

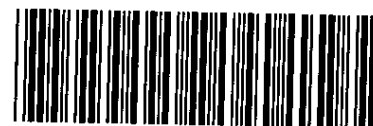
MR01

Particulars of a charge

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16/07/2019

#232

COMPANIES HOUSE



Go online to file this information
www.gov.uk/companieshouse

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

☒ **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.gov.uk/companieshouse

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 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. This will be scanned and placed on the public record. **Do not send the original.**

1

Company details

Company number 0 4 0 1 4 7 0 0

Company name in full ISTIM UK LTD

For official use

→ **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 0 9 / 0 7 / 2 0 1 9

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 COMERCIA BANK (AS BANK)

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

SECURITY INTERESTS (NOT EXPRESSED AS FLOATING CHARGES) ARE CREATED OVER ALL OF THE CHARGOR'S RIGHTS IN ANY INTELLECTUAL PROPERTY AND CHATTELS. NONE IS SPECIFIED. SEE INSTRUMENT FOR MORE DETAILS.

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 ¹

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

☐

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

9

Signature

Please sign the form here.

Signature

Signature

X Mary Ben Hurdle 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 Fiona Engledow

Company name Mayer Brown International LLP

Address 201 Bishopsgate

Post town London

County/Region

Postcode E C 2 M 3 A F

Country

DX DX 556 London and City

Telephone 020 3130 3093



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 £23 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.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4014700

Charge code: 0401 4700 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 9th July 2019 and created by ISTIM UK LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 16th July 2019.

Dx

Given at Companies House, Cardiff on 23rd July 2019



Companies House



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

EXECUTION VERSION

Dated 9 July 2019

- (1) **ISTIM UK LTD** as Chargor
- (2) **COMERICA BANK** as Bank

SECURITY AGREEMENT

I certify that, save for material redacted pursuant to s.859G of the Companies Act 2006, this copy instrument is a correct copy of the original instrument.

Signed *Mayer Brown International LLP*
Mayer Brown International LLP

Date *11/07/2019*

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THIS SECURITY AGREEMENT is dated 9 July 2019 and made between:

- (1) **ISTIM UK LTD**, a private limited company incorporated in England and Wales (registered number 04014700) whose registered office is at Pennant House C/O MHA Macintyre Hudson, Napier Court, Napier Rd, Reading, England, RG1 8BW (the "**Chargor**"); and
- (2) **COMERICA BANK**, a Texas banking association (the "**Bank**").

BACKGROUND:

- (A) By a letter agreement between ISTIM Metals LLC (the "**Borrower**") and the Bank dated 9 July 2019 (as amended and restated from time to time, the "**Letter Agreement**"), the Bank agrees to provide certain loans, advances and other credit from time to time.
- (B) The provision of this Security Agreement is a condition to the obligations of the Bank under the Letter Agreement.
- (C) This document is the deed of the Chargor, even if it has not been duly executed by the Bank or has been executed by the Bank but not as a deed.

THIS DEED WITNESSES that:

1. DEFINITIONS AND INTERPRETATION

1.1 Terms defined in the Letter Agreement

Terms defined in the Letter Agreement but not in this Security Agreement shall have the same meanings in this Security Agreement as in the Letter Agreement.

1.2 Definitions

In addition, in this Security Agreement:

"Administrator" means any administrator appointed under this Security Agreement to manage the affairs, business and assets of the Chargor.

"Assigned Document" means any document rights under which are from time to time assigned under this Security Agreement.

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"Borrower" means ISTIM Metals LLC, a limited liability company incorporated in the State of Michigan whose registered office is 41425 Joy Road, Canton, Michigan 48187.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in London.

"Debt" means any book or other debt, revenue or claim. In relation to the Chargor, **"its Debts"** means all Debts in which it has any rights.

"Delegate" means any delegate, agent, attorney or co-trustee appointed by the Bank or a Receiver.

"Discharge Date" has the meaning given to it in Clause 21.1 (*Definitions relating to release of this Security*).

"Enforcement Event" means any Event of Default which is continuing and, in addition, means each of the events or circumstances as set out below:

- (a) any Party receiving a notice of intention to appoint an Administrator in respect of the Chargor pursuant to the Insolvency Act 1986; or
- (b) an application being made pursuant to the Insolvency Act 1986 for an administration order to be made in respect of the Chargor or the taking of any steps in relation to the appointment of an Administrator of the Chargor.

"Finance Documents" means the Letter Agreement, the Loan Documents (as defined in the Letter Agreement), the Guarantee, and any line of credit, loan or note issued under the terms of the Letter Agreement.

"Guarantee" means the guarantee and indemnity agreement relating to the obligations of the Borrower to the Bank dated on the date of this Security Agreement between the Chargor and the Bank.

"Hedging Agreement" means any master agreement, confirmation, schedule or other agreement to which the Chargor is from time to time party hedging any liabilities or risks in relation to any Secured Liabilities.

"IA" means the Insolvency Act 1986.

"Insolvency Event" in relation to a person includes the dissolution, bankruptcy, insolvency, winding-up, liquidation, administration, examination, amalgamation, reconstruction, reorganisation, arrangement, adjustment, administrative or other receivership or dissolution of that person, the official management of all of its revenues or other assets or the seeking of protection or relief from debtors and any equivalent or analogous proceeding, whatever it is called, in any jurisdiction.

"Insurance" means any policy or contract of insurance. In relation to the Chargor, **"its Insurances"** means all Insurances in which it has any rights (including as loss payee or additional insured).

"Intellectual Property" means:

- (a) all patents, utility models, trade and service marks, trade names, domain names, design rights, copyrights, moral rights, topography rights, rights in databases, trade secrets, know-how and other intellectual property, whether or not registered or registrable; and including

- (b) registrations and applications for registration of any of these and rights to apply for the same,

and all rights and forms of protection of a similar nature or having equivalent or similar effect to any of these anywhere in the world. In relation to the Chargor, "**its Intellectual Property**" means all Intellectual Property (including where applicable any listed in Schedule 1, Part 3 (*Specified Intellectual Property*)) in which it has any rights.

"**Investment**" means any share, stock, debenture, bond, partnership interest or other security or investment. In relation to the Chargor, "**its Investments**" means all Investments (including where applicable any listed in Schedule 1, Part 4 (*Specified Investments*)) in which it has any rights and all its rights against any nominee or other trustee, fiduciary, custodian or clearing system with respect to any Investments.

"**Lease**" means any lease, tenancy, licence, sub-lease, sub-licence or other occupational right.

"**Legal Reservations**" means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under the Limitation Act 1980 or the Foreign Limitation Periods Act 1984, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim; and
- (c) similar principles, rights and defences under the laws of the jurisdiction of incorporation of the Chargor or the jurisdiction where any asset subject to, or intended to be subject to, this Security is situated.

"**Losses**" means losses (including loss of profit), claims, demands, actions, proceedings, damages and other payments, costs, expenses and other liabilities of any kind.

"**LPA**" means the Law of Property Act 1925.

"**Notice of Assignment**" means a notice of assignment substantially in the form set out in Schedule 2, Part 1 (*Notice of assignment of Assigned Document*) or Schedule 2, Part 2 (*Notice of assignment of Insurance*), as appropriate, or in such other form as may be specified by the Bank.

"**Notice of Charge**" means a notice of charge substantially in the form set out in Schedule 2, Part 3 (*Notice of charge*) or in such other form as may be specified by the Bank.

"**Notice of Security**" means a Notice of Assignment or a Notice of Charge, as applicable.

"**Party**" means a party to this Security Agreement.

"Receiver" means any receiver, receiver and manager or administrative receiver appointed under this Security Agreement by the Bank over all or any of the Security Assets whether solely, jointly, severally or jointly and severally with any other person and includes any substitute for any of them appointed from time to time.

"Secured Liabilities" means all monies from time to time due or owing, and all obligations and other actual or contingent liabilities from time to time incurred, by any Transaction Obligor to any Secured Party under the Finance Documents or on any other account:

- (a) in whatever currency;
- (b) whether due, owing or incurred alone or jointly with others or as principal, surety or otherwise; and
- (c) including monies and liabilities purchased by or transferred to the relevant Secured Party,

but excluding any money, obligation or liability which would cause the covenant set out in Clause 2.1 (*Covenant to pay*) or the security which would otherwise be constituted by this Security Agreement to be unlawful or prohibited by any applicable law or regulation.

"Secured Party" means the Bank, a Receiver or any Delegate.

"Security Assets" means the assets from time to time the subject of this Security, **"Security Asset"** means any of them and any reference to one or more of the Security Assets includes all or any part of it or each of them.

"Security Enforcement Party" means the Bank, any Receiver or any Delegate.

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

"Specified Account" means any bank account listed or referred to in Schedule 1, Part 1 (*Specified Accounts*).

"Specified Debt" means any debt listed or referred to in Schedule 1, Part 2 (*Specified Debts*).

"Transaction Obligor" means the Chargor and the Borrower.

"VAT" means:

- (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

1.3 Construction

- (a) Section I(a) of the Letter Agreement shall apply as if set out in full again here, with references to "this Agreement" being construed as references to this Security Agreement and with such other changes as are appropriate to fit this context.
- (b) In addition, in this Security Agreement, unless a contrary indication appears any reference to:
 - (i) "**assets**" includes present and future properties, revenues, rights and other assets of every description. Any reference to **an asset** includes any proceeds of disposal of all or part of that asset and any other monies paid or payable in respect of that asset and any reference to a **particular type or category of assets** includes any present or future assets of that type or category;
 - (ii) a "**disposal**" includes any lease, licence, transfer, sale or other disposal of any kind (with related words being construed accordingly);
 - (iii) any **Finance Document** or other **document** is to that Finance Document or other document as supplemented, otherwise amended, replaced or novated from time to time (however fundamental that amendment, novation or replacement may be, even if it involves increased, new, additional, extended and/or replacement facilities or an increase in any other amount or rate);
 - (iv) the masculine, feminine or neuter **gender** respectively includes the other genders and the **singular** includes the plural (and vice versa);
 - (v) "**including**" means "including without limitation" (with related words being construed accordingly), "**in particular**" means "in particular but without limitation" and other **general words** shall not be given a restrictive interpretation by reason of their being preceded or followed by words indicating a particular class of assets, matters or things;
 - (vi) a **Party** or other **particular person** includes its successors in title (including in the case of the Security Agent any successor Security Agent), permitted assignees and permitted transferees in accordance with their respective interests;
 - (vii) a "**person**" includes any individual, firm, company or other corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of them;
 - (viii) a **provision of law** is to that provision as amended, re-enacted or replaced from time to time and includes any subordinated legislation in force under it from time to time;

- (ix) a **"Recital"** is to a statement made under the heading "Background" above and any reference to a **"Clause"** or to a **"Schedule"** is to a clause of or a schedule to this Security Agreement (as the case may be);
- (x) a **"right"** includes any title, estate, interest, claim, remedy, power, authority, discretion or other right of any kind, both present and future. Any reference to **the Chargor's rights** in any document or asset (or any type or category of documents or assets) includes any rights that it holds from time to time in, to, under, in respect of or derived from that document or asset (or any document or asset of that type or in that category);
- (xi) **"this Security"** means the Security Interests constituted by or pursuant to this Security Agreement; and
- (xii) **this Security Agreement** includes the Recitals and Schedules, which form part of this Security Agreement for all purposes.
- (c) The index and Clause and Schedule headings are for ease of reference only.
- (d) If there is any inconsistency between the terms of this Security Agreement and those of the Letter Agreement, the terms of the Letter Agreement shall prevail.

1.4 **Currency symbols and definitions**

"\$", "USD" and "dollars" denote the lawful currency of the United States of America.

1.5 **Third party rights**

- (a) A person who is not a Party (other than any Receiver, Delegate or Administrator) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Security Agreement.
- (b) Notwithstanding Clause 1.5(a), no consent of any person who is not a Party is required to rescind or vary this Security Agreement at any time.

1.6 **Disposition of land**

The terms of the other Finance Documents and any related documents are incorporated into this Security Agreement to the extent necessary for any purported disposition of land contained in the Finance Documents to be valid in accordance with s2(1) Law of Property (Miscellaneous Provisions) Act 1989.

2. **PAYMENT OF THE SECURED LIABILITIES**

2.1 **Covenant to pay**

The Chargor covenants with the Bank to pay and discharge, or procure the payment or discharge of, each of the Secured Liabilities at the time and in the manner provided in the relevant document for their payment or discharge by the relevant Transaction Obligor.

2.2 **Interest**

If any amount payable under Clause 2.1 is not paid on its due date, interest shall accrue on a daily basis on the overdue amount from the due date up to the date of actual payment (both before and after judgment). This interest shall accrue at the rate and on the terms from time to time applicable under the relevant document (or, in the absence of an applicable rate and applicable terms, shall be calculated and accrue under the terms of the relevant line of credit, loan or note issued by the Bank to the Borrower under the terms of the relevant Finance Documents from time to time as if it were an unpaid sum) and shall be payable on demand.

2.3 **Further advances**

This Security Agreement is made to secure any further advances or other facilities made available by the Bank under the Finance Documents. It does not create any obligation on the Bank to make any further advances or other facilities available.

3. **CREATION OF SECURITY INTERESTS**

3.1 **General provisions regarding Security Interests**

- (a) Each of the charges and assignments created under this Security Agreement:
 - (i) is granted to the Bank;
 - (ii) secures the payment and discharge of the Secured Liabilities; and
 - (iii) is made with full title guarantee.
- (b) Each fixed charge created under this Security Agreement takes effect as an equitable mortgage.
- (c) Each assignment under this Security Agreement is subject to a proviso for re-assignment on redemption in accordance with Clause 21.2 (*Release of this Security*).
- (d) If, to the extent and for so long as any charge or assignment under this Security Agreement fails to take effect over the Chargor's rights in any asset because an Authorisation necessary for it to do so has not been obtained or made, the Chargor shall:
 - (i) use its reasonable endeavours to obtain or make the Authorisation as soon as possible; and
 - (ii) until it is obtained or made, hold the relevant rights on trust for the Bank.

3.2 **Accounts**

The Chargor charges by way of first fixed charge all of its rights:

- (a) in any credit balances on the Specified Accounts and the indebtedness represented by them; and

- (b) in any credit balances on any other bank accounts and the indebtedness represented by them.

3.3 Debts

- (a) The Chargor charges by way of first fixed charge all of its rights:
 - (i) in any Specified Debts; and
 - (ii) in its other Debts.
- (b) In this Security Agreement, unless a contrary indication appears any reference to a Debt includes the benefit of any Security Interest, guarantee or other right in relation to that Debt.

3.4 Investments

- (a) The Chargor charges by way of first fixed charge all of its rights in its Investments.
- (b) In this Security Agreement, unless a contrary indication appears any reference to an Investment includes:
 - (i) any associated dividends and interest and any other payments and distributions; and
 - (ii) any right, money or assets accruing or offered at any time in respect of the Investment by way of redemption, exchange, bonus or otherwise.

3.5 Insurances

The Chargor assigns absolutely all of its rights in its Insurances.

3.6 Assignment of documents

- (a) The Chargor assigns absolutely all of its rights in:
 - (i) any Hedging Agreement (without prejudice and subject to any netting or set-off provisions contained in it); and
 - (ii) any other document from time to time designated as an Assigned Document, either by the Chargor (or the Borrower on its behalf) and the Bank.
- (b) For the avoidance of doubt, the Chargor will remain at all times liable in respect of all of its obligations under each Assigned Document and no Secured Party will be under any obligation or liability under or in respect of those Assigned Documents.

3.7 Miscellaneous fixed charges

The Chargor charges by way of first fixed charge, in each case to the extent not otherwise validly and effectively charged or assigned in Clause 3.2 to Clause 3.6:

- (a) all of its rights in any plant, machinery, vehicles, equipment and other chattels (but excluding its stock-in-trade or work-in-progress);
- (b) any goodwill and uncalled capital from time to time and all of its rights to future calls in respect of capital;
- (c) all of its rights in its Intellectual Property;
- (d) all licences, consents and other Authorisations held in connection with its business or the use of any Security Assets and all of its rights in connection with them; and
- (e) all of its rights in any security interests, guarantees, indemnities, covenants for title, agreements, reports and other documents including those relating to all or any part of the Security Assets.

3.8 Floating charge

- (a) The Chargor charges by way of first floating charge the whole of its undertaking and other assets.
- (b) Schedule B1, Paragraph 14 IA shall apply to the floating charge created by the Chargor in this Security Agreement.
- (c) The Bank may at any time by notice to the Chargor convert the floating charge created by the Chargor in this Security Agreement into a fixed charge with immediate effect as regards any Security Asset specified in the notice if:
 - (i) an Enforcement Event has occurred;
 - (ii) the Bank considers that it may be in danger of being seized or sold pursuant to any form of legal process or otherwise in jeopardy; or
 - (iii) the Bank considers that it is desirable to protect the priority of this Security.
- (d) The floating charge created by the Chargor in this Security Agreement shall automatically be converted into a fixed charge with immediate effect as regards all assets subject to it if:
 - (i) the Chargor breaches Clause 6 (*Negative pledge and disposals*) or attempts to do so;
 - (ii) any person levies or attempts to levy any distress, execution, sequestration or other process against any of those assets; or
 - (iii) any steps are taken to appoint (or have appointed) an administrator of the Chargor or wind it up or if an administrator is appointed.
- (e) Nothing in this Clause 3.8:

- (i) shall affect the crystallisation of the floating charge created by the Chargor under applicable law and regulation; or
- (ii) shall permit the floating charge created by the Chargor to be crystallised solely as a result of the obtaining of, or of anything done with a view to obtaining, a moratorium under s1A IA.

4. REPRESENTATIONS AND WARRANTIES

4.1 General

The Chargor makes the representations and warranties set out in this Clause 4 to the Bank.

4.2 Binding obligations and security

Subject to the Legal Reservations:

- (a) the obligations expressed to be assumed by it in this Security Agreement are legal, valid, binding and enforceable obligations; and
- (b) this Security Agreement creates the Security Interests which it purports to create and those Security Interests are valid and effective.

4.3 Non-conflict with other obligations

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

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) any agreement or other document binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or other document.

4.4 No filing or stamp taxes

No stamp registration duty or similar tax or charge is payable under the laws of its jurisdiction of incorporation in respect of this Security Agreement.

4.5 Security Assets

- (a) It is the sole legal and beneficial owner of the respective assets over which it purports to grant Security Interests in this Security Agreement, free from any other Security Interests.
- (b) Any shares forming part of the Security Assets are:
 - (i) fully paid;
 - (ii) not subject to any option to purchase or similar rights; and

- (iii) freely transferable with no consents being required to the transfer or its registration.

4.6 Times when representations made

- (a) All the representations and warranties in this Clause 4:
 - (i) are made by the Chargor on the date of this Security Agreement; and
 - (ii) shall be deemed to be repeated by the Chargor on each day prior to the Discharge Date.
- (b) Each representation or warranty made or deemed to be repeated after the date of this Security Agreement shall be made or deemed to be repeated by reference to the facts and circumstances existing at the date the representation or warranty is made or deemed to be repeated.

5. PERFECTION OF SECURITY AND FURTHER ASSURANCE

5.1 Notice of Security

- (a) The Chargor shall deliver a Notice of Security (with a copy to the Bank), duly completed:
 - (i) forthwith, to any bank with which it opens or maintains any Specified Account or other bank account;
 - (ii) forthwith, to any person against which it has rights in respect of any Specified Debt;
 - (iii) upon request, to any person against which it has rights in respect of any other Debt;
 - (iv) forthwith, to any insurer in respect of any Insurance;
 - (v) forthwith, to any counterparty under any Hedging Agreement; and
 - (vi) upon request, to any party to any other document,in each case in respect of which the Chargor has granted a Security Interest in this Security Agreement.
- (b) In Clause 5.1(a):
 - (i) **"forthwith"** means immediately upon execution of this Security Agreement or, if later, upon the relevant document, account, Debt or Insurance being entered into or otherwise coming into existence; and
 - (ii) **"upon request"** means immediately upon request by the Bank.
- (c) The Chargor shall use all reasonable endeavours to procure that each addressee of a Notice of Security promptly acknowledges that Notice of Security in the

form attached to that Notice of Security (or in such other form as the Bank may approve).

5.2 Further assurance

- (a) The Chargor shall promptly and at its own expense take such action as the Security Agent or any Receiver may reasonably require:
 - (i) to preserve, perfect or protect the security created (or intended to be created) by this Security Agreement or the priority of it; or
 - (ii) to facilitate the realisation or enforcement of any Security Asset or the exercise any of the rights of any Secured Party in relation to the same.
- (b) The action required under Clause 5.2(a) may include the execution of any Security Interest, any assignment or transfer over or of any asset, any notice of this Security or any other document.

6. NEGATIVE PLEDGE AND DISPOSALS

6.1 Negative pledge

The Chargor undertakes that it will not create or permit to subsist any Security Interest over any Security Asset except as expressly permitted by the Finance Documents.

6.2 No disposals

The Chargor undertakes that it will not dispose of (or agree to dispose of) any Security Asset except as expressly permitted by the Finance Documents.

7. OTHER COVENANTS OF GENERAL APPLICATION

7.1 Information, access and remedy

- (a) The Chargor shall promptly deliver to the Bank:
 - (i) any title deeds and documents relating to the Security Assets which the Bank may request;
 - (ii) any copy document or other information which the Bank may request relating to its business or any Security Asset; and
 - (iii) any evidence which the Bank may request of its compliance with the terms of this Security Agreement.
- (b) The Chargor shall permit the Bank and/or its representatives, agents or contractors free access at all reasonable times to the Security Assets and any books, accounts and records relating to them:
 - (i) to examine the state and condition of those assets;
 - (ii) to inspect and take copies and extracts from those books, accounts and records; and

- (iii) to comply with or object to any direction or notice or other matter served on it.
- (c) The Bank may take any action (including the carrying out of repairs, the provision of information or the payment of money) which it considers necessary or desirable to remedy any failure by the Chargor to comply with any of its obligations under the Finance Documents.
- (d) The Bank shall have no obligation to exercise any of its rights under Clause 7.1(c) or otherwise in relation to any Security Asset.

7.2 Compliance with obligations

The Chargor shall:

- (a) observe, perform and otherwise comply with all covenants and other obligations and matters (whether or not contained in any Lease, agreement or other document) from time to time affecting any of the Security Assets or their use or enjoyment;
- (b) comply with all (and not permit any breach of any) bye-laws and other laws and regulations (whether relating to planning, building or any other matter) affecting any of the Security Assets; and
- (c) pay (or procure the payment of) all rents, rates, taxes, charges, assessments, impositions and other outgoings of any kind which are from time to time payable (whether by the owner or the occupier) in respect of any of the Security Assets.

7.3 Enforcement of rights

The Chargor shall at its own cost use its best endeavours to enforce any rights and institute, continue or defend any proceedings relating to any of the Security Assets which the Bank may from time to time require.

7.4 Management of Security Assets

The Chargor shall manage its Security Assets in a proper and efficient manner. In particular, it shall:

- (a) keep its Security Assets in good and substantial repair and working order;
- (b) obtain, maintain and comply with the terms of any Authorisation required or desirable in connection with any Security Asset;
- (c) not without the prior written consent of the Bank make, permit or allow any alterations or additions of a material nature to any of its Security Assets or carry out any works of demolition on them;
- (d) not do, permit or allow to be done anything which might in any way depreciate, other than in the ordinary course of business, jeopardise or otherwise prejudice

the security held by the Bank or the value of any of the Chargor's Security Assets; and

- (e) immediately inform the Bank of anything which occurs which might have the effect referred to in Clause 7.4(d).

7.5 Maintenance of insurance

- (a) The Chargor shall insure and at all times keep insured those of the Security Assets which are of an insurable nature against risks usually insured against by prudent companies carrying on businesses similar to those of the Chargor.
- (b) The Chargor shall effect each of its Insurances:
 - (i) with reputable and responsible insurers approved by the Bank;
 - (ii) either in the name of the Chargor with the interest of the Bank noted on the Insurances, or, at the option of the Bank, in the joint names of the Chargor and the Bank; and
 - (iii) on such terms as the Bank may from time to time require.
- (c) The Chargor shall in respect of each of its Insurances:
 - (i) comply with its terms and not do or permit to be done anything which may make it void or voidable;
 - (ii) duly and promptly pay all premiums and other monies necessary to effect and maintain it and provide evidence of payment to the Bank; and
 - (iii) as requested by the Bank from time to time, deliver to the Bank (or provide to the Bank and/or its representatives or agents for inspection) the contract or policy (or, if so requested, a copy or extract of it).

7.6 Default in relation to insurance

If the Chargor fails to comply with any of its obligations as to insurance, the Bank may, but shall not be required to, take out, renew or maintain the relevant insurance on the terms, in the name(s) and in the amount(s) which it considers appropriate.

7.7 Application of insurance proceeds

Clause 18.3 (*Insurance proceeds*) provides for the application of any insurance proceeds.

8. ACCOUNTS AND DEBTS

8.1 Realisation of Debts

- (a) The Chargor shall get in and realise its Debts in accordance with the Letter Agreement and, subject to that, in the ordinary course of its business. For the

avoidance of doubt, this does not permit the realisation of Debts by means of block discounting, factoring or the like.

- (b) All monies received by or on behalf of the Chargor in respect of its Debts:
 - (i) shall be paid (in the case of proceeds of any Specified Debt) into a Specified Account or (in the case of other proceeds) into any bank account of the Chargor; and
 - (ii) shall until such payment be held on trust for the Bank.
- (c) The Chargor shall not release, set-off, compound or otherwise deal over, of or with its Debts otherwise than in accordance with Clause 8.1(a) and Clause 8.1(b).

8.2 Withdrawals from accounts

If any time deposit matures on any account of the Chargor with the Bank after this Security has become enforceable, the time deposit shall automatically be renewed for a further period of a duration determined by the Bank in its discretion. This is without prejudice to any set-off rights of the Bank.

9. THE INVESTMENTS

9.1 Delivery of documents and information

- (a) The Chargor shall, on the date of this Security Agreement and from time to time, deliver to the Bank (or its nominee) in respect of each of its Investments:
 - (i) any share certificate or other document of title to or representing it;
 - (ii) an instrument of transfer or assignment of it in a form specified by the Bank, duly executed by each person in whose name it is registered or held (with the name of the transferee or assignee, the consideration and the date left blank); and
 - (iii) any other documents (including duly executed waivers of pre-emption and other rights) which the Bank may request to enable it (or its nominee) to:
 - (A) obtain legal title to (or otherwise be registered as the owner of) the Investment; or
 - (B) be in a position to exercise any rights under this Security Agreement in respect of it.
- (b) The Bank may at any time have any of the Chargor's Investments registered in its name or in the name of a nominee specified by it acting on its behalf.
- (c) The Chargor shall send a copy of any notice or other document received by it relating to any of its Investments promptly to the Bank.

9.2 Income on Investments

- (a) All dividends, interest and other income received by the Chargor in relation to its Investments prior to this Security becoming enforceable may be retained by the Chargor and any such income received by the Bank (or its nominee) will be paid to the Chargor to be applied in accordance with this Clause 9.2(a).
- (b) All income received or payable to the Chargor (or received by the Bank or its nominee) in relation to the Chargor's Investments after this Security has become enforceable shall be paid to (or, as applicable, retained by) the Bank and until that payment is made shall be held on trust for the Bank.

9.3 Voting and other rights

- (a) Subject to Clause 9.2 and the remainder of this Clause 9.3:
 - (i) the Chargor may exercise all voting and other rights attached to its Investments; and
 - (ii) if any of those rights are exercisable by the Bank or its nominee, the Chargor may direct in writing how they are to be exercised.
- (b) The Chargor shall not exercise, or direct the exercise of, any rights attached to its Investments in any manner which in the Bank's opinion is prejudicial to the value of this Security or its realisation.
- (c) The Chargor shall not without the prior written consent of the Bank permit or agree to any variation of the rights attaching to its Investments.
- (d) The Chargor shall not make any nomination, or permit to continue in effect any nomination it may have made, to permit another person to enjoy or exercise any of its rights in relation to any of its Investments.
- (e) If at any time following the occurrence of an Enforcement Event which is continuing the Bank gives notice to the Chargor that this Clause 9.3(e) applies, then from the date of that notice and to the extent specified in it:
 - (i) the Bank (or its nominee) may at the Bank's discretion (and in the name of the Chargor or otherwise) exercise, or refrain from exercising, any voting or other rights attached to the Investments; and
 - (ii) the Chargor shall not exercise any of those rights.

9.4 Calls and other obligations

- (a) The Chargor shall duly and promptly pay (or ensure that there are paid) all calls, instalments or other monies which may from time to time become due in respect of any of its Investments, without deduction or set-off.
- (b) The Chargor shall comply with all reasonable requests for information relating to any of its Investments made in accordance with any law or regulation or its

constitutional documents or by any listing or other authority, sending a copy of the information to the Bank.

10. **ASSIGNED DOCUMENTS**

The Chargor shall not waive any rights under, amend, novate, repudiate, rescind or otherwise terminate or permit to be terminated any Assigned Document without the prior written consent of the Bank.

11. **INTELLECTUAL PROPERTY**

The Chargor shall do all acts and things which may be necessary to preserve and maintain the subsistence and validity of its Intellectual Property and any related registrations.

12. **PLANT, MACHINERY AND OTHER CHATTELS**

The Chargor shall:

- (a) maintain all of its plant, machinery and other chattels referred to in Clause 3.7(a) (*Miscellaneous fixed charges*) (the "**Equipment**") in good and serviceable condition (taking into account reasonable wear and tear) in compliance with all relevant manufacturer and other instructions and recommendations as to servicing and maintenance;
- (b) promptly renew and replace any obsolete, worn out or damaged Equipment or parts with items of a similar or better quality and of equal or greater value; and
- (c) if so requested by the Bank in relation to any item of Equipment, affix to, and maintain on, that item in a conspicuous position a plate bearing in clearly legible wording approved by the Bank a notification of the fixed charge created by this Security Agreement over that item.

13. **ENFORCEMENT – GENERAL PROVISIONS**

13.1 **Enforcement**

- (a) On or at any time after the occurrence of an Enforcement Event which is continuing, this Security shall become immediately enforceable and the Bank may enforce this Security, and its rights under this Security Agreement, in the manner and on the terms it thinks fit.
- (b) In particular, it may without further notice exercise in relation to the Security Assets:
 - (i) the power of sale and all other powers conferred on mortgagees by the LPA or otherwise by law, in each case as extended or otherwise amended by this Security Agreement;
 - (ii) to the extent that Clause 14 (*Right of appropriation*) applies, the power to appropriate the relevant Security Assets in accordance with Clause 14.2 (*Exercise of right of appropriation*); and

- (iii) (whether or not it has appointed a Receiver) any or all of the rights which are conferred by this Security Agreement (whether expressly or by implication) on a Receiver.

13.2 LPA provisions

- (a) The Secured Liabilities shall be deemed for the purposes of all powers implied by statute to have become due and payable within the meaning of s101 LPA immediately on the execution of this Security Agreement.
- (b) The Bank and any Receiver is entitled to all of the privileges, immunities and other rights conferred on mortgagees and receivers respectively under the LPA.
- (c) s93(1) LPA (restriction on the consolidation of mortgages), s103 LPA (restricting the power of sale), ss105, 107(2), 109(6) and 109(8) LPA (application of proceeds of sale) and s109(1) LPA (restricting the power to appoint a receiver) shall not apply to this Security.

13.3 Protection of third parties

- (a) No purchaser, mortgagee or other person dealing with a Security Enforcement Party shall:
 - (i) be bound to enquire whether its entitlement to exercise any of its rights has arisen or become exercisable or whether any Secured Liabilities remain outstanding; or
 - (ii) be concerned as to the application of any money paid, raised or borrowed or as to the propriety or regularity of any sale by or other dealing with that Security Enforcement Party.
- (b) All of the protection to purchasers contained in ss104 and 107(1) LPA and s42(3) IA shall apply to any person purchasing from or dealing with a Security Enforcement Party as if the Secured Liabilities had become due and the statutory powers of sale and of appointing a Receiver in relation to the Security Assets had arisen on the date of this Security Agreement.

13.4 Delegation

- (a) The Bank and (to the extent his or her appointment so permits) a Receiver (the "**Appointor**") may delegate to any person or persons all or any of the rights which are exercisable by it under this Security Agreement. A delegation under this Clause may be made in any manner (including by power of attorney) and on any terms (including power to sub-delegate) which the Appointor may think fit.
- (b) A delegation under Clause 13.4(a) shall not preclude the subsequent exercise of the relevant rights by the Appointor nor preclude the Appointor from making a subsequent delegation of them to another person or from revoking that delegation.

- (c) Neither the Bank nor any Receiver shall be liable or responsible to the Chargor for any loss or damage arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.

13.5 No liability

- (a) No Security Enforcement Party or Administrator shall:
 - (i) owe any duty to the Chargor to exercise any of its rights under this Security Agreement; or
 - (ii) be liable or responsible to the Chargor for any Losses arising out of any exercise, purported exercise or non-exercise of any of its rights under this Security Agreement.
- (b) Neither a Security Enforcement Party nor any Administrator shall be liable as a mortgagee in possession or otherwise to account in relation to all or any part of the Security Assets for any loss on realisation or for any other action, default or omission for which it might otherwise be liable as a mortgagee in possession.

14. RIGHT OF APPROPRIATION

14.1 Application of right of appropriation

This Clause 14 applies to the extent the Security Assets constitute "financial collateral" and this Security Agreement constitutes a "financial collateral arrangement" (within the meaning of the Financial Collateral Arrangements (No. 2) Regulations 2003).

14.2 Exercise of right of appropriation

- (a) If and to the extent that this Clause 14 applies, the Bank may appropriate the Security Assets in or towards discharge of the Secured Liabilities in such order as the Bank may (subject to any specific provisions of the Finance Documents in this regard) determine.
- (b) If the Bank exercises its right of appropriation then it shall for these purposes value:
 - (i) any relevant Specified Account or other bank account at the amount standing to the credit of that account, together with any accrued interest not credited to the account, at the time of the appropriation; and
 - (ii) any other relevant Security Asset by reference to an independent valuation or other procedure determined by the Bank, acting reasonably, at the time of the appropriation.

15. RECEIVERS

15.1 Appointment of Receiver

- (a) Subject to the remainder of this Clause 15.1, the Bank may appoint one or (at the same or different times) more persons as a receiver of all or any part of the Security Assets if:
 - (i) this Security has become enforceable; or
 - (ii) the Chargor or the Borrower so requests in writing at any time.
- (b) No appointment may be made pursuant to Clause 15.1:
 - (i) solely as a result of the obtaining of, or with a view to obtaining, a moratorium under s1A IA; or
 - (ii) of an administrative receiver if that appointment would contravene s72A IA.
- (c) If at any time two or more persons hold office as Receivers, each of those Receivers shall (subject to the terms of his or her appointment) be entitled to exercise individually all of the rights conferred on Receivers under this Security Agreement to the exclusion of the other or others.

15.2 Remuneration

The Bank may fix the remuneration of any Receiver from time to time, without being limited by the maximum rate specified in s109(6) LPA.

15.3 Removal and replacement

The Bank may:

- (a) subject to obtaining a court order if required by law, remove any Receiver by written notice; and
- (b) replace (by appointment pursuant to Clause 15.1) any Receiver whose appointment has terminated.

15.4 Agent of the Chargor

- (a) Any Receiver appointed under this Security Agreement whether acting solely or jointly shall be deemed to be the agent of the Chargor and to be in the same position as a receiver appointed under the LPA.
- (b) The Chargor shall be solely responsible for the acts, omissions, defaults, losses and misconduct of any Receiver and for his or her remuneration. The Bank shall not be in any way liable or responsible either to the Chargor or to any other person for any Receiver.

16. POWERS OF SECURITY ENFORCEMENT PARTIES

16.1 General

- (a) A Receiver has:
 - (i) all of the rights set out below in this Clause 16;
 - (ii) all of the rights granted by the LPA to any receiver or mortgagor or mortgagee in possession; and
 - (iii) whether or not it is an administrative receiver, all of the rights granted by the IA to any administrative receiver,in each case as such rights are varied and extended by this Security Agreement.
- (b) The Bank has after this Security has become enforceable the rights referred to in Clause 16.1(a), whether or not it has appointed a Receiver.
- (c) A Delegate has the rights referred to in Clause 16.1(a) to the extent provided in its, his or her appointment.
- (d) Any reference in this Clause 16 to any Security Assets includes, in the case of a Receiver or Delegate, only those Security Assets over or in respect of which it, he or she has been appointed.
- (e) A Security Enforcement Party may exercise its, his or her rights under this Clause 16 in such manner and on such terms as it, he or she thinks fit.

16.2 Collection, leasing and disposal of Security Assets

- (a) The right to enter into, take possession of, give up possession of, get in and collect any Security Asset.
- (b) The right to grant, vary, surrender or accept the surrender of Leases, easements or other rights over or in respect of Security Assets on such terms as the Security Enforcement Party may think fit, without the need to comply with ss99 and 100 LPA.
- (c) The right to sell or otherwise dispose of any Security Asset on any terms and for any consideration as the Security Enforcement Party may think fit. This consideration may include cash, debentures, obligations, shares or other security and may be payable in a lump sum or instalments.
- (d) The right to sever any plant, machinery or other fixtures from the premises to which they are attached and the right to dispose of them separately in accordance with Clause 16.2(c).
- (e) The right, in connection with or to facilitate any disposal, to release or discharge, whether or not for any consideration, any Debts comprised in the Security Assets.

- (f) The right to give a valid receipt for any money and execute any discharge, assurance or other document which may be proper or desirable to realise any Security Asset.

16.3 Upkeep of Security Assets

- (a) The right to repair, decorate, furnish, maintain, alter, improve, replace, renew or add to the Security Assets.
- (b) The right to develop any Security Asset and for that purpose to apply for any Authorisations, enter into any documents and carry out any works.
- (c) The right to insure any Security Assets.

16.4 Carrying on business

- (a) The right to carry on any business of the Chargor.
- (b) The right to appoint or dismiss officers, employees, agents, contractors, advisors and others.
- (c) The right to purchase, lease or otherwise acquire any assets.
- (d) The right to borrow or otherwise raise money either unsecured or on the security of the Security Assets (whether ranking in priority to, pari passu with or behind this Security).
- (e) The right to lend money or advance credit to any customer of the Chargor.

16.5 Contracts and proceedings

- (a) The right to perform, repudiate, terminate, amend or enter into any contract or other document relating to any Security Asset.
- (b) The right to bring, prosecute, defend, enforce and discontinue any action, suit, arbitration or other proceedings relating to any Security Assets.
- (c) The right to pursue, settle, arrange, compromise or submit to arbitration any claim, account, dispute or demand relating to, or to make any VAT election in respect of, any Security Asset.

16.6 Other rights

- (a) The right to form a subsidiary of the Chargor and the right to lease, license or transfer any Security Asset to it.
- (b) The right to do any other act or thing which the Security Enforcement Party may consider:
 - (i) desirable or necessary to protect, preserve or realise any Security Asset;
or

- (ii) incidental or conducive to any rights conferred on the Security Enforcement Party under or by virtue of this Security Agreement or by law.
- (c) The right to exercise and do in relation to any Security Asset all the rights and things which the Security Enforcement Party would be capable of exercising or doing if it, he or she were the absolute beneficial owner of that Security Asset.
- (d) The right to use the name of the Chargor to exercise any of the rights referred to in this Clause 16.

17. APPOINTMENT OF ADMINISTRATOR

17.1 Appointment of Administrator

- (a) The Bank may without notice appoint any one or more persons to be an administrator of the Chargor pursuant to Schedule B1, Paragraph 14 IA at any time after this Security has become enforceable.
- (b) Clause 17.1(a) shall not apply to the Chargor if Schedule B1, Paragraph 14 IA does not permit an administrator of the Chargor to be appointed.
- (c) Any appointment under Clause 17.1(a) shall be made in the prescribed form by the Bank.

17.2 Replacement of an Administrator

The Bank may apply to the court for the termination of the appointment of any Administrator and/or the appointment of a replacement for any Administrator whose appointment ends for any reason.

18. DEALING WITH PROCEEDS

18.1 Application of proceeds of enforcement, etc

- (a) Any monies received by the Bank or any Receiver under this Security Agreement after this Security has become enforceable shall be applied in the following order of priority:
 - (i) in or towards payment of, or provision for, all amounts due to or Losses incurred by any Security Enforcement Party under or in connection with this Security Agreement and all remuneration due to any Receiver under or in connection with this Security Agreement;
 - (ii) in or towards discharge of the Secured Liabilities in such order as the Bank in its absolute discretion thinks fit; and
 - (iii) if the Chargor is not under any further actual or contingent liability under the Finance Documents, in payment of the surplus (if any) to the person or persons entitled to it.

- (b) Notwithstanding Clause 18.1(a), until the Discharge Date the Bank or any Receiver may:
 - (i) refrain from applying or enforcing any other monies, Security Interests or other rights held or received by it in respect of the Secured Liabilities or apply and enforce them in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and the Chargor shall not be entitled to the benefit of the same; and
 - (ii) hold in an interest-bearing suspense account any monies received from the Chargor or on account of the Secured Liabilities.
- (c) Clause 18.1(a) is without prejudice to the right of the Bank to recover any shortfall from the Chargor.

18.2 Security accounts

Until the Discharge Date (and whether or not an Enforcement Event has occurred) the Bank may, in its discretion, apply any part of the monies standing to the credit of any Specified Account and any bank account referred to in Clause 3.2(b) (*Accounts*) in accordance with Clause 18.1.

18.3 Insurance proceeds

- (a) All monies received by the Chargor by virtue of any Insurance on the Security Assets, whether or not effected under this Security Agreement:
 - (i) shall be part of the Security Assets; and
 - (ii) shall (subject to any rights of third parties arising under any applicable law and regulation or under any Occupational Lease) be paid to the Bank (and until so paid shall be held on trust for the Bank).

This Clause 18.3(a) shall apply whether the event pursuant to which those monies became payable occurred before, on or after the date of this Security Agreement.

- (b) Any monies so paid to the Bank (or otherwise received by any Security Enforcement Party by virtue of any insurance on the Security Assets) shall be applied at the discretion of the Bank either in reduction of the Secured Liabilities or in or towards making good the loss or damage in respect of which they became payable. The Chargor waives any right it may have to require that those monies be applied in or towards making good the loss or damage in respect of which they became payable.

19. GENERAL SECURITY PROVISIONS

19.1 Continuing security

This Security is, and shall remain in force as, a continuing security for the Secured Liabilities, regardless of any intermediate payment or discharge, unless and until it is released and discharged in writing by the Bank.

19.2 Additional security

This Security is in addition to and is not in any way prejudiced by any other guarantee or Security Interest now or subsequently held by or on behalf of any Secured Party.

19.3 Waiver of defences

The obligations of the Chargor under this Security Agreement will not be discharged, impaired or otherwise affected by any act, omission, matter or thing which, but for this Clause 19.3, would reduce, release or prejudice any of its obligations under this Security Agreement, including (whether or not known to it or any Secured Party):

- (a) any time, waiver or consent granted to, or composition with, any Transaction Obligor or any other person;
- (b) the release of any Transaction Obligor or any other person under the terms of any composition or arrangement with any creditor;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security Interest over the assets of, the Chargor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any document or any failure to take, or failure to realise the full value of, any Security Interest;
- (d) any supplement, extension, restatement, other amendment or novation or replacement of any Finance Document or any other security or other document, however fundamental that amendment, novation and replacement may be and whether or not more onerous, including any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other Security Interest or other document;
- (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Transaction Obligor or any other person;
- (f) any unenforceability, illegality or invalidity of any of the Secured Liabilities or any other obligation of any person under any Finance Document or any other document or Security Interest; or
- (g) any Insolvency Event in relation to any person.

19.4 Non-competition

Until the Discharge Date, the Chargor shall not exercise any rights it may have by reason of a claim being made against it under this Security Agreement or its performing any of its obligations under it:

- (a) to claim any indemnity or contribution from any person;
- (b) to take (by way of subrogation or otherwise) the benefit of any right of any Secured Party;

- (c) to bring legal or other proceedings for an order requiring any Transaction Obligor to make any payment, or perform any obligation, in respect of any Secured Liability;
- (d) to claim or prove as a creditor of any person in competition with any Secured Party; or
- (e) to receive, claim or have the benefit of any payment, distribution or Security Interest from or on account of any Transaction Obligor or exercise any right of set-off against any Transaction Obligor.

The Chargor shall hold any payment or other benefit received by it contrary to this Clause 19.4 on trust for the Security Recipient and promptly pay or transfer the same to the Security Recipient for application in accordance with Clause 18.1 (*Application of proceeds of enforcement, etc*).

19.5 Immediate recourse

The Chargor waives any right it may have of first requiring the Bank to enforce any Security Interest or other right, or claim payment from or proceed against any other person, before claiming from it under this Security Agreement. This waiver applies irrespective of any applicable law and regulation or any provision of any Finance Document to the contrary.

19.6 Redemption of prior Security Interests

- (a) The Bank may at any time:
 - (i) redeem, or procure the transfer to itself of, any prior Security Interest over any Security Assets; or
 - (ii) settle and pass the accounts of the holder of any prior Security Interest. Any accounts so settled and passed shall in the absence of manifest error be conclusive and binding on the Chargor.
- (b) All principal monies, interest, costs, expenses and other amounts incurred in and incidental to any redemption, transfer or settlement under Clause 19.6(a) shall be paid by the Chargor to the Bank on demand, in each case together with interest calculated in the manner referred to in any of the lines of credit, loan or note issued under the Letter Agreement.

19.7 Subsequent Security Interests

- (a) At any time following:
 - (i) the receipt by the Bank of notice (either actual or constructive) of any subsequent Security Interest affecting any Security Assets;
 - (ii) an Insolvency Event occurring in relation to the Chargor; or
 - (iii) any disposal of any Security Assets in breach of Clause 6.2 (*No disposals*),

the Bank may open a new account or accounts in the name of the Chargor (whether or not it permits any existing account to continue). If the Bank does not open such a new account, it shall nevertheless be deemed to have done so at the time of receipt of the notice, the commencement of the Insolvency Event or the disposal.

- (b) From that time all payments received by the Bank for the account of the Chargor shall be credited or treated as having been credited to the new account (or deemed new account) and shall not operate to reduce the amount secured by this Security at the time of receipt of the notice, the commencement of the Insolvency Event or the disposal.

20. POWER OF ATTORNEY

The Chargor irrevocably and by way of security appoints each Security Enforcement Party severally to be its attorney, in its name or otherwise, on its behalf and as its act and deed to execute, deliver and perfect any document and do any other act or thing which may be required or which the attorney may consider desirable:

- (a) to carry out any obligation imposed on the Chargor by this Security Agreement; or
- (b) in the exercise of any rights conferred on any Security Enforcement Party by this Security Agreement or by applicable law and regulation.

The Chargor undertakes to ratify and confirm all acts and things done by an attorney in the exercise or purported exercise of this power of attorney.

21. RELEASE OF SECURITY

21.1 Definitions relating to release of this Security

- (a) In this Security Agreement, "**Discharge Date**" means the date on which the Bank determines that:
 - (i) all of the Secured Liabilities have been unconditionally and irrevocably paid or discharged in full; and
 - (ii) no further Secured Liabilities are capable of arising or being outstanding.

For this purpose, a Secured Liability will not be considered to have been irrevocably paid or discharged if the Bank, acting reasonably, considers that any payment made in respect of it is capable of being avoided.

- (b) In this Clause 21:
 - (i) "**avoided**" means avoided, restored or adjusted in whole or part under any law relating to insolvency (and "**avoidance**" shall be construed accordingly); and

- (ii) **"settlement"** means a release, settlement, discharge, re-assignment or arrangement.

21.2 **Release of this Security**

- (a) Clause 6 (*Negative pledge and disposals*) to Clause 12 (*Plant, machinery and other chattels*) shall cease to apply on the Discharge Date.
- (b) If the Chargor so requests on or following the Discharge Date, the Bank shall as soon as reasonably practicable release and discharge this Security and re-assign the assets assigned to the Bank under this Security Agreement without recourse, representation or warranty and subject to the rights of any person having prior rights over those assets.
- (c) Any settlement made by the Bank on the faith of any assurance, security or payment shall be conditional on that assurance, security or payment not being avoided.
- (d) If any avoidance occurs as referred to in Clause 21.2(c) (including by reason of a concession or compromise referred to in Clause 21.2(e)), then the settlement given by the Bank shall have no effect and shall not prejudice the right of the Bank to enforce this Security in respect of the Secured Liabilities. As between the Chargor and the Bank, this Security shall (notwithstanding the settlement) be deemed to have remained at all times in effect and held by the Bank as security for the Secured Liabilities.
- (e) The Bank may concede or compromise any claim that an assurance, security or payment is liable to avoidance.

22. **CHANGES TO THE PARTIES**

22.1 **The Bank**

The Bank may assign any or all of its rights and transfer any or all of its obligations under this Security Agreement without the consent of the Chargor being required.

22.2 **Chargor**

The Chargor may not assign any of its rights or transfer any of its rights or obligations under this Security Agreement.

23. **CONFIDENTIALITY**

The Bank may disclose any information about the Chargor which it shall consider appropriate to:

- (a) any of its Affiliates, and any of its or their officers, directors, employees, professional advisers, auditors, partners and agents;
- (b) any person to whom it is proposing to assign or transfer, or has assigned or transferred, any of its rights and obligations under this Security Agreement; or

- (c) to any person to whom information may be required to be disclosed by any applicable law and regulation.

24. SET-OFF

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

25. COMMUNICATIONS

25.1 Communications in writing

Any communication to be made or delivered under or in connection with this Security Agreement (including any notices, waivers, consents or other documents) shall be made or delivered in English and in writing and, unless otherwise stated, may be delivered by fax or letter.

25.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication in the Letter Agreement or below to be made or delivered under or in connection with this Security Agreement is:

- (a) that applicable to it under the Letter Agreement or identified with its name in the execution block to this Security Agreement; or
- (b) any substitute address, fax number or department or officer as the Party may notify to the Bank (or the Bank may notify to the other Parties, if a change is made by the Bank) by not less than five Business Days' notice.

25.3 Delivery

- (a) Any communication made or delivered by one Party to the other under or in connection with this Security Agreement will only be effective:
 - (i) if by way of fax, when received in legible form; or
 - (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 25.2 if addressed to that department or officer.
- (b) Any communication to be made or delivered to the Bank will be effective only when actually received by the Bank and then only if it is expressly marked for

the attention of the department or officer specified as part of its address details provided under Clause 25.2.

- (c) Any communication made or delivered to the Borrower in accordance with this Clause 25 will be deemed to have been made or delivered to the Chargor.
- (d) Any communication which becomes effective, in accordance with Clause 25.3(a) to Clause 25.3(c), after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

26. CALCULATIONS AND CERTIFICATES

26.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with this Security Agreement, the entries made in the accounts maintained by the Bank are prima facie evidence of the matters to which they relate.

26.2 Certificates and determinations

Any certification or determination of the Bank as to any matter provided for in this Security Agreement is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

27. PARTIAL INVALIDITY

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

28. REMEDIES AND WAIVERS

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

29. AMENDMENTS AND WAIVERS

Any term of this Security Agreement may be amended or waived only with the written consent of the Bank and the Borrower and any such amendment or waiver will be binding on all Parties.

30. COUNTERPARTS

This Security Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures (and if applicable, seals) on the counterparts were on a single copy of this Security Agreement.

31. PROVISIONS OF THE LETTER AGREEMENT

Sections 3, 4, 5, 6, 7, 9, 12 and 13 of the Letter Agreement apply to this Security Agreement as if set out in full here and with such other changes as are appropriate to fit this context.

32. GOVERNING LAW

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

33. ENFORCEMENT

33.1 Jurisdiction of English courts

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Security Agreement (including a dispute relating to the existence, validity or termination of this Security Agreement or any non-contractual obligations arising out of or in connection with this Security Agreement) (a "**Dispute**").
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly neither Party will argue to the contrary.

33.2 Benefit

Clause 33.1 is for the benefit of the Bank and the other Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

EXECUTION:

The parties have shown their acceptance of the terms of this Security Agreement by executing it, in the case of the Chargor as a deed, at the end of the Schedules.

**SCHEDULE 1
SPECIFIED ASSETS**

**Part 1
Specified Accounts**

Account name	Account no.	Address of account bank
ISTIM UK Ltd USD		RBC Europe Limited Riverbank House 2 Swan Lane London EC4R 3BF United Kingdom
ISTIM UK Ltd EUR		Barclays Bank PL 1 Churchill Place, Canary Wharf London UK E14 5HP
ISTIM UK Ltd GBP		Barclays Bank PL 1 Churchill Place, Canary Wharf London UK E14 5HP

**Part 2
Specified Debts**

None at the date of this Debenture.

**Part 3
Specified Intellectual Property**

None at the date of this Debenture.

**Part 4
Specified Investments**

100% subsidiary (850,000 ordinary shares of USD 1 each), ISTIM Singapore Pte. Ltd., a Singapore Private Company Limited by Shares, Registration Number 201402295H

SCHEDULE 2
FORM OF NOTICES OF SECURITY

Part 1
Notice of assignment of Assigned Document

[On Chargor's notepaper]

To: *[Name and address of other party]*

[Date]

Dear Sirs

[Name and date of the Assigned Document]

We refer to [a lease dated [●] 20[●] between (1) [●] and (2) [●] (the "**Assigned Document**")]
[an agreement dated [●] 20[●] between us and you (as amended or novated from time to time,
the "**Assigned Document**").

We give you notice that by a Security Agreement (the "**Security Agreement**") dated [●] 20[●]
and entered into by us in favour of *[Name of Bank]* (as Bank, as defined in the Security
Agreement), we have assigned to the Bank all of our rights in, to, under, in respect of or derived
from the Assigned Document, including the right to receive any payments due under the
Assigned Document.

Please note the following:

- (a) we shall at all times remain solely liable to you for the performance of all of the obligations assumed by us under or in respect of the Assigned Document;
- (b) we irrevocably and unconditionally instruct and authorise you (despite any previous instructions which we may have given to the contrary) to pay any monies payable by you to us under the Assigned Document to such bank account as the Bank may from time to time specify in writing;
- (c) all of the powers, discretions, remedies and other rights which would, but for the Security Agreement, be vested in us under and in respect of the Assigned Document are exercisable by the Bank;
- (d) we have agreed not to waive any rights under, amend, novate, repudiate, rescind or otherwise terminate or permit to be terminated the Assigned Document without the prior written consent of the Bank;
- (e) we agree that:
 - (i) none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Bank's prior written consent; and
 - (ii) you are authorised to disclose any information in relation to the Assigned Document to the Bank at the Bank's request.

Please acknowledge receipt of this notice, and confirm your agreement to it, by signing the acknowledgement on the enclosed copy letter and returning it to the Bank, at [●] marked for the attention of [●].

This letter is governed by, and shall be construed in accordance with, English law.

Yours faithfully

.....
[Name of Chargor]
By: *[Name of signatory]*

[On copy letter only:]

To: **Bank**

We acknowledge receipt of a notice dated [●] 20[●] addressed to us by *[Name of Chargor]* (the "**Chargor**") regarding an agreement dated [●] 20[●] between the Chargor and us (as amended or novated from time to time, the "**Assigned Document**").

We confirm that:

- (a) we consent to the assignment of the Assigned Document and will comply with the terms of that notice;
- (b) we have not, as at the date of this acknowledgement, received any notice that any third party has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of, any rights of the Chargor in, to, under, in respect of or derived from the Assigned Document;
- (c) if the Chargor is in breach of any of its obligations, express or implied, under the Assigned Document or if any event occurs which would permit us to terminate, cancel or surrender the Assigned Document we will:
 - (i) immediately on becoming aware of it, give you written notice of that breach; and
 - (ii) accept as an adequate remedy for that breach, performance by you of those obligations within 30 days of that notice;
- (d) we confirm that neither a waiver of any of the Chargor's rights, in, to, under, in respect of or derived from the Assigned Document nor an amendment, novation, rescission or other termination by the Chargor of the Assigned Document shall be effective without your prior written consent; and
- (e) we confirm that we shall not exercise any right of combination, consolidation or set-off which we may have in respect of any debt owed to us by the Chargor and we shall send you copies of all statements, orders and notices given by us relating to that debt.

.....
[Name of other party]

By: *[Name of signatory]*

Dated:

Part 2
Notice of assignment of Insurance

[On Chargor's notepaper]

To: *[Name and address of insurer]*

[Date]

Dear Sirs

Policy number [●]

We give you notice that by a Security Agreement (the "**Security Agreement**") dated [●] 20[●] and entered into by us in favour of *[Name of Bank]* (as Bank, as defined in the Security Agreement), we have assigned all our rights in, to, under, in respect of or derived from the insurance policy, brief details of which are set out below (the "**Policy**"), and all monies which may be payable to or received by us under it.

Please note the following:

- (a) we irrevocably and unconditionally instruct and authorise you (despite any previous instructions which we may have given to the contrary) to pay all monies payable by you to us under the Policy, including the proceeds of all claims, to such bank account as the Bank may from time to time specify in writing;
- (b) all of the powers, discretions, remedies and other rights which would, but for the Security Agreement, be vested in us under and in respect of the Policy are exercisable by the Bank; and
- (c) we agree that:
 - (i) none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Bank's prior written consent; and
 - (ii) you are authorised to disclose any information in relation to the Policy to the Bank at the Bank's request.

Please acknowledge receipt of this notice, and confirm your agreement to it, by signing the acknowledgement on the enclosed copy letter and returning it to the Bank, at [●] marked for the attention of [●].

This letter is governed by, and shall be construed in accordance with, English law.

Yours faithfully

.....
[Name of Chargor]

By: [Name of signatory]

Details of Policy

Name of insured: [●]

Nature of policy: [●]

Policy number: [●]

Expiry date: [●]

[On copy letter only:]

To: **Bank**

We acknowledge receipt of a notice dated [●] 20[●] addressed to us by [*Name of Chargor*] (the "**Chargor**") regarding the Policy (as defined in that notice).

We confirm that:

- (a) we consent to the assignment of the Policy and will comply with the terms of that notice;
- (b) we have not, as at the date of this acknowledgement, received any notice that any third party has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of, any rights of the Chargor in, to, under, in respect of or derived from the Policy;
- (c) if the Chargor is in breach of any of its obligations, express or implied, under the Policy or if any event occurs which would permit us to terminate, cancel or surrender the Policy we will:
 - (i) immediately on becoming aware of it, give you written notice of that breach; and
 - (ii) accept as an adequate remedy for that breach, performance by you of those obligations within 30 days of that notice;
- (d) we confirm that neither a waiver of any of the Chargor's rights in, to, under, in respect of or derived from the Policy, nor an amendment, novation, rescission or other termination by the Chargor of the Policy, shall be effective without the prior written consent of the Bank; and
- (e) we confirm that we shall not exercise any right of combination, consolidation or set-off which we may have in respect of any debt owed to us by the Chargor and we shall send you copies of all statements, orders and notices given by us relating to that debt.

.....
[*Name of insurer*]

By: [*Name of signatory*]

Dated:

Part 3
Notice of charge

[On Chargor's notepaper]

To: *[Name and address of other bank]*

[Date]

Dear Sirs

Account number: [●]

We refer to Account number: [●] (the "**Account**").

We give you notice that by a Security Agreement (the "**Security Agreement**") dated [●] 20[●] and entered into by us in favour of *[Name of Bank]* (as Bank, as defined in the Security Agreement) we have charged all our rights in, to, under, in respect of or derived from any credit balances on the Account (the "**Balances**") and the indebtedness represented by the Account.

We irrevocably and unconditionally instruct and authorise you (despite any previous instructions which we may have given to the contrary):

- (a) to disclose to the Bank (without any reference to or further authority from us and without any enquiry by you as to the justification for the disclosure), any information relating to the Account which the Bank may, at any time and from time to time, request;
- (b) at any time and from time to time on receipt by you of any written instruction from the Bank, to release any amount of the Balances and to act in accordance with that instruction (without any reference to or further authority from us and without any enquiry by you as to the justification for the instruction or the validity of the same); and
- (c) to comply with the terms of any written notice, statement or instruction in any way relating or purporting to relate to the Account, the Balances or the indebtedness represented by it or them which you may receive at any time and from time to time from the Bank (without any reference to or further authority from us and without any enquiry by you as to the justification for the notice, statement or instruction or the validity of it).

We agree that:

- (i) none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Bank's prior written consent; and
- (ii) you are authorised to disclose any information in relation to the Account to the Bank at the Bank's request.

Please acknowledge receipt of this notice, and confirm your agreement to it, by signing the acknowledgement on the enclosed copy letter and returning it to the Bank at [●] marked for the attention of [●].

This letter is governed by, and shall be construed in accordance with, English law.

[On copy letter only:]

To: **Bank**

We acknowledge receipt of a notice dated [●] 20[●] addressed to us by [*Name of Chargor*] (the "**Chargor**") regarding Account number: [●] (the "**Account**").

We confirm that:

- (a) we consent to the charge of the Account and will comply with the terms of that notice;
- (b) there does not exist in our favour, and we undertake not to create, assert, claim or exercise, any mortgage, fixed or floating charge, assignment or other security interest of any kind or any agreement or arrangement having substantially the same economic or financial effect as any of the above (including any rights of counter-claim, rights of set-off or combination of accounts over or with respect to all or any part of the Account and/or the Balances (as defined in that notice));
- (c) we have not, as at the date of this acknowledgement, received any notice that any third party has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Chargor in, to, under, in respect of or derived from the Account or the Balances; and
- (d) we undertake that, on our becoming aware at any time that any person other than the Bank has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of the Account or the Balances, we will immediately give written notice of that to the Bank.

.....
for and on behalf of

[*Name of bank*]

By: [*Name of signatory*]

Dated:

EXECUTION of the Security Agreement:

Chargor

Executed as a deed by MICHAEL WHELAN)
authorised signatory, duly authorised for)
and on behalf of **ISTIM UK LTD**)

Authorised signatory

in the presence of:

Witness's signature:

Witness's name
(in capitals):

STEPHEN BOLOVEN

Witness's address:

Notice details of ISTIM UK Ltd

Address:

Electronic mail address:

For the attention of:

Steve Boloven

Bank

Executed as a deed by BRYAN COLLETT)
authorised signatory, duly authorised for)
and on behalf of **COMERICA BANK**)
)

[Redacted signature area]

/ Authorised signatory

in the presence of:

Witness's signature:

[Redacted witness signature]

Witness's name

(in capitals): STEVE SWIFTNEY

Witness's address:

[Redacted witness address]

Notice details of Comerica Bank

Address:

[Redacted address]

Electronic mail address:

[Redacted email address]

For the attention of:

Bryan Collett