



Registration of a Charge

Company name: **LONDON & REGIONAL GROUP HOLDINGS LIMITED**

Company number: **04525949**



X5FIG0KH

Received for Electronic Filing: **14/09/2016**

Details of Charge

Date of creation: **14/09/2016**

Charge code: **0452 5949 0003**

Persons entitled: **CITIBANK, N.A., LONDON BRANCH AS SECURITY TRUSTEE**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **WE CERTIFY THAT, SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006, THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE PART OF THE CHARGING INSTRUMENT SIGNED BY OR ON BEHALF OF THE CHARGOR, AND A CORRECT COPY OF THE SIGNATURE PAGE TO EACH OTHER PART OF SUCH CHARGING INSTRUMENT**

Certified by:

DENTONS UKMEA LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4525949

Charge code: 0452 5949 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 14th September 2016 and created by LONDON & REGIONAL GROUP HOLDINGS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 14th September 2016 .

Given at Companies House, Cardiff on 15th September 2016

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Guarantor Collateral Account Charge

Dated 14 September **2016**

London & Regional Group Holdings Limited
(as Chargor)

Citibank, N.A., London Branch
(as Security Trustee)

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Guarantor Collateral Account Charge

Dated 14 September 2016

Between

- (1) **London & Regional Group Holdings Limited**, a company incorporated in England, with registered number 4525949, whose registered office is at Quadrant House, Floor 6, 4 Thomas More Square, London E1W 1YW (the **Chargor**); and
- (2) **Citibank, N.A., London Branch**, a national bank organised under the United States Federal law, acting through its branch at Citigroup Centre, 25 Canada Square, Canary Wharf, London E14 5LB as security trustee for the Finance Parties (the **Security Trustee**, which expression includes its successors and assigns).

Recitals

- A By a facility agreement dated 1 June 2015 between the Borrower, the Lenders, the Agent and the Security Trustee, as amended by a Loan Facility Amendment and Confirmation Agreement dated on or about the date of this Deed, the Lenders agreed to make certain facilities available to the Borrower for the purpose of re-financing the prior indebtedness secured against the Aircraft (the **Facility Agreement**).
- B By a guarantee dated 1 June 2015, the Chargor, as guarantor, agreed to guarantee in favour of the Finance Parties the Guaranteed Liabilities (as defined therein) (the **Guarantee**).
- C The Chargor has agreed to provide certain cash collateral as security on the terms of this Deed.
- D This Deed constitutes a Security Financial Collateral Arrangement for the purposes of the Financial Collateral Arrangements (No 2) Regulations 2003 (S.I. 2003/3226) or equivalent legislation in any applicable jurisdiction bringing into effect Directive 2002/47/EC on financial collateral arrangements.

It is agreed:

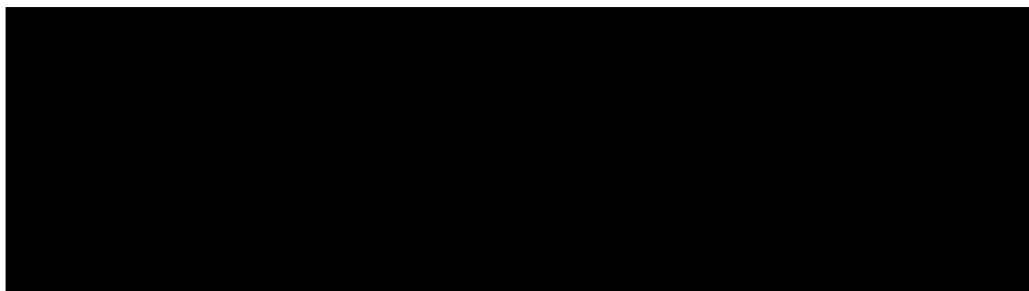
1 Definitions and interpretation

1.1 Definitions

Words and expressions defined in the Facility Agreement shall have the same meanings in this Deed unless they are expressly defined in it and, in addition, in this Deed:

Act means the Law of Property Act 1925.

Account means the account of the Chargor with the Account Bank as set out below





(as that account may from time to time be re-designated or re-numbered).

Default Rate means the rate of interest specified in, and calculated in accordance with, clause 8.3 (*Default Interest*) of the Facility Agreement.

Deposit means all or any of the amounts now or from time to time after the date of this Deed deposited by or on behalf of the Chargor to the credit of the Account, and all other amounts which at any such time may be standing to the credit of the Account, together with any interest accrued or accruing from time to time on any of those amounts and all rights of the Chargor in respect of those amounts or the Account.

Secured Liabilities means the liabilities of the Obligors to the Secured Parties under or pursuant to the Finance Document.

Tax means any stamp, registration or similar tax or duty which becomes payable in connection with the entry into, or the performance or enforcement of, this Deed.

1.2 Construction

1.2.1 The principles of construction set out in clause 1.2 (*Construction*) of the Facility Agreement shall apply to this Deed, insofar as they are relevant to it, and subject to any necessary changes, as they apply to the Facility Agreement.

1.2.2 Unless a contrary intention appears, any reference to:

- (a) this **Deed** is a reference to this Deed as amended, varied, novated, supplemented and replaced from time to time;
- (b) the **Chargor**, the **Security Trustee** or a **Lender** includes any one or more of its assigns, transferees and successors in title (in the case of the Chargor, so far as any such is permitted); and
- (c) the **Security Trustee** includes its duly appointed nominees, attorneys, correspondents, trustees, advisers, agents, delegates and sub-delegates.

1.3 Third party rights

1.3.1 Unless expressly provided to the contrary in this Deed, a person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 (the **Third Parties Act**) to enforce or to enjoy the benefit of any term of this Deed.

1.3.2 The parties to this Deed may rescind, vary, waive, release, assign, novate or otherwise dispose of all or any of their respective rights or obligations under this Deed without the

consent of any person that is not a party (without prejudice to the terms of the other Finance Documents).

- 1.3.3 Any Secured Party or any person described in Clause 12 (*Protection of the Secured Parties*) may, subject to this Clause 1.3 (*Third party rights*) and the Third Parties Act, rely on any Clause of this Deed which expressly confers rights on it.

1.4 Effect as a deed

This Deed shall take effect as a deed even if it is signed under hand on behalf of the Security Trustee.

2 Covenant to pay

The Chargor covenants with the Security Trustee and the other Secured Parties that it will on demand pay and discharge the Secured Liabilities when due.

3 Charge

The Chargor charges the Deposit by way of fixed charge.

4 Nature of Security created

The Security created under this Deed is created:

- (a) as a continuing security to secure the payment and discharge of the Secured Liabilities;
- (b) in favour of the Security Trustee as trustee for the Secured Parties; and
- (c) with full title guarantee.

5 Payment of the Deposit

5.1 Payment of the Deposit

Subject to Clause 5.2 (*Exceptions*), and regardless of the terms on which moneys are credited to the Account, the Deposit will not be or accrue due or payable to the Chargor until the Secured Liabilities have been paid and discharged in full and, until that time, the Chargor shall not request, demand or claim to be entitled to withdraw the Deposit except (without prejudice to the Secured Parties rights under this Deed) as the Security Trustee may in its absolute discretion from time to time permit.

5.2 Exceptions

Clause 5.1 (*Payment of the Deposit*) shall not apply to the extent it would prejudice any Secured Party's rights under the Finance Documents to any amount standing to the credit of the Account, including:

- (a) any right of a Secured Party under the Finance Documents to make a withdrawal from the Account; and
- (b) any right to set-off an amount under Clause 6 (*Set-off*).

6 Set-off

6.1 Right to set-off

The Security Trustee may at any time once the Security created under this Deed has become enforceable and from time to time thereafter without notice to the Chargor set-off all or any part of the Deposit against all or any of the Secured Liabilities by applying the Deposit in or towards payment of all or any of the Secured Liabilities.

6.2 Trust

Following any exercise of its right of set-off under Clause 6.1 (*Right to set-off*), the Security Trustee shall hold an amount equal to the amount of the Secured Liabilities which are discharged by that set-off on trust for the Secured Parties for application in or towards satisfaction of the Secured Liabilities.

7 Terms of the Deposit

7.1 Interest on the Deposit

- 7.1.1 Interest accruing on the Deposit shall be paid into the Account at the rate agreed from time to time between the Account Bank and the Chargor.

7.2 Security margin

The Chargor shall ensure that if at any time the value of the Deposit is less than the minimum amount required to be standing to the credit of the Account in accordance with clause 19.1 of the Facility Agreement (the amount by which it is less being the **Shortfall**) the Chargor shall immediately either:

- (a) increase the amount of the Deposit; or
- (b) pay to the Lender all or a part of the Secured Liabilities,

in either case so as to eliminate the Shortfall.

7.3 Time deposits

Subject to the terms of this Deed, if at any time the Deposit is placed on deposit for any fixed or minimum period, on its maturity it will be successively re-deposited for the period and on the other terms agreed in writing between the Lender and the Chargor (or, failing agreement, for the period and on the other terms as the Lender may determine) and will continue to be held by the Lender on and subject to the terms of this Deed.

7.4 Payment of cheques

In determining whether to make payment under any cheques or other orders drawn by the Chargor on the Lender, the Lender may disregard the Deposit.

8 Representations and warranties by the Chargor

- 8.1 In entering into this Deed the Security Trustee has relied on the representations of the Chargor made pursuant to clause 5 of the Guarantee (*Representations and warranties*), as if references to "this Guarantee" were references to this Deed, and the Chargor warrants to the Security Trustee and the other Secured Parties that:

- (a) it is the sole beneficial owner of the Deposit; and

- (b) it is not deemed to be unable to pay its debts for the purpose of section 123 of the Insolvency Act 1986 (but ignoring any requirement that any matter referred to in that section be proved to the satisfaction of the court), nor will it become so in consequence of entering into the Finance Documents.

8.2 Repetition

The representations and warranties set out in this Clause 8 shall survive the execution of this Deed and are deemed to be repeated by reference to the facts and circumstances then existing on the date on which the Repeating Representations are deemed to be repeated.

9 Positive covenants

The covenants in this Clause 9 remain in force from the date of this Deed until the expiry of the Security Period.

9.1 Third party claims

The Chargor shall promptly inform the Security Trustee of any claim or notice relating to the Account or the Deposit which it receives from any third party.

9.2 Payments without deduction

The Chargor covenants with the Security Trustee that all payments to be made by it under this Deed shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

9.3 Minimum balance

Notwithstanding any payment provisions in the Finance Documents to the contrary, the Chargor covenants that the Account shall have a minimum credit of one (1) US Dollar.

10 Negative covenants

The covenants in this Clause 10 shall remain in force from the date of this Deed until the expiry of the Security Period.

10.1 Disposals

The Chargor shall not enter into a single transaction or a series of transactions (whether related or not), whether voluntary or involuntary and whether at the same time or over a period of time, to withdraw, assign or otherwise dispose of the Deposit, nor enter into an agreement to make any such disposal.

10.2 Negative pledge

Save for the Security created by this Deed, the Chargor shall not create or permit to subsist any Security over the Account or the Deposit.

10.3 Preservation of the Deposit

The Chargor shall not take any Security in connection with its liability under this Deed from any guarantor of, or provider of Security for, any of the Secured Liabilities.

11 Enforcement

11.1 When charge becomes enforceable

The charge created by this Deed shall become enforceable on:

- (a) the occurrence of an Event of Default which is continuing; or
- (b) if the Chargor so requests.

11.2 Powers on enforcement

At any time after the charge created by this Deed has become enforceable the Security Trustee may (without prejudice to any other of its rights and remedies and without notice to the Chargor) do all or any of the following:

- (a) apply the Deposit (whether on or before the expiry of any fixed or minimum period for which it has been placed with the Lender) in or towards satisfaction of the Secured Liabilities and, if at the time the Security Trustee is not the Account Bank, first withdraw the Deposit;
- (b) exercise all the powers and rights which may be exercisable by the beneficial owner of the Deposit and all other powers conferred on mortgagees by the Act, as varied and extended by this Deed, without the restrictions contained in sections 103 or 109(1) of the Act.

11.3 Application of moneys

11.3.1 The Security Trustee shall apply moneys received or recovered by it pursuant to this Deed in accordance with the Facility Agreement.

11.3.2 Clause 11.3.1 will override any appropriation made by the Chargor.

12 Protection of the Secured Parties

12.1 Exclusion of liability

None of the Security Trustee, the other Secured Parties or any of their respective officers or employees shall have any responsibility or liability:

- (a) for any action taken in relation to the Deposit, including the selection of periods for any time deposit or the termination of any such period before its due date of maturity;
- (b) for any failure to take any action in relation to the Deposit;
- (c) to account as mortgagee in possession or for any loss upon realisation of the Deposit;
- (d) to account as mortgagee in possession or for any loss upon realisation of any Security Interest granted from time to time in respect of the Secured Liabilities;
- (e) for any loss resulting from any fluctuation in exchange rates in connection with any purchase of currencies under Clause 17 (*Currency*); or
- (f) for any other default or omission in relation to the Account or the Deposit for which a mortgagee in possession might be liable,

except in the case of gross negligence or wilful misconduct on the part of that person.

12.2 General indemnity

12.2.1 The Chargor shall indemnify the Security Trustee, the other Secured Parties and their respective officers and employees against all actions, proceedings, demands claims, costs, expenses and other liabilities incurred by them in respect of all or any of the following:

- (a) any act or omission by any of them in relation to the Deposit;
- (b) any payment relating to the Deposit which is made at any time by any of them;
- (c) any stamp duty, registration or similar Tax or assessed or to be assessed to be payable by the Chargor of any nature, type, amount or origin whatsoever;
- (d) carrying out or purporting to carry out any of the rights, powers and discretions conferred on them by or permitted under this Deed; and
- (e) any breach by the Chargor of any of its covenants or other obligations to the Security Trustee or any other Secured Party,

except in the case of gross negligence or wilful misconduct on the part of that person.

12.2.2 The Chargor shall pay interest at the Default Rate on the sums payable under this Clause 12.2 (*General indemnity*) from the date on which the liability was incurred to the date of actual payment (both before and after judgment).

12.3 Indemnity out of the Deposit

The Security Trustee, the other Secured Parties and their respective officers and employees shall be entitled to be indemnified out of the Deposit in respect of the actions, proceedings, demands, claims, costs, expenses and liabilities referred to in Clause 12.2 (*General indemnity*).

13 Preservation of Security

13.1 Reinstatement

If any payment by the Chargor or discharge given by the Secured Parties (whether in respect of the obligations of any Obligor or any other Obligor or any Security for those obligations or otherwise) is avoided or reduced as a result of insolvency, liquidation, administration or any similar event:

- (a) the liability of the Chargor and the Security created by this Deed shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) the Secured Parties shall be entitled to recover the value or amount of that Security or payment from the Chargor, as if the payment, discharge, avoidance or reduction had not occurred.

13.2 Waiver of defences

Neither the Security created by this Deed nor the obligations of the Chargor under this Deed will be affected by an act, omission, matter or thing which, but for this Clause 13.2, would reduce, release or prejudice that Security Interest or any of those obligations (whether or not known to it, the Security Trustee or any other Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, the Chargor or any other Obligor or other person;

- (b) the release of the Chargor or any other Obligor or any other person under the terms of any composition or arrangement with any person;
- (c) the taking, variation, compromise, exchange, renewal, enforcement or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, the Chargor or any other Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security Interest;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargor or any other Obligor or any other person;
- (e) any amendment (however fundamental), replacement, variation, novation, assignment or the avoidance or termination of a Finance Document or any other document or Security;
- (f) any unenforceability, illegality or invalidity of any obligation of, or any Security created by, any person under any Finance Document or any other document; or
- (g) any insolvency, liquidation, administration or similar procedure.

13.3 Immediate recourse

The Chargor waives any right it may have of first requiring the Security Trustee (or any trustee or agent on its behalf) to proceed against or enforce any other rights or Security or claim payment from any person before claiming from the Chargor under this Deed. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

13.4 Appropriations

During the Security Period the Security Trustee may:

- (a) refrain from applying or enforcing any moneys, Security or rights held or received by it (or any trustee or agent on its behalf) in respect of the Secured Liabilities or, subject to Clause 11.3.1 (*Application of moneys*), apply and enforce the same in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and the Chargor shall not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from the Chargor or on account of any of the Secured Liabilities.

13.5 Deferral of Chargor's rights

During the Security Period or unless the Security Trustee otherwise directs, the Chargor shall not exercise any rights which it may have by reason of performance by it of its obligations under this Deed or the enforcement of the Security created by this Deed:

- (a) to receive or claim payment from, or be indemnified by any Obligor;
- (b) to claim any contribution from any guarantor of, or provider of a Security in respect of, any Obligor's obligations under the Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Security Trustee under any Finance Document or of any guarantee or Security taken pursuant to, or in connection with, the Finance Documents by the Security Trustee;
- (d) to exercise any right of set-off against any Obligor; and/or

- (e) to claim or prove as a creditor of any Obligor in competition with the Security Trustee.

13.6 Additional Security

This Deed is in addition to, is not in any way prejudiced by and shall not merge with any contractual right or remedy or other Security now or in the future held by or available to the Security Trustee.

13.7 New accounts

If the Security Trustee receives notice (actual or otherwise) of any subsequent Security over or affecting the Account or the Deposit it may open a new account or accounts in the name of the Chargor and, if it does not do so, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that subsequent Security, and as from that time all payments made by the Chargor to the Security Trustee:

- (a) shall be credited or be treated as having been credited to the new account; and
- (b) shall not operate to reduce the Secured Liabilities at the time when the Security Trustee received or was deemed to have received such notice.

14 Tacking

For the purposes of section 94(1) of the Act, the Security Trustee confirms on behalf of the Lenders that the Lenders shall make further advances to the Borrower on the terms and subject to the conditions of the Finance Documents.

15 Further assurance

15.1 Registration at Companies House

The Chargor consents to the registration of this Deed at Companies House pursuant to Part 25 of the Companies Act 2006.

15.2 Further action

The Chargor shall, at its own expense, promptly take any action and sign or execute any further documents which the Security Trustee may require in order to:

- (a) give effect to the requirements of this Deed;
- (b) protect, preserve and perfect the rights of the Secured Parties and the Security intended to be created by or pursuant to this Deed;
- (c) protect and preserve the ranking of the Security intended to be created by or pursuant to this Deed with any other Security over the Account or the Deposit; or
- (d) facilitate the realisation of the Deposit or the exercise of any rights, powers and discretions conferred on the Security Trustee in connection with the Account or the Deposit,

and any such document may disapply section 93 of the Act.

16 Power of attorney

The Chargor irrevocably and by way of security appoints each of:

- (a) the Security Trustee; and
- (b) any delegate or sub-delegate of, or other person nominated in writing by, an officer of the Security Trustee,

jointly and severally as the Chargor's attorney, in the Chargor's name, on its behalf and in such manner as the attorney may in its or his absolute discretion think fit following the occurrence of an Event of Default which is continuing, to take any action and sign or execute any further documents which the Chargor is required to take, sign or execute in accordance with this Deed. The Chargor agrees, promptly on the request of the Security Trustee, to ratify and confirm all such actions taken and documents signed or executed.

17 Currency

17.1 The Spot Rate

In this Clause 16, the **Spot Rate** means, in relation to the Security Trustee, the spot rate of exchange of the Security Trustee for the purchase of any currency with any other currency in the London foreign exchange market.

17.2 Conversion of moneys received

The Security Trustee may convert the Deposit (including the proceeds of any previous conversion under this Clause 17) from its existing currency into any other currency, by purchasing that other currency at the Spot Rate.

17.3 Hedging

If the Chargor fails to pay any sum under this Deed on the due date, the Security Trustee may, without notice to the Chargor, purchase at the Spot Rate any currency which the Security Trustee considers necessary or desirable to cover the liabilities of the Chargor to pay that sum.

18 Discharge of Security

Upon the irrevocable and unconditional payment and discharge in full of the Secured Liabilities the Security Trustee shall, or shall procure that its appointees will, at the request and cost of the Chargor, promptly release the Deposit from the charge contained in this Deed. Section 93 of the Act shall not apply to this Deed.

19 Costs and expenses

The Chargor shall, within three Business Days of demand, pay to the Security Trustee the amount of all costs and expenses (including legal fees) incurred by the Security Trustee in connection with the enforcement of, or the preservation of any rights under, this Deed or the investigation of any possible Default.

20 Assignment

The Security Trustee may, assign any of its rights under this Deed to any person to whom it assigns or transfers any of its rights or obligations under and in accordance with the terms of the Facility Agreement.

21 Incorporation of Guarantee provisions

21.1 Incorporation of specific provisions

The following provisions of the Guarantee apply to this Deed as if they were expressly incorporated in this Deed with any necessary modifications:

- clause 9.3 (Payments without deduction);
- clause 13 (Set-off);
- clause 14 (Notices);
- clause 16 (Partial invalidity);
- clause 17 (Remedies and waivers);
- clause 18 (Amendments and waivers); and
- clause 19 (Counterparts).

21.2 Incorporation of general provisions

Clause 21.1 is without prejudice to the application to this Deed of any provision of the Facility Agreement which, by its terms, applies or relates to the Finance Documents generally.

22 Calculations and certificates

22.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with this Deed, the entries made in the accounts maintained by the Secured Parties are *prima facie* evidence of the matters to which they relate in the absence of manifest error.

22.2 Certificates and determinations

Any certification or determination by the Security Trustee of a rate or amount under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

23 Governing law and enforcement

23.1 Governing law

This Deed, its interpretation and any non-contractual obligations arising from or connected with it, shall be governed and construed in accordance with English law.

23.2 Jurisdiction

- 23.2.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed) (a **Dispute**).
- 23.2.2 The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.
- 23.2.3 This Clause 23.2 is for the benefit of the Finance Parties and the Secured Parties only. As a result, no Finance Party or Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance

Parties or the Secured Parties may take concurrent proceedings in any number of jurisdictions.

Executed as a deed and delivered on the date appearing at the beginning of this Deed.

Guarantor Collateral Account Charge - Execution Page

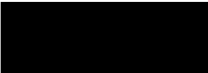
Chargor

Executed as a deed by
London & Regional Group Holdings Limited
acting by
one Director

)
)
)
)



Richard Luck

in the presence of:  Director

BETTY - ANN JOHN

Security Trustee

Executed as a deed by)
as attorney for and on behalf of)
Citibank N.A., London Branch in the)
presence of:)

Signature of witness:

Name of witness:

Address:

Guarantor Collateral Account Charge

Dated 14 September **2016**

London & Regional Group Holdings Limited
(as Chargor)

Citibank, N.A., London Branch
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Guarantor Collateral Account Charge

Dated 14 September **2016**

Between

- (1) **London & Regional Group Holdings Limited**, a company incorporated in England, with registered number 4525849, whose registered office is at Quadrant House, Floor 6, 4 Thomas More Square, London E1W 1YW (the **Chargor**); and
- (2) **Citibank, N.A., London Branch**, a national bank organised under the United States Federal law, acting through its branch at Citigroup Centre, 25 Canada Square, Canary Wharf, London E14 5LB as security trustee for the Finance Parties (the **Security Trustee**, which expression includes its successors and assigns).

Recitals

- A** By a facility agreement dated 1 June 2015 between the Borrower, the Lenders, the Agent and the Security Trustee, as amended by a Loan Facility Amendment and Confirmation Agreement dated on or about the date of this Deed, the Lenders agreed to make certain facilities available to the Borrower for the purpose of re-financing the prior indebtedness secured against the Aircraft (the **Facility Agreement**).
- B** By a guarantee dated 1 June 2015, the Chargor, as guarantor, agreed to guarantee in favour of the Finance Parties the Guaranteed Liabilities (as defined therein) (the **Guarantee**).
- C** The Chargor has agreed to provide certain cash collateral as security on the terms of this Deed.
- D** This Deed constitutes a Security Financial Collateral Arrangement for the purposes of the Financial Collateral Arrangements (No 2) Regulations 2003 (S.I. 2003/3228) or equivalent legislation in any applicable jurisdiction bringing into effect Directive 2002/47/EC on financial collateral arrangements.

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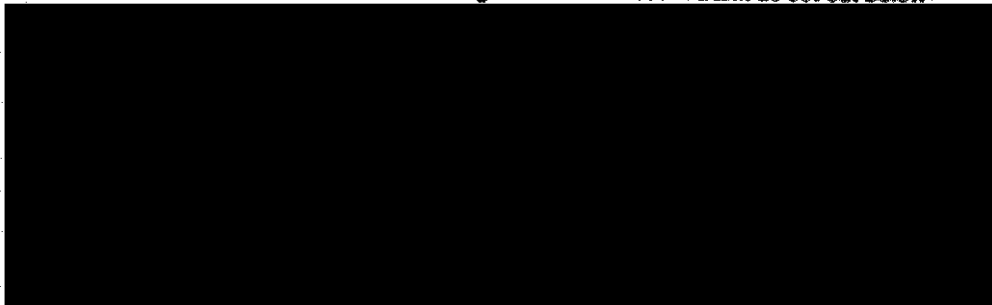
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1.1 Definitions

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Account means the account of the Chargor with the Account Bank as set out below



(as that account may from time to time be re-designated or re-numbered).

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Deposit means all or any of the amounts now or from time to time after the date of this Deed deposited by or on behalf of the Chargor to the credit of the Account, and all other amounts which at any such time may be standing to the credit of the Account, together with any interest accrued or accruing from time to time on any of those amounts and all rights of the Chargor in respect of those amounts or the Account.

Secured Liabilities means the liabilities of the Obligors to the Secured Parties under or pursuant to the Finance Document.

Tax means any stamp, registration or similar tax or duty which becomes payable in connection with the entry into, or the performance or enforcement of, this Deed.

1.2 Construction

1.2.1 The principles of construction set out in clause 1.2 (*Construction*) of the Facility Agreement shall apply to this Deed, insofar as they are relevant to it, and subject to any necessary changes, as they apply to the Facility Agreement.

1.2.2 Unless a contrary intention appears, any reference to:

- (a) this Deed is a reference to this Deed as amended, varied, novated, supplemented and replaced from time to time;
- (b) the Chargor, the Security Trustee or a Lender includes any one or more of its assigns, transferees and successors in title (in the case of the Chargor, so far as any such is permitted); and
- (c) the Security Trustee includes its duly appointed nominees, attorneys, correspondents, trustees, advisers, agents, delegates and sub-delegates.

1.3 Third party rights

1.3.1 Unless expressly provided to the contrary in this Deed, a person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 (the Third Parties Act) to enforce or to enjoy the benefit of any term of this Deed.

1.3.2 The parties to this Deed may rescind, vary, waive, release, assign, novate or otherwise dispose of all or any of their respective rights or obligations under this Deed without the

consent of any person that is not a party (without prejudice to the terms of the other Finance Documents).

- 1.3.3 Any Secured Party or any person described in Clause 12 (*Protection of the Secured Parties*) may, subject to this Clause 1.3 (*Third party rights*) and the Third Parties Act, rely on any Clause of this Deed which expressly confers rights on it.

1.4 Effect as a deed

This Deed shall take effect as a deed even if it is signed under hand on behalf of the Security Trustee.

2 Covenant to pay

The Chargor covenants with the Security Trustee and the other Secured Parties that it will on demand pay and discharge the Secured Liabilities when due.

3 Charge

The Chargor charges the Deposit by way of fixed charge.

4 Nature of Security created

The Security created under this Deed is created:

- (a) as a continuing security to secure the payment and discharge of the Secured Liabilities;
- (b) in favour of the Security Trustee as trustee for the Secured Parties; and
- (c) with full title guarantee.

5 Payment of the Deposit

5.1 Payment of the Deposit

Subject to Clause 5.2 (*Exceptions*), and regardless of the terms on which moneys are credited to the Account, the Deposit will not be or accrue due or payable to the Chargor until the Secured Liabilities have been paid and discharged in full and, until that time, the Chargor shall not request, demand or claim to be entitled to withdraw the Deposit except (without prejudice to the Secured Parties rights under this Deed) as the Security Trustee may in its absolute discretion from time to time permit.

5.2 Exceptions

Clause 5.1 (*Payment of the Deposit*) shall not apply to the extent it would prejudice any Secured Party's rights under the Finance Documents to any amount standing to the credit of the Account, including:

- (a) any right of a Secured Party under the Finance Documents to make a withdrawal from the Account; and
- (b) any right to set-off an amount under Clause 6 (*Set-off*).

6 Set-off

6.1 Right to set-off

The Security Trustee may at any time once the Security created under this Deed has become enforceable and from time to time thereafter without notice to the Chargor set-off all or any part of the Deposit against all or any of the Secured Liabilities by applying the Deposit in or towards payment of all or any of the Secured Liabilities.

6.2 Trust

Following any exercise of its right of set-off under Clause 6.1 (*Right to set-off*), the Security Trustee shall hold an amount equal to the amount of the Secured Liabilities which are discharged by that set-off on trust for the Secured Parties for application in or towards satisfaction of the Secured Liabilities.

7 Terms of the Deposit

7.1 Interest on the Deposit

7.1.1 Interest accruing on the Deposit shall be paid into the Account at the rate agreed from time to time between the Account Bank and the Chargor.

7.2 Security margin

The Chargor shall ensure that if at any time the value of the Deposit is less than the minimum amount required to be standing to the credit of the Account in accordance with clause 19.1 of the Facility Agreement (the amount by which it is less being the **Shortfall**) the Chargor shall immediately either:

- (a) increase the amount of the Deposit; or
- (b) pay to the Lender all or a part of the Secured Liabilities,

in either case so as to eliminate the Shortfall.

7.3 Time deposits

Subject to the terms of this Deed, if at any time the Deposit is placed on deposit for any fixed or minimum period, on its maturity it will be successively re-deposited for the period and on the other terms agreed in writing between the Lender and the Chargor (or, failing agreement, for the period and on the other terms as the Lender may determine) and will continue to be held by the Lender on and subject to the terms of this Deed.

7.4 Payment of cheques

In determining whether to make payment under any cheques or other orders drawn by the Chargor on the Lender, the Lender may disregard the Deposit.

8 Representations and warranties by the Chargor

8.1 In entering into this Deed the Security Trustee has relied on the representations of the Chargor made pursuant to clause 5 of the Guarantee (*Representations and warranties*), as if references to "this Guarantee" were references to this Deed, and the Chargor warrants to the Security Trustee and the other Secured Parties that:

- (a) it is the sole beneficial owner of the Deposit; and

- (b) it is not deemed to be unable to pay its debts for the purpose of section 123 of the Insolvency Act 1986 (but ignoring any requirement that any matter referred to in that section be proved to the satisfaction of the court), nor will it become so in consequence of entering into the Finance Documents.

8.2 Repetition

The representations and warranties set out in this Clause 8 shall survive the execution of this Deed and are deemed to be repeated by reference to the facts and circumstances then existing on the date on which the Repeating Representations are deemed to be repeated.

9 Positive covenants

The covenants in this Clause 9 remain in force from the date of this Deed until the expiry of the Security Period.

9.1 Third party claims

The Chargor shall promptly inform the Security Trustee of any claim or notice relating to the Account or the Deposit which it receives from any third party.

9.2 Payments without deduction

The Chargor covenants with the Security Trustee that all payments to be made by it under this Deed shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

9.3 Minimum balance

Notwithstanding any payment provisions in the Finance Documents to the contrary, the Chargor covenants that the Account shall have a minimum credit of one (1) US Dollar.

10 Negative covenants

The covenants in this Clause 10 shall remain in force from the date of this Deed until the expiry of the Security Period.

10.1 Disposals

The Chargor shall not enter into a single transaction or a series of transactions (whether related or not), whether voluntary or involuntary and whether at the same time or over a period of time, to withdraw, assign or otherwise dispose of the Deposit, nor enter into an agreement to make any such disposal.

10.2 Negative pledge

Save for the Security created by this Deed, the Chargor shall not create or permit to subsist any Security over the Account or the Deposit.

10.3 Preservation of the Deposit

The Chargor shall not take any Security in connection with its liability under this Deed from any guarantor of, or provider of Security for, any of the Secured Liabilities.

11 Enforcement

11.1 When charge becomes enforceable

The charge created by this Deed shall become enforceable on:

- (a) the occurrence of an Event of Default which is continuing; or
- (b) if the Chargor so requests.

11.2 Powers on enforcement

At any time after the charge created by this Deed has become enforceable the Security Trustee may (without prejudice to any other of its rights and remedies and without notice to the Chargor) do all or any of the following:

- (a) apply the Deposit (whether on or before the expiry of any fixed or minimum period for which it has been placed with the Lender) in or towards satisfaction of the Secured Liabilities and, if at the time the Security Trustee is not the Account Bank, first withdraw the Deposit;
- (b) exercise all the powers and rights which may be exercisable by the beneficial owner of the Deposit and all other powers conferred on mortgagees by the Act, as varied and extended by this Deed, without the restrictions contained in sections 103 or 109(1) of the Act.

11.3 Application of moneys

11.3.1 The Security Trustee shall apply moneys received or recovered by it pursuant to this Deed in accordance with the Facility Agreement.

11.3.2 Clause 11.3.1 will override any appropriation made by the Chargor.

12 Protection of the Secured Parties

12.1 Exclusion of liability

None of the Security Trustee, the other Secured Parties or any of their respective officers or employees shall have any responsibility or liability:

- (a) for any action taken in relation to the Deposit, including the selection of periods for any time deposit or the termination of any such period before its due date of maturity;
- (b) for any failure to take any action in relation to the Deposit;
- (c) to account as mortgagee in possession or for any loss upon realisation of the Deposit;
- (d) to account as mortgagee in possession or for any loss upon realisation of any Security Interest granted from time to time in respect of the Secured Liabilities;
- (e) for any loss resulting from any fluctuation in exchange rates in connection with any purchase of currencies under Clause 17 (Currency); or
- (f) for any other default or omission in relation to the Account or the Deposit for which a mortgagee in possession might be liable,

except in the case of gross negligence or wilful misconduct on the part of that person.

12.2 General indemnity

12.2.1 The Chargor shall indemnify the Security Trustee, the other Secured Parties and their respective officers and employees against all actions, proceedings, demands claims, costs, expenses and other liabilities incurred by them in respect of all or any of the following:

- (a) any act or omission by any of them in relation to the Deposit;
- (b) any payment relating to the Deposit which is made at any time by any of them;
- (c) any stamp duty, registration or similar Tax or assessed or to be assessed to be payable by the Chargor of any nature, type, amount or origin whatsoever;
- (d) carrying out or purporting to carry out any of the rights, powers and discretions conferred on them by or permitted under this Deed; and
- (e) any breach by the Chargor of any of its covenants or other obligations to the Security Trustee or any other Secured Party,

except in the case of gross negligence or wilful misconduct on the part of that person.

12.2.2 The Chargor shall pay interest at the Default Rate on the sums payable under this Clause 12.2 (*General indemnity*) from the date on which the liability was incurred to the date of actual payment (both before and after judgment).

12.3 Indemnity out of the Deposit

The Security Trustee, the other Secured Parties and their respective officers and employees shall be entitled to be indemnified out of the Deposit in respect of the actions, proceedings, demands, claims, costs, expenses and liabilities referred to in Clause 12.2 (*General indemnity*).

13 Preservation of Security

13.1 Reinstatement

If any payment by the Chargor or discharge given by the Secured Parties (whether in respect of the obligations of any Obligor or any other Obligor or any Security for those obligations or otherwise) is avoided or reduced as a result of insolvency, liquidation, administration or any similar event:

- (a) the liability of the Chargor and the Security created by this Deed shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) the Secured Parties shall be entitled to recover the value or amount of that Security or payment from the Chargor, as if the payment, discharge, avoidance or reduction had not occurred.

13.2 Waiver of defences

Neither the Security created by this Deed nor the obligations of the Chargor under this Deed will be affected by an act, omission, matter or thing which, but for this Clause 13.2, would reduce, release or prejudice that Security interest or any of those obligations (whether or not known to it, the Security Trustee or any other Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, the Chargor or any other Obligor or other person;

- (b) the release of the Chargor or any other Obligor or any other person under the terms of any composition or arrangement with any person;
- (c) the taking, variation, compromise, exchange, renewal, enforcement or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, the Chargor or any other Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security interest;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargor or any other Obligor or any other person;
- (e) any amendment (however fundamental), replacement, variation, novation, assignment or the avoidance or termination of a Finance Document or any other document or Security;
- (f) any unenforceability, illegality or invalidity of any obligation of, or any Security created by, any person under any Finance Document or any other document; or
- (g) any insolvency, liquidation, administration or similar procedure.

13.3 Immediate recourse

The Chargor waives any right it may have of first requiring the Security Trustee (or any trustee or agent on its behalf) to proceed against or enforce any other rights or Security or claim payment from any person before claiming from the Chargor under this Deed. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

13.4 Appropriations

During the Security Period the Security Trustee may:

- (a) refrain from applying or enforcing any moneys, Security or rights held or received by it (or any trustee or agent on its behalf) in respect of the Secured Liabilities or, subject to Clause 11.3.1 (*Application of moneys*), apply and enforce the same in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and the Chargor shall not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from the Chargor or on account of any of the Secured Liabilities.

13.6 Deferral of Chargor's rights

During the Security Period or unless the Security Trustee otherwise directs, the Chargor shall not exercise any rights which it may have by reason of performance by it of its obligations under this Deed or the enforcement of the Security created by this Deed:

- (a) to receive or claim payment from, or be indemnified by any Obligor;
- (b) to claim any contribution from any guarantor of, or provider of a Security in respect of, any Obligor's obligations under the Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Security Trustee under any Finance Document or of any guarantee or Security taken pursuant to, or in connection with, the Finance Documents by the Security Trustee;
- (d) to exercise any right of set-off against any Obligor; and/or

- (e) to claim or prove as a creditor of any Obligor in competition with the Security Trustee.

13.6 Additional Security

This Deed is in addition to, is not in any way prejudiced by and shall not merge with any contractual right or remedy or other Security now or in the future held by or available to the Security Trustee.

13.7 New accounts

If the Security Trustee receives notice (actual or otherwise) of any subsequent Security over or affecting the Account or the Deposit it may open a new account or accounts in the name of the Chargor and, if it does not do so, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that subsequent Security, and as from that time all payments made by the Chargor to the Security Trustee:

- (a) shall be credited or be treated as having been credited to the new account; and
- (b) shall not operate to reduce the Secured Liabilities at the time when the Security Trustee received or was deemed to have received such notice.

14 Tacking

For the purposes of section 94(1) of the Act, the Security Trustee confirms on behalf of the Lenders that the Lenders shall make further advances to the Borrower on the terms and subject to the conditions of the Finance Documents.

15 Further assurance

15.1 Registration at Companies House

The Chargor consents to the registration of this Deed at Companies House pursuant to Part 25 of the Companies Act 2006.

15.2 Further action

The Chargor shall, at its own expense, promptly take any action and sign or execute any further documents which the Security Trustee may require in order to:

- (a) give effect to the requirements of this Deed;
- (b) protect, preserve and perfect the rights of the Secured Parties and the Security intended to be created by or pursuant to this Deed;
- (c) protect and preserve the ranking of the Security intended to be created by or pursuant to this Deed with any other Security over the Account or the Deposit; or
- (d) facilitate the realisation of the Deposit or the exercise of any rights, powers and discretions conferred on the Security Trustee in connection with the Account or the Deposit,

and any such document may disapply section 93 of the Act.

16 Power of attorney

The Chargor irrevocably and by way of security appoints each of:

- (a) the Security Trustee; and
- (b) any delegate or sub-delegate of, or other person nominated in writing by, an officer of the Security Trustee,

jointly and severally as the Chargor's attorney, in the Chargor's name, on its behalf and in such manner as the attorney may in its or his absolute discretion think fit following the occurrence of an Event of Default which is continuing, to take any action and sign or execute any further documents which the Chargor is required to take, sign or execute in accordance with this Deed. The Chargor agrees, promptly on the request of the Security Trustee, to ratify and confirm all such actions taken and documents signed or executed.

17 Currency

17.1 The Spot Rate

In this Clause 16, the Spot Rate means, in relation to the Security Trustee, the spot rate of exchange of the Security Trustee for the purchase of any currency with any other currency in the London foreign exchange market.

17.2 Conversion of moneys received

The Security Trustee may convert the Deposit (including the proceeds of any previous conversion under this Clause 17) from its existing currency into any other currency, by purchasing that other currency at the Spot Rate.

17.3 Hedging

If the Chargor fails to pay any sum under this Deed on the due date, the Security Trustee may, without notice to the Chargor, purchase at the Spot Rate any currency which the Security Trustee considers necessary or desirable to cover the liabilities of the Chargor to pay that sum.

18 Discharge of Security

Upon the irrevocable and unconditional payment and discharge in full of the Secured Liabilities the Security Trustee shall, or shall procure that its appointees will, at the request and cost of the Chargor, promptly release the Deposit from the charge contained in this Deed. Section 93 of the Act shall not apply to this Deed.

19 Costs and expenses

The Chargor shall, within three Business Days of demand, pay to the Security Trustee the amount of all costs and expenses (including legal fees) incurred by the Security Trustee in connection with the enforcement of, or the preservation of any rights under, this Deed or the investigation of any possible Default.

20 Assignment

The Security Trustee may, assign any of its rights under this Deed to any person to whom it assigns or transfers any of its rights or obligations under and in accordance with the terms of the Facility Agreement.

21 Incorporation of Guarantee provisions

21.1 Incorporation of specific provisions

The following provisions of the Guarantee apply to this Deed as if they were expressly incorporated in this Deed with any necessary modifications:

clause 9.3 (Payments without deduction);

clause 13 (Set-off);

clause 14 (Notices);

clause 16 (Partial invalidity);

clause 17 (Remedies and waivers);

clause 18 (Amendments and waivers); and

clause 19 (Counterparts).

21.2 Incorporation of general provisions

Clause 21.1 is without prejudice to the application to this Deed of any provision of the Facility Agreement which, by its terms, applies or relates to the Finance Documents generally.

22 Calculations and certificates

22.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with this Deed, the entries made in the accounts maintained by the Secured Parties are *prima facie* evidence of the matters to which they relate in the absence of manifest error.

22.2 Certificates and determinations

Any certification or determination by the Security Trustee of a rate or amount under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

23 Governing law and enforcement

23.1 Governing law

This Deed, its interpretation and any non-contractual obligations arising from or connected with it, shall be governed and construed in accordance with English law.

23.2 Jurisdiction

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

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

23.2.3 This Clause 23.2 is for the benefit of the Finance Parties and the Secured Parties only. As a result, no Finance Party or Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance

Parties or the Secured Parties may take concurrent proceedings in any number of jurisdictions.

Executed as a deed and delivered on the date appearing at the beginning of this Deed.

Guarantor Collateral Account Charge - Execution Page

Chargor

Executed as a deed by)
London & Regional Group Holdings Limited)
acting by)
one Director)

in the presence of: _____ Director

Security Trustee

Executed as a deed by)
as attorney for and on behalf of)
Citibank N.A., London Branch in the)
presence of:)



Signature of witness: _____
Name of witness: ...TANIA BENJAMIN...
Address: ...25 LONDON SQUARE, LONDON...

Andrea Galbiati