



Registration of a Charge

Company name: **BELSIZE GARAGES PROJECT LIMITED**

Company number: **05505317**



X83MN8PI

Received for Electronic Filing: **18/04/2019**

Details of Charge

Date of creation: **12/04/2019**

Charge code: **0550 5317 0014**

Persons entitled: **COGRESS (UK) BELSIZE LIMITED**

Brief description: **THE FREEHOLD LAND ON THE SOUTH-EAST SIDE OF BELSIZE LANE, LONDON WITH TITLE NUMBER NGL257868. THE FREEHOLD LAND BEING THE SITE OF AN ELECTRICITY SUBSTATION LYING ON THE SOUTH EAST SIDE OF BELSIZE LANE, LONDON WITH TITLE NUMBER NGL413044.**

Contains fixed charge(s).

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

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **INGRAM WINTER GREEN LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 5505317

Charge code: 0550 5317 0014

The Registrar of Companies for England and Wales hereby certifies that a charge dated 12th April 2019 and created by BELSIZE GARAGES PROJECT LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 18th April 2019 .

Given at Companies House, Cardiff on 23rd April 2019

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

Debenture made between:

1. Belsize Garages Project Ltd
2. Cogress (UK) Belsize Limited



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This Deed is made on the

12 April

2019

Between

- (1) **Belsize Garages Project Limited** a private limited company incorporated and registered in England and Wales with company number 05505317 whose registered office is at Suite 2 Fountain House, 1a Elm Park, Stanmore, HA7 4AU (the "**Chargor**"); and
- (2) **Cogress (UK) Belsize Limited** (as chargee and security trustee) a private limited company incorporated and registered in England and Wales with company number 10009947 whose registered office is at 5 Broadbent Close, Highgate, London N6 5JW (the "**Security Trustee**").

Background

- (A) The Buyer and the Security Trustee (amongst others) have entered into the Option Agreement.
- (B) Under this deed, the Chargor provides security to the Security Trustee for the Buyer's obligations to each of the Sellers under the Option Agreement.

It is hereby agreed

1. Definitions and interpretation

1.1 Definitions

The following definitions apply in this deed:

- | | |
|---------------------------|---|
| "Administrator" | means an administrator appointed to manage the affairs, business and property of the Chargor pursuant to clause 11.7. |
| "Book Debts" | means all present and future book and other debts, and monetary claims 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" | means a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business. |
| "Buyer" | means Paul Godfrey of 4 Spencer Close, Radlett, Hertfordshire, WD7 8QZ. |
| "Charged Property" | means any freehold, leasehold or commonhold property the subject of the security constituted by this deed and references to "Charged Property" shall include references to the whole or any part or part of it. |
| "Cogress Israel" | means Cogress (Israel) Belsize Limited a private limited company incorporated in England and Wales with |

company number 10009971 and whose registered office is at 5 Broadbent Close, Highgate, London N6 5JW.

“Delegate”	means any person appointed by the Security Trustee or any Receiver pursuant to clause 16 and any person appointed as attorney of the Security Trustee, Receiver or Delegate.
“Designated Account”	means any account of the Chargor nominated by the Security Trustee as a designated account for the purposes of this deed.
“Environment”	means 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”	means 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.
“Environmental Licence”	any authorisation, permit or licence necessary under Environmental Law in respect of any of the Secured Assets.
“Equipment”	means all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property owned by the Chargor or in which it has an interest, including any part of it and all spare parts, replacements, modifications and additions.
“Event of Default”	means any of the events or circumstances listed in clause 12.2
“Excluded Property”	means each leasehold property held by the Chargor under a lease that either precludes absolutely, or requires consent of a third party to, the creation of Security over the Chargor's leasehold interest in that property.
“Financial Collateral”	has the meaning given to that expression in the Financial Collateral Regulations.
“Financial Collateral Regulations”	means the Financial Collateral Arrangements (No 2) Regulations 2003 (SI 2003/3226).

“Insurance Policy”	means 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 contract or policy of insurance relating to the Charged Properties or the Equipment).
“Investments”	means all certificated shares, stock, debentures, bonds or other securities or investments (whether or not marketable) from time to time legally or beneficially owned by or on behalf of the Chargor.
“LPA 1925”	means the Law of Property Act 1925.
“Option Agreement”	means the option agreement made between (1) Paul Godfrey (2) Cogress (UK) Belsize Limited (3) Cogress (Israel) Belsize Limited (4) Cogress Limited (5) Belsize Ltd and dated on or around the date of this deed.
“Permitted Security”	means the debenture dated on or around the date of this debenture granted by the Chargor to OakNorth Bank plc;
“Receiver”	means a receiver, receiver and manager or administrative receiver appointed by the Security Trustee under clause 14.
“Secured Assets”	means all the assets, property and undertaking of the Chargor which are, or are expressed to be, subject to the Security created by, or pursuant to, this deed (and references to the Secured Assets shall include references to any part of them).
“Secured Liabilities”	means all present and future obligations and liabilities of the Buyer or the Chargor to the Sellers, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, under or in connection with the Option Agreement or this deed (including, without limitation, those arising under clause 28), together with all interest (including, without limitation, default interest) accruing in respect of those obligations or liabilities.
“Security Financial Collateral Arrangement”	has the meaning given to that expression in the Financial Collateral Regulations.
“Security”	means 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”	means the period starting on the date of this deed and ending on the date on which the Security Trustee is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.
“Sellers”	means the Security Trustee and Cogress Israel.
“Senior Discharge Date”	means the date on which the Permitted Security has been discharged in full.
“VAT”	means value added tax or any equivalent tax chargeable in the UK or elsewhere.

1.2 Interpretation

In this deed:

- (a) clause, Schedule and paragraph headings shall not affect the interpretation of this deed;
- (b) 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);
- (c) unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- (d) unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- (e) a reference to a party shall include that party's successors, permitted assigns and permitted transferees and this deed shall be binding on, and enure to the benefit of, the parties to this deed and their respective personal representatives, successors, permitted assigns and permitted transferees;
- (f) a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- (g) a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- (h) a reference to **writing** or **written** includes fax but not email;
- (i) an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- (j) 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;
- (k) unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this deed and a reference to a paragraph is to a paragraph of the relevant Schedule;
- (l) 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;

- (m) a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and **amend** and **amended** shall be construed accordingly);
- (n) a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- (o) a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- (p) a reference to **continuing** in relation to an Event of Default means an Event of Default that has not been waived;
- (q) 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
- (r) 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 Security Trustee 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 Charged Property includes:

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

1.5 **Nature of security over Investments**

A reference in this deed to any share, stock, debenture or other security or investment includes:

- (a) any dividend, interest or other distribution paid or payable in respect of that share, stock, debenture or other security or investment;
- (b) any right, money, shares or property accruing, offered or issued at any time in relation to that share, stock, debenture or other security or investment by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise.

1.6 **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 Option Agreement and of any side letters between any parties in relation to the Option Agreement are incorporated into this deed.

1.7 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).

1.8 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.

2. Covenant to pay

The Chargor shall, on demand, pay to the Security Trustee and discharge the Secured Liabilities when they become due.

3. Grant of security

3.1 Legal mortgage

As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee charges to the Security Trustee, by way of a first legal mortgage, all estates or interests in any freehold, leasehold or commonhold property now owned by it, including the real property (if any) specified in Schedule 1.

3.2 Fixed charges

As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee charges to the Security Trustee by way of a first fixed charge:

- (a) all present and future estates or interests of the Chargor in, or over, any freehold, leasehold or commonhold property (other than any such property effectively mortgaged under clause 3.1);
- (b) the benefit of all other contracts, guarantees, appointments and warranties relating to each Charged Property and other documents to which the Chargor is a party or which are in its favour or of which it has the benefit relating to any letting, development, sale, purchase, use or the operation of any Charged Property or otherwise relating to any Charged Property (including, in each case, but without limitation, the right to demand and receive all monies whatever payable to or for its benefit under or arising from any of them, all remedies provided for in any of them or available at law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests and benefits whatever accruing to or for its benefit arising from any of them);
- (c) all licences, consents and authorisations (statutory or otherwise) held or required in connection with its business or the use of any Secured Asset, and all rights in connection with them;
- (d) all its present and future goodwill;
- (e) all its uncalled capital;
- (f) all of its intellectual property rights;
- (g) all the Equipment;
- (h) all the Book Debts;
- (i) all the Investments;

- (j) all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person, together with all other rights and benefits accruing to or arising in connection with each account (including, but not limited to, entitlements to interest);
- (k) all its rights in respect of each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy, to the extent not effectively assigned under clause 3.3; and
- (l) all its rights in respect of all agreements, instruments and rights relating to the Secured Assets, to the extent not effectively assigned under clause 3.3.

3.3 Assignment

As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee assigns to the Security Trustee absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities:

- (a) all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy; and
- (b) all income received or receivable from the Charged Property;
- (c) the benefit of all other agreements, contracts, deeds, licences, undertakings, guarantees, covenants, warranties, representations, and other documents entered into by, given to or otherwise benefiting the Chargor and relating to the Secured Assets.

3.4 Floating charge

As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee charges to the Security Trustee, by way of first floating charge, all its undertaking, property, assets and rights not otherwise effectively mortgaged, charged or assigned under clause 3.1 to clause 3.3 inclusive.

3.5 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 3.4.

3.6 Leasehold security restrictions

- (a) Subject to clause 3.6(b) to clause 3.6(d), the security created by clause 3.1 to clause 3.2 shall not apply to an Excluded Property until the Chargor obtains any relevant consent, or waiver of any prohibition, to the creation of security over that Excluded Property.
- (b) In relation to each Excluded Property, the Chargor undertakes to:
 - (i) apply for the relevant consent or waiver of prohibition within five Business Days of the date of this deed, and to use its reasonable endeavours to obtain that consent or waiver as soon as possible;
 - (ii) keep the Security Trustee informed of its progress in obtaining that consent or waiver; and
 - (iii) immediately on receipt of the consent or waiver, provide the Security Trustee with a copy of that consent or waiver.
- (c) Immediately on receipt by the Chargor of the relevant consent or waiver, that Excluded Property shall become the subject of a mortgage or charge (as appropriate) pursuant to clause 3.1 to clause 3.2.
- (d) If required by the Security Trustee at any time following receipt of that consent or waiver, the Chargor shall, at its own cost, prepare and execute any further documents

and take any further action the Security Trustee may reasonably require, for perfecting its security over that Excluded Property.

3.7 Automatic crystallisation of floating charge

The floating charge created by clause 3.4 shall automatically and immediately (without notice) convert into a fixed charge over the assets subject to that floating charge if:

- (a) the Chargor:
 - (i) creates, or attempts to create, without the prior written consent of the Security Trustee, 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 Option Agreement); or
 - (ii) 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);
- (b) any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets; or
- (c) a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Chargor.

3.8 Crystallisation of floating charge by notice

The Security Trustee may, in its sole discretion, at any time following an Event of Default that is continuing and 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 Security Trustee in that notice.

3.9 Assets acquired after any floating charge has crystallised

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 Security Trustee confirms otherwise to the Chargor in writing) be charged to the Security Trustee by way of first fixed charge.

4. Liability of the Chargor

4.1 Liability not discharged

The Chargor's liability under this deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

- (a) any security, guarantee, indemnity, remedy or other right held by, or available to, the Security Trustee that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- (b) the Security Trustee renewing, determining, varying or increasing any facility or other transaction 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
- (c) any other act or omission that, but for this clause 4.1, might have discharged, or otherwise prejudiced or affected, the liability of the Chargor.

4.2 Immediate recourse

The Chargor waives any right it may have to require the Security Trustee 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.

5. Representations and warranties

5.1 Times for making representations and warranties

The Chargor makes the representations and warranties set out in this clause 5 to the Security Trustee on the date of this deed.

5.2 Ownership of Secured Assets

The Chargor is the sole legal and beneficial owner of, and has good, valid and marketable title to, the Secured Assets.

5.3 No Security

The Secured Assets are free from any Security other than Permitted Security and the Security created by this deed.

6. General covenants

6.1 Notices to be given by the Chargor

The Chargor shall:

- (a) on the Senior Discharge Date and as so requested by the Security Trustee from time to time:
 - (i) give notice to each insurer under an Insurance Policy in the form set out in Part 1 of Schedule 2; and
 - (ii) procure that each insurer provides to the Security Trustee promptly an acknowledgement of the notice in the form set out in Part 2 of Schedule 2; and
- (b) on the Senior Discharge Date and as so requested by the Security Trustee from time to time:
 - (i) give notice to each bank, financial institution or other person (other than the Security Trustee) with whom the Chargor holds an account (including each Designated Account) in the form set out in Part 1 of Schedule 3; and
 - (ii) procure that each such bank, financial institution or other person provides to the Security Trustee promptly an acknowledgement of the notice in the form of Part 2 of Schedule 3.

7. Property covenants

7.1 Registration of legal mortgage at the Land Registry

The Chargor consents to an application being made by the Security Trustee to the Land Registrar for the following restriction in Form P to be registered against its title to each Charged Property over which the Security Trustee has a legal mortgage:

“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 Cogress (UK) Belsize Limited referred to in the charges register [or [their conveyancer or specify appropriate details]].”

8. Investments covenants

8.1 Deposit of title documents

- (a) The Chargor shall:
 - (i) on the Senior Discharge Date, deposit with the Security Trustee, or as the Security Trustee may direct, 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
 - (ii) on the purchase or acquisition by it of Investments after the Senior Discharge Date, deposit with the Security Trustee, or as the Security Trustee may direct, all stock or share certificates and other documents of title or evidence of ownership relating to those Investments.
- (b) At the same time as depositing documents with the Security Trustee, or as the Security Trustee may direct, in accordance with clause 8.1(a), the Chargor shall also deposit with the Security Trustee, or as the Security Trustee may direct:
 - (i) all stock transfer 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
 - (ii) any other documents (in each case duly completed and executed by or on behalf of the Chargor) that the Security Trustee may request 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 Security Trustee 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.

8.2 Nominations

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

8.3 Pre-emption rights and restrictions on transfer

The Chargor shall:

- (a) obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of an issuer of any Investments, for the transfer of the Investments to the Security Trustee or its nominee, or to a purchaser on enforcement of the security constituted by this deed; and

- (b) 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 document or otherwise of each issuer of the Investments in any manner that the Security Trustee may require in order to permit the transfer of the Investments to the Security Trustee or its nominee, or to a purchaser on enforcement of the security constituted by this deed.

8.4 Dividends and voting rights before enforcement

- (a) 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 Security Trustee or any of its nominees, the Security Trustee 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.
- (b) 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 Security Trustee or any of its nominees, to direct in writing the exercise of those voting and other rights and powers provided that:
 - (i) it shall not do so in any way that would breach any provision of the Option Agreement or this deed or for any purpose inconsistent with the Option Agreement or this deed; and
 - (ii) the exercise of, or the failure to exercise, those voting rights or other rights and powers would not, in the Security Trustee's opinion, have an adverse effect on the value of the Investments or otherwise prejudice the Security Trustee's security under this deed.
- (c) The Chargor shall indemnify the Security Trustee against any loss or liability incurred by the Security Trustee (or its nominee) as a consequence of the Security Trustee (or its nominee) acting in respect of the Investments at the direction of the Chargor.
- (d) The Security Trustee 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 Security Trustee considers prejudicial to, or impairing the value of, the security created by this deed.

8.5 Dividends and voting rights after enforcement

After the security constituted by this deed has become enforceable:

- (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 Security Trustee and immediately paid into a Designated Account or, if received by the Security Trustee, may be applied by the Security Trustee in accordance with clause 17.1; and
- (b) all voting and other rights and powers attaching to the Investments may be exercised by, or at the direction of, the Security Trustee and the Chargor shall, and shall procure that its nominees shall, comply with any directions the Security Trustee may give, in its absolute discretion, concerning the exercise of those rights and powers.

8.6 Calls on Investments

Notwithstanding the security created by this deed, 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 Security Trustee shall not be under any liability in respect of any such calls, instalments or other payments.

8.7 No alteration of constitutional documents or rights attaching to Investments

The Chargor shall not, without the prior written consent of the Security Trustee, amend, or agree to the amendment of:

- (a) the memorandum or articles of association, or any other constitutional documents, of any issuer of the Investments that is not a public company; or
- (b) the rights or liabilities attaching to, or conferred by, all or any of the Investments.

8.8 Preservation of Investments

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 of any of the Investments (that is not a public company) shall not:

- (a) consolidate or subdivide any of the Investments, or re-organise, exchange, repay or reduce its share capital in any way;
- (b) issue any new shares or stock; or
- (c) refuse to register any transfer of any of the Investments that may be lodged with it for registration by, or on behalf of, the Security Trustee or the Chargor in accordance with this deed.

8.9 Investments information

The Chargor shall, promptly following receipt, send to the Security Trustee copies of any notice, circular, report, accounts and any other document received by it that relates to the Investments.

8.10 Compliance with requests for information

The Chargor shall promptly send a copy to the Security Trustee of, and comply with, all requests for information which is within its knowledge and which are made under any law or regulation or any similar provision in any articles of association or other constitutional document, or by any listing or other authority, relating to any of the Investments. If it fails to do so, the Security Trustee may elect to provide such information as it may have on behalf of the Chargor.

9. [Intentionally left blank]

10. [Intentionally left blank]

11. Powers of the Security Trustee

11.1 Power to remedy

- (a) The Security Trustee 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.
- (b) The Chargor irrevocably authorises the Security Trustee and its agents to do all things that are necessary or desirable for that purpose.
- (c) Any monies expended by the Security Trustee in remedying a breach by the Chargor of its obligations contained in this deed shall be reimbursed by the Chargor to the Security Trustee on a full indemnity basis and shall carry interest in accordance with clause 18.1.

11.2 Exercise of rights

- (a) The rights of the Security Trustee under clause 11.1 are without prejudice to any other rights of the Security Trustee under this deed.
- (b) The exercise of any rights of the Security Trustee under this deed shall not make the Security Trustee liable to account as a mortgagee in possession.

11.3 Power to dispose of chattels

- (a) At any time after the security constituted by this deed has become enforceable, the Security Trustee or any Receiver may, as agent for the Chargor, dispose of any chattels or produce found on any Charged Property.
- (b) Without prejudice to any obligation to account for the proceeds of any disposal made under clause 11.3(a), the Chargor shall indemnify the Security Trustee and any Receiver against any liability arising from any disposal made under clause 11.3(a).

11.4 Security Trustee has Receiver's powers

To the extent permitted by law, any right, power or discretion conferred by this deed (either expressly or impliedly) or by law on a Receiver may, after the security constituted by this deed has become enforceable, be exercised by the Security Trustee 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.

11.5 New accounts

- (a) If the Security Trustee receives, or is deemed to have received, notice of any subsequent Security, or other interest, affecting all or part of the Secured Assets, the Security Trustee may open a new account for the Chargor in the Security Trustee's books. Without prejudice to the Security Trustee's right to combine accounts, no money paid to the credit of the Chargor in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.
- (b) If the Security Trustee does not open a new account immediately on receipt of the notice, or deemed notice, under clause 11.5(a), then, unless the Security Trustee gives express written notice to the contrary to the Chargor, all payments made by the Chargor to the Security Trustee shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt or deemed receipt of the relevant notice by the Security Trustee.

11.6 Indulgence

The Security Trustee 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.

11.7 Appointment of an Administrator

- (a) The Security Trustee may, 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.
- (b) Any appointment under this clause 11.7 shall:
 - (i) be in writing signed by a duly authorised signatory of the Security Trustee; and

- (ii) take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.
- (c) The Security Trustee may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this clause 11.7 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

12. When security becomes enforceable

12.1 Security becomes enforceable on Event of Default

The security constituted by this deed shall become immediately enforceable if an Event of Default occurs and is continuing.

12.2 Events of Default

The following events or circumstances shall each constitute an Event of Default:

- (a) the Buyer or the Chargor fails to pay any sum payable by it to the Sellers or the Security Trustee under the Option Agreement or this Debenture and such failure was not as a result of a technical error or payment disruption and such payment is made within three Business Days;
- (b) the Buyer or the Chargor fails (other than by failing to pay), to comply with any provision of the Option Agreement or this Debenture and (if the Security Trustee considers, acting reasonably, that the default is capable of remedy), such default is not remedied within 14 Business Days of the earlier of:
 - (i) the Security Trustee notifying the Buyer or the Chargor (as the case may be) of the default and the remedy required;
 - (ii) the Buyer or the Chargor (as the case may be) becoming aware of the default.
- (c) The Buyer or the Chargor is deemed unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986 or commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of or a composition with its creditors;
- (d) if the Buyer or the Chargor takes any corporate action or other steps are taken or legal proceedings are started by any person for its winding up dissolution or re-organisation (otherwise than for the purposes of an amalgamation or reconstruction while solvent on terms previously approved in writing by the Security Trustee) or for the appointment of a receiver administrator trustee or similar officer of it or of all or a material part of its revenues or assets;
- (e) if the Buyer or the Chargor suspends or threatens to suspend a substantial part of its business operations (otherwise than for the purposes of a reconstruction or amalgamation on terms previously approved in writing by the Security Trustee) or any governmental authority permits or procures or threatens to permit or procure any reorganisation transfer or expropriation (whether with or without compensation) of a substantial part of the business or assets of the Chargor;
- (f) if any guarantee indemnity or other security for any of the Secured Liabilities fails or ceases in any respect to have full force and effect or to be continuing or is terminated or disputed or in the opinion of the Security Trustee is in jeopardy invalid or unenforceable or if the Security Documents or the security created by any of them is disputed or in the opinion of the Security Trustee is in jeopardy; or

- (g) if at any time it is or becomes unlawful for the Buyer or the Chargor to perform or comply with any or all its obligations under this Debenture, the Option Agreement or any other agreement between the Buyer and/or the Chargor and the Security Trustee or any of such obligations of the Buyer or the Chargor are not or cease to be legal valid binding and enforceable.

12.3 Discretion

After the security constituted by this deed has become enforceable, the Security Trustee 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.

13. Enforcement of security

13.1 Enforcement powers

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this deed.
- (b) The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this deed) shall be immediately exercisable at any time after the security constituted by this deed has become enforceable under clause 12.1.
- (c) Section 103 of the LPA 1925 does not apply to the security constituted by this deed.

13.2 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 Security Trustee 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:

- (a) grant a lease or agreement for lease;
- (b) accept surrenders of leases; or
- (c) grant any option in respect 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 Security Trustee or Receiver thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

13.3 Access on enforcement

- (a) At any time after the Security Trustee has demanded payment of the Secured Liabilities or if the Chargor defaults in the performance of its obligations under this deed or the Option Agreement, the Chargor will allow the Security Trustee 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 Security Trustee 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.
- (b) At all times, the Chargor must use its best endeavours to allow the Security Trustee or its Receiver access to any premises for the purpose of clause 13.3(a) (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

13.4 Redemption of prior Security

- (a) At any time after the security constituted by this deed has become enforceable, or after any powers conferred by any Security having priority to this deed shall have become exercisable, the Security Trustee may:
 - (i) redeem any prior Security over any Secured Asset;
 - (ii) procure the transfer of that Security to itself; and
 - (iii) settle and pass the accounts of the holder of any prior Security (and any accounts so settled and passed shall, in the absence of any manifest error, be conclusive and binding on the Chargor).
- (b) The Chargor shall pay to the Security Trustee immediately on demand all principal, interest, costs, charges and expenses of, and incidental to, any such redemption or transfer, and such amounts shall be secured by this deed as part of the Secured Liabilities.

13.5 Protection of third parties

No purchaser, mortgagee or other person dealing with the Security Trustee, any Receiver or any Delegate shall be concerned to enquire:

- (a) whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
- (b) whether any power the Security Trustee, a Receiver or Delegate is purporting to exercise has become exercisable or is being properly exercised; or
- (c) how any money paid to the Security Trustee, any Receiver or any Delegate is to be applied.

13.6 Privileges

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

13.7 No liability as mortgagee in possession

Neither the Security Trustee nor any Receiver or Delegate shall be liable, by reason of entering into possession of a Secured Asset or for any other reason, 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 act, default or omission for which a mortgagee in possession might be liable.

13.8 Conclusive discharge to purchasers

The receipt of the Security Trustee, 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 Security Trustee, and every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it thinks fit.

13.9 Right of appropriation

- (a) To the extent that:
 - (i) the Secured Assets constitute Financial Collateral; and
 - (ii) this deed and the obligations of the Chargor under it constitute a Security Financial Collateral Arrangement,

the Security Trustee 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 Security Trustee may, in its absolute discretion, determine.

- (b) The value of any Secured Assets appropriated in accordance with this clause shall be:
 - (i) in the case of cash, the amount standing to the credit of each of the Chargor's accounts with any bank, financial institution or other person, together with any accrued but unpaid interest, at the time the right of appropriation is exercised; and
 - (ii) in the case of Investments, the market price of those Investments at the time the right of appropriation is exercised determined by the Security Trustee by reference to a recognised market index or by any other method that the Security Trustee may select (including independent valuation).
- (c) The Chargor agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

14. Receiver

14.1 Appointment

At any time after the security constituted by this deed has become enforceable, or at the request of the Chargor, the Security Trustee may, 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.

14.2 Removal

The Security Trustee may, without further notice (subject to section 45 of the Insolvency Act 1986 in the case of an administrative receiver), 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.

14.3 Remuneration

The Security Trustee 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, to the extent not otherwise discharged.

14.4 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 Security Trustee 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.

14.5 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 Security Trustee despite any prior appointment in respect of all or any part of the Secured Assets.

14.6 Agent of the Chargor

Any Receiver appointed by the Security Trustee 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 Security Trustee.

15. Powers of Receiver

15.1 General

- (a) Any Receiver appointed by the Security Trustee under this deed shall, in addition to the powers conferred on it by statute, have the rights, powers and discretions set out in clause 15.2 to clause 15.23.
- (b) A Receiver has all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the LPA 1925, and shall have those rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986 whether it is an administrative receiver or not.
- (c) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing it states otherwise) exercise all of the powers conferred on a Receiver under this deed individually and to the exclusion of any other Receiver.
- (d) Any exercise by a Receiver of any of the powers given by clause 15 may be on behalf of the Chargor, the directors of the Chargor (in the case of the power contained in clause 15.16) or itself.

15.2 Repair and develop Charged Properties

A Receiver may undertake or complete any works of repair, alteration, building or development on the Charged 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.

15.3 Grant or accept surrenders of leases

A Receiver may grant, or accept, surrenders of any leases or tenancies affecting any Secured Asset on any terms, and subject to any conditions, that it thinks fit.

15.4 Employ personnel and advisers

- (a) 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 it thinks fit.
- (b) A Receiver may discharge any such person or any such person appointed by the Chargor.

15.5 Make and revoke VAT options to tax

A Receiver may make, exercise or revoke any VAT option to tax as it thinks fit.

15.6 Remuneration

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

15.7 Possession

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

15.8 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.

15.9 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 it is appointed in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as it 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.

15.10 Sever fixtures and fittings

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

15.11 Sell Book Debts

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

15.12 Valid receipts

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

15.13 Make settlements

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who claims to be a creditor of the Chargor or relating in any way to any Secured Asset.

15.14 Legal action

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

15.15 Improve the Equipment

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

15.16 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.

15.17 Insure

A Receiver may, if it thinks fit, but without prejudice to the indemnity in clause 18, 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.

15.18 Subsidiaries

A Receiver may form a subsidiary of the Chargor and transfer to that subsidiary any Secured Asset

15.19 Borrow

A Receiver may, for whatever purpose it thinks fit, raise and borrow money either unsecured or on the security of all or any of the Secured Assets in respect of which it is appointed on any terms that it thinks fit (including, if the Security Trustee consents, terms under which that security ranks in priority to this deed).

15.20 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.

15.21 Delegation

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

15.22 Absolute beneficial owner

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

15.23 Incidental powers

A Receiver may do any other acts and things that it:

- (a) may consider desirable or necessary for realising any of the Secured Assets;
- (b) 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
- (c) lawfully may or can do as agent for the Chargor.

16. Delegation

16.1 Delegation

The Security Trustee 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 20.1).

16.2 Terms

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

16.3 Liability

Neither the Security Trustee 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.

17. Application of proceeds

17.1 Order of application of proceeds

All monies received or recovered by the Security Trustee, a Receiver or a Delegate under this deed or in connection with the realisation or enforcement of all or part of the security constituted by this deed (other than sums received under any Insurance Policy), 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 (but without prejudice to the Security Trustee's right to recover any shortfall from the Chargor):

- (a) in or towards payment of all costs, liabilities, charges and expenses incurred by or on behalf of the Security Trustee (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 the Secured Liabilities in any order and manner that the Security Trustee determines; and
- (c) in payment of the surplus (if any) to the Chargor or other person entitled to it.

17.2 Appropriation

Neither the Security Trustee, 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.

17.3 Suspense account

All monies received by the Security Trustee, a Receiver or a Delegate under this deed (other than sums received under any Insurance Policy that are not going to be applied in or towards discharge of the Secured Liabilities):

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

18. Costs and indemnity

18.1 Costs

The Chargor shall, promptly on demand, pay to, or reimburse, the Security Trustee 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 Security Trustee, any Receiver or any Delegate save for those arising from their gross negligence or wilful default in connection with:

- (a) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Security Trustee's, a Receiver's or a Delegate's rights under this deed; or
- (b) 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, charge, expense, tax or liability arose until full discharge of that cost, charge, expense, tax or liability (whether before

or after judgment, liquidation, winding-up or administration of the Chargor) at the rate and in the manner specified in the Option Agreement.

18.2 Indemnity

- (a) The Chargor shall indemnify the Security Trustee, 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 (save for those arising from their gross negligence or wilful default) arising out of or in connection with:
 - (i) 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;
 - (ii) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed; or
 - (iii) any default or delay by the Chargor in performing any of its obligations under this deed.
- (b) Any past or present employee or agent may enforce the terms of this clause 18.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

19. Further assurance

19.1 Further assurance

19.2 The Chargor shall promptly, at its own expense, take whatever action the Security Trustee or any Receiver may reasonably require for:

- (a) creating, perfecting or protecting the security created or 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 Security Trustee or any Receiver in respect of any Secured Asset,

19.3 including, without limitation the execution of any mortgage, 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 Security Trustee or to its nominee) and the giving of any notice, order or direction and the making of any filing or registration which, in any such case, the Security Trustee may consider necessary or desirable.

20. Power of attorney

20.1 Appointment of attorneys

By way of security, the Chargor irrevocably appoints the Security Trustee, every Receiver and every Delegate separately to be the attorney of the Chargor and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things that:

- (a) the Chargor is required to execute and do under this deed; or
- (b) following an Event of Default that is continuing 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 Security Trustee, any Receiver or any Delegate.

20.2 Ratification of acts of attorneys

The Chargor ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 20.1.

21. Release

21.1 Subject to clause 28.3, at the end of the Security Period, the Security Trustee 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.

22. Assignment and transfer

22.1 Assignment by Security Trustee

- (a) At any time, without the consent of the Chargor, the Security Trustee may assign or transfer any or all of its rights and obligations under this deed.
- (b) The Security Trustee 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 Security Trustee considers appropriate.

22.2 Assignment by Chargor

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

23. Set-off

23.1 Security Trustee's right of set-off

The Security Trustee may at any time set off any liability of the Chargor to the Security Trustee against any liability of the Security Trustee 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 Security Trustee may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Security Trustee of its rights under this clause 23 shall not limit or affect any other rights or remedies available to it under this deed or otherwise.

23.2 No obligation to set off

The Security Trustee is not obliged to exercise its rights under clause 23.1. If, however, it does exercise those rights it must promptly notify the Chargor of the set-off that has been made.

23.3 Exclusion of Chargor's right of set-off

All payments made by the Chargor to the Security Trustee under this deed shall be made in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

24. Amendments, waivers and consents

24.1 Amendments

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).

24.2 Waivers and consents

- (a) 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.
- (b) 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 Security Trustee shall be effective unless it is in writing.

24.3 Rights and remedies

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.

25. Severance

25.1 Severance

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.

26. Counterparts

26.1 Counterparts

- (a) 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.
- (b) Transmission of an executed counterpart of this deed (but for the avoidance of doubt not just a signature page) by fax or email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this deed. If either method of delivery is adopted, without prejudice to the validity of the deed thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.
- (c) No counterpart shall be effective until each party has executed and delivered at least one counterpart.

27. Third party rights

27.1 Third party rights

Except as expressly provided in clause 18.2, 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.

28. Further provisions

28.1 Independent security

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

28.2 Continuing security

The security constituted by 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 Security Trustee discharges this deed in writing.

28.3 Discharge conditional

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

- (a) the Security Trustee or its nominee may retain this deed and the security created by or under it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Security Trustee deems necessary to provide the Security Trustee with security against any such avoidance, reduction or order for refund; and
- (b) the Security Trustee 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.

28.4 Certificates

A certificate or determination by the Security Trustee as to any amount for the time being due to it from the Chargor shall be, in the absence of any manifest error, conclusive evidence of the amount due.

28.5 Consolidation

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

28.6 Small company moratorium

Notwithstanding anything to the contrary in this deed, neither the obtaining of a moratorium by the Chargor under schedule A1 to the Insolvency Act 1986 nor the doing of anything by the Chargor with a view to obtaining such a moratorium (including any preliminary decision or investigation) shall be, or be construed as:

- (a) an event under this deed which causes any floating charge created by this deed to crystallise;
- (b) an event under this deed which causes any restriction which would not otherwise apply to be imposed on the disposal of any property by the Chargor; or
- (c) a ground under this deed for the appointment of a Receiver.

29. Notices

29.1 Delivery

Any notice or other communication 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:
Hillview House, 1 Hallswelle Parade, London NW11 0DL
Attention: Paul Godfrey
 - (ii) the Security Trustee at:
Suite 210, 50 Eastcastle Street, London W1W 8EA
Fax: 020 7100 9743
Attention: Tal Orly

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

29.2 Receipt by Chargor

Any notice or other communication that the Security Trustee 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.

A notice or other communication given as described in clause 29.2(a) or clause 29.2(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.

29.3 Receipt by Security Trustee

Any notice or other communication given to the Security Trustee shall be deemed to have been received only on actual receipt.

29.4 Service of proceedings

This clause 29 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.

29.5 No notice by email

A notice or other communication given under or in connection with this deed is not valid if sent by email.

30. Governing law and jurisdiction

30.1 Governing law

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

30.2 Jurisdiction

Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this deed or its subject matter or formation. Nothing in this clause shall limit the right of the Security Trustee to take proceedings against the Chargor in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

30.3 Other service

The Chargor irrevocably consents to any process in any legal action or proceedings under clause 30.2 being served on it in accordance with the provisions of this deed relating to service of notices. Nothing contained in this deed shall affect the right to serve process in any other manner permitted by law.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Schedule 1
Real Property

Part 1
Registered Property

Address	Title Number
Freehold land on the south-east side of Belsize Lane, London	NGL257868
Freehold land being the site of an electricity substation lying on the south east side of Belsize Lane, London	NGL413044

Schedule 2
Notice and acknowledgement - Insurance Policy

Part 1
Form of notice

[On headed notepaper of the Chargor]

[NAME OF INSURER]

[ADDRESS LINE 1]

[ADDRESS LINE 2]

[POSTCODE]

[DATE]

Dear [NAME OF INSURER],

Debenture dated [DATE] between [CHARGOR] and [SECURITY TRUSTEE] (Security Trustee) (Debenture)

We refer to the [DESCRIBE INSURANCE POLICY AND SPECIFY ITS POLICY NUMBER] (Policy).

This letter constitutes notice to you that under the Debenture [(a copy of which is attached)] we have [charged by way of first fixed charge to the Security Trustee **OR** assigned to the Security Trustee, absolutely, subject to a proviso for reassignment], all our rights in the Policy, including all claims, the proceeds of all claims and all returns of premium in connection with the Policy.

We irrevocably instruct and authorise you to:

- [Note the Security Trustee's interest on the Policy as [DESCRIBE NOTATION REQUIRED BY SECURITY TRUSTEE TO BE ENDORSED ON POLICY, FOR EXAMPLE, "FIRST MORTGAGEE"] **OR** Name the Security Trustee as composite insured in respect of its own separate insurable interest under the Policy] (except in relation to public liability and third party liability insurance).
- Name the Security Trustee as first loss payee (other than in respect of any claim under any public liability and third party liability insurances).
- Comply with the terms of any written instructions received by you from the Security Trustee relating to the Policy, without notice or reference to, or further authority from, us and without enquiring as to the justification or the validity of those instructions.
- Hold all sums from time to time due and payable by you to us under the Policy to the order of the Security Trustee.
- Pay, or release, all monies to which we are entitled under the Policy to the Security Trustee, or to such persons as the Security Trustee may direct.
- Disclose information in relation to the Policy to the Security Trustee on request by the Security Trustee.

Neither the Debenture nor this notice releases, discharges or otherwise affects your liability and obligations in respect of the Policy.

Subject to the foregoing, you may continue to deal with us in relation to the Policy until you receive written notice to the contrary from the Security Trustee. Thereafter, we will cease to have any right to deal with you in relation to the Policy and you must deal only with the Security Trustee.

The instructions in this notice may only be revoked or amended with the prior written consent of the Security Trustee.

Please confirm that you agree to the terms of this notice and to act in accordance with its provisions by sending the attached acknowledgement to the Security Trustee at [ADDRESS OF SECURITY TRUSTEE], with a copy to us.

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

Yours sincerely,

.....

[NAME OF CHARGOR]

Part 2 Form of acknowledgement

[On headed notepaper of the insurer]

[NAME OF SECURITY TRUSTEE]

[ADDRESS LINE 1]

[ADDRESS LINE 2]

[POSTCODE]

[DATE]

Dear [NAME OF SECURITY TRUSTEE],

Debenture dated [DATE] between [CHARGOR] (Chargor) and [SECURITY TRUSTEE] (Security Trustee) (Debenture)

We confirm receipt from the Chargor of a notice (Notice) dated [DATE] of [a first fixed charge in favour of the Security Trustee **OR** an assignment to the Security Trustee, subject to a proviso for reassignment] of all the Chargor's rights in [DESCRIBE INSURANCE POLICY AND ITS NUMBER] (Policy), including all claims, the proceeds of all claims and all returns of premiums in connection with the Policy.

[Terms defined in the Notice shall have the same meaning when used in this acknowledgement.]

We confirm that:

- ♦ We accept the instructions and authorisations contained in the Notice and agree to comply with the Notice.

- We have [noted the Security Trustee's interest on the Policy as [DESCRIBE NOTATION REQUIRED BY SECURITY TRUSTEE TO BE ENDORSED ON POLICY, FOR EXAMPLE, FIRST MORTGAGEE] OR named the Security Trustee as composite insured in respect of its own separate insurable interest under the Policy] (except in relation to public liability and third party liability insurances).
- There has been no amendment, waiver or release of any rights or interests in the Policy since the date the Policy was issued.
- We have not, as at the date of this acknowledgement, received notice that the Chargor has assigned its rights under the Policy to a third party, or created any other interest (whether by way of security or otherwise) in the Policy in favour of a third party.
- The Policy shall not be avoided or vitiated as against the Security Trustee by reason of the act or default of any [other] insured party or any misrepresentation, non-disclosure or failure to make a fair presentation of risk by any [other] insured party.
- [We waive our rights of subrogation against the Chargor, the Security Trustee and the tenants of any charged Property other than any such rights arising in connection with any fraud or criminal offence committed by any of those persons in respect of any Charge Property or the Policy.]
- We will not repudiate, rescind or cancel the Policy, treat it as avoided in whole or in part nor treat it as expired due to non-payment of premium without giving at least 30 days' prior written notice to the Security Trustee.
- The Security Trustee will not have any liability for any premium in relation to the Policy unless it has expressly and specifically requested to be made liable in respect of any increase in premium or unpaid premium in respect of the Policy.

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

Yours sincerely,

.....

[NAME OF INSURER]

Schedule 3
Notice and acknowledgement - bank account

Part 1
Form of notice

[On headed notepaper of the Chargor]

[BANK, FINANCIAL INSTITUTION OR OTHER PERSON]

[ADDRESS LINE 1]

[ADDRESS LINE 2]

[POSTCODE]

[DATE]

Dear [NAME OF ADDRESSEE],

Debenture dated [DATE] between [CHARGOR] and [SECURITY TRUSTEE] (Security Trustee)
(the Debenture)

This letter constitutes notice to you that under the Debenture [(a copy of which is attached)] we have charged, by way of first fixed charge, in favour of the Security Trustee all monies from time to time standing to the credit of the account held with you and detailed below (the Account), together with all other rights and benefits accruing to or arising in connection with the Account (including, but not limited to, entitlements to interest):

Name of Account: [NAME OF ACCOUNT]

Sort code: [SORT CODE]

Account number: [ACCOUNT NUMBER]

We irrevocably instruct and authorise you to:

Disclose to the Security Trustee any information relating to the Account requested from you by the Security Trustee.

[Comply with the terms of any written notice or instructions relating to the Account received by you from the Security Trustee.]

[Hold all sums from time to time standing to the credit of the Account to the order of the Security Trustee.]

[Pay or release all or any part of the monies standing to the credit of the Account in accordance with the written instructions of the Security Trustee.]

[We acknowledge that you may comply with the instructions in this notice without any further permission from us.]

[We are not permitted to withdraw any amount from the Account without the prior written consent of the Security Trustee.]

[The instructions in this notice may only be revoked or amended with the prior written consent of the Security Trustee.]

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

Please [acknowledge receipt of this notice **OR** confirm that you agree to the terms of this notice and to act in accordance with its provisions] by sending the attached acknowledgement to the Security Trustee at [ADDRESS OF SECURITY TRUSTEE], with a copy to us.

Yours sincerely,

Signed.....

[NAME OF CHARGOR]

Part 2
Form of acknowledgement

[On headed notepaper of the bank, financial institution or other person]

[SECURITY TRUSTEE]

[ADDRESS LINE 1]

[ADDRESS LINE 2]

[POSTCODE]

[DATE]

Dear [NAME OF SECURITY TRUSTEE],

Debenture dated [DATE] between [CHARGOR] (Chargor) and [SECURITY TRUSTEE] (Security Trustee) (the Debenture)

We confirm receipt from the Chargor of a notice (the Notice) dated [DATE] of a charge (on the terms of the Debenture) over all monies from time to time standing to the credit of the account detailed below (the Account), together with all other rights and benefits accruing to or arising in connection with the Account (including, but not limited to, entitlements to interest).

We confirm that we:

Accept the instructions contained in the Notice and agree to comply with the Notice.

[Will not permit any amount to be withdrawn from the Account without your prior written consent.]

Have not received notice of the interest of any third party in the Account.

Have neither claimed nor exercised, nor will claim or exercise any security interest, set-off, counter-claim or other right in respect of the Account.

The Account is:

Name of Account: [NAME OF ACCOUNT]

Sort code: [SORT CODE]

Account number: [ACCOUNT NUMBER]

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


Yours sincerely,

Signed.....

[NAME OF BANK, FINANCIAL INSTITUTION OR OTHER PERSON]

SIGNED as a deed (but not delivered until the date of this Agreement) by **Belsize Garages Project Limited** acting by _____, a director, in the presence of:

}



Director



Witness Signature

JOANNE MOLLOY
24B MAYGROVE ROAD
NW6 2EB

Witness Name and Address

SIGNED as a deed (but not delivered until the date of this Agreement) by **Cogress (UK) Belsize Limited** acting by _____, a

}

director, in the presence of:

Director

Witness Signature

Witness Name and Address

