

MR01

Particulars of a charge



Companies House

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

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

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

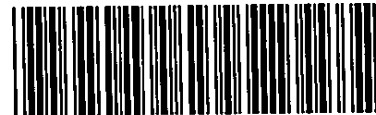
For further information, please
refer to our guidance at
www.gov.uk/companieshouse

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



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

TUESDAY



A07

A5CK17CO

02/08/2016

#16

COMPANIES HOUSE

1 Company details

Company number 05904675

Company name in full SCARISBRICK HALL LIMITED

9 For official use

Filling in this form

Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 25/07/2016

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

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

Name JADE STATE WEALTH LIMITED (07688855)

Name

Name

Name

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

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

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Particulars of a charge

4	Brief description Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument Brief description ✓ The freehold land shown edged with red on the plan of the title document filed at the Registry and being Scarsbrick Hall, Southport Road, Scarsbrick, Ormskirk (L40 9RQ) with title number LA829155	Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument" Please limit the description to the available space
5	Other charge or fixed security Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
6	Floating charge Is the instrument expressed to contain a floating charge? Please tick the appropriate box <input checked="" type="checkbox"/> Yes Continue <input type="checkbox"/> No Go to Section 7 Is the floating charge expressed to cover all the property and undertaking of the company? <input checked="" type="checkbox"/> Yes	
7	Negative Pledge Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
8	Trustee statement¹ You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge <input type="checkbox"/>	¹ This statement may be filed after the registration of the charge (use form MR06)
9	Signature Please sign the form here Signature X LCN Legal X This form must be signed by a person with an interest in the charge	

MR01

Particulars of a charge



Presenter information

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

Contact name **Marsili Hale**

Company name **LCN Legal**

Address **Fox House**

Fox Hill

Post town **Haywards Heath**

County/Region **West Sussex**

Postcode **R H 1 6 4 Q Y**

Country **England**

DX

Telephone **07429123309**



Certificate

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



Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

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



Important information

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



How to pay

A fee of £23 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'.



Where to send

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

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

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

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



Further information

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

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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number. 5904675

Charge code: 0590 4675 0009

The Registrar of Companies for England and Wales hereby certifies that a charge dated 25th July 2016 and created by SCARISBRICK HALL LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 2nd August 2016


Given at Companies House, Cardiff on 8th August 2016



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

I certify this is
a true copy of the
original document
signed.  on behalf of
Date: 01-08-16 LCN Legal

DATED 25 July 2016

**THE CHARGORS herein named
the Chargors**

-and-

**JADE STATE WEALTH LIMITED
the Security Trustee**

GUARANTEE AND DEBENTURE

LCNlegal.

www.lcnlegal.com

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THIS DEED is made the 25th day of July 2016

BETWEEN:

- (1) **THE PERSONS** described in Schedule 1 hereto (each a “**Chargor**” and collectively, the “**Chargors**”), and
- (2) **JADE STATE WEALTH LIMITED**, a limited company incorporated and registered in England and Wales with company number 07688855 whose registered office is at 59-60 Thames Street, Windsor, Berkshire, SL4 1TX as security trustee on behalf of the Bondholders (the “**Security Trustee**”, which expression shall, wherever the context so admits, include such company and all other persons or companies for the time being the security trustee for the purposes of this Deed)

BACKGROUND

- (A) The Issuer has by a resolution of its board of directors duly authorised the issue of up to £2,000,000 8 75% secured and guaranteed bonds due 2020 (the “**Bonds**”) as constituted, secured and guaranteed pursuant to a bond instrument dated 25 July 2016 (the “**Bond Instrument**”), the trust deed to be entered into by the Chargors and the Security Trustee (the “**Trust Deed**”); and this Deed
- (B) The Security Trustee has agreed to act as security trustee on behalf of the Bondholders pursuant to the terms and subject to the conditions of the Trust Deed
- (C) Each of the Issuer and the Guarantors has agreed to provide the Security Trustee with the benefit of the security and, in the case of the Guarantors, the guarantees described in this Deed to secure and guarantee the Secured Obligations. The Security Trustee shall hold the benefit of such security on trust for itself and the other Secured Parties on the terms set out in this Deed

AGREED TERMS

1. DEFINITION AND INTERPRETATION

- 1.1 The following definitions apply in this Deed save where the context otherwise dictates

“**Accruing Property**” means all stocks, shares or other securities, rights or other property accruing, offered or issued at any time by way of bonus, redemption, exchange, purchase, substitution, conversion, preference, option or otherwise in respect of any of the Investments including previous Accruing Property;

“**Administrator**” means an administrator appointed to manage the affairs, business and property of any Chargor pursuant to Clause 17,

“**Bond**” means a bond issued pursuant to the Bond Instrument,

“**Bondholders**” means the registered holders from time to time of Bonds issued under the Bond Instrument,

“**Bond Instrument**” means the instrument constituting the Bonds executed by the Obligor on or around the date of this Deed,

“**Book Debts**” means all present and future book and other debts and monetary claims of any nature due or owing to and Chargor and any proceeds of such debt and claims (including any claims or sums of money deriving from or in relation to any Intellectual Property, any Investment, any claim, return of premium or the proceeds

paid or payable in respect of any Insurance Policy, any court order or judgement, any contract or other agreement to which any Chargor is a party relating thereto);

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

"Charged Assets" means all the assets, property and undertaking for the time being subject to the security interests created by this Deed (and references to the Charged Assets include references to any part thereof),

"Chargors" means the companies detailed in Schedule 1 and any member of the Issuer's Group which accedes to this Deed pursuant to Clause 23,

"Company" means Scarisbrick Hall and School Ltd, incorporated and registered in England and Wales with registered number 08265460 and whose registered address is at Scarisbrick Hall, Southport Road, Scarisbrick, Ormskirk, Lancashire, L40 9RQ;

"Conditions" means, in relation to the Bonds, the terms and conditions endorsed on or incorporated by reference into the Bond Instrument, or such other terms and conditions as may be agreed between the Issuer and the Security Trustee in accordance with the provisions of the Trust Deed and such Conditions,

"Costs" means all costs, charges, expenses and liabilities of any kind including, without limitation, costs and damages in connection with litigation, professional fees, disbursements and any value added tax charged on Costs,

"Deed of Priority" means the deed of priority between the Obligors, the Senior Lender and the Security Trustee pursuant to which the Senior Lender preserves its rights to priority of payment under loan made available to the Company,

"Environment" means all of the air, water and land including the air within buildings and other natural or man-made structures above or below ground, ground and surface water and surface and sub-surface soil;

"Environmental Law" means all applicable statutes, treaties, regulations, directives or similar measures relating to the pollution or protection of the Environment that affects the Charged Assets,

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

"Event of Default" has the same definition as in the Bond Instrument,

"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),

"Guarantee" means the guarantee and indemnity set out in Clause 2 (Guarantee and covenant to pay),

"Guarantors" has the same definition as in the Bond Instrument,

"Intellectual Property" means each of the Chargor's patents, rights to inventions, copyright and neighbouring and related rights, moral rights, trade marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets), and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world,

"Insurance Policies" means any contract or policy of insurance in which any Chargor may from time to time have an interest as a beneficiary under its terms,

"Investments" means all present and future stocks, shares, loan capital, securities, bonds, warrants, options and investments (whether or not marketable) for the time being owned (at law or in equity) by any Chargor and including all Accruing Property and other rights accruing or incidental to those investments from time to time and including all dividends, interest and other income,

"Issuer" means Scarisbrick Hall and School Investments Plc, incorporated and registered in England and Wales with company number 10202852 whose registered office is at Scarisbrick Hall, Southport Road, Scarisbrick, Ormskirk, Lancashire, L40 9RQ,

"Issuer's Group" has the same definition as in the Bond Instrument,

"Obligor" means the Issuer and each of the Guarantors or any of them,

"Properties" means all freehold and leasehold or immoveable properties (whether registered or unregistered) and all commonhold properties, including, without limitation, the Scheduled Property, and any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of such property and includes all Related Rights owned by any Obligor or in which any Obligor holds an interest, and **"Property"** means any of them,

"Receiver" means a receiver and/or manager of any or all of the Charged Assets appointed under Clause 11,

"Related Rights" means, in relation to any asset

- (a) the proceeds of sale of any part of that asset,
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset,
- (c) all rights, powers, benefits, claims, contracts, warranties, negotiable instruments, remedies, Security, guarantees, indemnities or covenants for title in respect of that asset; and
- (d) any moneys and proceeds paid or payable in respect of that asset

"Release Date" has the meaning given to that term in Clause 19,

"Relevant Documents" has the same definition as in the Bond Instrument,

"Scheduled Investments" means the Investments described in Part B of Schedule 2 and all Related Rights;

"Scheduled Property" means the Property described in Part A of Schedule 2 and all Related Rights,

"Secured Party" means the Security Trustee, any Receiver appointed by the Security Trustee, the Bondholders, and any other person who is expressed in any deed supplemental to this Deed to be a secured party,

"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 Accession Deed" means a deed of accession to this Deed in the form set out in Schedule 3, or such other form as the Security Trustee may approve,

"Security Document" has the same definition as in the Bond Instrument,

"Security Financial Collateral Arrangement" has the meaning given to that expression in the Financial Collateral Regulations;

"Secured Obligations" means all present and future obligations and other liabilities of any nature in any currency, at any time, of each Obligor due, owing or incurred under or in connection with the Relevant Documents to the Security Trustee, any receiver or other Secured Party including, without limitation, under any amendments, supplements or restatements of any Relevant Document (however fundamental) or in relation to any change of purpose, new or increased advances or utilisations, any extensions of any date for payment, incremental commitments or facilities (in each case to the extent permitted under the Relevant Documents),

- (a) whether originally owed to all or any of the Secured Parties and/or any receiver or other person or persons;
- (b) whether actual or contingent, matured or unmatured, liquidated or unliquidated,
- (c) whether incurred solely or jointly with any other person, and
- (d) whether incurred as principal or surety or in any other capacity whatsoever,

together with all interest accruing thereon, (both before and after judgment) and all costs, charges and expenses (to the extent payable by the relevant Obligor pursuant to the terms of the Relevant Documents) incurred in connection therewith and **"Secured Obligation"** shall be construed accordingly

"Security Period" means the period starting on the date of this Deed and ending on the date on which all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full and no further Secured Obligations are capable of being outstanding,

"Senior Lender" means Barclays Bank plc or any other lender who becomes the lender with the benefit of a first legal charge over the Scheduled Property,

“Senior Loan Agreement” means the loan agreement between the Senior Lender and the Company pursuant to which the Senior Lender advanced funds which are secured by first legal charge over, amongst other assets, the Property,

“Supplemental Legal Charge” means a legal charge in such form as the Security Trustee may approve,

“Title Document” means the copy of the register of the title number LA829155 as provided by the Issuer to UKBN showing the entries in the register on 15 JUN 2016 at 13 00 15, and

“Trust Deed” means the trust deed between, amongst others, the Issuer, the Guarantors and the Security Trustee executed on or around the date of this Deed

1.2 Unless the context otherwise requires, in this Deed.

- 1 2 1 any reference to any statute or statutory provision includes a reference to any subordinate legislation made under that statute or statutory provision, to any modification, re-enactment or extension of that statute or statutory provision and to any former statute or statutory provision which it consolidated or re-enacted before the date of this Deed,
- 1 2 2 a reference to one gender includes a reference to the other genders,
- 1 2 3 words in the singular include the plural and in the plural include the singular;
- 1 2 4 a reference to a Clause or Schedule is to a clause or schedule of or to this Deed,
- 1 2 5 a reference to **this Deed** (or any specified provision of it) or any other document shall be construed as a reference to this Deed, that provision or that document as in force for the time being and as amended, varied, restated, supplemented or novated from time to time,
- 1 2 6 a reference to a **person** shall be construed as including a reference to an individual, firm, corporation, unincorporated body of persons or any state or any agency of a person and includes such persons permitted successors and assigns in accordance with this Deed,
- 1 2.7 a reference to an **amendment** includes a supplement, variation, novation or re-enactment (and **amended** shall be construed accordingly);
- 1 2 8 a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description,
- 1 2 9 a reference to an **authorisation** includes an authorisation, consent, licence, approval, resolution, exemption, filing, registration and notarisation,
- 1 2 10 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, and

- 1 2 11 the headings do not form part of this Deed or any part of it and do not affect its interpretation
- 1 3 If the Security Trustee considers that an amount is capable of being avoided or otherwise set aside on liquidation or administration of a Chargor or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.
- 1.4 A reference in this Deed to a charge or mortgage of any freehold, leasehold or commonhold property includes
- 1 4 1 all buildings and fixtures (including trade and tenant's fixtures) which are at any time situated on that property,
- 1 4 2 the proceeds of sale of any part of that property, and
- 1 4 3 the benefit of any covenants for title given or entered into by any predecessor in title of the relevant Chargor in respect of that property or any monies paid or payable in respect of those covenants
- 1 5 For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989 the Conditions and other terms of the Bonds, the Trust Deed and of any side letters between any parties in relation to the Bonds are incorporated in this Deed
- 1 6 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 (as inserted by section 248 of, and Schedule 16 to, the Enterprise Act 2002) applies to the floating charge created by this Deed.
- 1 7 This Deed is a 'Security Document' for the purposes of the Bond Instrument and the Trust Deed
- 1 8 The expression "this Guarantee" shall be construed as including each separate or independent stipulation or agreement herein contained
- 1 9 The obligations of the Chargors under this Deed are joint and several
- 1 10 If at any time any one or more of the provisions of this Deed is or becomes invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions of this Deed shall not in any way be affected or impaired
- 1 11 Any right, power or remedy which may be exercised or any request or determination which may be made hereunder by the Security Trustee may be exercised or made in the Trustee's absolute discretion
- 1 12 This Deed shall be enforceable notwithstanding any change in the constitution of the Security Trustee or its absorption in or amalgamation with or the acquisition of all or part of its undertaking by any other person
- 1 13 This Deed is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by the Security Trustee or any of the Bondholders
- 1 14 No delay or omission on the part of the Security Trustee in exercising any of its rights, powers or privileges under this Deed shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege

1 15 Each covenant of a Chargor contained in this Deed remains in force until the Release Date

1 16 Notwithstanding any other provision of this Deed, the Security constituted by this Deed and the exercise of any right or remedy by the Security Trustee hereunder shall be subject to the Deed of Priority. In the event of any conflict between the terms of the Deed of Priority and the terms of this Deed, the terms of the Deed of Priority shall prevail

2. GUARANTEE AND COVENANT TO PAY

2 1 **Guarantee:** Each Guarantor unconditionally and irrevocably

2 1 1 guarantees to the Security Trustee punctual performance by each other Obligor of all Secured Obligations due, owing or incurred by that other Obligor,

2 1 2 undertakes with the Security Trustee that whenever another Obligor does not pay any Secured Obligations when due, it shall immediately on demand pay that amount as if it were the principal obligor,

2 1 3 undertakes with the Security Trustee on behalf of the Bondholders to pay on first written demand all costs and expenses (on a full indemnity basis) arising out of or in connection with the recovery or attempted recovery by the Security Trustee of moneys payable under this Clause 2,

2 1 4 agrees with the Security Trustee that if any Secured Obligations are or become unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify the relevant Secured Party immediately on demand against any cost, loss or liability it incurs as a result of an Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it in respect of Secured Obligations on the date when it would have been due. The amount payable by a Chargor under this indemnity will not exceed the amount it would have had to pay under this Clause 2 if the amount claimed had been recoverable on the basis of a guarantee

2 2 **Covenant to pay:** Each Chargor shall on demand pay to the Security Trustee and discharge the Secured Obligations when they become due in the manner provided for in the Relevant Documents

2 3 **Interest:** If a Chargor fails to pay any Secured Obligations on the due date for payment of that sum, such Chargor shall on demand pay to the Security Trustee interest on all such sums from the due date until the date of payment (both before and after judgment) calculated and payable in accordance with the rate and in the manner specified in the Bond Instrument. Any such interest not paid when due shall be compounded and bear interest calculated as provided above

2 4 A Chargor has no right to terminate its obligations under this Clause 2

2 5 Each Chargor's obligations under this Clause 2 are continuing obligations and will extend to the ultimate balance of the Secured Obligations, regardless of any intermediate payment or discharge in whole or in part

2 6 This Deed and the Chargors' obligations under this Deed are in addition to, and not to be prejudiced by or to be merged with, any other guarantee, indemnity or Security

at any time existing in favour of any person. Each Chargor waives any right it may have to require any Secured Party (or any trustee or agent on its behalf) to make demand of, proceed against or enforce any other rights or Security or claim payment from any person before claiming against such Chargor. This waiver applies irrespective of any law or any provision of any Relevant Document (other than the Deed of Priority) to the contrary.

3. GRANT OF SECURITY

3.1 All charges and assignments under this Deed are

3.1.1 made in favour of the Security Trustee (for the benefit of itself and the other Secured Parties),

3.1.2 made with full title guarantee, and

3.1.3 Security for the payment and discharge of all Secured Obligations

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

3.2.1 charges to the Security Trustee by way of first fixed charge

3.2.1.1 all Scheduled Property and all other Properties now belonging to it,

3.2.1.2 all its rights, title, interest, present and future, in and to Properties not mortgaged pursuant to in Clause 3.2.1.1 above,

3.2.1.3 all Scheduled Investments and all other Investments now belonging to it, and

3.2.1.4 all Investments belonging to it (present and future) not referred to in Clause 3.2.1.3 above,

3.2.1.5 all licences, consents and authorisations, statutory or otherwise held or required in connection with the relevant Chargor's business or the use of any Charged Assets and all rights in connection with them,

3.2.1.6 all its rights, title and interest present and future in and to all its uncalled capital; all its goodwill; and any pension fund and plan (to the extent such Security does not breach the terms of such plan),

3.2.1.7 all its rights, title and interest present and future in and to the Equipment,

3.2.1.8 all its rights, title and interest present and future in and to the Intellectual Property and all Related Rights,

3.2.1.9 all the Book Debts and all Related Rights other than any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) pursuant to this Deed, and

- 3 2 1.10 all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person including
 - 3 2 2 assigns to the Security Trustee absolutely all its rights in all Insurance Policies and Related Rights (including, without limitation, any insurances relating to the Properties or the Equipment) however, each Chargor, until such times as the Security created hereunder becomes enforceable, shall be entitled to exercise all its rights in the Insurance Policies and Related Rights subject to the other provisions of this Deed, and
 - 3 2 3 charges to the Security Trustee, by way of first floating charge, all of its undertakings, property, assets and rights, both present and future, at any time not effectively mortgaged, charged or assigned pursuant to Clauses 3 2 1 to 3 2 2 inclusive The floating charge created by each Chargor under this Clause is a qualifying floating charge for the purposes of paragraph 14 of Schedule B1 of the Insolvency Act 1986
- 3 3 The floating charge created by Clause 3 2 3 shall automatically and immediately (without notice) be converted into a fixed charge over the relevant Charged Assets if
 - 3 3 1 the relevant Chargor
 - 3 3 1 1 creates, or attempts to create, over all or any part of the Charged Assets, Security which is prohibited under the terms of any Relevant Document, without the prior written consent of the Security Trustee or any trust in favour of another person, or
 - 3 3 1 2 other than by way of a Permitted Disposal, disposes or attempts to dispose of all or any part of the Charged Assets (other than property subject only to the floating charge while it remains uncrystallised which property may be disposed of in the ordinary course of business), or
 - 3 3 2 a receiver is appointed over all or any of the Charged Assets that is subject to the floating charge, or
 - 3 3 3 any person levies or attempts to levy any distress, attachment, execution or other process against all or any part of the Charged Assets; or
 - 3 3 4 the Security Trustee receives notice of the appointment of, or a proposal or an intention to appoint, an administrator of the relevant Chargor.
- 3 4 There shall be excluded from the charge created by Clauses 3 2 2 and 3 2 3, and from the operation of Clause 6 11 (any Property referred to in Schedule 2 (or, as the case may be, as specified in any Security Accession Deed) held by a Chargor under a lease or which is subject to any other property agreement which either precludes absolutely or conditionally (including requiring the consent of any third party) that Chargor from creating any charge or assignment over its interest in that Property (each an **"Excluded Property"**) until the relevant condition or waiver has been satisfied or obtained
- 3 5 The Security Trustee may in its sole discretion at any time by written notice to the relevant Chargor convert the floating charge created under this Deed into a fixed

charge as regards any part of the Charged Assets specified by the Security Trustee in that notice.

3 6 Any asset acquired by the relevant Chargor after any crystallisation of the floating charge created under this Deed which but for such crystallisation would be subject to a floating charge shall (unless the Security Trustee confirms in writing to the contrary) be charged to the Security Trustee by way of first fixed charge

3 7 The Security Trustee holds the benefit of this Deed on trust for the Secured Parties in the terms of the Relevant Documents

4. LIABILITY OF COMPANY

4 1 The liability of each Chargor under this Deed in respect of any of the Secured Obligations shall not be discharged, prejudiced or affected by

4 1 1 any security, guarantee, indemnity, remedy or other right held by or available to the Security Trustee being or becoming wholly or partially illegal, void or unenforceable on any ground, or

4 1 2 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

4 1 3 any other act or omission which but for this provision might have discharged or otherwise prejudiced or affected the liability of the relevant Chargor

5. REPRESENTATIONS AND WARRANTIES

Each Chargor represents and warrants to the Security Trustee in the terms set out in this Clause 5 The representations and warranties set out in this Clause 5 are made on the date of this Deed and shall be deemed to be made on each day of the Security Period with reference to the facts and circumstances then existing

5 1 This Deed constitutes legally binding and enforceable obligations on each of the Chargors Each of the Chargors and their respective directors have all necessary powers under their relevant memorandum and articles of association, the Companies Act 2006, all other laws and regulations applicable to it and the Issuer's Group and all agreements, obligations and commitments binding upon them to enter into and perform its obligations under this Deed, and there are no consents, authorisations, approvals or licences required by the relevant Chargor, any Member of the Issuer's Group or the directors of the relevant Chargor (including, without limitation, any sanction or consent of the members or creditors of the relevant Chargor or any class of them) for the relevant Chargor to enter into and comply with its obligations under this Deed

5 2 Each Chargor is the legal and beneficial owner of the Charged Assets free from any Security other than the Security created by this Deed and any Security granted prior to the date of this Deed in favour of the Senior Lender or as permitted pursuant the terms of the Bond Instrument.

5 3 Each Chargor has not received or acknowledged notice of any adverse claim by any person in respect of the Charged Assets or any interest in it

- 5 4 So far as its directors are aware, there are no covenants, agreements, reservations, conditions, interests, rights or other matters whatever, which materially adversely affect the Charged Assets
- 5 5 So far as its directors are aware, there is no breach of any law or regulation, which materially adversely affects the Charged Assets.
- 5 6 No Security expressed to be created by this Deed is liable to be avoided or otherwise set aside on the liquidation or administration of any Chargor or otherwise
- 5 7 No other person has any legal or beneficial interest or rights on, over or in any part of the Property (other than the Senior Lender as disclosed to and approved by the Security Trustee)
- 5 8 So far as its directors are aware, other than those matters disclosed pursuant to the Title Documents provided by the Issuer to UKBN, no part of the Property is subject to any covenants, restrictions, easements or rights, orders, agreements, notices or disputes which are of an unusual or onerous nature or which may materially and adversely affect its intended use or its disposal and nothing has arisen or been created or is subsisting which could be or could create an overriding interest over such Property
- 5 9 So far as its directors are aware, there subsists no breach of any Planning Acts, by-laws or local authority or statutory requirements which materially and adversely affects or which materially or adversely affects the value of the Property owned by such Chargor
- 5 10 The Property or any part of it is free from any lease, tenancy, licence or right to occupy other than as disclosed to and approved by the Security Trustee
- 5 11 Except for the Scheduled Property, neither it nor any of its Subsidiaries owns any estate or interest in any Property save as disclosed to and approved by the Security Trustee prior to the date of this Deed
- 5 12 Each Chargor and each Member of the Issuer's Group has at all times complied in all material respects with all applicable Environmental Law
- 5 13 The Investments have been duly authorised and validly issued and are and will be free from any restrictions on transfer or rights of pre-emption
- 5 14 The Investments are fully paid up and there are no monies or liabilities outstanding in respect of any of the Investments
- 5 15 This Deed does not and will not conflict with or result in any breach or constitute a default under any agreement, instrument or obligation to which the relevant Chargor is a party or by which it is bound
- 5 16 This Deed constitutes and will continue to constitute the legal valid binding and enforceable obligations of each of the Chargors and is and will continue to be effective security over all and every part of the Investments in accordance with its terms
- 5 17 Each Chargor
- 5 17 1 is duly incorporated and validly existing under the laws of England and Wales,

- 5 17 2 has the necessary capacity, power and authority to enter into and perform its obligations under this Deed, and
- 5 17 3 has obtained all necessary authorisations and consents to enable and entitle it to enter into this Deed
- 5 18 Each Chargor
 - 5 18 1 is the sole legal and beneficial owner of or has licensed to it on normal commercial terms all the Intellectual Property,
 - 5 18 2 does not, in carrying on its businesses, infringe any intellectual property of any third party, and
 - 5 18 3 has taken all actions required to maintain the Intellectual Property

6. COVENANTS

Each Chargor covenants with the Security Trustee during the continuance of the security constituted by this Deed in the terms set in this Clause 6 -

- 6 1 Each Chargor shall not at any time, except with the prior written consent of the Security Trustee.
 - 6 1 1 create, purport to create or permit to subsist any Security on, or in relation to, any Charged Asset and/or assign the benefit of any Insurance Policy or Charged Asset other than this Deed save as expressly permitted pursuant to the Relevant Documents, or
 - 6 1 2 enter into a single transaction or a series of transactions to sell, assign, transfer, lease, license, grant, lend or otherwise part with possession of or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, the Charged Assets, except as permitted pursuant to the Relevant Documents and in the ordinary course of business in the case of Charged Assets which are only subject to an uncrystallised floating charge, or
 - 6 1.3 create or grant (or purport to create or grant) any interest in the Charged Assets in favour of a third party
- 6 2 Each Chargor shall (and the Issuer and/or the Company shall procure that each Member of the Issuer's Group shall)
 - 6 2 1 carry on its trade and business in accordance with the standards of good management from time to time current in such trade or business on those parts (if any) of the Properties as are, or may be, used for the purposes of trade or business, and
 - 6 2 2 not do, or permit to be done, any act or thing, which will or might depreciate, jeopardise or otherwise prejudice the Security held by the Security Trustee or materially diminish the value of any of the Charged Assets or the effectiveness of the Security created by this Deed
- 6 3 Each Chargor shall (and the Issuer and/or the Company shall procure that each Member of the Issuer's Group shall) comply with all statutes, byelaws and regulations relating to its trade or business and the whole or any part of the Charged Assets.

- 6 4 Each Chargor shall
- 6 4 1 promptly provide to the Security Trustee whatever information, documents, deeds, certificates or papers relating to the Charged Assets as the Security Trustee may from time to time request; and
- 6 4 2 inform the Security Trustee promptly of any acquisition of Property, or contract made by it to acquire, any Property after the date of this Deed
- 6 5 Each Chargor shall (and the Issuer and/or the Company shall procure that each Member of the Issuer's Group shall)
- 6 5 1 insure and keep insured all of its undertaking and assets with reputable and responsible insurers in such manner and to such extent as is reasonable and customary for an enterprise engaged in the same or similar business and in the same or similar localities against such risks and contingencies as are reasonable in the context its business and otherwise as the Security Trustee shall from time to time request,
- 6 5 2 procure that the interest of the Security Trustee is noted on all its policies of insurance in such manner as the Security Trustee may in its absolute discretion require, and
- 6 5 3 duly and punctually pay all premiums and any other monies necessary for maintaining its insurance in full force and effect
- 6 6 Each Chargor shall apply all monies received by virtue of any Insurance Policy relating to the whole or any part of the Charged Assets
- 6 6 1 in making good or in recouping expenditure incurred in making good any loss or damage or
- 6 6 2 if the Security Trustee in its discretion so requires, towards the discharge of the Secured Obligations
- 6 7 Each Chargor shall
- 6 7 1 at all times keep in good and substantial repair and condition all the Charged Assets including, without limitation, all buildings, erections, structures and fixtures and fittings on and in the Property,
- 6 7 2 keep all Equipment in good repair, working order and condition and fit for its purpose, and
- 6 7 3 where it is uneconomic to repair any part of the Charged Assets, replace such part by another similar asset of equal or greater quality and value
- 6 8 Each Chargor shall pay all stamp duty and all other taxes or duties that are required or desirable to be paid in connection with the security granted under this Deed
- 6 9 Each Chargor shall promptly upon becoming aware of the same give the Security Trustee notice in writing of any breach of
- 6 9.1 any representation or warranty set out in Clause 5, and
- 6 9 2 any covenant set out in this Clause 6

- 6 10 Each Chargor shall on the execution of this Deed (or, if later, the date of acquisition of the relevant Charged Assets) deposit with the Security Trustee and the Security Trustee shall during the continuance of this Deed be entitled to hold all deeds, certificates and documents of title relating to the Charged Assets which are in the possession or control of the relevant Chargor and that are not required to be held by the Senior Lender pursuant to the terms of the Senior Loan Agreement and the related Security
- 6 11 Each Chargor shall, at its own cost, prepare and execute such further legal or other mortgages, charges or transfers (containing a power of sale and such other provisions as the Security Trustee may reasonably require) in favour of the Security Trustee as the Security Trustee shall in its absolute discretion from time to time require over all or any part of the assets of that Chargor as Security for the Secured Obligations and give all notices, orders and directions which the Security Trustee may require in its absolute discretion for perfecting, protecting or facilitating the realisation of that Security over the relevant Chargor's assets
- 6 12 Each Chargor shall permit the Security Trustee and any Receiver and any person appointed by either of them to enter upon and inspect any Property during normal business hours upon reasonable prior notice.
- 6 13 Each Chargor waives any present or future right of set-off it may have in respect of the Secured Obligations (including sums payable by it under this Deed)
- 6 14 Each Chargor shall
- 6 14 1 on the execution of this Deed, deposit with the Security Trustee all stock or share certificates or other documents of title to or representing the present Investments that are not required to be held by the Senior Lender pursuant to the terms of the Senior Loan Agreement and the related Security,
- 6 14 2 on the purchase or acquisition of future Investments deposit with the Security Trustee all stock or share certificates or other documents of title to or representing such Investments that are not required to be held by the Senior Lender pursuant to the terms of the Senior Loan Agreement and the related Security, and
- 6 14 3 on the accrual, offer, issue or receipt of any Accruing Property or other rights accruing or incidental to any present or future Investments, deliver or pay or procure the delivery or payment to the Security Trustee in respect of such Accruing Property and other rights, including the deposit with the Security Trustee of the stock or share certificates or other documents of title to or representing such Accruing Property and other rights that are not required to be held by the Senior Lender pursuant to the terms of the Senior Loan Agreement and the related Security,
- together with such executed blank transfers or assignments as the Security Trustee may require so that the Security Trustee may at any time after this Deed has become enforceable without notice present them for registration
- 6 15 No Chargor shall during the Security Period exercise any rights to nominate any person (other than the Security Trustee) to enjoy or exercise any rights relating to any of the Investments

- 6 16 Notwithstanding the Security created by this Deed, each Chargor shall promptly pay all calls, instalments and other payments due on any of the Investments, failing which the Security Trustee may, at its discretion but without obligation, make such payments on behalf of that Chargor
- 6 17 Any sum paid by the Security Trustee on behalf of the relevant Chargor under Clause 6 16
- 6 17 1 shall be reimbursed by the relevant Chargor on demand by the Security Trustee on a full indemnity basis,
- 6 17 2 is, pending reimbursement, secured by this charge and may be debited to any account of the relevant Chargor as the Security Trustee deems fit, and
- 6 17 3 shall bear interest accruing daily in arrear from the date of its payment at the default rate of interest specified in the Bond Instrument.
- 6 18 No Chargor has sold, transferred, granted options over, disposed of, assigned, created Security over or encumbered in any manner and during the continuance of the Security created by this Deed, will not and will not agree or attempt to sell, transfer, grant options over, dispose of, assign, create Security over or encumber in any manner all, any or any part of the Investments or any of its title, rights or interests in them, other than pursuant to Security granted to the Senior Lender prior to the date of this Deed or as permitted in accordance with the Bond Instrument
- 6 19 Each Chargor grants and agrees to procure as necessary, all consents, waivers, approvals and permissions which are necessary, under the articles of association of the relevant Chargor or otherwise, for the transfer of the Investments to the Security Trustee or its nominee or to a purchaser upon enforcement of this Deed
- 6 20 Each Chargor shall, promptly following receipt, send to the Security Trustee copies of all notices, circulars, reports, accounts and other documents, which are received by it, or any nominee of it, in respect of any Investments.
- 6 21 Each Chargor will
- 6 21 1 maintain the bank accounts held in its name with the relevant account bank, and
- 6.21 2 deliver details of the bank accounts held in its name, and such particulars regarding the amount and nature of its payments into those accounts as the Security Trustee may from time to time reasonably require, and deliver any changes to the details of those accounts to the Security Trustee immediately after the date of such change
- 6 22 Each Chargor will
- 6 22 1 preserve and maintain the subsistence and validity of the Intellectual Property,
- 6 22 2 use reasonable endeavours to prevent any infringement of the Intellectual Property,
- 6 22 3 make registrations and pay all registration fees and taxes necessary to maintain the Intellectual Property in full force and effect and record its interest in the Intellectual Property;

6 22 4 not use or permit the Intellectual Property to be used in a way or take any step or omit to take any step in respect of that Intellectual Property which may materially and adversely affect the existence or value of the Intellectual Property or imperil the right of the relevant Chargor to use the Intellectual Property; and

6 22 5 not discontinue the use of the Intellectual Property

7. COVENANTS RELATING TO PROPERTY

7 1 Each Chargor shall (whether in exercise of any statutory power or otherwise) comply with the undertakings relating to the Property owned by it as set out in Schedule 4

7 2 For each Excluded Property, the relevant Chargor undertakes to

7 2.1 notify the Security Trustee that the relevant Property is an Excluded Property,

7 2 2 apply for the relevant consent or waiver of prohibition or condition within 10 Business Days of the date of this Deed and, in respect of each such Excluded Property which provides that the relevant third party will not unreasonably withhold its consent to charging, to use reasonable endeavours (for a reasonable amount of time) to obtain that consent as soon as possible and, if requested by the Security Trustee, to keep the Security Trustee informed of the progress of its negotiations but shall not be required to take legal proceedings, and

7 2 3 notify the Security Trustee in writing upon receipt of the relevant waiver or consent

7 3 Promptly upon receipt of the relevant waiver or consent, the charge by way of first legal mortgage granted in Clause 3 2 1 shall take effect in respect of the former Excluded Property. If required by the Security Trustee at any time following receipt of that waiver or consent, the relevant Chargor will promptly execute a Supplemental Legal Charge

7 4 Each Chargor shall promptly notify the Security Trustee of any acquisition by it or on its behalf of any Property after the date of this Deed ("**After-acquired Property**")

7 5 Each Chargor shall promptly, on request of the Security Trustee and at the cost of the relevant Chargor, execute and deliver to the Security Trustee a Supplemental Legal Charge in favour of the Security Trustee over any After-acquired Property

7.6 If any After-acquired Property is held by such Chargor under a lease or is subject to any other property agreement which either precludes absolutely or conditionally (including requiring the consent of any third party) that Chargor from creating any charge or assignment over its interest in that After-acquired Property ("**After-acquired Excluded Property**") then that Chargor shall not be required to execute and deliver to the Security Trustee any Supplemental Legal Charge referred to in paragraph (b) above until the relevant condition or waiver has been satisfied or obtained. For each After-acquired Excluded Property the relevant Chargor undertakes, at the cost of that Chargor, to

7 6 1 notify the Security Trustee that the relevant After-acquired Property is an After-acquired Excluded Property,

- 7 6 2 promptly, on request of the Security Trustee, apply for the relevant consent or waiver of prohibition or condition and, in respect of each such After-acquired Excluded Property which provides that the relevant third party will not unreasonably withhold its consent to charging, to use reasonable endeavours (for a reasonable amount of time) to obtain that consent as soon as possible and, if requested by the Security Trustee, to keep the Security Trustee informed of the progress of its negotiations but shall not be required to take legal proceedings,
- 7 6 3 notify the Security Trustee in writing upon receipt of the relevant waiver or consent, and
- 7 6 4 promptly upon receipt of the relevant waiver or consent execute and deliver to the Security Trustee a Supplemental Legal Charge in favour of the Security Trustee over such After-acquired Property
- 7 7 If title to any After-acquired Property is or is to be registered at the Land Registry, such Chargor shall, as soon as reasonably practicable after acquisition of the After-acquired Property, notify the Security Trustee of the relevant title number and shall apply to the relevant Land Registry to enter
- 7 7 1 a notice of the Supplemental Legal Charge referred to in Clause 7 6 4 above on the charges register of such After-acquired Property, and
- 7 7 2 the restriction set out in Clause 7 10 (as repeated in such legal mortgage) on the proprietorship register of such property
- 7 8 In the case of any other After-acquired Property in England or Wales, the relevant Chargor shall apply to register this Deed at the Land Charges Registry if, for any reason, the title deeds and documents relating thereto are not deposited with the Security Trustee
- 7.9 Each Chargor shall, upon the execution of this Deed or, if later, upon receipt, deposit with the Security Trustee (or as it may direct) all deeds, certificates and other documents evidencing title relating to any Property If any such documents are at the relevant time at the Land Registry, such Chargor shall, promptly following a demand by the Security Trustee, provide or procure the provision to the Security Trustee of such undertakings and such letters addressed to the Land Registry as the Security Trustee may reasonably require
- 7 10 Each Chargor consents to an application being made and shall, if requested by the Security Trustee, apply to the Land Registry for a restriction in the following terms to be entered on the Proprietorship Register of the Property(ies) secured pursuant to this Deed as is now or hereafter registered at the Land Registry under the Land Registration Act 2002
- "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 25 July 2016 in favour of Jade State Wealth Limited referred to in the Charges Register or if appropriate signed on such proprietor's behalf by its authorised signatory "
- 7 11 If a Chargor fails to perform any obligation affecting its Property, that Chargor shall allow the Security Trustee or its agents and contractors

- 7 11 1 to enter any part of its Property and carry out any repairs or other works which the Chargor has failed to do, and
- 7 11 2 to comply with or object to any notice served on that Chargor in respect of its Property,

and the Chargor shall reimburse the Security Trustee on demand for all costs and expenses incurred by the Security Trustee in doing so together with interest from the date of payment by the Security Trustee until the reimbursement calculated in accordance with the Bond Instrument

8. POWERS OF THE SECURITY TRUSTEE

The Security Trustee shall have the powers set out in this Clause 8 -

- 8 1 The Security Trustee shall be entitled (but shall not be bound) to remedy a breach at any time by any Chargor of any of its obligations contained in this Deed and each of the Chargors irrevocably authorises the Security Trustee and its agents to do all such things as are necessary or desirable for that purpose
- 8 2 The rights of the Security Trustee under Clause 8 1 are without prejudice to any other rights of the Security Trustee under this Deed and the exercise of those rights shall not make the Security Trustee liable to account as a mortgagee in possession
- 8 3 At any time after the security constituted by this Deed shall have become enforceable in accordance with the provisions of Clause 9, the Security Trustee or any Receiver
 - 8 3 1 may dispose of any chattels or produce found on any Property as agent for the relevant Chargor, and
 - 8 3.2 without prejudice to any obligation to account for the proceeds of any sale of such chattels or produce, shall be indemnified by the relevant Chargor against any liability arising from such disposal
- 8 4 At any time after the security constituted by this Deed shall have become enforceable in accordance with the provisions of Clause 9 or after any powers conferred by any Security having priority to this Deed shall have become exercisable, the Security Trustee may
 - 8 4 1 redeem such or any other prior Security or procure its transfer to itself, and
 - 8 4 2 settle any account of the holder of any prior Security

The settlement of any such account shall be conclusive and binding on each Chargor and all monies paid by the Security Trustee to an encumbrancer in settlement of such an account shall, as from its payment by the Security Trustee, be due from the relevant Chargor to the Security Trustee on current account and shall bear interest and be secured as part of the Secured Obligations
- 8 5 For the purpose of or pending the discharge of any of the Secured Obligations the Security Trustee may convert any monies received, recovered or realised by the Security Trustee under this Deed (including the proceeds of any previous conversion under this Clause 8 5) from their existing currencies of denomination into such other currencies of denomination as the Security Trustee may think fit and any such conversion shall be effected at such spot selling rate of exchange for such other currency against the existing currency as the Security Trustee may reasonably

specify Each previous reference in this Clause 8 5 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency

8 6 If the Security Trustee receives notice of any subsequent Security or other interest affecting all or part of the Charged Assets, the Security Trustee may open a new account or accounts for the relevant Chargor in the Security Trustee's books and (without prejudice to the Security Trustee's right to combine accounts) no money paid to the credit of the relevant Chargor in any such new account will be appropriated towards or have the effect of discharging any part of the Secured Obligations

8 7 If the Security Trustee does not open a new account or accounts immediately on receipt of notice under Clause 8 6, then, unless the Security Trustee gives express written notice to the contrary to the relevant Chargor, as from the time of receipt of the relevant notice by the Security Trustee all payments made by the relevant Chargor to the Security Trustee shall be treated as having been credited to a new account of the relevant Chargor and not as having been applied in reduction of the Secured Obligations

8 8 If the Security Trustee shall have more than one account for the relevant Chargor in its books the Security Trustee may at any time after

8 8 1 the security constituted by this Deed has become enforceable, or

8 8 2 the Security Trustee has received notice of any subsequent Security or other interest affecting all or any part of the Charged Assets,

transfer, without prior notice, all or any part of the balance standing to the credit of any account to any other account which may be in debit but the Security Trustee shall notify the relevant Chargor of the transfer once made

8 9 The Security Trustee may in its discretion grant time or other indulgence or make any other arrangement, variation or release with any person or persons not being a party to this Deed (whether or not such person or persons are jointly liable with the relevant Chargor) in respect of any of the Secured Obligations or of any other security for them without prejudice either to this Deed or to the liability of the relevant Chargor for the Secured Obligations

8 10 Until the security constituted by this Deed becomes enforceable in accordance with the provisions of Clause 9

8 10 1 the Security Trustee shall, on request by a Chargor, release and pay to the relevant Chargor any cash dividends paid in respect of any of the Investments and received by the Security Trustee or its nominee, and

8 10 2 the Security Trustee shall, in exercising all voting and other rights and powers of the Security Trustee or its nominee attaching to the Investments, act in accordance with the directions of the relevant Chargor from time to time if acting in accordance with those directions would not, in the Security Trustee's opinion, prejudice the Security Trustee's security under this Deed or the value of the Investments, or contravene any agreement between the Security Trustee and the relevant Chargor

8 11 The Security Trustee may at its discretion (in the name of any Chargor or otherwise after this Deed has become enforceable and without any consent or authority from any Chargor) exercise the following rights and powers in respect of the Investments

- 8 11 1 any voting rights and any powers or rights which may be exercised by a person in whose name the Investments are registered; and
 - 8 11.2 all the powers exercisable by a trustee in respect of securities or property subject to a trust
- 8 12 After the security constituted by this Deed has become enforceable
 - 8 12 1 all dividends, interest and other distributions paid in respect of the Investments and received by or on behalf of a Chargor shall be held on trust for the Security Trustee and forthwith paid into an account designated by the Security Trustee or, if received by the Security Trustee, may be applied by the Security Trustee as though they were the proceeds of sale, and
 - 8 12 2 all voting and other rights and powers attaching to the Investments shall be exercised by, or at the direction of, the Security Trustee and each Chargor shall, and shall procure that its nominees shall, comply with any directions the Security Trustee may, in its absolute discretion, give concerning the exercise of those rights and powers
- 8 13 The Security Trustee shall not, in respect of any of the Investments, have any duty or incur any liability for
 - 8 13 1 ascertaining or taking action in respect of any calls, instalments, conversions, exchanges, maturities, tenders or other matters relating to any Investments or the nature or sufficiency of any payment whether or not the Security Trustee has or is deemed to have knowledge of such matters, or
 - 8 13 2 taking any necessary steps to preserve rights against prior parties or any other rights pertaining to any of the Investments
- 8 14 The Security Trustee shall not be liable to account as a mortgagee in possession in respect of the Investments and shall not be liable in connection with the Investments for
 - 8 14 1 any loss on realisation,
 - 8 14 2 any failure to present any interest coupon or any bond or stock drawn for repayment;
 - 8 14 3 any failure to pay any call or instalment,
 - 8 14 4 the acceptance of any offer or the notification by any Chargor of any such offer,
 - 8 14 5 any failure to ensure that the correct amounts are paid or received in respect of the Investments,
 - 8 14 6 any negligence or default by its nominees,
 - 8 14 7 any other loss of any nature whatsoever.

9. ENFORCEMENT EVENTS

The security constituted by this Deed shall be immediately enforceable in any of the circumstances set out in this Clause 9

9 1 any of the Secured Obligations shall not be paid or discharged when the same ought to be paid or discharged by any Chargor (whether on demand or at scheduled maturity or by acceleration or otherwise, as the case may be); or

9 2 an Event of Default occurs,

and in any such event (whether or not the event is continuing), without prejudice to any other rights of the Security Trustee, the powers of sale under the Law of Property Act 1925 shall immediately be exercisable and the Security Trustee may in its absolute discretion enforce all or any part of the security created by this Deed as it sees fit

10. ENFORCEMENT OF SECURITY

10 1 The powers of sale conferred upon mortgagees under the Law of Property Act 1925 shall, as between the Security Trustee and a purchaser from the Security Trustee, arise on and be exercisable at any time after the execution of this Deed, but the Security Trustee shall not exercise such power of sale until the security constituted by this Deed has become enforceable in accordance with the provisions of Clause 9

10 2 The statutory powers of sale, leasing and accepting surrenders conferred upon mortgagees under the Law of Property Act 1925 and/or by any other statute shall be exercisable by the Security Trustee under this Deed and are extended so as to authorise the Security Trustee whether in its own name or in that of any Chargor to make any lease or agreement for lease, accept surrenders of lease or grant any option of the whole or any part or parts of the freehold and leasehold property of any Chargor with whatever rights relating to other parts of it and containing whatever covenants on the part of the relevant Chargor and generally on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) and whether or not at a premium as the Security Trustee thinks fit

10 3 No purchaser, mortgagee or other person dealing with the Security Trustee or any Receiver shall be concerned

10 3 1 to enquire whether any of the Secured Obligations have become due or payable or remain unpaid or undischarged, or whether the power the Security Trustee or a Receiver is purporting to exercise has become exercisable, or

10 3 2 to see to the application of any money paid to the Security Trustee or any Receiver.

10 4 Neither the Security Trustee nor any Receiver nor any Administrator shall be liable to account as mortgagee in possession in respect of all or any of the Charged Assets nor shall any of them be liable for any loss upon realisation of, or for any neglect or default of any nature whatsoever in connection with, all or any of the Charged Assets for which a mortgagee in possession might as such be liable.

11. APPOINTMENT OF RECEIVER

11 1 At any time after the security constituted by this Deed has become enforceable, or at the request of a Chargor, the Security Trustee may without further notice

- 11 1.1 appoint under seal or by writing under hand of a duly authorised officer of the Security Trustee any one or more person or persons to be a receiver or a receiver and manager of all or any part of the Charged Assets, and
- 11 1 2 (subject to section 45 of the Insolvency Act 1986) from time to time under seal or by writing under hand of a duly authorised officer of the Security Trustee, remove any person appointed to be Receiver and may in like manner appoint another in his place

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

- 11 2 The Security Trustee may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the Law of Property Act 1925 and the remuneration of the Receiver shall be a debt secured by this Deed which shall be due and payable immediately upon its being paid by the Security Trustee
- 11 3 The powers of sale and appointing 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 Law of Property Act 1925 or otherwise and shall be exercisable without the restrictions contained in sections 103 and 109 of the Law of Property Act 1925 or otherwise
- 11 4 The power to appoint a Receiver (whether conferred by this Deed or by statute) shall be and remain exercisable by the Security Trustee notwithstanding any prior appointment in respect of all or any part of the Charged Assets
- 11 5 Any Receiver appointed by the Security Trustee under this Deed shall be the agent of the relevant Chargor and the relevant Chargor shall be solely responsible for his acts and remuneration as well as for any defaults committed by him

12. GENERAL POWERS OF RECEIVER

Any Receiver appointed by the Security Trustee under this Deed shall in addition to the powers conferred on him by the Law of Property Act 1925 and the Insolvency Act 1986 have power to do all such acts and things as an absolute owner could do in the management of such of the Charged Assets over which the Receiver is appointed and in particular the powers set out in Clause 13

13. ADDITIONAL POWERS OF RECEIVER

In addition to the general powers set out in Clause 12, the Receiver may -

- 13 1 undertake or complete any works of repair, building or development on the Properties,
- 13 2 grant or accept surrenders of any leases or tenancies affecting the Properties upon such terms and subject to such conditions as he thinks fit,
- 13 3 provide services and employ, or engage, such managers contractors and other personnel and professional advisors on such terms as he deems expedient;
- 13 4 make such elections for value added tax purposes as he thinks fit,
- 13 5 charge and receive such sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) as the Security Trustee may prescribe or agree with him,

- 13 6 collect and get in the Charged Assets in respect of which he is appointed or any part thereof and for that purpose make such demands and take any proceedings as may seem expedient and to take possession of the Charged Assets with like rights,
- 13 7 carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the relevant Chargor,
- 13 8 grant options and licences over all or any part of the Charged Assets, sell or concur in selling, assign or concur in assigning, lease or concur in leasing and accept or concur in accepting surrenders of leases of, all or any of the property of the relevant Chargor in respect of which he is appointed in such manner and generally on such terms and conditions as he thinks fit (fixtures and plant and machinery may be severed and sold separately from the premises in which they are contained without the consent of the relevant Chargor) and to carry any such sale, assignment, leasing or surrender into effect Any such sale may be for such consideration as he shall think fit and he may promote or concur in promoting a relevant Chargor to purchase the property to be sold,
- 13 9 make any arrangement, settlement or compromise between the relevant Chargor and any other person which he may think expedient,
- 13 10 make substitutions of, or improvements to, the Equipment as he may think expedient,
- 13 11 make calls conditionally or unconditionally on the members of the relevant Chargor in respect of the uncalled capital with such and the same powers for that purpose and for the purpose of enforcing payments of any calls so made as are conferred by the articles of association of the relevant Chargor on its directors in respect of calls authorised to be made by them,
- 13 12 appoint managers, officers, servants, workmen and agents for the aforesaid purposes at such salaries and for such periods and on such terms as he may determine,
- 13 13 if he thinks fit, but without prejudice to the indemnity contained in Clause 18, effect with any insurer any policy or policies of insurance either in lieu or satisfaction of, or in addition to, such insurance,
- 13 14 exercise all powers provided for in the Law of Property Act 1925 in the same way as if he had been duly appointed under that act and exercise all powers provided for an administrative receiver in Schedule 1 of the Insolvency Act 1986,
- 13 15 for any of the purposes authorised by this Clause 13 raise money by borrowing from the Security Trustee or from any other person on the security of all or any of the Charged Assets in respect of which he is appointed upon such terms (including if the Security Trustee shall consent to terms under which such security ranks in priority to this Deed) as he shall think fit,
- 13 16 redeem any prior Security and settle and pass the accounts to which the Security relates and any accounts so settled and passed shall be conclusive and binding on the relevant Chargor and the monies so paid will be deemed to be an expense properly incurred by him,
- 13.17 sell any interest in any of the Investments and for such purposes complete and deliver to any purchaser or its broker or other nominee any stock transfer forms delivered by the relevant Chargor to the Security Trustee in respect of such Investments pursuant to this Deed, and

- 13 18 do all such other acts and things as he may consider incidental or conducive to any of the matters or powers in this Clause 13 or which he lawfully may or can do as agent for the relevant Chargor

Any exercise of any of these powers may be on behalf of the relevant Chargor, the directors of the relevant Chargor (in the case of the power contained in Clause 13 11) or himself

14. ORDER OF APPLICATION OF PROCEEDS

All monies received by the Security Trustee or a Receiver in the exercise of any enforcement powers conferred by this Deed shall be applied

- 14 1 first in paying all unpaid fees, costs and other liability incurred by or on behalf of the Security Trustee (and any Receiver, attorney or agent appointed by it),
- 14 2 second in paying the remuneration of any Receiver (as agreed between him and the Security Trustee),
- 14 3 third in or towards discharge of the Secured Obligations in such order and manner as the Security Trustee shall determine (having regard to the provisions of the Trust Deed), and
- 14 4 finally in paying any surplus to the relevant Chargor or any other person entitled to it

15. RIGHT OF APPROPRIATION AND SUSPENSE ACCOUNT

- 15 1 To the extent that the Charged Assets constitute Financial Collateral and this Deed and the obligations of each or any of the Chargors hereunder constitute a Security Financial Collateral Arrangement, the Security Trustee shall have the right, at any time after the security constituted this Deed has become enforceable, to appropriate all or any of that Charged Assets in or towards the payment and/or discharge of the Secured Obligations in such order as the Security Trustee in its absolute discretion may from time to time determine. The value of any Charged Assets appropriated in accordance with this Clause shall be the price of that Charged Assets at the time the right of appropriation is exercised as listed on any recognised market index, or determined by such other method as the Security Trustee may select (including independent valuation). Each Chargor agrees that the methods of valuation provided for in this Clause are commercially reasonable for the purposes of the Financial Collateral Regulations
- 15 2 Neither the Security Trustee nor any Receiver shall be bound (whether by virtue of section 109(8) of the Law of Property Act 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 as between any of the Secured Obligations
- 15 3 All monies received by the Security Trustee or a Receiver under this Deed may, at the discretion of the Security Trustee or Receiver, be credited to any suspense or securities realised account and shall bear interest at such rate, if any, as may be agreed in writing between the Security Trustee and the relevant Chargor and may be held in such account for so long as the Security Trustee or Receiver thinks fit

16. POWER OF ATTORNEY

- 16 1 By way of security each Chargor irrevocably appoints the Security Trustee and every Receiver severally to be its attorney (with full power of substitution), on its behalf and

in its name or otherwise, at such time and in such manner as the attorney thinks fit to do all acts/ execute any documents, and do any things which

16 1 1 such Chargor is obliged to do under this Deed (or any other Relevant Document) but has failed to do, and/or

16 1 2 any attorney may deem proper or desirable in exercising any of the powers, authorities and discretions conferred by this Deed or by law on the Security Trustee or any Receiver

16 2 Each Chargor ratifies and confirms and agrees to ratify and confirm anything which any of its attorneys may do in the proper and lawful exercise or purported exercise of all or any of the powers, authorities and discretions referred to in this Clause 16

17. APPOINTMENT OF AN ADMINISTRATOR

17 1 The Security Trustee may, without the prior written consent of the relevant Chargor, appoint any one or more persons to be an administrator of the relevant Chargor pursuant to paragraph 14 Schedule B1 of the Insolvency Act 1986 if this Deed becomes enforceable

17 2 Any appointment under this Clause 17 shall

17 2 1 be in writing signed by a duly authorised signatory of the Security Trustee, and

17 2 2 take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986, when the requirements of paragraph 18 of that Schedule B1 are satisfied

17 3 The Security Trustee may (subject to any necessary approval from the court) end the appointment of an Administrator by notice in writing in accordance with this Clause 17 and appoint under that paragraph a replacement for any Administrator whose appointment ends for any reason

18. COSTS AND INDEMNITY

18 1 Each Chargor shall pay to or reimburse the Security Trustee and any Receiver on demand, on a full indemnity basis, all Costs incurred by the Security Trustee and/or any Receiver in relation to

18 1 1 this Deed or the Charged Assets, or

18 1 2 protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Security Trustee's or the Receiver's rights under this Deed, or

18 1 3 suing for, or recovering, any of the Secured Obligations,

(including, without limitation, the Costs of any proceedings in relation to this Deed or the Secured Obligations) together with, in each case, interest on the amount due at the default rate of interest specified in the Conditions

18 2 The Security Trustee and any Receiver and their respective employees and agents shall be indemnified on a full indemnity basis out of the Charged Assets in respect of all actions, liabilities and Costs incurred or suffered in or as a result of

- 18 2 1 the exercise or purported exercise of any of the powers, authorities or discretions vested in them under this Deed, or
- 18 2 2 any matter or thing done or omitted to be done in relation to the Charged Assets under those powers, or
- 18 2 3 any default or delay by the relevant Chargor in performing any of its obligations under this Deed

19. RELEASE

Subject to Clause 21 3, upon the expiry of the Security Period (but not otherwise), such date being (the “**Release Date**”) the Security Trustee shall, at the request and cost of the relevant Chargors, take whatever action is necessary to release the Charged Assets from the security constituted by this Deed

20. ASSIGNMENT AND TRANSFER

- 20 1 The Security Trustee may at any time, without the consent of any Chargor, assign or transfer the whole or any part of the Security Trustee's rights and/or obligations under this Deed to any person.
- 20 2 No Chargor may assign any of its rights or transfer any of its obligations under this Deed or enter into any transaction, which would result in any of those rights or obligations passing to another person

21. FURTHER PROVISIONS

- 21 1 This Deed shall be in addition to and independent of each other Security Document and every other security or guarantee which the Security Trustee may at any time hold for any of the Secured Obligations and no prior security held by the Security Trustee over the whole or any part of the Charged Assets shall merge in the security created by this Deed
- 21 2 This Deed shall remain in full force and effect as a continuing security for the Secured Obligations, notwithstanding any settlement of account or intermediate payment or other matter or thing whatsoever, unless and until the Security Trustee discharges this Deed in writing
- 21 3 Any release, discharge or settlement between a Chargor and the Security Trustee shall be deemed conditional upon no payment or security received by the Security Trustee in respect of the Secured Obligations being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise and, notwithstanding any such release, discharge or settlement
 - 21 3 1 the Security Trustee or its nominee shall be at liberty to retain this Deed and the security created by or pursuant to this Deed, including all certificates and documents relating to the whole or any part of the Charged Assets, for such period as the Security Trustee shall deem necessary to provide the Security Trustee with security against any such avoidance, reduction or order for refund, and
 - 21 3 2 the Security Trustee shall be entitled to recover the value or amount of such security or payment from the relevant Chargor subsequently as if such release, discharge or settlement had not occurred

- 21 4 A certificate or determination by the Security Trustee as to any amount for the time being due to it from the relevant Chargor shall (in the absence of any manifest error) be conclusive evidence of the amount due
- 21 5 The rights and powers of the Security Trustee conferred by this Deed are cumulative, may be exercised as often as the Security Trustee considers appropriate, and are in addition to its rights and powers under the general law
- 21 6 Any waiver or variation of any right by the Security Trustee (whether arising under this Deed or under the general law) shall only be effective if it is in writing and signed by the Security Trustee and applies only in the circumstances for which it was given and shall not prevent the Security Trustee from subsequently relying on the relevant provision
- 21 7 No act or course of conduct or negotiation by or on behalf of the Security Trustee shall in any way preclude the Security Trustee from exercising any right or power under this Deed or constitute a suspension or variation of any such right or power
- 21 8 No delay or failure to exercise any right or power under this Deed shall operate as a waiver
- 21 9 No single or partial exercise of any right under this Deed shall prevent any other or further exercise of that or any other such right
- 21 10 The restriction on the right of consolidation contained in section 93 of the Law of Property Act 1925 shall not apply to this Deed
- 21 11 The invalidity, unenforceability or illegality of any provision (or part of a provision) of this Deed under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions. If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with any modification necessary to give effect to the commercial intention of the parties
- 22.** This Deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute an original of this Deed, but all the counterparts shall together constitute the same Deed. No counterpart shall be effective until each party has executed at least one counterpart
- 22 1 A third party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce, or to enjoy the benefit of, any term of this Deed
- 22 2 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).
- 23. NOTICES**
- 23 1 Any notice or other communication given under this Deed shall be in writing and shall be served by delivering it personally or by sending it by pre-paid first-class post or by email to the address or email addresses and for the attention of the relevant party as set out below or such other address or email address(es) as may be notified in writing from time to time by the relevant party to the other party

The Chargors

For the attention of Greg Aylmer, Scarisbrick Hall, Southport Road, Scarisbrick,
Ormskirk, Lancashire, L40 9RQ
Email greg@scarisbrick-hall.co.uk

The Security Trustee

For the attention of. Graham Arnott, Jade State Wealth Limited, 59-60 Thames
Street, Windsor, SL4 1TX

Email trustees@jadestatewealth.co.uk

23.2 Receipt of any notice, given under Clause 23.1 above, shall be deemed to be

23.2.1 if delivered personally, at the time of delivery, or

23.2.2 in the case of pre-paid first-class letter, 48 hours from the date of posting,
or

23.2.3 in the case of email, at the opening of business on the next Business Day
following the date of despatch provided the sender does not receive a
notice of non-deliverability of the relevant email,

but if deemed receipt occurs

23.2.3.1 before 9.00 am on a Business Day, the notice shall be
deemed to have been received at 9.00 am on that day, or

23.2.3.2 after 5.00 pm on a Business Day or on a day that is not a
Business Day, the notice shall be deemed to have been
received at 9.00 am on the next Business Day

23.3 In proving service of a notice, it shall be sufficient to prove that the envelope
containing such notice was addressed to the address of the relevant party as set out
in Clause 23.1 (or as otherwise notified by that party under Clause 23.1 above) and
delivered either

23.3.1 to that address, or

23.3.2 into the custody of the postal authorities as a pre-paid recorded delivery
first-class letter

24. CHANGES TO PARTIES

24.1 The Security Trustee and any Secured Party may at any time assign or otherwise
transfer all or any part of its rights under this Deed in accordance with and subject to
the Relevant Documents

24.2 Each Chargor shall procure that any new Subsidiary of it which is required to do so
by the terms of the Bond Instrument executes a Security Accession Deed and thereby
charges its assets and undertaking contemplated by this Deed to the Security Trustee

24.3 Each Chargor consents to new Subsidiaries becoming Chargors as contemplated by
Clause 22.2 and irrevocably appoints the Company as its agent for the purpose of
executing the Security Accession Deeds on its behalf.

25. GOVERNING LAW AND JURISDICTION

- 25 1 This Deed and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) is governed by and shall be construed according to the law of England and Wales
- 25 2 The parties to this Deed irrevocably agree that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Deed or its subject matter or formation (including non-contractual disputes or claims) Nothing in this clause shall limit the right of the Security Trustee to take proceedings against any 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.

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 - THE CHARGORS

All Chargors are incorporated in England and Wales

Name	Issuer, Chargor and/or Guarantor	Registered Number	Registered Address
Scarisbrick Hall and School Investments Plc	Issuer and Chargor	10202852	Scarisbrick Hall, Southport Road, Ormskirk, Lancashire, L40 9RQ
Scarisbrick Hall and School Ltd	Guarantor and Chargor	08265460	Scarisbrick Hall, Southport Road, Ormskirk, Lancashire, L40 9RQ
Scarisbrick Hall Limited	Guarantor and Chargor	05904675	Scarisbrick Hall, Southport Road, Ormskirk, Lancashire, L40 9RQ
Scarisbrick Hall School Limited	Guarantor and Chargor	06908146	Scarisbrick Hall, Southport Road, Ormskirk, Lancashire, L40 9RQ
Scarisbrick Hall Holdings Limited	Guarantor and Chargor	06812919	Scarisbrick Hall, Southport Road, Ormskirk, Lancashire, L40 9RQ
Scarisbrick Hall Developments Limited	Guarantor and Chargor	05996732	Scarisbrick Hall, Southport Road, Ormskirk, Lancashire, L40 9RQ

SCHEDULE 2

PART A - SCHEDULED PROPERTY

Means the freehold land shown edged with red on the plan of the Title Document filed at the Registry and being Scarisbrick Hall, Southport Road, Scarisbrick, Ormskirk (L40 9RQ) with title number LA829155

PART B – SCHEDULED INVESTMENTS

Chargor	Investment	Description of shares held
Scarisbrick Hall and School Ltd	Scarisbrick Hall and School Investment Plc	50,000 £1 shares
Scarisbrick Hall and School Ltd	Scarisbrick Hall School Limited	6 £1 shares
Scarisbrick Hall and School Ltd	Scarisbrick Hall Holdings Limited	6 £1 shares
Scarisbrick Hall Holdings Limited	Scarisbrick Hall Developments Limited	100 £1 shares
Scarisbrick Hall Developments Limited	Scarisbrick Hall Limited	1 £1 share

SCHEDULE 3- FORM OF SECURITY ACCESSION DEED

THIS SECURITY ACCESSION DEED is made on [●].

BETWEEN:

- (1) _____, a company incorporated in [England and Wales] with registered number [●] and whose registered office is at [●] (the "**New Chargor**");
- (2) [.] a company incorporated in [England and Wales] with registered number [●] and whose registered office is at [●] (the "**Company**"), and
- (3) _____, as security trustee for itself and the other Secured Parties (the "**Security Trustee**")

RECITAL:

This deed is supplemental to a guarantee and debenture dated [●] 201[●] between, amongst others, the Chargors named therein and the Security Trustee, as previously supplemented and amended by earlier Security Accession Deeds (if any) (the "**Guarantee and Debenture**")

NOW THIS DEED WITNESSES as follows:

1. INTERPRETATION

1 1 Definitions

Unless otherwise expressly defined herein or the context otherwise requires, terms defined in the Guarantee and Debenture shall have the same meaning when used in this deed

1.2 Construction

Clauses 1 2 to 1 16 (inclusive) of the Guarantee and Debenture will be deemed to be set out in full in this deed, but as if references in those clauses to the Debenture were references to this deed

1 2 Negative pledge

The terms of Clause 6 1 1 of the Guarantee and Debenture are incorporated herein and shall be deemed to form part of this deed for the purposes of section 859D(2)(c) of the Companies Act 2006

2. ACCESSION OF NEW CHARGOR

2 1 Accession

The New Chargor agrees to be a Chargor for the purposes of the Debenture with immediate effect and agrees to be bound by all of the terms of the Debenture as if it had originally been a party to it as a Chargor

2 2 Guarantee

The New Chargor unconditionally and irrevocably

- (a) guarantees to the Security Trustee punctual performance by each other Obligor of all Secured Obligations due, owing or incurred by that other Obligor;
- (b) undertakes with the Security Trustee that whenever another Obligor does not pay any Secured Obligations when due, it shall immediately on demand pay that amount as if it were the principal obligor,
- (c) undertakes with the Security Trustee on behalf of the Bondholders to pay on first written demand all costs and expenses (on a full indemnity basis) arising out of or in connection with the recovery or attempted recovery by the Security Trustee of moneys payable under this Clause 2 2,
- (d) agrees with the Security Trustee that if any Secured Obligations are or become unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify the relevant Secured Party immediately on demand against any cost, loss or liability it incurs as a result of an Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it in respect of Secured Obligations on the date when it would have been due. The amount payable by a Chargor under this indemnity will not exceed the amount it would have had to pay under this Clause 2 if the amount claimed had been recoverable on the basis of a guarantee

2 3 **Covenant to pay**

The New Chargor shall on demand pay or discharge to the Security Trustee the Secured Liabilities when the same have become due in the manner provided for in the Relevant Documents, provided that neither such covenant nor the Security created by the Guarantee and Debenture shall extend to or include any liability or sum which would, but for this proviso, cause such covenant or Security to be unlawful or prohibited by any applicable law.

2 4 **Creation of Charges**

All Charges and assignments under this deed are

- 2 4 1 made in favour of the Security Trustee (for the benefit of itself and the other Secured Parties),
- 2 4 2 made with full title guarantee, and
- 2 4 3 Security for the payment and discharge of all Secured Obligations

2 5 **The New Chargor charges**

- 2 5 1 by way of first legal mortgage and all Property now belonging to it (including any property specified in Schedule 1 (Details of Property) hereto); and
- 2 5 2 by way of first fixed charge all its rights, title and interest, present and future, in and to Property not mortgaged pursuant to paragraph 2 4 1 above,
- 2 5 3 by way of first fixed charge all its rights, title and interest in and to the all Investments now belonging to it (including any Investments specified in Schedule 2 (Details of Investments) hereto), and

- 2 5 4 by way of first fixed charge all its rights, title and interest in and to all Investments belonging to it (present and future) not referred to in paragraph 2 5 3 above,
 - 2 5 5 all licences, consents and authorisations, statutory or otherwise held or required in connection with the relevant Chargor's business or the use of any Charged Assets and all rights in connection with them,
 - 2 5 6 all its rights, title and interest present and future in and to all its uncalled capital, all its goodwill, and any pension fund and plan (to the extent such Security does not breach the terms of such plan),
 - 2 5 7 all its rights, title and interest present and future in and to the Equipment,
 - 2 5 8 all its rights, title and interest present and future in and to the Intellectual Property and all Related Rights,
 - 2.5 9 all the Book Debts and all Related Rights other than any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) pursuant to this Deed, and
 - 2 5 10 all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person including
- 2 6 The New Chargor assigns to the Security Trustee absolutely all its rights in all Insurance Policies and Related Rights (including, without limitation, any insurances relating to the Properties or the Equipment) however, each Chargor, until such times as the Security created hereunder becomes enforceable, shall be entitled to exercise all its rights in the Insurance Policies and Related Rights subject to the other provisions of this Deed
- 2 7 The New Chargor charges to the Security Trustee, by way of first floating charge, all of its undertakings, property, assets and rights, both present and future, at any time not effectively mortgaged, charged or assigned pursuant to Clauses 2 4 and 2 5 The floating charge created by each Chargor under this Clause is a qualifying floating charge for the purposes of paragraph 14 of Schedule B1 of the Insolvency Act 1986
- 2 8 The New Chargor's obligations under this Clause 2 are continuing obligations and will extend to the ultimate balance of the Secured Obligations, regardless of any intermediate payment or discharge in whole or in part

3. CONSENT OF EXISTING CHARGORS

The Company for itself and as agent for each of the other Chargors under the Guarantee and Debenture, agrees to the terms of this deed and agrees that its execution will in no way prejudice or affect the Security granted by each of them under (and covenants and undertakings given by each of them in) the Guarantee and Debenture

4. CONSTRUCTION OF THE GUARANTEE AND DEBENTURE

The Guarantee and Debenture and this deed shall be read together as one instrument on the basis that references in the Debenture to "this Deed" will be deemed to include this deed

5. NOTICES

The New Chargor confirms that its address details for notices in relation to Clause 21 of the Guarantee and Debenture are as follows

Address [●]

Fax [●]

[Email. [●]]

Attention [●]

6. COUNTERPARTS

This Deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute an original of this Deed, but all the counterparts shall together constitute the same Deed. No counterpart shall be effective until each party has executed at least one counterpart.

7. GOVERNING LAW AND JURISDICTION

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

7.2 The parties to this Deed irrevocably agree that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Deed or its subject matter or formation (including non-contractual disputes or claims). Nothing in this clause shall limit the right of the Security Trustee to take proceedings against any 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.

IN WITNESS whereof this deed has been duly executed and delivered on the date first above written

SCHEDULES TO THE DEED OF ACCESSION

SCHEDULE 1

Details of Property

[●]

SCHEDULE 2

Details of Investments

[INSERT SIGNATORIES TO SECURITY ACCESSION DEED]

SCHEDULE 4– PROPERTY UNDERTAKINGS

1. **Registration** Each Chargor shall promptly provide, if so requested by the Security Trustee
 - 1.1 a clear Land Charges Registry search against each Chargor or clear Land Registry priority search results in favour of the Security Trustee on the appropriate Land Registry forms against all of the registered titles comprising each Chargor's interests comprised within the Property secured by this Deed and giving not less than 28 days priority,
 - 1.2 appropriate Land Registry application forms duly completed accompanied by all necessary Land Registry fees, and
 - 1.3 notice to the landlord of any leasehold property forming part of the Property that the lease has been charged to the Security Trustee, together with the appropriate registration fees, where such notification is required under the relevant lease
2. **Leasing** Each Chargor shall:
 - 2.1 not grant, or agree to grant, any lease or tenancy of all or any part of any Property or confer or agree to confer upon any person any contractual licence or right to occupy or use any Property save as permitted under the Relevant Documents or in the ordinary course of business where such lease, tenancy, licence or right to occupy does not adversely affect the value of such Property,
 - 2.2 pay any applicable rents and shall not accelerate or defer payment of any moneys due or agree to any reduction in rent or waive or vary any obligation to pay rent or other moneys due under the terms of any lease or other property agreement comprised in the Property,
 - 2.3 comply with all material obligations imposed on it and enforce the performance of all material obligations owed to it by any person under any lease, licence or other agreement giving the right to occupy any Property and shall not do anything or permit anything to be done which could result in the termination of any such lease, licence or other agreement,
 - 2.4 not extend or renew on substantially different terms or determine or accept any surrender of any lease, tenancy, licence or right to occupy comprised in the Property or agree to do any of these things save as permitted under the Relevant Documents or in the ordinary course of business where such extension, renewal, determination or surrender does not adversely affect the value of such Property, and
 - 2.5 give prompt notice in writing to the Security Trustee if any tenant, lessee or licensee shall withhold rent or exercise any right of set-off against sums payable under any lease or other property agreement comprised in the Property or purports, attempts or threatens to do so
3. **Compulsory acquisition** Each Chargor shall not, without the consent of the Security Trustee, enter into any negotiations with any competent agency of any state with regard to the compulsory acquisition of any Charged Assets nor consent to the compulsory acquisition thereof. However, if so requested by the Security Trustee, such Chargor shall permit the Security Trustee or its representatives to conduct such negotiations or give such consent on such Chargor's behalf

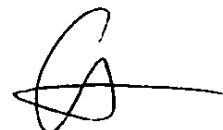
4. **Compliance** Each Chargor shall comply with all laws or material regulations, directives, consents, authorisations, covenants or planning permissions relating to or affecting any Property
5. **Planning** No Chargor shall, without the prior written consent of the Security Trustee, carry out or permit to be carried out on any part of its Property any development (within the meaning of that expression in the Planning Acts) nor to make any application for planning permission for the development or change of use of its Property or carry out any work for which planning permission has been granted or enter into any agreement under section 106 of the Town and Country Planning Act 1990, section 33 of the Local Government (Miscellaneous Provisions) Act 1982 or any other agreement with any local government, planning or other regulatory authority to build roads, amenities or carry out other works save as permitted under the Relevant Documents or in the ordinary course of business where such development, change of use, work or agreement does not adversely affect the value of such Property
6. **Repair** Each Chargor shall keep all buildings on its Property in good and substantial repair and shall keep all fixtures and other Equipment from time to time on or in any Property belonging to it or its Subsidiaries in good and substantial repair and in good working order and shall not alter, pull down, remove or dispose of any of them, except in the ordinary course of repair, maintenance or improvement or as permitted under the Relevant Documents
7. **Valuation reports** Each Chargor shall, promptly on receipt, cause a copy of each professional valuation report that it obtains in relation to its Property to be provided to the Security Trustee
8. **No building** No Chargor shall, without the prior written consent of the Security Trustee, save in the ordinary course of business where such works do not adversely affect the value of such Property or as required by law or regulation, carry out any building work on its Property, nor make any structural alteration to any building on its Property, nor at any time sever, alter, remove or dispose of any fixtures on it.
9. **No onerous obligations** No Chargor shall, without the prior written consent of the Security Trustee, enter into onerous or restrictive obligations affecting its Property or create or permit to arise any overriding interest or any easement or right whatever in or over it which would be reasonably likely to adversely affect its value or the value of the Security constituted by this Deed over it.
10. **User** Each Chargor shall use its Property only for such purpose or purposes as may from time to time be authorised as the permitted use or user thereof under or by virtue of the Planning Acts
11. **Investigation of title** Each Chargor shall grant the Security Trustee or its lawyers on request all facilities within the power of the Chargor to enable such lawyers to carry out investigations of title of all or any part of the Chargor's Property which is or may become charged by it under this Deed and enquiries into such matters in connection therewith at the expense of the Chargor
12. **Certificate of title:** Each Chargor shall promptly on demand by the Security Trustee provide to the Security Trustee at the expense of the Chargor a certificate of title in such form as the Security Trustee may require addressed to the Secured Parties or any of them or the Security Trustee for and on behalf of the Secured Parties in relation to any of its Property which is or may become charged by it under this Deed

13. **Notices** Each Chargor shall promptly deliver a copy of any material communication received by it which has been given with respect to any Property and take such steps as the Security Trustee shall require in relation thereto
14. **Entry** Each Chargor shall permit the Security Trustee and any person nominated by it at all reasonable times and with reasonable prior notice to enter any of its Property to view its condition

GUARANTEE AND DEBENTURE – SIGNATURE PAGES

THE CHARGORS

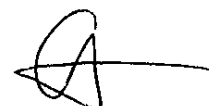
EXECUTED AS A DEED)
by **SCARISBRICK HALL AND SCHOOL**)
INVESTMENTS PLC)
acting by , a director)
in the presence of -)



Director

Witness Signature A. Briggs
Witness Name ANNE BRIGGS
Witness Address 30 HARGREAVES STREET
SOUTHPORT PR2 6SY
Witness Occupation FINANCE MANAGER

EXECUTED AS A DEED)
by **SCARISBRICK HALL AND SCHOOL**)
LTD)
acting by , a director)
in the presence of -)



Director

Witness Signature A. Briggs
Witness Name ANNE BRIGGS
Witness Address 30 HARGREAVES STREET
SOUTHPORT PR2 6SY
Witness Occupation FINANCE MANAGER


EXECUTED AS A DEED)
by **SCARISBRICK HALL LIMITED**)
acting by , a director)
in the presence of -)



Director

Witness Signature A. Briggs
Witness Name ANNE BRIGGS
Witness Address 30 HARGREAVES STREET
SOUTHPORT PR2 6SY
Witness Occupation FINANCE MANAGER

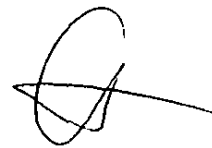
EXECUTED AS A DEED)
by **SCARISBRICK HALL SCHOOL LIMITED**)
acting by , a director)
in the presence of -)



Director

Witness Signature A Bees
Witness Name ANNE BEES
Witness Address 30 HARGREAVES STREET
SOUTHPORT PR2 6SY
Witness Occupation FINANCE MANAGER

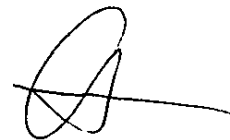
EXECUTED AS A DEED)
by **SCARISBRICK HALL HOLDINGS**)
LIMITED)
acting by , a director)
in the presence of -)



Director

Witness Signature A Bees
Witness Name ANNE BEES
Witness Address 30 HARGREAVES STREET
SOUTHPORT PR2 6SY
Witness Occupation FINANCE MANAGER

EXECUTED AS A DEED)
by **SCARISBRICK HALL DEVELOPMENTS**)
LIMITED)
acting by , a director)
in the presence of -)



Director

Witness Signature A Bees
Witness Name ANNE BEES
Witness Address 30 HARGREAVES STREET
SOUTHPORT PR2 6SY
Witness Occupation FINANCE MANAGER

THE SECURITY TRUSTEE

EXECUTED AS A DEED

by GLADIAN ARNOTT)
as security trustee on behalf of the Bondholders)
acting by , a director)

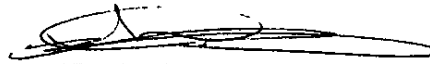
in the presence of -

Witness Signature

Witness Name

Witness Address

Witness Occupation



HYBRE LEWIS

3 COMMON WOOD

FARNHAM COMMON, SL2 3JA

ADMINISTRATION DIRECTOR

