

MR01

Particulars of a charge



Companies House

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

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

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

☒ **What this form is NOT**
You may not use this form to
register a charge where
instrument Use form M1



A06

A47R35SZ

19/05/2015

#173

COMPANIES HOUSE

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 1 8 7 2 8 9

Company name in full WASPS HOLDINGS LIMITED

For official use

Filing 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 1 3 0 5 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 DEREK ARTHUR RICHARDSON

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	
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	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 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
6	Floating charge	
	Is the instrument expressed to contain a floating charge? Please tick the appropriate box <input checked="" type="checkbox"/> Yes Continue <input type="checkbox"/> No Go to Section 7 Is the floating charge expressed to cover all the property and undertaking of the company? <input checked="" type="checkbox"/> 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 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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 <input type="checkbox"/>	^① This statement may be filed after the registration of the charge (use form MR06)
9	Signature	
Signature	Please sign the form here Signature X Kennedy Law LLP (Solicitors for the Charge) 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 **ROBERT DAWBARN**

Company name **KENNEDYS LAW LLP**

Address **25 FENCHURCH AVENUE**

Post town **LONDON**

County/Region **LONDON**

Postcode **E C 3 M 5 A D**

Country **UNITED KINGDOM**

DX **766 LONDON CITY**

Telephone **+44 (0)20 7667 9667**

**Certificate**

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

**Checklist**

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

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

**Important information**

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

**How to pay**

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

Make cheques or postal orders payable to 'Companies House'

**Where to send**

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

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

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

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

**Further information**

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

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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number. 4187289

Charge code: 0418 7289 0009

The Registrar of Companies for England and Wales hereby certifies that a charge dated 13th May 2015 and created by WASPS HOLDINGS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 19th May 2015.

Given at Companies House, Cardiff on 28th May 2015



Companies House



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

Dated

13 May 2015

(1) WASPS HOLDINGS LIMITED

and

(2) DEREK ARTHUR RICHARDSON

DEBENTURE

We hereby certify
this to be a true copy
of the original

Kennedys Law LLP
25 Fenchurch Avenue
London
EC3M 5AD

Kennedys Law LLP

Kennedys

25 Fenchurch Avenue
London
EC3M 5AD
DX 766 London/City

Tel: 020 7667 9667
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Ref: 10/L1993/773797

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THIS DEED is dated

13 May 2015

PARTIES

- (1) **WASPS HOLDINGS LIMITED** incorporated and registered in England and Wales with company number 04187289 whose registered office is at Twyford Avenue Sports Ground, Twyford Avenue, London W3 9QA (the "**Chargor**"), and
- (2) **DEREK ARTHUR RICHARDSON** of Penthouse 10, Regent Court, 29a Wrights Lane, London W8 5SJ (the "**Lender**").

BACKGROUND

- (A) On 13 May 2015, the Chargor guaranteed the issuance of £35,000,000 6 50 per cent secured Bonds due 2022 by the Issuer (as defined below), all on the terms set out in the Terms and Conditions and the Transaction Documents (each as defined below). The Chargor has granted first ranking security in respect of such Bonds and the Transaction Documents pursuant to the Security Deed (as defined below).
- (B) The Lender has agreed, pursuant to the Loan agreement (as defined below), to provide the Chargor with loan facilities on a second ranking secured basis.
- (C) Under this deed, the Chargor provides security to the Lender for all of its obligations and liabilities to the Lender, including without limitation, under the Loan Agreement

AGREED TERMS

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following definitions apply in this deed

Administrator: an administrator appointed to manage the affairs, business and property of the Chargor pursuant to clause 12.7

Book Debts: all present and future book and other debts, revenues, receivables and monetary or other claims both present and future due or owing or which may become due or owing to the Chargor, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Chargor in relation to any of them

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business

Delegate: any person appointed by the Lender or any Receiver pursuant to clause 17 (*Delegation*) and any person appointed as attorney of the Lender, Receiver or Delegate

Environment: the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media.

Environmental Law: all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment.

Equipment: all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property for the time being owned by the Chargor, including any part of it and all spare parts, replacements, modifications and additions

Event of Default: has the meaning given to that expression in the Loan Agreement

Financial Collateral: shall have the meaning given to that expression in the Financial Collateral Regulations.

Financial Collateral Regulations: the Financial Collateral Arrangements (No 2) Regulations 2003 (*SI 2003/3226*).

Insurance Policy: each contract and policy of insurance effected or maintained by the Chargor from time to time in respect of its assets or business (including, without limitation, any insurances relating to the Properties or the Equipment).

Intellectual Property: the Chargor's present and future patents, trade marks, service marks, trade names, business names, designs, design rights, copyrights, computer programs, inventions, topographical or similar rights, confidential information and know-how and any interest in any of these rights and in each case in any part of the world, whether or not registered, including all applications and rights to apply for registration and all fees, royalties and other rights derived from, or incidental to, such rights

Investments: all present and future certificated stocks, shares, loan capital, securities, debentures, debenture stock, loan notes, bills, warrants, coupons, deposit receipts or certificates, bonds and investments (whether or not marketable) and all other interests in (and form) any company, firm, consortium or entity wheresoever situate, for the time being owned (at law or in equity) by the Chargor, including without limitation any:

- (a) dividend, interest or other distribution paid or payable in relation to any of the Investments, and
- (b) right, money, shares or property accruing, offered or issued at any time in relation to any of the Investments by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise.

Issuer: Wasps Finance plc, a company incorporated and registered in England and Wales with company number 09435073 whose registered office is at Twyford Avenue Sports Ground, Twyford Avenue, London W3 9QA.

Loan Agreement: the loan agreement dated on or around the date of this deed made between (1) the Chargor (as borrower) (2) the Lender (as lender) and (3) the Trustee, for the provision of the loan facilities secured by this deed, as the same may be amended, amended and restated, varied, supplemented and/or extended from time to time.

LPA 1925: Law of Property Act 1925.

Permitted Security: has the meaning given to that expression in the Loan Agreement

Properties: all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or in the future (and from time to time) owned by or vested in the Chargor, or in which the Chargor holds any estate or interest (including, but not limited to, the properties specified in the Schedule to this deed), and **Property** means any of them

Receiver: a receiver, receiver and manager or administrative receiver of any or all of the Secured Assets appointed by the Lender under clause 15.

Secured Assets: all the assets, property and undertaking for the time being subject to the Security created by, or pursuant to, this deed

Security Deed: the security deed dated 13 May 2015 relating to the Bonds between (1) the Lender (2) the Borrower (3) Arena Coventry Limited (4) Arena Coventry (2006) Limited (5) Elavon Financial Services Limited, UK Branch and (6) the Trustee.

Secured Liabilities: all present and future monies, obligations and liabilities owed by the Chargor to the Lender whatsoever, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, including without limitation under or in connection with the Loan Agreement, any documents creating or evidencing Security and/or this deed (including, without limitation, those arising under clause 29.3.2), together with all interest (including, without limitation, default interest) accruing in respect of those monies or liabilities and all costs, expenses or other charges incurred by the Lender and/or Receiver (including any Receiver's

remuneration) in relation to this deed or any other Security on a full indemnity basis.

Security Financial Collateral Arrangement: shall have the meaning given to that expression in the Financial Collateral Regulations

Security: any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.

Security Period: the period starting on the date of this deed and ending on the date on which the Lender is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full to the satisfaction of the Lender and no further Secured Liabilities are capable of being outstanding.

Transaction Documents: means the Transaction Documents as defined in the Terms and Conditions.

Trust Deed: means the trust deed relating to the Bonds between (1) Wasps Finance PLC (2) the Borrower (3) Arena Coventry Limited (4) Arena Coventry (2006) Limited and (5) the Trustee.

Trustee: means U S Bank Trustees Limited (company number 02379632), appointed as trustee under the terms of the Trust Deed, and acting as trustee in respect of the Bonds and Security under the terms of the Trust Deed, the Security Deed and the other Transaction Documents

1 2 Interpretation

In this deed:

- 1.2.1 Clause, Schedule and paragraph headings shall not affect the interpretation of this deed;
- 1 2 2 a reference to a **person** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality) and that person's personal representatives, successors, permitted assigns and permitted transferees;
- 1 2 3 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- 1 2 4 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders,

- 1 2.5 a reference to a party shall include that party's successors, permitted assigns and permitted transferees;
- 1 2.6 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- 1 2.7 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- 1 2.8 a reference to **writing** or **written** includes fax but not e-mail,
- 1 2.9 an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- 1.2.10 a reference to **this deed** (or any provision of it) or to any other agreement or document referred to in this deed is a reference to this deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this deed) from time to time,
- 1 2.11 unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this deed;
- 1.2.12 any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms,
- 1 2.13 a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly);
- 1.2.14 a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description,
- 1 2.15 a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notariation, registration and resolution;
- 1.2.16 a reference to **continuing** in relation to an Event of Default means an Event of Default that has not been remedied or waived;
- 1 2.17 a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it; and
- 1.2.18 a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.
- 1 3 **Clawback**

If the Lender considers that an amount paid by the Chargor in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Chargor or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this deed.

1.4 Nature of Security over Real Property

A reference in this deed to a charge or mortgage of or over any Property includes:

- 1.4.1 all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) that are situated on or form part of that Property at any time;
- 1.4.2 the proceeds of the sale of any part of that Property and any other monies paid or payable in respect of or in connection with that Property;
- 1.4.3 the benefit of any covenants for title given, or entered into, by any predecessor in title of the Chargor in respect of that Property, and any monies paid or payable in respect of those covenants, and
- 1.4.4 all rights under any licence, agreement for sale or agreement for lease in respect of that Property.

1.5 Law of Property (Miscellaneous Provisions) Act 1989

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Loan Agreement and of any side letters between any parties in relation to the Loan Agreement are incorporated into this deed

1.6 Perpetuity Period

If the rule against perpetuities applies to any trust created by this deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

1.7 Schedules

The Schedules form part of this deed and shall have effect as if set out in full in the body of this deed. Any reference to this deed includes the Schedules.

1.8 Miscellaneous

- 1.8.1 This deed is and shall remain the property of the Lender
- 1.8.2 Any reconstruction, reorganisation or change in the constitution of the Lender or its absorption in or amalgamation with any other person or the

acquisition of all or part of its undertaking by any other person shall not in any prejudice or affect its rights hereunder.

2 RANKING OF SECURITY CREATED UNDER THIS DEED

Each of the Chargor and the Lender hereby acknowledge and agree that the Security created under this deed ranks second to any Security entered into by the Chargor in favour of the Trustee, including without limitation, under the Security Deed, until such times as all amounts repayable under the terms of the Bonds and/or the Transaction Documents have been irrevocably repaid in full. Upon the irrevocable repayment in full of all amounts due in respect of the Bonds and/or the Transaction Documents, then the Security created by this deed shall become first ranking Security.

3 COVENANT TO PAY

The Chargor hereby covenants on demand to pay to the Lender and discharge the Secured Liabilities when they become due under the terms of the Loan Agreement and, in any event, only if and to the extent that the Chargor is permitted to do so pursuant to the Terms and Conditions

4 GRANT OF SECURITY

- 4.1 As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee charges to the Lender, by way of legal mortgage, each Property specified in the Schedule (*Property*).
- 4.2 As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee charges to the Lender by way of fixed charge
 - 4.2.1 all Properties acquired by the Chargor in the future;
 - 4.2.2 all present and future interests of the Chargor not effectively mortgaged or charged under the preceding provisions of this clause 4 in, or over, freehold or leasehold property (whether registered or unregistered);
 - 4.2.3 all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to each Property,
 - 4.2.4 all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Chargor's business or the use of any Secured Asset, and all rights in connection with them;
 - 4.2.5 all its present and future goodwill,
 - 4.2.6 all its uncalled capital;
 - 4.2.7 all the Equipment;

- 4.2.8 all the Intellectual Property;
- 4.2.9 all the Book Debts,
- 4.2.10 all the Investments;
- 4.2.11 following the irrevocable repayment in full of all amounts due under the Bonds and/or the Transaction Documents and subject always to the terms of the Transaction Documents, all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person (including without limitation each Designated Account), together with all other rights and benefits accruing to or arising in connection with each account (including, but not limited to, entitlements to interest);
- 4.2.12 all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy, to the extent not effectively assigned under clause 3.3.1; and
- 4.3 As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee assigns to the Lender, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities to the satisfaction of the Lender

all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance
- 4.4 As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee charges to the Lender, by way of floating charge, all the undertaking, property, assets and rights of the Chargor at any time, including without limitation, at any time not effectively mortgaged, charged or assigned pursuant to clause to clause 4.3 inclusive.
- 4.5 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 4.4.
- 4.6 Subject to clause 2 (*Ranking of security created under this deed*), the floating charge created by clause 4.4 shall automatically and immediately (without notice) be converted into a fixed charge over the assets subject to that floating charge if:
 - 4.6.1 the Chargor:
 - (a) creates, or attempts to create, without the prior written consent of the Lender, a Security or a trust in favour of another person over all or any part of the Secured Assets (except as expressly permitted by the terms of this deed or the Loan Agreement, the Terms and Conditions or the Transaction Documents); or

- (b) disposes, or attempts to dispose of, all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains uncrystallised) save in the event that such disposal or attempt is pursuant to the Terms and Conditions or the Transaction Documents,
- 4.6.2 any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets; or
- 4.6.3 a resolution is passed, an order is made or a notice is filed at Court for the winding-up, dissolution, administration or re-organisation of the Chargor.
- 4.7 The Lender may, in its sole discretion, by written notice to the Chargor, convert the floating charge created under this deed into a fixed charge as regards any part of the Secured Assets specified by the Lender in that notice if
 - 4.7.1 an Event of Default occurs and is continuing, or
 - 4.7.2 the Lender considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.
- 4.8 Any asset acquired by the Chargor after any crystallisation of the floating charge created under this deed that, but for that crystallisation, would be subject to a floating charge under this deed, shall (unless the Lender confirms otherwise to the Chargor in writing) be charged to the Lender by way of fixed charge
- 5 LIABILITY OF THE CHARGOR**
 - 5.1 The Chargor's liability under this deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by
 - 5.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Lender that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
 - 5.1.2 the Lender renewing, determining, varying, amending or increasing any facility or other transaction (or any documents relating thereto) in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person, or
 - 5.1.3 any other act or omission that, but for this clause 5.1, might have discharged, or otherwise prejudiced or affected, the liability of the Chargor

- 5.2 The Chargor waives any right it may have to require the Lender to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this deed against the Chargor

6 REPRESENTATIONS AND WARRANTIES

- 6.1 The Chargor makes the representations and warranties set out in this clause 6 to the Lender.
- 6.2 The Chargor is the legal and beneficial owner of the Secured Assets.
- 6.3 The Chargor is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation and it has the power to own its own assets and carry on business as it is being conducted
- 6.4 The Chargor has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance of and delivery of this deed and the transactions contemplated by this deed and the Loan Agreement.
- 6.5 The Secured Assets are free from any Security other than Permitted Security and the Security created by this deed.
- 6.6 The Chargor has not received, or acknowledged notice of, any adverse claim by any person in respect of the Secured Assets or any interest in them.
- 6.7 There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever that materially and adversely affect the Secured Assets
- 6.8 There is no breach of any law or regulation that materially and adversely affects the Secured Assets
- 6.9 No facility necessary for the enjoyment and use of the Secured Assets is subject to terms entitling any person to terminate or curtail its use
- 6.10 No Security expressed to be created under this deed is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Chargor or otherwise.
- 6.11 There is no prohibition on assignment in any Insurance Policy and the entry into this deed by the Chargor does not, and will not, constitute a breach of any Insurance Policy or any other agreement or instrument binding on the Chargor or any of its subsidiaries or it or any of its subsidiaries' assets.
- 6.12 The Chargor has, at all times, complied in all material respects with all applicable Environmental Law

6.13 This deed (and the obligations assumed under this deed) constitutes and will constitute the legal, valid, binding and enforceable obligations of the Chargor, and is and will continue to be effective security over all and every part of the Secured Assets in accordance with its terms

6.14 The Investments are fully paid and are not subject to any option to purchase or similar rights.

6.15 No constitutional document of an issuer of an Investment, nor any other agreement

(a) restricts or inhibits any transfer of the Investments on creation or enforcement of the security constituted by this deed; or

(b) contains any rights of pre-emption in relation to the Investments.

The representations and warranties set out in clause 6.2 to clause 6.13 are made by the Chargor on the date of this deed and are deemed to be repeated on each day of the Security Period with reference to the facts and circumstances existing at the time of repetition.

7 GENERAL COVENANTS

7.1 Negative Pledge and Disposal Restrictions

The Chargor shall not at any time, except with the prior written consent of the Lender

7.1.1 create, purport to create or permit to subsist any Security on, or in relation to, any Secured Asset other than any Security created by this deed or any Permitted Security;

7.1.2 sell, assign (other than under the Permitted Security), transfer, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Secured Assets (except, in the ordinary course of business, Secured Assets that are only subject to an uncrystallised floating charge), or

7.1.3 other than the Permitted Security, create or grant (or purport to create or grant) any interest whatsoever in the Secured Assets in favour of a third party.

7.2 Preservation of Secured Assets

The Chargor shall not do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the Security held by the Lender and the Trustee, or materially diminish the value of any of the Secured Assets or the effectiveness of the security created by this deed.

7.3 Compliance with Laws and Regulations

7.3.1 The Chargor shall not, without the Lender's prior written consent, use or permit the Secured Assets to be used in any way contrary to law

7.3.2 The Chargor shall

- (a) comply with the requirements of any law and regulation relating to or affecting the Secured Assets or the use of it or any part of them;
- (b) obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Secured Assets or their use or that are necessary to preserve, maintain or renew any Secured Asset, and
- (c) promptly effect any maintenance, modifications, alterations or repairs that are required by any law or regulation to be effected on or in connection with the Secured Assets.

7.4 Enforcement of Rights

The Chargor shall use its best endeavours to:

7.4.1 procure the prompt observance and performance of the covenants and other obligations imposed on the Chargor's counterparties (including each counterparty in respect of each insurer in respect of an Insurance Policy), and

7.4.2 enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets which the Lender may require from time to time

7.5 Notice of Misrepresentation and Breaches

The Chargor shall, promptly on becoming aware of any of the same, give the Lender notice in writing of:

7.5.1 any representation or warranty set out in this deed that is incorrect or misleading in any material respect when made or deemed to be repeated; and

7.5.2 any breach of any covenant set out in this deed;

7.5.3 the occurrence of any Event of Default, promptly upon becoming aware of such occurrence; and

7.5.4 any meeting of creditors whether called by the Chargor or otherwise to discuss, or any proposal or application for the appointment of an

administrator, receiver, manager, liquidator, or similar official in respect of the Chargor or any of its assets and if any such official is appointed.

7.6 Title Documents

The Chargor shall, following the irrevocable payment in full of all amounts due under the Bonds and/or the Transaction Documents, (or, if later, the date of acquisition of the relevant Secured Asset), deposit with the Lender and the Lender shall, for the duration of this deed be entitled to hold:

- 7.6.1 all deeds and documents of title relating to the Secured Assets that are in the possession or control of the Chargor (and if these are not within the possession or control of the Chargor, the Chargor undertakes to obtain possession of all these deeds and documents of title),
- 7.6.2 all Insurance Policies and any other insurance policies relating to any of the Secured Assets that the Chargor is entitled to possess; and
- 7.6.3 all deeds and documents of title (if any) relating to the Book Debts as the Lender may specify from time to time.

7.7 Insurance

- 7.7.1 The Chargor shall insure and keep insured (or where, in the case of any leasehold property, insurance is the responsibility of the landlord under the terms of the lease, either procure that the landlord insures and keeps insured or, if and to the extent that the landlord does not do so, itself insure and keep insured) the Secured Assets against:

- (a) loss or damage by fire or terrorist acts;
- (b) other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Chargor, and
- (c) any other risk, perils and contingencies as the Lender may reasonably require

Any such insurance must be with a reputable insurance company or underwriters, and on such terms, as are reasonably acceptable to the Lender, and must be for not less than the replacement value of the Secured Assets

- 7.7.2 The Chargor shall, if requested by the Lender, produce to the Lender the policy, certificate or cover note relating to the insurance required by clause 7.7.1 (or where, in the case of any leasehold property, that insurance is effected by the landlord, such evidence of insurance as the Chargor is entitled to obtain from the landlord under the terms of the relevant lease).

- 7.7.3 The Chargor shall, if requested by the Lender, procure that the Lender is named as co-insured with the Chargor on each insurance policy maintained by it or any person on its behalf in accordance with clause 7.7.1 and that the terms of each insurance policy require the insurer not to invalidate the policy as against the Lender by reason of the act or default of any other joint or named insured and not to cancel it without giving at least 30 days' prior written notice to the Lender

7.8 Insurance Premiums

The Chargor shall.

- 7.8.1 promptly pay all premiums in respect of each insurance policy maintained by it in accordance with clause 7.7.1 and do all other things necessary to keep that policy in full force and effect; and
- 7.8.2 (if the Lender so requires) produce to, or deposit with, the Lender the receipts for all premiums and other payments necessary for effecting and keeping up each insurance policy maintained by it in accordance with clause 7.7.1.

7.9 No Invalidation of Insurance

The Chargor shall not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any insurance policy maintained by it in accordance with clause 7.7.1

7.10 Proceeds of Insurance Policies

All monies received or receivable by the Chargor under any insurance policy maintained by it in accordance with clause 7.7.1 (including all monies received or receivable by it under any Insurance Policy) at any time (whether or not the security constituted by this deed has become enforceable) shall following the irrevocable payment in full of all amounts due under the Bonds and/or the Transaction Documents:

- 7.10.1 immediately be paid to the Lender;
- 7.10.2 if they are not paid directly to the Lender by the insurers, be held by the Chargor as trustee of the same for the benefit of the Lender (and the Chargor shall account for them to the Lender); and
- 7.10.3 at the option of the Lender, be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received or in, or towards, discharge or reduction of the Secured Liabilities.

7.11 Notices to be given by the Chargor

The Chargor shall immediately following the irrevocable payment in full of all amounts due under the Bonds and/or the Transaction Documents (or, if later, the date of acquisition of the relevant Secured Asset):

7 11.1 give notice to each insurer that it has charged or assigned its rights and interest in and under each Insurance Policy under clause 4 (*Grant of Security*) and procure that each addressee of any such notice promptly provides within five Business Days to the Lender an acknowledgement of the notice of the Lender's interest, and

7 11.2 give notice to any bank, financial institution or other person (excluding the Lender) with whom it has an account that it has charged to the Lender its rights and interests under that account under clause 4.2.11 and procure that each addressee of any such notice promptly provides within five Business Days to the Lender an acknowledgement of the notice of the Lender's interest

The Chargor shall obtain the Lender's prior approval of the form of any notice or acknowledgement to be used under this clause 7.11.

7 12 Information

The Chargor shall:

7.12.1 give the Lender such information concerning the location, condition, use and operation of the Secured Assets as the Lender may require,

7 12.2 permit any persons designated by the Lender and any Receiver to enter on its premises and inspect and examine any Secured Asset, and the records relating to that Secured Asset, at all reasonable times and on reasonable prior notice; and

7 12.3 promptly notify the Lender in writing of any action, claim or demand made by or against it in connection with any Secured Asset or of any fact, matter or circumstance which may, with the passage of time, give rise to such an action, claim or demand, together with, in each case, the Chargor's proposals for settling, liquidating, compounding or contesting any such action, claim or demand and shall, subject to the Lender's prior approval, implement those proposals at its own expense

7 13 Payment of Outgoings

The Chargor shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Secured Assets and, on demand, produce evidence of payment to the Lender.

7.14 Appointment of Accountants

7 14.1 The Chargor shall.

- (a) at its own cost, if at any time so required by the Lender, appoint an accountant or firm of accountants nominated by the Lender to investigate the financial affairs of the Chargor and those of its subsidiaries and report to the Lender; and
- (b) co-operate fully with any accountants so appointed and immediately provide those accountants with all information requested.

7 14 2 The Chargor hereby authorises the Lender to make an appointment as it shall think fit at any time, without further authority from the Chargor. In every case, the Chargor shall pay, or reimburse the Lender for, the fees and expenses of those accountants.

8 PROPERTY COVENANTS

8.1 Maintenance

The Chargor shall keep all buildings and all fixtures on each Property in good and substantial repair and condition.

8.2 Preservation of Property, Fixtures and Equipment

The Chargor shall not, without the prior written consent of the Lender:

- 8.2 1 pull down or remove the whole, or any part of, any building forming part of any Property or permit the same to occur,
- 8.2.2 make or permit any material alterations to any Property, or sever or remove, or permit to be severed or removed, any of its fixtures, or
- 8.2 3 remove or make any material alterations to any of the Equipment belonging to, or in use by, the Chargor on any Property (except to effect necessary repairs or replace them with new or improved models or substitutes).

8 3 Conduct of Business on Properties

The Chargor shall carry on its trade and business on those parts (if any) of the Properties as are used for the purposes of trade or business in accordance with the standards of good management from time to time current in that trade or business.

8.4 Planning Information

The Chargor shall:

- 8 4 1 give full particulars to the Lender of any notice, order, direction, designation, resolution or proposal given or made by any planning authority or other public body or authority ("Planning Notice") that specifically

applies to any Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Planning Notice, and

- 8.4.2 (if the Lender so requires) immediately, and at the cost of the Chargor, take all reasonable and necessary steps to comply with any Planning Notice, and make, or join with the Lender in making, any objections or representations in respect of that Planning Notice that the Lender may desire

8.5 Compliance with Covenants and Payment of Rent

The Chargor shall

- 8.5.1 observe and perform all covenants, stipulations and conditions to which each Property, or the use of it, is or may be subjected, and (if the Lender so requires) produce evidence sufficient to satisfy the Lender that those covenants, stipulations and conditions have been observed and performed;
- 8.5.2 diligently enforce all covenants, stipulations and conditions benefiting each Property and shall not (and shall not agree to) waive release or vary any of the same; and
- 8.5.3 (without prejudice to the generality of the foregoing) where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time, and perform and observe all the tenant's covenants and conditions.

8.6 Payment of Rent and Outgoings

The Chargor shall

- 8.6.1 where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time; and
- 8.6.2 pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed on each Property or on its occupier

8.7 Maintenance of Interests in Properties

The Chargor shall not, without the prior written consent of the Lender

- 8.7.1 grant, or agree to grant, any licence or tenancy affecting the whole or any part of any Property, or exercise, or agree to exercise, the statutory powers of leasing or of accepting surrenders under sections 99 or 100 of the Law of Property Act 1925, or
- 8.7.2 in any other way dispose of, surrender or create, or agree to dispose of surrender or create, any legal or equitable estate or interest in the whole or any part of any Property

8 8 Registration Restrictions

If the title to any Property is not registered at the Land Registry, the Chargor shall procure that no person (other than itself) shall be registered under the Land Registration Acts 1925 to 2002 as proprietor of all or any part of any Property without the prior written consent of the Lender or as contemplated by the Terms and Conditions and the Transaction Documents. The Chargor shall be liable for the costs and expenses of the Lender in lodging cautions against the registration of the title to the whole or any part of any Property from time to time

8 9 Development Restrictions

The Chargor shall not, without the prior written consent of the Lender or as contemplated by the Terms and Conditions and the Transaction Documents.

8.9.1 make or, insofar as it is able, permit others to make any application for planning permission or development consent in respect of the Property, or

8.9.2 carry out, or permit, or suffer to be carried out on any Property any development as defined in the Town and Country Planning Act 1990 and the Planning Act 2008, or change or permit or suffer to be changed the use of any Property.

8.10 Environment

The Chargor shall

8 10 1 comply with all the requirements of Environmental Law both in the conduct of its general business and in the management, possession or occupation of each Property, and

8.10.2 obtain and comply with all authorisations, permits and other types of licences necessary under Environmental Law.

8.11 No Restrictive Obligations

The Chargor shall not, without the prior written consent of the Lender, enter into any onerous or restrictive obligations affecting the whole or any part of any Property, or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of any Property other than as contemplated by the Terms and Conditions and the Transaction Documents.

8 12 Proprietary Rights

The Chargor shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of any

Property without the prior written consent of the Lender other than as contemplated by the Terms and Conditions and the Transaction Documents.

8.13 Inspection

The Chargor shall permit the Lender, any Receiver and any person appointed by either of them to enter on and inspect any Property on reasonable prior notice

8.14 Property Information

The Chargor shall inform the Lender promptly of any acquisition by the Chargor of, or contract made by the Chargor to acquire, any freehold, leasehold or other interest in any property

8.15 VAT Option to Tax

The Chargor shall not, without the prior written consent of the Lender:

- 8.15.1 exercise any VAT option to tax in relation to any Property; or
- 8.15.2 revoke any VAT option to tax exercised, and disclosed to the Lender, before the date of this deed.

8.16 Registration at the Land Registry

The Chargor consents to an application being made by the Lender to the Land Registrar following the irrevocable payment in full of all amounts due under the Bonds and/or the Transaction Documents for the following restriction in Form P to be registered against its title to each Property:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction is to be registered without a written consent signed by the proprietor for the time being of the charge dated [DATE] in favour of [] referred to in the charges register or its conveyancer ""

9 INVESTMENTS COVENANTS

- 9.1 The Chargor shall following the irrevocable payment in full of all amounts due under the Bonds and/or the Transaction Documents:

- (a) deposit with the Lender all stock or share certificates and other documents of title or evidence of ownership relating to any Investments owned by the Chargor at that time, and

- (b) on the purchase or acquisition by it of Investments deposit with the Lender all stock or share certificates and other documents of title or evidence of ownership relating to those Investments

9.2 At the same time as depositing documents with the Lender in accordance with clause 9.1(a) or clause 9.1(b), the Chargor shall also deposit with the Lender:

- (a) all stock transfers forms relating to the relevant Investments duly completed and executed by or on behalf of the Chargor, but with the name of the transferee, the consideration and the date left blank, and
- (b) any other documents (in each case duly completed and executed by or on behalf of the Chargor) that the Lender may request in order to enable it or any of its nominees, or any purchaser or transferee, to be registered as the owner of, or otherwise obtain a legal title to, or to perfect its security interest in any of the relevant Investments,

so that the Lender may, at any time and without notice to the Chargor, complete and present those stock transfer forms and other documents to the issuer of the Investments for registration

9.3 The Chargor shall terminate with immediate effect all nominations it may have made (including, without limitation, any nomination made under section 145 or section 146 of the Companies Act 2006) in respect of any Investments and, pending that termination, procure that any person so nominated:

- (a) does not exercise any rights in respect of any Investments without the prior written approval of the Lender, and
- (b) immediately on receipt by it, forward to the Lender all communications or other information received by it in respect of any Investments for which it has been so nominated

9.4 The Chargor shall not, during the Security Period, exercise any rights (including, without limitation, any rights under sections 145 and 146 of the Companies Act 2006) to nominate any person in respect of any of the Investments

The Chargor shall:

9.5 obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of an issuer, for the transfer of the Investments to the Lender or its nominee, or to a purchaser on enforcement of this deed, and

9.6 procure the amendment of the share transfer provisions (including, but not limited to, deletion of any pre-emption provisions) under the articles of

association, other constitutional documents or otherwise of each issuer in any manner that the Lender may require in order to permit the transfer of the Investments to the Lender or its nominee, or to a purchaser on enforcement of this deed

9.7 Before the security constituted by this deed becomes enforceable, the Chargor may retain and apply for its own use all dividends, interest and other monies paid or payable in respect of the Investments and, if any are paid or payable to the Lender or any of its nominees, the Lender will hold all those dividends, interest and other monies received by it for the Chargor and will pay them to the Chargor promptly on request; and

9.8 Before the security constituted by this deed becomes enforceable, the Chargor may exercise all voting and other rights and powers in respect of the Investments or, if any of the same are exercisable by the Lender or any of its nominees, to direct in writing the exercise of those voting and other rights and powers provided that:

(a) it shall not do so in any way that would breach any provision of the Loan Agreement or this deed or for any purpose inconsistent with the Loan Agreement or this deed; and

(b) the exercise of, or the failure to exercise, those voting rights or other rights and powers would not, in the Lender's opinion, have an adverse effect on the value of the Investments or otherwise prejudice the Lender's security under this deed.

9.8.2 The Chargor shall indemnify the Lender against any loss or liability incurred by the Lender (or its nominee) as a consequence of the Lender (or its nominee) acting in respect of the Investments at the direction of the Chargor.

9.8.3 The Lender shall not, by exercising or not exercising any voting rights or otherwise, be construed as permitting or agreeing to any variation or other change in the rights attaching to or conferred by any of the Investments that the Lender considers prejudicial to, or impairing the value of, the security created by this deed

9.9 Following the irrevocable payment in full of all amounts due under the Bonds and/or the Transaction Documents:

(a) all dividends and other distributions paid in respect of the Investments and received by the Chargor shall be held by the Chargor on trust for the Lender and immediately paid into a Designated Account or, if received by the Lender, shall be retained by the Lender; and

(b) all voting and other rights and powers attaching to the Investments shall be exercised by, or at the direction of, the Lender and the Chargor shall, and shall procure that its nominees shall, comply with

any directions the Lender may give, in its absolute discretion, concerning the exercise of those rights and powers.

- 9.10 The Chargor shall promptly pay all calls, instalments and other payments that may be or become due and payable in respect of all or any of the Investments. The Chargor acknowledges that the Lender shall not be under any liability in respect of any such calls, instalments or other payments.
- 9.11 The Chargor shall not, without the prior written consent of the Lender, amend, or agree to the amendment of.
- (a) the memorandum or articles of association, or any other constitutional documents, of any issuer that is not a public company, or
 - (b) the rights or liabilities attaching to any of the Investments
- 9.12 The Chargor shall ensure (as far as it is able to by the exercise of all voting rights, powers of control and other means available to it) that any issuer that is not a public company shall not:
- (a) consolidate or subdivide any of its Investments, or reduce or re-organise its share capital in any way,
 - (b) issue any new shares or stock, or
 - (c) refuse to register any transfer of any of its Investments that may be lodged for registration by, or on behalf of, the Lender or the Chargor in accordance with this deed.
- 9.13 The Chargor shall, promptly following receipt, send to the Lender copies of any notice, circular, report, accounts and any other document received by it that relates to the Investments.

10 EQUIPMENT COVENANTS

- 10.1 The Chargor shall
- (a) maintain the Equipment in good and serviceable condition (except for expected fair wear and tear) in compliance with all relevant manuals, handbooks, manufacturer's instructions and recommendations and maintenance or servicing schedules,
 - (b) at its own expense, renew and replace any parts of the Equipment when they become obsolete, worn out or damaged with parts of a similar quality and of equal or greater value; and
 - (c) not permit any Equipment to be

- (i) used or handled other than by properly qualified and trained persons, or
- (ii) overloaded or used for any purpose for which it is not designed or reasonably suitable.

10.2 The Chargor shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Equipment and, on demand, produce evidence of such payment to the Lender

11 INTELLECTUAL PROPERTY COVENANTS

11.1 The Chargor shall take all necessary action to safeguard and maintain present and future rights in, or relating to, the Intellectual Property including (without limitation) by observing all covenants and stipulations relating to those rights, and by paying all applicable renewal fees, licence fees and other outgoings

11.2 The Chargor shall use all reasonable efforts to register applications for the registration of any Intellectual Property, and shall keep the Lender informed of all matters relating to each such registration.

11.3 The Chargor shall not permit any Intellectual Property to be abandoned, cancelled or to lapse

12 POWERS OF THE LENDER

12.1 Power to Remedy

12.1.1 The Lender shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Chargor of any of its obligations contained in this deed

12.1.2 The Chargor irrevocably authorises the Lender and its agents to do all things that are necessary or desirable for that purpose.

12.1.3 Any monies expended by the Lender in remedying a breach by the Chargor of its obligations contained in this deed shall be reimbursed by the Chargor to the Lender on a full indemnity basis and shall carry interest in accordance with clause 19.1.

12.2 Exercise of Rights

The rights of the Lender under clause 12.1 are without prejudice to any other rights of the Lender under this deed. The exercise of any rights of the Lender under this deed shall not make the Lender liable to account as a mortgagee in possession.

12.3 Power to Dispose of Chattels

12.3.1 At any time after the security constituted by this deed has become enforceable, the Lender or any Receiver may, as agent for the Chargor, dispose of any chattels or produce found on any Property

12.3.2 Without prejudice to any obligation to account for the proceeds of any disposal made under clause 12.3.1, the Chargor shall indemnify the Lender and any Receiver against any liability arising from any disposal made under clause 12.3.1

12.4 Lender Has Receiver's Powers

To the extent permitted by law, any right, power or discretion conferred by this deed on a Receiver may, after the security constituted by this deed has become enforceable, be exercised by the Lender in relation to any of the Secured Assets whether or not it has taken possession of any Secured Assets and without first appointing a Receiver or notwithstanding the appointment of a Receiver

12.5 Conversion of Currency

12.5.1 For the purpose of, or pending the discharge of, any of the Secured Liabilities, the Lender may convert any monies received, recovered or realised by it under this deed (including the proceeds of any previous conversion under this clause 12.5) from their existing currencies of denomination into any other currencies of denomination that the Lender may think fit.

12.5.2 Any such conversion shall be effected at the Lender's (or at any reference bank's as may be determined by the Lender) then prevailing spot selling rate of exchange for such other currency against the existing currency

12.5.3 Each reference in this clause 12.5 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency

12.5.4 If, under any applicable law or regulation or pursuant to a judgment or order being made or registered against the Chargor or the liquidation of the Chargor or without limitation for any other reason, any payment under or in connection with this deed is made or requires to be satisfied in a currency (the "payment currency") other than the currency in which such payment is expressed by the Lender to be due under or in connection with this deed (the "contractual currency") then, to the extent that the amount of such payment actually received by the Lender, when converted into the contractual currency at the rate of exchange, falls short of the amount due under or in connection with this deed, the Chargor, as a separate and independent obligation, shall indemnify and hold harmless the Lender against the amount of such shortfall.

12.6 Indulgence

The Lender may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this deed (whether or not any such person is jointly liable with the Chargor) in respect of any of the Secured Liabilities, or of any other security for them without prejudice either to this deed or to the liability of the Chargor for the Secured Liabilities.

12 7 Appointment of an Administrator

12 7.1 The Lender may at any time, without notice to the Chargor, appoint any one or more persons to be an Administrator of the Chargor pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this deed becomes enforceable in accordance with clause 13.1 (*When security becomes enforceable*)

12.7 2 Any appointment under this clause 12.7 shall.

- (a) be in writing signed by a duly authorised signatory of the Lender, and
- (b) take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986

12 7.3 The Lender may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this clause 12 7 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

13 WHEN SECURITY BECOMES ENFORCEABLE

13 1 Security Becomes Enforceable on Event of Default

The security constituted by this deed shall be immediately enforceable, subject always to the terms of the Loan Agreement.

- (a) upon the occurrence of an Event of Default,
- (b) if the Chargor is in breach of any of its obligations under this deed and/or the Loan Agreement and that breach (if capable of remedy) has not been remedied to the satisfaction of the Lender within 7 Business Days of the occurrence of such breach; or
- (c) if an encumbrancer other than the Lender shall take possession of any of the Secured Assets or any part thereof or any secured creditor of the Chargor enforces its Security in respect of any of the Secured Assets or any part thereof or any other event shall happen which puts in material jeopardy all or any material part of the Secured Assets

13 2 Discretion

After the security constituted by this deed has become enforceable in accordance with clause 13.1 (*When security becomes enforceable*), the Lender may, in its absolute discretion, enforce all or any part of that security at the times, in the manner and on the terms it thinks fit, and take possession of and hold or dispose of all or any part of the Secured Assets subject always to observing and doing everything in its power to give effect to the prior ranking Security created in favour of the Trustee pursuant to the Terms and Conditions and the Transaction Documents.

14 ENFORCEMENT OF SECURITY

14.1 Enforcement Powers

14.1.1 The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this deed) shall, as between the Lender and a purchaser from the Lender, arise on and be exercisable at any time after the execution of this deed, but the Lender shall not exercise such power of sale or other powers until the security constituted by this deed has become enforceable under clause 13.1

14.1.2 Section 103 of the LPA 1925 does not apply to the security constituted by this deed.

14.2 Extension of Statutory Powers of Leasing

The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the Lender and any Receiver, at any time after the security constituted by this deed has become enforceable, whether in its own name or in that of the Chargor, to

14.2.1 grant a lease or agreement to lease;

14.2.2 accept surrenders of leases, or

14.2.3 grant any option of the whole or any part of the Secured Assets with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of the Chargor, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Lender or Receiver thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

14.3 Access on Enforcement

14.3.1 At any time after the security constituted by this deed has become enforceable in accordance with clause 13.1 (*When security becomes enforceable*) and subject to the Terms and Conditions and the Transaction

Documents, the Chargor will allow the Lender or its Receiver, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Secured Asset and for that purpose to enter on any premises where a Secured Asset is situated (or where the Lender or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to the Chargor for, or by any reason of, that entry.

- 14.3.2 At all times, the Chargor must allow the Lender or its Receiver or procure that the Lender or its Receiver is allowed access to any premises for the purpose of clause 14.3.1 (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same

14.4 Prior Security

At any time after the security constituted by this deed has become enforceable in accordance with clause 13.1 (*When security becomes enforceable*), or after any powers conferred by any Security having priority to this deed shall have become exercisable, the Lender may:

- 14.4.1 redeem that or any other prior Security;
- 14.4.2 procure the transfer of that Security to it, and
- 14.4.3 settle and pass any account of the holder of any prior Security.

Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Chargor. All monies paid by the Lender to an encumbrancer in settlement of any of those accounts shall, as from its payment by the Lender, be due from the Chargor to the Lender on current account and shall bear interest at the default rate of interest specified in the Loan Agreement and be secured as part of the Secured Liabilities.

14.5 Protection of Third Parties

No purchaser, mortgagee or other person dealing with the Lender, any Receiver or Delegate shall be concerned to enquire.

- 14.5.1 whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
- 14.5.2 whether any power the Lender, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable, or
- 14.5.3 how any money paid to the Lender, any Receiver or any Delegate is to be applied.

14.6 Privileges

Each Receiver and the Lender is entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers.

14.7 No Liability as Mortgagee in Possession

Neither the Lender, any Receiver, any Delegate nor any Administrator shall be liable to account as mortgagee in possession in respect of all or any of the Secured Assets, nor shall any of them be liable for any loss on realisation of, or for any neglect or default of any nature in connection with, all or any of the Secured Assets for which a mortgagee in possession might be liable as such.

14.8 Conclusive Discharge to Purchasers

The receipt of the Lender or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Secured Assets or in making any acquisition in the exercise of their respective powers, the Lender, every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit

14.9 Right of Appropriation

14.9.1 To the extent that:

- (a) the Secured Assets constitute Financial Collateral; and
- (b) this deed and the obligations of the Chargor under it constitute a Security Financial Collateral Arrangement,

the Lender shall have the right, at any time after the security constituted by this deed has become enforceable, to appropriate all or any of those Secured Assets in or towards the payment or discharge of the Secured Liabilities in any order that the Lender may, in its absolute discretion, determine.

14.9.2 The value of any Secured Assets appropriated in accordance with this clause shall be the price of those Secured Assets at the time the right of appropriation is exercised as listed on any recognised market index, or determined by any other method that the Lender may select (including independent valuation).

14.9.3 The Chargor agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations

15 RECEIVER

15.1 Appointment

At any time after the security constituted by this deed has become enforceable in accordance with clause 13 (*When security becomes enforceable*), or at the request of the Chargor, the Lender may, (in each case (so long as any Bond and/or Coupon (as such terms are defined in the Terms and Conditions) is outstanding) only with the prior written consent of the Trustee), without further notice, appoint by way of deed, or otherwise in writing, any one or more persons to be a Receiver of all or any part of the Secured Assets.

15 2 Removal

The Lender may, without further notice (subject to section 45 of the Insolvency Act 1986), from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated

15 3 Remuneration

The Lender may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925, and the remuneration of the Receiver shall be a debt secured by this deed and form part of the Secured Liabilities, which shall be due and payable immediately on such remuneration being paid by the Lender

15 4 Power of Appointment Additional to Statutory Powers

The power to appoint a Receiver conferred by this deed shall be in addition to all statutory and other powers of the Lender under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

15 5 Power of Appointment Exercisable Despite Prior Appointments

The power to appoint a Receiver (whether conferred by this deed or by statute) shall be, and remain, exercisable by the Lender despite any prior appointment in respect of all or any part of the Secured Assets.

15 6 Agent of the Chargor

Any Receiver appointed by the Lender under this deed shall be the agent of the Chargor and the Chargor shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each Receiver shall continue until the Chargor goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Lender.

16 POWERS OF RECEIVER

16.1 General

16.1.1 Any Receiver appointed by the Lender under this deed shall, in addition to the powers conferred on him by statute, have the powers set out in clause 16.2 to clause 16.23.

16.1.2 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this deed individually and to the exclusion of any other Receiver.

16.1.3 Any exercise by a Receiver of any of the powers given by clause 16 may be on behalf of the Chargor, the directors of the Chargor (in the case of the power contained in clause 16.16) or himself.

16.2 Repair and Develop Properties

A Receiver may undertake or complete any works of repair, building or development on the Properties and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

16.3 Surrender Leases

A Receiver may grant, or accept surrenders of, any leases or tenancies affecting any Property and may grant any other interest or right over any Property on any terms, and subject to any conditions, that he thinks fit.

16.4 Employ Personnel and Advisors

A Receiver may provide services and employ, or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that he thinks fit. A Receiver may discharge any such person or any such person appointed by the Chargor

16.5 Make VAT Elections

A Receiver may make, exercise or revoke any value added tax option to tax as he thinks fit.

16.6 Remuneration

A Receiver may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) that the Lender may prescribe or agree with him.

16.7 Realise Secured Assets

A Receiver may collect and get in the Secured Assets or any part of them in respect of which he is appointed, and make any demands and take any proceedings as may seem expedient for that purpose, and take possession of the Secured Assets with like rights

16.8 Manage or Reconstruct the Chargor's Business

A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Chargor.

16.9 Dispose of Secured Assets

A Receiver may sell, exchange, convert into money and realise all or any of the Secured Assets in respect of which he is appointed in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as he thinks fit. Any sale may be for any consideration that the Receiver thinks fit and a Receiver may promote, or concur in promoting, a company to purchase the Secured Assets to be sold

16.10 Sever Fixtures and Fittings

A Receiver may sever and sell separately any fixtures or fittings from any Property without the consent of the Chargor.

16.11 Sell Book Debts

A Receiver may sell and assign all or any of the Book Debts in respect of which he is appointed in any manner, and generally on any terms and conditions, that he thinks fit

16.12 Valid Receipts

A Receiver may give valid receipt for all monies and execute all assurances and things that may be proper or desirable for realising any of the Secured Assets

16.13 Make Settlements

A Receiver may make any arrangement, settlement or compromise between the Chargor and any other person that he may think expedient

16.14 Bring Proceedings

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Secured Assets as he thinks fit

16.15 Improve the Equipment

A Receiver may make substitutions of, or improvements to, the Equipment as he may think expedient

16.16 Make Calls on Chargor Members

A Receiver may make calls conditionally or unconditionally on the members of the Chargor in respect of uncalled capital with (for that purpose and for the purpose of enforcing payments of any calls so made) the same powers as are conferred by the articles of association of the Chargor on its directors in respect of calls authorised to be made by them.

16.17 Insure

A Receiver may, if he thinks fit, but without prejudice to the indemnity provided under clause 19, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Chargor under this deed.

16.18 Powers under the LPA 1925

A Receiver may exercise all powers provided for in the LPA 1925 in the same way as if he had been duly appointed under the LPA 1925, and exercise all powers provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986.

16.19 Borrow

A Receiver may, for any of the purposes authorised by this clause 16, raise money by borrowing from the Lender (or from any other person) either unsecured or on the security of all or any of the Secured Assets in respect of which he is appointed on any terms that he thinks fit (including, if the Lender consents, terms under which that security ranks in priority to this deed)

16.20 Redeem Prior Security

A Receiver may redeem any prior Security and settle and pass the accounts to which the Security relates. Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Chargor, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver

16.21 Delegation

A Receiver may delegate his powers in accordance with this deed.

16.22 Absolute Beneficial Owner

A Receiver may, in relation to any of the Secured Assets, exercise all powers, authorisations and rights he would be capable of exercising, and do all those acts and things, as an absolute beneficial owner could exercise or do in the ownership and management of the Secured Assets or any part of the Secured Assets

16.23 Incidental Powers

A Receiver may do any other acts and things.

16.23.1 that he may consider desirable or necessary for realising any of the Secured Assets,

16.23.2 that he may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this deed or law, or

16.23.3 that he lawfully may or can do as agent for the Chargor.

17 DELEGATION

17.1 The Lender or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this deed (including the power of attorney granted under clause 21.1).

17.2 The Lender and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that it thinks fit

17.3 Neither the Lender nor any Receiver shall be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

18 APPLICATION OF PROCEEDS

18.1 All monies received by the Lender, a Receiver or a Delegate pursuant to this deed, after the security constituted by this deed has become enforceable, shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority

(a) in or towards payment of or provision for all costs, charges and expenses incurred by or on behalf of the Lender (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this deed, and of all remuneration due to any Receiver under or in connection with this deed;

(b) in or towards payment of or provision for the Secured Liabilities in any order and manner that the Lender determines, and

- (c) in payment of the surplus (if any) to the Chargor or other person entitled to it.

18.2 Neither the Lender, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities

18.3 All monies received by the Lender, a Receiver or a Delegate under this deed

- (a) may, at the discretion of the Lender, Receiver or Delegate, be credited to any suspense or securities realised account,
- (b) shall bear interest, if any, at the rate agreed in writing between the Lender and the Chargor; and
- (c) may be held in that account for so long as the Lender, Receiver or Delegate thinks fit

19 COSTS AND INDEMNITY

19.1 The Chargor shall, promptly on demand, pay to, or reimburse, the Lender and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Lender, any Receiver or any Delegate in connection with

- (a) this deed or the Secured Assets,
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's, a Receiver's or a Delegate's rights under this deed, or
- (c) taking proceedings for, or recovering, any of the Secured Liabilities,

together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost or expense arose until full discharge of that cost or expense (whether before or after judgment, liquidation, winding up or administration of the Chargor) at the rate and in the manner specified in the Loan Agreement.

19.2 The Chargor shall indemnify the Lender, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and

all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:

- (a) the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this deed or by law in respect of the Secured Assets,
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed; or
- (c) any default or delay by the Chargor in performing any of its obligations under this deed.

Any past or present employee or agent may enforce the terms of this clause 19.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

20 FURTHER ASSURANCE

20.1 The Chargor shall, at its own expense, take whatever action the Lender or any Receiver may reasonably require for

- (a) creating, perfecting or protecting the security intended to be created by this deed,
- (b) facilitating the realisation of any Secured Asset, or
- (c) facilitating the exercise of any right, power, authority or discretion exercisable by the Lender or any Receiver in respect of any Secured Asset,

20.2 including, without limitation (if the Lender or Receiver thinks it expedient) the execution of any transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Secured Assets (whether to the Lender or to its nominee) and the giving of any notice, order or direction and the making of any registration.

21 POWER OF ATTORNEY

21.1 By way of security and without prejudice to any other provision of this deed, the Chargor irrevocably appoints the Lender, every Receiver and every Delegate separately to be the attorney of the Chargor and, with full power of delegation for it and in its name, on its behalf and as its act and deed, subject always, for so long as any amounts remain outstanding under the Terms and Conditions and the Transaction Documents, to observing and doing everything in its power to give effect to the prior ranking Security created in favour of the Trustee pursuant to the Terms and Conditions and the Transaction Documents, to execute seal and deliver and otherwise perfect

any documents, deeds assurances, agreements or instruments and do any acts and things that

- (a) the Chargor is required to execute and do under this deed; or
- (b) any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this deed or by law on the Lender, any Receiver or any Delegate,

and the Chargor irrevocably acknowledges and agrees that the power of attorney granted under this clause 21 is given to the Lender and/or any Receiver to secure the performance of these obligations owed to the Lender and/or any Receiver by the Chargor.

21.2 Without prejudice to Clause 21 1, the Chargor hereby covenants with the Lender and separately with any Receiver that if reasonably required so to do it shall ratify and confirm:

21.2.1 all transactions properly and lawfully entered into by him or them at his or their instance in the exercise of his or their powers under Clause 21 1,

21 2 2 all transactions lawfully and properly entered into by him or them in signing, executing, delivering and otherwise perfecting any assignment, mortgage, charge, security, deed, assurance or act as aforesaid,

and the Chargor irrevocably acknowledges and agrees that such power of attorney is (*inter alia*) given to the Lender and/or any Receiver to secure the performance of these obligations owed to the Lender and/or any Receiver by the Chargor

21.3 All powers of the Receiver under this deed may be exercised by the Lender following demand under this deed whether as attorney of the Chargor or otherwise and whether or not the Receiver shall have been appointed.

21 4 The Lender or any duly authorised manager or officer of the Lender is hereby irrevocably empowered upon the occurrence of an event under Clause 14 to receive all Book Debts and other debts and claims which may be assigned to the Lender under this deed and on payment thereof to give an effectual discharge therefore and on non-payment thereof to take and institute (if the Lender in its sole discretion so decides) all reasonable steps (which shall not, for the avoidance of doubt, include legal proceedings without the prior written consent of the Chargor (not to be unreasonably withheld)) either in the name of the relevant assignor or in the name of the Lender for the recovery thereof and also to agree accounts and to make allowances and to give time to any surety and whatsoever the Lender or any manager or officer of the Lender shall properly and lawfully do or purport to do hereunder the relevant assignor hereby undertakes to ratify and confirm

21.5 The Lender shall have no liability or responsibility of any kind to the Chargor arising out of the exercise or non-exercise of the right conferred on it by Clause 22.4 save for any gross negligence or manifest error on the behalf of the Lender.

21.6 The Lender shall not be obliged to make any enquiry as to the sufficiency of any sums received by it in respect of any book debts or other debt or claim so assigned to it or to make any claim or to take any other action to collect in or enforce the same.

22 RELEASE

22.1 Subject to clause 29.3, on the expiry of the Security Period (but not otherwise), the Lender shall, at the request and cost of the Chargor, take whatever action is necessary to:

(a) release the Secured Assets from the security constituted by this deed, and

(b) reassign the Secured Assets to the Chargor.

23 ASSIGNMENT AND TRANSFER

23.1 Prior to the irrevocable repayment in full of all amounts due under the Transaction Documents, the Lender may not assign or transfer any or all of its rights and/or obligations under this deed without the prior written consent of the Chargor who shall seek the consent of the Trustee. At any time following the irrevocable repayment in full of all amounts due under the Transaction Documents, the Lender may assign or transfer any or all of its rights and/or obligations under this deed without the consent of the Chargor or any other person.

23.2 The Lender may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Chargor, the Secured Assets and this deed that the Lender considers appropriate

23.3 The Chargor may not assign any of its rights, or transfer any of its rights or obligations, under this deed.

24 SET-OFF

24.1 The Lender may at any time set off any liability of the Chargor to the Lender against any liability of the Lender to the Chargor, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this deed. If the liabilities to be set off are expressed in different currencies, the Lender may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Lender of its rights under this clause 24 shall not limit or affect any other rights or remedies available to it under this deed or otherwise.

- 24.2 The Lender is not obliged to exercise its rights under clause 24.1. If, however, it does exercise those rights it shall promptly notify the Chargor of the set-off that has been made

25 AMENDMENTS, WAIVERS AND CONSENTS

- 25.1 No amendment of this deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative)
- 25.2 A waiver of any right or remedy under this deed or by law, or any consent given under this deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision
- 25.3 A failure or delay by a party to exercise any right or remedy provided under this deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this deed. No single or partial exercise of any right or remedy provided under this deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this deed by the Lender shall be effective unless it is in writing.
- 25.4 The rights and remedies provided under this deed are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law and may be exercised from time to time and as often as the Lender deems to be expedient

26 SEVERANCE

- 26.1 If any provision (or part of a provision) of this deed is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this deed

27 COUNTERPARTS

- 27.1 This deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed

28 THIRD PARTY RIGHTS

- 28 1 Other than the Trustee who shall have, in respect of this deed, third party rights under the Contracts (Rights of Third Parties) Act 1999 and except as expressly provided elsewhere in this deed, a person who is not a party to this deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

29 FURTHER PROVISIONS

29 1 Independent Security

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

29 2 Continuing Security

This deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Lender discharges this deed in writing

29 3 Discharge Conditional

Any release, discharge or settlement between the Chargor and the Lender shall be deemed conditional on no payment or security received by the Lender in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement

- 29 3 1 the Lender or its nominee may retain this deed and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Lender deems necessary to provide the Lender with security against any such avoidance, reduction or order for refund, and

- 29 3 2 the Lender may recover the value or amount of such security or payment from the Chargor subsequently as if the release, discharge or settlement had not occurred

29 4 Certificates

A certificate or determination by the Lender as to any amount for the time being due to it from the Chargor under this deed shall be, in the absence of any manifest error, conclusive evidence of the amount due

29 5 Consolidation

The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this deed.

30 NOTICES

30 1 Any notice or other communication required to be given to a party under or in connection with this deed shall be:

- (a) in writing,
- (b) delivered by hand, by pre-paid first-class post or other next working day delivery service or sent by fax; and
- (c) sent to:

- (i) the Chargor at:

Twyford Avenue Sports Ground
Twyford Avenue
London W3 9QA
Attention: David Armstrong

- (ii) the Lender at:

c/o Kennedys Law LLP
25 Fenchurch Avenue
London EC3M 5AD
Attention: Robert Dawbarn

or to any other address or fax number as is notified in writing by one party to the other from time to time

30 2 Any notice or other communication that the Lender gives to the Chargor shall be deemed to have been received:

- (a) if delivered by hand, at the time it is left at the relevant address,
- (b) if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting; and
- (c) if sent by fax, when received in legible form.

- 30.3 A notice or other communication given as described in clause 30.2(a) or clause 30.2(c) on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.
- 30.4 Any notice or other communication given to the Lender shall be deemed to have been received only on actual receipt.
- 30.5 This clause 30 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.
- 30.6 A notice or other communication given under or in connection with this deed is not valid if sent by e-mail.

31 MISCELLANEOUS

32 GOVERNING LAW AND JURISDICTION

32.1 Governing Law

This deed and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

32.2 Jurisdiction

32.2.1 The Chargor irrevocably agrees for the exclusive benefit of the Lender that the courts of England shall have jurisdiction to hear and determine any suit, action or proceeding, and to settle any dispute (including non-contractual disputes or claims), which may arise out of or in connection with this deed and for such purposes hereby irrevocably submits to the jurisdiction of such courts.

32.2.2 The Chargor irrevocably waives any objection which it may have now or in the future to the courts of England being nominated for the purpose of this clause on the ground of venue or otherwise and agrees not to claim that any such court is not a convenient or appropriate forum and irrevocably agrees to be bound by any judgment rendered thereby

This document has been executed and delivered as a deed on the date first stated above.

**SCHEDULE
PROPERTY**

**PART 1
REGISTERED PROPERTY**

[DETAILS OF REGISTERED PROPERTY, INCLUDING TITLE NUMBER]

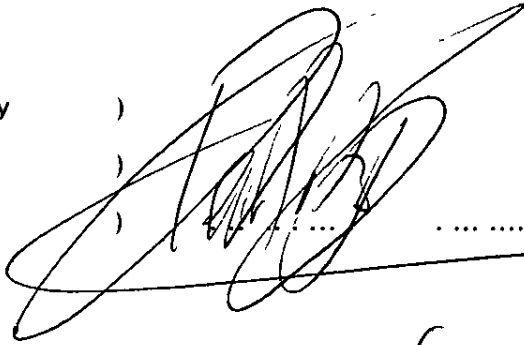
**PART 2
UNREGISTERED PROPERTY**

[DETAILS OF UNREGISTERED PROPERTY]

LENDER

Executed and Delivered as a Deed by)

DEREK ARTHUR RICHARDSON)




In the presence of:

.....
Witness signature

Name:

Address.

Occupation:


.....
Name: Paul Breed
Address. 163 Green Lane
 Coventry
Occupation: Company CEO

CHARGOR

Executed and Delivered as a Deed by)

WASPS HOLDINGS LIMITED)

acting by)

.....
Director

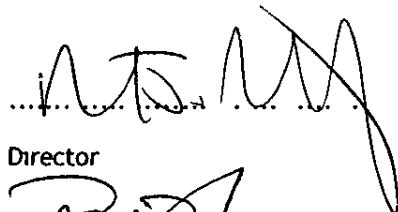
In the presence of:

.....
Witness signature

Name:

Address.

Occupation.


.....
Name: Paul Breed
Address. 163 Green Lane
 Coventry
Occupation. Company CEO