, EC2N 3AS	[REDACTED]
Claranet Limited	National Westminster Bank plc	\$	[REDACTED]	15 Bishopsgate, London, EC2N 3AS	[REDACTED]
Claranet Limited	National Westminster Bank plc	£	[REDACTED]	15 Bishopsgate, London, EC2N 3AS	[REDACTED]
Claranet Limited	National Westminster Bank plc	€	[REDACTED]	15 Bishopsgate, London, EC2N 3AS	[REDACTED]
Claranet Limited	National Westminster Bank plc	£	[REDACTED]	15 Bishopsgate, London, EC2N 3AS	[REDACTED]
Claranet Limited	National Westminster Bank plc	£	[REDACTED]	15 Bishopsgate, London, EC2N 3AS	[REDACTED]
Star Technology Services Ltd	National Westminster Bank plc	£	[REDACTED]	15 Bishopsgate, London, EC2N 3AS	[REDACTED]
Star Technology Services Ltd	Barclays Bank PLC	£	[REDACTED]	1 Churchill Place, London, E14 5HP	[REDACTED]
Star Technology Services Ltd	Barclays Bank PLC	£	[REDACTED]	1 Churchill Place, London, E14 5HP	[REDACTED]
Star Technology Services Ltd	Barclays Bank PLC	£	[REDACTED]	1 Churchill Place, London,	[REDACTED]

				E14 5HP	
STH Limited	Barclays Bank PLC	£		1 Churchill Place, London, E14 5HP	
STH Limited	National Westminster Bank plc	£		15 Bishopsgate, London, EC2N 3AS	

## SCHEDULE 5

### Form of Accession Deed

DATE

20[ ]

#### PARTIES

- 1 [ ] (registered number [ ]) with its registered office at [ ] (the "Additional Chargor"), and
- 2 **ARES MANAGEMENT LIMITED** acting through its office at [ ] as agent and trustee for the Secured Parties (as defined below) (the "Security Agent")

#### BACKGROUND

- A The Additional Chargor is a Subsidiary of the Topco
- B Claranet Group Limited and the Security Agent (among others) have entered into a security agreement dated [ ], 2015 (the "Security Agreement")
- C The Additional Chargor has agreed to enter into this deed and to become an Additional Chargor under the Security Agreement
- D The Security Agent and the Additional Chargor intend this document to take effect as a deed notwithstanding the fact that a party may only execute this document under hand
- E The Security Agent holds the benefit of this deed on trust for the Secured Parties on the terms of the Finance Documents

#### IT IS AGREED as follows

##### 1 Definitions and interpretation

Terms defined in the Security Agreement have the same meaning in this deed unless given a different meaning in this deed. This deed is a Finance Document.

##### 2 Accession and covenant to pay

###### 2.1 With effect from the date of this deed the Additional Chargor

2.1.1 will become a party to the Security Agreement as a Chargor, and

2.1.2 will be bound by all the terms of the Security Agreement which are expressed to be binding on a Chargor

2.2 The Additional Chargor hereby covenants with the Security Agent (as trustee for the Secured Parties) that it will on demand pay and discharge all Secured Liabilities to the Secured Parties when the same become due in accordance with the terms of the Finance Documents whether by acceleration or otherwise, together with interest at such rate of interest determined in accordance with clause [12.3] (*Default interest*) of the Facilities Agreement from the due date of payment until the date on which such amount is paid and discharged in full.

2.3 Neither the covenant to pay in clause 2.2 above nor the Security constituted by this deed shall extend to or include any liability or sum which would, but for this clause, cause such covenant or Security to be unlawful under any applicable law.

### **3 Grant of security**

#### **3 1 Fixed security**

As a continuing security for the payment or discharge of the Secured Liabilities, the Additional Chargor with full title guarantee hereby

3 1 1 grants to the Security Agent (as trustee for the Secured Parties), a charge by way of legal mortgage over all its Properties which are listed in schedule 1 (*Properties currently owned*) to this deed,

3 1 2 charges to the Security Agent (as trustee for the Secured Parties), by way of first fixed charge, all its

3 1 2 1 Properties acquired by it after the date of this deed,

3 1 2 2 Property Interests,

3 1 2 3 Equipment,

3 1 2 4 Securities,

3 1 2 5 Material Intellectual Property,

3 1 2 6 Mandatory Prepayment Account,

3 1 2 7 Goodwill, and

3 1 2 8 right, title and interest to any agreement, licence, consent or authorisation relating to its business at any time not otherwise mortgaged, charged or assigned pursuant to clauses 3 1 1-3 1 4 inclusive,

3 1 3 assigns to the Security Agent (as trustee for the Secured Parties) absolutely, subject to a proviso for reassignment on redemption, all of its right, title and interest in and to the Insurance Policies, and

3 1 4 assigns to the Security Agent (as trustee for the Secured Parties), absolutely, subject to a proviso for reassignment on redemption, the benefit of the Assigned Agreements to which it is a party or an addressee and any claims arising under any of the same, and the benefit of any guarantee or security for the performance of the Assigned Agreements

#### **4 Dealing with Charged Assets**

Save for in respect of the Mandatory Prepayment Account charged under clause 3 1 2 6 above, until the occurrence of a Declared Default, any Chargor which has mortgaged, charged or assigned (or expressed to be mortgaged, charged or assigned) by or pursuant to this deed its interest in any Charged Asset shall be entitled to deal with any Charged Asset in the ordinary course of business notwithstanding such mortgage, charge or assignment, provided that such dealing is permitted in accordance with the terms of the Finance Documents

#### **4 1 Floating Security**

As a continuing security for the payment or discharge of the Secured Liabilities, the Additional Chargor with full title guarantee hereby charges to the Security Agent (as trustee for the Secured Parties), by way of first floating charge, all of its undertaking, property, assets and rights, including without limitation its Accounts (other than the Mandatory Prepayment Account charged pursuant to clause 3 1 2 6 above) and its Debts, at any time

not effectively mortgaged, charged or assigned pursuant to clauses 3 1 1-3 1 4 inclusive above

**4 2 Security restrictions**

**4 2 1 Restriction**

4 2 1 1 There shall be excluded from the Security created by clauses 3 1 1 to 3 1 4 of this deed, any asset which is notified to the Security Agent as being held by the Additional Chargor under an agreement (including, in respect of Properties, a lease and, in respect of Intellectual Property, any licensing agreement) which precludes either absolutely or conditionally (including requiring the consent of any third party) the Additional Chargor from creating any Security over its interest in that asset (such agreement being a "Restrictive Agreement" and such asset being an "Excluded Asset") until the relevant condition or waiver referred to in clause 3 5 2 below has been satisfied or obtained. For the avoidance of doubt, no Excluded Asset shall be excluded from the security created by clause 3 2 (*Floating charge*) of this deed (the "Floating Charge Security")

4 2 1 2 If the Additional Chargor receives notice from a counterparty to a Restrictive Agreement of its intention to terminate a Restrictive Agreement on the grounds that Floating Charge Security has been granted over the Additional Chargor's interest in the relevant Excluded Asset in breach of the terms of a Restrictive Agreement, the Additional Chargor will

- (i) as soon as reasonably practicable, upon receipt of such notice or on becoming aware of such intention, inform the Security Agent, and
- (ii) take such action as the Security Agent shall reasonably request to resolve any issue or dispute with the relevant counterparty in such a way so as to enable the Floating Charge Security created over such Excluded Asset to remain in place, provided that such action will not involve placing the commercial relationship between the Additional Chargor and counterparty in jeopardy (as agreed by the Additional Chargor and the Security Agent, each acting reasonably)

**4 2 2 Consent**

4 2 2 1 For each Excluded Asset, the Additional Chargor undertakes to

- (i) apply for the consent or waiver of prohibition or conditions within five Business Days of
  - (a) the date of this deed (in relation to Excluded Assets owned at the date of this deed), or
  - (b) the date on which the Additional Chargor acquires an Excluded Asset

and, in each case, to use its reasonable endeavours to obtain that consent or waiver of prohibition as soon as possible, provided that obtaining the consent or waiver will not involve placing the commercial relationship



between the Additional Chargor and counterparty in jeopardy (as agreed by the Additional Chargor and the Security Agent, each acting reasonably),

- (ii) upon request, keep the Security Agent informed of its progress in obtaining such consent or waiver, and
- (iii) forthwith upon receipt of such consent or waiver, provide the Security Agent with a copy

Immediately upon receipt of the relevant waiver or consent, the relevant formerly Excluded Asset shall stand charged to the Security Agent (as trustee for the Secured Parties) under clauses 3.1.1 to 3.1.4 of this deed, as the case may be. If required by the Security Agent at any time following receipt of that waiver or consent, the Additional Chargor will execute a further valid fixed charge in such form as the Security Agent shall require

## 22.2 Land Registry restriction

In respect of any Property registered at the Land Registry, the Additional Chargor hereby consents to the entry of the following restriction on the register of its title to such Property

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [ ] in favour of Ares Management Limited referred to in the charges register or, if appropriate, signed on such proprietor's behalf by its conveyancer"

## 22.3 Miscellaneous

With effect from the date of this deed

22.3.1 the Security Agreement will be read and construed for all purposes as if the Additional Chargor had been an original party in the capacity of Chargor (but so that the security created on this accession will be created on the date of this deed),

22.3.2 any reference in the Security Agreement to this deed and similar phrases will include this deed and all references in the Security Agreement to schedule 2 (*Properties currently owned*) (or any part of it) will include a reference to schedule 1 (*Properties currently owned*) to this deed (or relevant part of it)

## 22.4 Governing law

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

## 22.5 Enforcement

22.5.1 Jurisdiction of English courts

22.5.1.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this deed (including a dispute regarding the existence, validity or termination of this deed) (a "Dispute")

22.5.1.2 The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary

22.5.1.3 This clause 22.5.1.3 is for the benefit of the Security Agent only. As a result, the Security Agent shall not be prevented

from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

**22.5.2 Service of process**

Without prejudice to any other mode of service allowed under any relevant law, the Additional Chargor

22.5.2.1 irrevocably appoints Claranet Group Limited as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document, and

22.5.2.2 agrees that failure by a process agent to notify the Additional Chargor of the process will not invalidate the proceedings concerned.

**22.6 Counterparts**

This deed may be executed in counterparts, all of which when taken together shall be deemed to constitute one and the same instrument.

**In Witness** whereof this deed has been duly executed on the date first above written.



**SIGNATORIES (TO ACCESSION DEED)**

**The Additional Chargor**

EXECUTED as a DEED and )  
DELIVERED by [ ] )  
[LIMITED] acting by )

Director

Director/Secretary

**The Security Agent**

SIGNED by )  
for and on behalf of ARES )  
MANAGEMENT LIMITED in the presence of )

## SCHEDULE 6

### PART 1

#### Form of notice to insurers

From [relevant Chargor] (the "Company")

To [insurer]

[ ] 20[ ]

Dear Sirs

We refer to the [describe policy and its number] (the "Policy")

We hereby give notice that, pursuant to a security agreement dated [ ] 2015 (the "Security Agreement"), we have assigned to Ares Management Limited as trustee for the Secured Parties (as defined therein) (the "Security Agent") all our right, title, interest and benefit in and to the Policy

Following receipt by you of a notice of a Declared Default (as defined in the Security Agreement), we irrevocably authorise and instruct you from time to time

- (a) to disclose to the Security Agent without any reference to or further authority from us (and without any enquiry by you as to the justification for each disclosure), such information relating to the Policy as the Security Agent may at any time and from time to time request,
- (b) to hold all sums from time to time due and payable by you to us under the Policy to the order of the Security Agent,
- (c) to pay or release all or any part of the sums from time to time due and payable by you to us under the Policy in accordance with the written instructions given to you by the Security Agent from time to time,
- (d) to comply with any written notice or instructions in any way relating to, or purporting to relate to, the Policy, the sums payable to us from time to time under the Policy or the debts represented thereby which you receive at any time from the Security Agent without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction, and
- (e) to send copies of all notices and other information given or received under the Policy to the Security Agent

We are permitted to deal with you in relation to the Policy until you receive written notice from the Security Agent that a Declared Default (as defined in the Security Agreement) has occurred. Following the occurrence of a Declared Default (as defined in the Security Agreement), we are not permitted to receive from you, otherwise than through the Security Agent, any amount in respect of or on account of the sums payable to us from time to time under the Policy or to agree any amendment or supplement to, or waive any obligation under, the Policy without the prior written consent of the Security Agent.

This notice may only be revoked or amended with the prior written consent of the Security Agent

Please confirm by completing the enclosed acknowledgement and returning it to the Security Agent (with a copy to us) that

- (a) you accept the instructions and authorisations contained in this notice,
- (b) you have not, at the date this notice is returned to the Security Agent, received any notice that any third party has or will have any right or interest in, or has made, or will be making any claim or demand or taking any action in respect of, the rights of the Company under or in respect of the Policy and you will notify the Security Agent promptly if you should do so in future, and
- (c) following written notice to you from the Security Agent confirming that a Declared Default (as defined in the Security Agreement) has occurred, you will pay or release all or part of the amounts from time to time due and payable by you under the Policy in accordance with the written instructions given to you by the Security Agent from time to time

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  
[                      ]

## PART 2

### Form of acknowledgement from insurers

From [insurer]

To Ares Management Limited (the "Security Agent")

[ ] 20[ ]

Dear Sirs

We acknowledge receipt of a notice dated [ ] (the "Notice") and addressed to us by

[ ] (the "Company") regarding the Policy (as defined in the Notice)

- (a) we accept the instructions and authorisations contained in this notice,
- (b) we have not, at the date of this acknowledgement, received any notice that any third party has or will have any right or interest in, or has made, or will be making any claim or demand or taking any action in respect of, the rights of the Company under or in respect of the Policy and we will notify the Security Agent promptly if you should do so in future, and
- (c) following written notice to us from the Security Agent confirming that a Declared Default (as defined in the Security Agreement) has occurred, we will pay or release all or part of the amounts from time to time due and payable by us under the Policy in accordance with the written instructions given to us by the Security Agent from time to time

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

Yours faithfully

[insurer]

## SCHEDULE 7

### PART 1

#### Form of notice to counterparties of Assigned Agreements<sup>1</sup>

From [relevant Chargor]

To [counterparty]

[ ] 20[ ]

Dear Sirs

We refer to the [describe relevant Assigned Agreement] (the "Agreement")

We hereby notify you that pursuant to a security agreement dated [ ] 2015 (the "Security Agreement") we have assigned to Ares Management Limited as trustee for the Secured Parties (as defined therein) (the "Security Agent") absolutely (subject to a proviso for reassignment on redemption) all our right, title, interest and benefit in and to the Agreement

We further notify you that

- (a) you may continue to deal with us in relation to the Agreement until you receive written notice to the contrary from the Security Agent. Thereafter we will cease to have any right to deal with you in relation to the Agreement and therefore from that time you should deal only with the Security Agent,
- (b) you are authorised to disclose information in relation to the Agreement to the Security Agent on request,
- (c) you must pay all monies to which we are entitled under the Agreement direct to the Security Agent (and not to us) unless the Security Agent otherwise agrees in writing, and
- (d) the provisions of this notice may only be revoked with the written consent of the Security Agent

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

- (i) you agree to the terms set out in this notice and to act in accordance with its provisions, and
- (ii) you have not received notice that we have assigned our rights under the Agreement to a third party or created any other interest (whether by way of security or otherwise) in the Agreement in favour of a third party

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

Yours faithfully

---

<sup>1</sup> Only to be served following the occurrence of a Declared Default



## PART 2

### Form of acknowledgement from counterparties of Assigned Agreements

From [counterparty]

To Ares Management Limited

Copy to [relevant Chargor]

[ ] 20[ ]

We hereby acknowledge receipt of the notice dated [ ], a copy of which is attached to the acknowledgement (the "**Notice**") and confirm the matters set out in paragraphs (i) and (ii) of the Notice

for and on behalf of  
[counterparty]

## SCHEDULE 8

### PART 1

#### Form of notice of charge to third party bank over the Mandatory Prepayment Account

To [name and address of third party bank]

Attention [ ]

20[ ]

Dear Sirs

We hereby give you notice that by a security agreement dated [ ] 2015 (the "**Security Agreement**") (a copy of which is attached) we have charged to Ares Management Limited as trustee for the Secured Parties (as defined therein) (the "**Security Agent**") all our right, title and interest in and to all sums of money which are now or may from time to time in the future be held in the following mandatory prepayment account in our name with you together with all interest credited thereto and the debts represented by those sums

[ ] (the "**Account**")

We hereby irrevocably instruct and authorise you

- 1 to credit to the Account all interest from time to time earned on the sums of money held in that Account,
- 2 to disclose to the Security Agent, without any reference to or further authority from us and without any liability or inquiry by you as to the justification for such disclosure, such information relating to the Account and the sums in the Account as the Security Agent may, at any time and from time to time, request you to disclose to it,
- 3 to hold all sums from time to time standing to the credit of the Account in our name with you to the order of the Security Agent,
- 4 to pay or release all or any part of the sums from time to time standing to the credit of the Account in our name with you in accordance with the written instructions of the Security Agent at any time and from time to time, and
- 5 to comply with the terms of any written notice or instructions in any way relating to the Account or the sums standing to the credit of the Account from time to time which you may receive at any time from the Security Agent without any reference to or further authority from us and without any liability or inquiry by you as to the justification for or validity of such notice or instructions

Please note we are not permitted to withdraw any amount from the Account without the prior written consent of the Security Agent

These instructions cannot be revoked or varied without the prior written consent of the Security Agent

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



Please confirm your acceptance of the above instructions by returning the attached acknowledgement to the Security Agent with a copy to ourselves

Yours faithfully

By  
for and on behalf of  
[*relevant Chargo*]

## PART 2

### Form of acknowledgement from third party bank over the Mandatory Prepayment Account

To Ares Management Limited

20[ ]

Dear Sirs

We confirm receipt of a notice dated [ ] 20[ ] (the "Notice") from [relevant Chargee] (the "Company") of a charge, upon the terms of a Security Agreement dated [ ] 20[ ], over all the Company's right, title and interest in and to all sums of money which are now or may from time to time in the future be held in the following mandatory prepayment account with us in the name of the Company together with interest relating thereto

[ ] (the "Account")

We confirm that

- 1 we accept the instructions and authorisations contained in the Notice and undertake to comply with its terms,
- 2 we have not received notice of the interest of any third party in the Account or in the sums of money held in the Account or the debts represented by those sums and we will notify you promptly should we receive notice of any third party interest,
- 3 we have not claimed or exercised, nor will we claim or exercise, any Security or right of set-off or combination or counterclaim or other right in respect of the Account, the sums of money held in the Account or the debts represented by those sums other than as permitted under the relevant terms and conditions relating to the Account,
- 4 we will not permit any amount to be withdrawn from the Mandatory Prepayment Account except against the signature of one of your authorised signatories

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  
[third party bank]

### PART 3

#### Form of notice of charge to third party bank over other accounts

To [name and address of third party bank]

Attention [ ]

20[ ]

Dear Sirs

We hereby give you notice that by a security agreement dated [ ] 2015 (the "**Security Agreement**") (a copy of which is attached) we have charged to Ares Management Limited as trustee for the Secured Parties (as defined therein) (the "**Security Agent**") all our right, title and interest in and to all sums of money which are now or may from time to time in the future be held in the following accounts in our name with you together with all interest credited thereto and the debts represented by those sums

[ ] (together the "**Accounts**")

Following receipt by you of a notice of a Declared Default (as defined in the Security Agreement), we hereby irrevocably instruct and authorise you

- 1 to credit to each Account all interest from time to time earned on the sums of money held in that Account,
- 2 to disclose to the Security Agent, without any reference to or further authority from us and without any liability or inquiry by you as to the justification for such disclosure, such information relating to the Accounts and the sums in each Account as the Security Agent may, at any time and from time to time, request you to disclose to it,
- 3 to hold all sums from time to time standing to the credit of each Account in our name with you to the order of the Security Agent,
- 4 to pay or release all or any part of the sums from time to time standing to the credit of each Account in our name with you in accordance with the written instructions of the Security Agent at any time and from time to time, and
- 5 to comply with the terms of any written notice or instructions in any way relating to the Accounts or the sums standing to the credit of any Account from time to time which you may receive at any time from the Security Agent without any reference to or further authority from us and without any liability or inquiry by you as to the justification for or validity of such notice or instructions

By counter-signing this notice, the Security Agent confirms that we may make withdrawals from the Accounts until such time as the Security Agent shall notify you in writing that a Declared Default (as defined in the Security Agreement) has occurred and their permission is withdrawn, whereupon we will not be permitted to withdraw any amounts from any Account without the prior written consent of the Security Agent

These instructions cannot be revoked or varied without the prior written consent of the Security Agent

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

Please confirm your acceptance of the above instructions by returning the attached acknowledgement to the Security Agent with a copy to ourselves

Yours faithfully

By.

for and on behalf of  
[*relevant Chargor*][Countersigned by  
for and on behalf of  
[*Security Agent*]

## PART 4

### Form of acknowledgement from third party bank over other accounts

To Ares Management Limited

20[ ]

Dear Sirs

We confirm receipt of a notice dated [ ] 20[ ] (the "Notice") from [*relevant Chargon*] (the "Company") of a charge, upon the terms of a Security Agreement dated [ ] 20[ ], over all the Company's right, title and interest in and to all sums of money which are now or may from time to time in the future be held in the following accounts with us in the name of the Company together with interest relating thereto

[ ] (the "Accounts")

We confirm that

- 1 we accept the instructions and authorisations contained in the Notice and undertake to comply with its terms,
- 2 we have not received notice of the interest of any third party in the Accounts or in the sums of money held in the Accounts or the debts represented by those sums and we will notify you promptly should we receive notice of any third party interest, and
- 3 until you notify us in writing that withdrawals are prohibited, the Company may make withdrawals from the Accounts, upon receipt of written notice from the Security Agent confirming that a Declared Default (as defined in the Security Agreement) has occurred and that withdrawals are prohibited, we will not permit any amount to be withdrawn from any Account except against the signature of one of your authorised signatories

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  
[*third party bank*]



## SIGNATORIES (TO SECURITY AGREEMENT)

### The Original Chargors

**SIGNED as a DEED by** )  
**CLARANET GROUP LIMITED** )  
in the presence of )

Witness' signature

Witness' name

Witness' address

**SIGNED as a DEED by** )  
**CLARANET LIMITED** )  
in the presence of )

Witness' signature

Witness' name

Witness' address

**SIGNED as a DEED by** )  
**STAR TECHNOLOGY SERVICES** )  
**LIMITED** )  
in the presence of )

Witness' signature

Witness' name

Witness' address

**SIGNED as a DEED by** )  
**STH LIMITED** )  
in the presence of )

Witness' signature

Witness' name

Witness' address

**SIGNED as a DEED by** )  
**CLARANET FINANCE LIMITED** )  
in the presence of )

Witness' signature

Witness' name

Witness' address

**SIGNED as a DEED by** )  
**TAGADAB LIMITED** )  
in the presence of )

Witness' signature

Witness' name

Witness' address



**The Security Agent**

**SIGNED by  
for and on behalf of ARES  
MANAGEMENT LIMITED**

)  
)  
)

