



Registration of a Charge

Company name: **HSTV MEDIA LIMITED**

Company number: **06268025**

Received for Electronic Filing: **15/05/2015**



X47HGFN5

Details of Charge

Date of creation: **14/05/2015**

Charge code: **0626 8025 0003**

Persons entitled: **ANDREW EDMUND MALCHER**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION**

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

SQUIRE PATTON BOGGS (UK) LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 6268025

Charge code: 0626 8025 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 14th May 2015 and created by HSTV MEDIA LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 15th May 2015 .

Given at Companies House, Cardiff on 18th May 2015

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED

14 May

2015

HIGH STREET TV (HOLDINGS) LIMITED

as first chargor

(1)

HIGH STREET TV (BIDCO) LIMITED

and the other companies listed in Schedule 1 as other
chargors

(2)

and

ANDREW EDMUND MALCHER

as security trustee

(3)

DEBENTURE

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Reference HIG.121-0001

007-4175-7816/6/EUROPE

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DATE OF DEBENTURE

14 May

2015

PARTIES

- (1) **HIGH STREET TV (HOLDINGS) LIMITED**, a company incorporate in England and Wales with company number 09509738 whose registered office is located at 3Whitehall Quay, Leeds, LS1 4BF (the "**First Chargor**");
- (2) **THE COMPANIES** listed in Schedule 1 (together with the First Chargor, the "**Initial Chargors**", each an "**Initial Chargor**"; and
- (3) **ANDREW EDMUND MALCHER** of Summerbeck House, Whinney Lane, Harrogate, HG3 1QF in his capacity as Security Trustee.

1 INTERPRETATION

1.1 Expressly defined terms

In this Deed, the following words and phrases have the specified meanings.

"Associated Rights" means, in relation to any asset, all proceeds of sale of such asset, all rights, powers, benefits, covenants, warranties, guarantees or Security given or implied in respect of such asset, all rights under any agreement for sale, agreement for lease or licence of or in respect of such asset, and any monies and proceeds paid or payable in respect of such asset.

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

"Business Day" means a day, other than a Saturday or a Sunday, on which banks are open for general business in London or, for the purpose of Clause 16 (*Communications*), in the principal financial centre in the jurisdiction in which the relevant communication is delivered.

"Charged Debts" means all book and other debts and all other rights and claims charged to the Security Trustee pursuant to Clause 3.1(h).

"Chargor" means each Initial Chargor, or any company which becomes a Party by executing and delivering a Deed of Accession (together the "**Chargors**"), whilst, in each case, such remains a Chargor.

"Collection Account" means such specially designated account with the Security Trustee or such other account with such bank as the Security Trustee may from time to time direct for the purposes of Clause 7.13 (*Book Debts*).

"COMI" means centre of main interests (as that term is used in Article 3(1) of the EC Regulation).

"Companies Act" means the Companies Act 2006.

"Deed of Accession" means a deed substantially in the form set out in Schedule 5 (*Form of Deed of Accession*) subject to such variations as the Security Trustee shall agree.

"Deed of Priority" means a deed of priority made between (1) HSBC Bank plc and HSBC Invoice Finance (UK) Limited, (2) Endless LLP, (3) the Security Trustee and (4) High Street TV Holdings Limited and Others and dated on or about the date of this Deed.

"Delegate" means any delegate, agent, attorney or trustee appointed by the Security Trustee.

"Derivative Payment" means, in relation to an asset, any damages, compensation, remuneration, profit, bonus, royalties, fee, rent, income or other benefit which the relevant Chargor may derive from or be awarded or entitled to in respect of such asset.

"Designated Chattels" means the plant, machinery, equipment, vehicles, and other chattels (if any) listed in respect of any Chargor in Schedule 3 (*Designated Chattels*) and shall include any additions, modifications and/or equipment ancillary to any such plant, machinery, equipment, vehicles or other chattels.

"Discharge Date" means the date with effect from which the Loan Noteholders confirm to the Security Trustee and the First Chargor that all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full.

"Distribution Rights" means all Dividends, all shares or other property derived from any relevant Investment (whether by way of conversion, consolidation, subdivision, substitution, redemption, bonus, preference, option or otherwise) and all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to any relevant Investment.

"Dividends" means all dividends, distributions, interest and other income paid or payable on or derived from any relevant Investment.

"EC Regulation" means Regulation (EC) No. 1346/2000 on Insolvency Proceedings.

"Enforcement Party" means any of the Security Trustee, a Receiver or a Delegate.

"Establishment" means, in relation to any Chargor, an establishment as that term is defined in relation to a debtor in Article 2 (h) of the EC Regulation.

"Event of Default" means (i) the occurrence of any of the events or circumstances defined in the Loan Note Instrument as an "Event of Default" and (ii) any breach by any Chargor of, or non-compliance by any Chargor with, the provisions of this Deed or of any other Noteholder Document.

"Fixed Charge Assets" means, at any time, all of the Secured Assets which are at that time the subject of any valid and effective fixed Security pursuant to Clause 3.1 (*Fixed charges*) or Clause 3.2 (*Assignments by way of Security*).

"Fixtures" means any fixtures (but excluding landlord's fixtures), fittings, fixed plant or machinery from time to time situated on or forming part of any Property.

"Floating Charge Assets" means, at any time, all of the Secured Assets which are at that time the subject of any floating charge created by this Deed.

"GAAP" means generally accepted accounting principles in England and Wales, including IFRS as are applicable at the date of this Deed subject to such changes to such accounting principles from time to time which the Security Trustee agrees shall be taken into account for the purposes of this Deed.

"Group" means the First Chargor and each of its Subsidiaries for the time being.

"IFRS" means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

"Insolvency Act" means the Insolvency Act 1986.

"Insurance Proceeds" means the proceeds of any insurance claim received by any Chargor (after deduction of (a) any reasonable expenses incurred in relation to the relevant claim and payable by such Chargor to any person which is not a member of the Group and (b) amounts paid to meet third party claims) together with the benefit of all bonuses, profits, returns of premium and other benefits of whatever nature arising by virtue of any Chargor's ownership of any Insurances and all such Chargor's interest in any of the foregoing.

"Insurances" means all contracts or policies of insurance of whatever nature which from time to time are taken out or maintained by or on behalf of any Chargor or (to the extent of its relevant interest) in which any Chargor has an interest.

"Intellectual Property" means, in relation to any Chargor, (a) all rights in confidential information, copyright and like rights, database rights, design rights, rights in design, knowhow, rights in inventions, patents, service marks, trade marks and all other intellectual property rights and interests, whether registered (or the subject of an application for registration) or un-registered, owned by such Chargor or in which such Chargor has an interest from time to time and (b) the benefit of such Chargor's applications and rights to use such assets, in each case throughout the world now and in the future.

"Investment" means, in respect of any Chargor, any negotiable instrument, certificate of deposit, debenture, share (including, save where the context otherwise requires, any of the Shares) or other investment (as specified for the purposes of section 22 of the Financial Services and Markets Act 2000 as at the date of this Deed) now or in the future owned by such Chargor, in each case whether held directly by, or to the order of, such Chargor or by any trustee, nominee, fiduciary or clearance system on behalf of such Chargor, and also including any rights in respect of such Investment against any such trustee, nominee, fiduciary or clearing system.

"Loan Note Guarantee" means the cross guarantee dated on or around the date of this deed granted by the Chargors as guarantors in favour of the Security Trustee.

"Loan Note Instrument" means the instrument executed by the First Chargor on or about the date of this deed and constituting the Loan Notes.

"Loan Noteholder" means a holder from time to time of one or more Loan Notes, and **"Loan Noteholders"** means the several persons for the time being holding the Loan Notes.

"Loan Notes" means the 8% secured loan notes 2020 issued by the First Chargor pursuant to the Loan Note Instrument.

"LPA" means the Law of Property Act 1925.

"Material Adverse Effect" means a material adverse effect on: (i) the business, operations, property, or financial condition of the Group taken as a whole; or (ii) the ability of the Chargors (taken as a whole) to perform their payment obligations under the Noteholder Documents; or (iii) the validity or enforceability of, or the effectiveness or ranking of any Security granted or purporting to be granted pursuant to any of, the Noteholder Documents or the rights or remedies of any Beneficiary under any of the Noteholder Documents.

"Noteholder Document" means each of this Deed, any Accession Deed to this Deed, the Security Trust Deed, the Loan Note Instrument, the Loan Notes, the Loan Note Guarantee, the Subordination Deed and such other agreements, instruments, deeds or documents as have been or are entered into in connection with or pursuant to the Secured Obligations or which have been designated as a Noteholder Document by any Secured Party and **"Noteholder Documents"** shall mean all of them.

"Party" means an original party to this Deed or any person which becomes a party by the execution and delivery of a Deed of Accession.

"Permitted Security" means: (i) all Security which is subject to the Deed of Priority, (ii) any lien arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any member of the Group, or (iii) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the Group; or (iv) any netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Group but only so

long as (a) such arrangement does not permit credit balances of Chargors to be netted or set off against debit balances of members of the Group which are not Chargors and (b) such arrangement does not give rise to other Security over the assets of Chargors in support of liabilities of members of the Group which are not Chargors, or (v) any payment or close out netting or set-off arrangement pursuant to any financial derivative product or foreign exchange transaction entered into by a member of the Group in the ordinary course of hedging its projected actual trading liabilities (and not for any speculative purpose), or (vi) any Security arising as a consequence of any finance or capital lease.

"Property" means the Real Property from time to time owned by each Chargor or in which any Chargor has any right, title or interest. Any reference to **"Property"** also includes a reference to each separate part or parts of such Real Property.

"Quarter Day" means the last day of March, June, September and December in each calendar year.

"Real Property" means (a) any freehold, leasehold or immovable property, wherever situated, and (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of that freehold, leasehold or immovable property.

"Receiver" means any one or more receivers and managers or (if the Security Trustee so specifies in the relevant appointment) receivers appointed by the Security Trustee pursuant to this Deed in respect of any Chargor or in respect of the Secured Assets of any Chargor.

"Secured Assets" means the assets the subject of any Security created by this Deed.

"Secured Obligations" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Chargor to the Secured Parties (or any of them) under the Noteholder Documents, whatever their nature or basis but excluding any amount owed to any Secured Party in the capacity of a shareholder for avoidance of doubt, in any currency or currencies, and however they are described and all costs, charges and expenses incurred by any Secured Party in connection with the protection, preservation or enforcement of the rights of the Secured Parties (or any of them) under any of the same PROVIDED THAT **"Secured Obligations"** shall not include any obligation or liability to the extent that if it were so included this Deed (or any part of it) would give rise to financial assistance within the meaning of section 677(1) of the Companies Act unless such financial assistance is not prohibited by virtue of the provisions of sections 678, 679, 681 and 682 of the Companies Act.

"Secured Parties" means the Loan Noteholders and the Security Trustee.

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

"Security Period" means the period beginning on the date of this Deed and ending on the Discharge Date.

"Security Trust Deed" means the agency and security trust deed dated on or around the date of this deed and made between (1) the Security Trustee (2) the Loan Noteholders and (3) the Initial Chargors.

"Security Trustee" means such trustee or trustees as may from time to time be appointed in that capacity, whether alone or in addition to others, in relation to certain of the Noteholder Documents, including this Deed, for the purpose of and in accordance with the terms of the Security Trust Deed, and being Andrew Edmund Malcher as at the date of this Deed.

"Shares" means (in relation to each Chargor) all shares (if any) specified in Schedule 2 (*Shares*) in respect of such Chargor and also all other stocks, shares, debentures, bonds, warrants, coupons or other securities now or in the future owned by such Chargor from time to time, or any in which it has an interest.

"Specified Shares" means in relation to a Chargor the Shares specified in Schedule 2 (*Shares*) opposite its name.

"Subordination Deed" means the subordination deed entered into between the Chargors, the Secured Parties and other creditors of the Chargors and dated on or about the date of this Deed.

"Subsidiary" means a subsidiary within the meaning of section 1159 of the Companies Act.

"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"Third Parties Act" means the Contracts (Rights of Third Parties) Act 1999.

1.2 Construction

In this Deed:

- (a) unless a contrary indication appears, a reference to:

- (i) **"assets"** includes present and future properties, revenues, rights and interests of every kind and reference to an **"asset"** includes any part or parts of such asset;
 - (ii) **"guarantee"** includes any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to pay any deposit on behalf of, or make an investment in, or loan to, any person or to purchase assets of any person, where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
 - (iii) **"indebtedness"** includes any obligation (whether incurred as principal or surety) for the payment or repayment of money, whether present or future, actual or contingent;
 - (iv) **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
 - (v) **"regulation"** includes any regulation, rule, official directive, request or guideline (in each case, 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;
 - (vi) **"set-off"** includes analogous rights and obligations in jurisdictions other than England and Wales; and
 - (vii) the **"First Chargor"**, the **"Security Trustee"**, any **"Loan Noteholder"**, any **"Chargor"**, any **"Party"**, any of the **"Secured Parties"**, shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
- (b) where something (or a list of things) is introduced by the word **"including"**, or by the phrase **"in particular"**, or is followed by the phrase **"or otherwise"**, the intention is to state an example (or examples) and not to be exhaustive (and the same applies when other similar words or phrases are used);
 - (c) unless this Deed expressly states otherwise or the context requires otherwise, (i) each reference in this Deed to any provision of any statute or of any subordinate legislation means, at any time, the relevant provision as in force at that time (even if it has been amended or re-enacted since the date of this Deed) and (ii) each reference in this Deed to any provision of any statute at any time includes any subordinate legislation made pursuant to or in respect of such provisions as in force at such time (whether made before or after the date of this Deed and whether amended or re-enacted since the date of this Deed);
 - (d) each reference to this Deed (or to any other agreement, instrument or deed) means, at any time, this Deed (or as applicable such other agreement, instrument or deed) as amended, novated, supplemented, extended, or

restated, at that time, provided that the relevant amendment, novation, supplement, extension, substitution or restatement does not breach any term of this Deed or of any of the Noteholder Documents;

- (e) the index and Clause and Schedule headings are for ease of reference only;
- (f) an Event of Default is "**continuing**" if it has not been remedied or waived by the Security Trustee;
- (g) in relation to any Chargor which becomes a Party upon the execution and delivery of a Deed of Accession, (i) where any assets are identified by reference to a Schedule this includes assets identified in any corresponding or analogous schedule to such Deed of Accession and (ii) provisions which apply by reference to the date of execution of this Deed shall apply by reference to the date of execution of such Deed of Accession; and
- (h) references to any Security "**created by this Deed**" are to be deemed to include such Security created, constituted, given, made or extended by, under or pursuant to this Deed, or by, under or pursuant to any Deed of Accession.

1.3 Third Party Rights

No person who is not a party to this Deed has any right under the Third Parties Act to enforce or enjoy the benefit of any term of this Deed, unless an Enforcement Party, which may do so, or any other person, to the extent that this Deed or any other of the Noteholder Documents expressly provides for it to do so. No consent of any person who is not a Party is required to rescind or vary this Deed at any time. This Clause 1.3 does not affect any right or remedy of any person which exists, or is available, otherwise than pursuant to the Third Parties Act.

1.4 Incorporation of other terms

The terms of the other Noteholder Documents under which the Secured Obligations arise and of any side letters between any Chargor and any Secured Party relating to the Secured Obligations are incorporated into this Deed to the extent required for any purported disposition of the Secured Assets contained in this Deed to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

2 COVENANT TO PAY

2.1 Covenant

Each Chargor, as primary obligor and not merely as surety, covenants with the Security Trustee that it will pay, discharge and perform the Secured Obligations on demand and in the manner provided in the Noteholder Documents.

3 SECURITY

3.1 Fixed charges

Each Chargor, as a continuing security for the payment, discharge and performance of the Secured Obligations, charges in favour of the Security Trustee the following assets:

- (a) **First legal mortgage on specified Property** - by way of first legal mortgage, all its Property (if any);
- (b) **First fixed charges in respect of other Property** - by way of first fixed charge, (i) all the Property from time to time owned by it (but excluding any Property which is subject to a valid legal mortgage under Clause 3.1(a)), (ii) any other rights, title or interest of such Chargor in Property, wherever situated, and (iii) all Associated Rights in relation to its Property;
- (c) **First fixed charges in respect of Designated Chattels** - by way of first fixed charge, (i) the Designated Chattels (if any) in respect of such Chargor (but not including any of the assets which are subject to a valid legal mortgage or valid fixed charge under Clauses 3.1(a) or 3.1(b), and (ii) all Associated Rights in relation to such Designated Chattels;
- (d) **First fixed charges in respect of other chattels** - by way of first fixed charge, (i) all plant, machinery, vehicles and computer equipment now or in the future owned by it (but not including any such asset which is subject to a valid legal mortgage or valid fixed charge under Clauses 3.1(a), 3.1(b) or 3.1(c) nor any chattel for the time being forming part of such Chargor's stock-in-trade or work in progress), (ii) its rights, title or interest in any chattel now or in the future in its possession which is not owned by it, but which had it been so owned would have been validly charged by paragraph (i) of this Clause 3.1(d) and (iii) the benefit of all Associated Rights relating to any chattel validly charged by this Clause 3.1(d);
- (e) **First fixed charge on specified Shares** - by way of first fixed charge, (i) the Shares (if any) listed in respect of such Chargor in Schedule 2 (*Shares*) and (ii) the Distribution Rights (if any) from time to time accruing to or on such Shares;
- (f) **First fixed charge on Investments** - by way of first fixed charge, (i) all Investments (but not including Shares which are subject to a valid fixed charge under Clause 3.1(e)) and (ii) all Distribution Rights from time to time accruing to or on such Investments;
- (g) **First fixed charges in respect of Insurances** - by way of first fixed charge, the Insurances owned by or written in favour of such Chargor and all Insurance Proceeds either now or in the future held by or payable to such Chargor or in which such Chargor otherwise has an interest (to the extent of such interest);
- (h) **First fixed charges in respect of book debts** - by way of first fixed charge, (i) all present and future book and other debts, revenues and monetary claims of or owing to such Chargor and (ii) all rights and claims of whatever nature of

such Chargor now, or which may at any time be, held or enjoyed by it against third parties and against any securities and guarantees in respect of such debts, revenues or claims;

- (i) **First fixed charge on Intellectual Property** - to the extent that such Intellectual Property is incapable for any reason of being effectively assigned pursuant to Clause 3.2(b), by way of first fixed charge, all Intellectual Property (if any) owned by such Chargor or in which such Chargor has an interest (to the extent of such interest);
- (j) **First fixed charges in respect of Authorisations** - to the extent that such Authorisations and Derivative Payments are incapable for any reason of being effectively assigned pursuant to Clauses 3.2(a) or 3.2(c) respectively but are capable of being effectively charged, by way of first fixed charge, (i) the benefit of all Authorisations held or utilised by such Chargor in connection with its business or the use of any of its assets and (ii) the right to recover and receive all Derivative Payments which may at any time become payable to such Chargor in respect of such Authorisations;
- (k) **First fixed charge on goodwill and uncalled capital** - by way of first fixed charge, all the goodwill and uncalled capital of such Chargor; and
- (l) **First fixed charge on other Associated Rights** - by way of first fixed charge, the benefit of all Associated Rights relating to any of the assets of such Chargor, in each case to the extent that such Associated Rights are capable of being made the subject of a fixed charge and are not otherwise the subject of any valid fixed charge pursuant to this Deed.

3.2 Assignments by way of Security

As further continuing security for the payment of the Secured Obligations, on an Event of Default and provided that written notice has been received by the First Chargor informing the First Chargor of the occurrence of an Event of Default and that the assignments detailed in this clause thereby take effect, each Chargor assigns absolutely to the Security Trustee all (if any) its rights, title and interest in and to the following assets and will use all reasonable endeavours to procure the acknowledgement of the counterparty:

- (a) **Authorisations** - all Authorisations held or utilised by such Chargor in connection with its business or the use of any of its assets and the benefit of any Derivative Payment in respect of such Authorisations;
- (b) **Intellectual Property** – the Intellectual Property (if any) owned by such Chargor or in which such Chargor has an interest (to the extent of such interest), together with the benefit of any Derivative Payments in respect of such Intellectual Property, but in the case of any such assignment of Intellectual Property the Security Trustee shall grant to such Chargor a licence to use such Intellectual Property in the ordinary course of its business and for so long as no Event of Default exists and is continuing upon such terms as may reasonably be specified by the Security Trustee; and
- (c) **Associated Rights and Derivative Payments** - any Associated Rights or Derivative Payment which are not the subject of a valid fixed charge pursuant

to Clause 3.1 (*Fixed charges*) of this Deed or valid assignment pursuant to Clauses 3.2(a) to 3.2(b) and which relate to any of the assets of such Chargor, whether or not such assets are subject to a valid legal mortgage, fixed charge or assignment pursuant to this Deed.

3.3 Notice of charge or assignment

- (a) Each Chargor shall, promptly upon receiving a request to that effect from the Security Trustee, give notice of each charge or assignment of all (if any) its right, title and interest in and to the Insurances and Insurance Proceeds, by sending a notice in the form of Part 1 of Schedule 4 (*Notices*) (with such amendments as the Security Trustee may agree and/or require) duly completed to each of the other parties to the Insurances; and
- (b) Each Chargor shall procure that, within 14 days of the date of its receiving a request under Clause 3.3(a) to give notice to the relevant other party, each such other party delivers an acknowledgement to the Security Trustee in the form of the acknowledgement of notice endorsed on a copy of the relevant notice as set out in Part 1 or Part 2 of Schedule 4 (*Notices*).

3.4 Floating charge

- (a) As further continuing security for the payment, discharge and performance to the Security Trustee of the Secured Obligations, each Chargor charges in favour of the Security Trustee, by way of first floating charge, all its assets and undertaking, wherever located, both present and future.
- (b) The floating charge created by Clause 3.4(a) is deferred, in relation to each Chargor, in point of priority to all fixed Security validly and effectively created by such Chargor under any of the Security Documents in favour of the Security Trustee as security for the Secured Obligations.

3.5 Conversion of floating charge

- (a) The Security Trustee may, at any time, by notice in writing to any Chargor, convert any floating charge created by this Deed into a fixed charge as regards such assets as it shall specify in the relevant notice if:
 - (i) an Event of Default has occurred which is continuing; or
 - (ii) the Security Trustee is of the view that (a) such assets are in danger of being seized, (b) any legal process or execution is being enforced against such assets, (c) such assets are otherwise in jeopardy, or (d) steps have been taken which would, in the reasonable opinion of the Security Trustee, be likely to lead to the appointment of an administrator or administrative receiver in relation to such Chargor (or such administrator or administrative receiver has been appointed) or to the winding-up of such Chargor.
- (b) By way of further assurance, such Chargor shall, promptly following service of such notice upon it, execute a fixed charge over such assets in such form as the Security Trustee shall require.

3.6 Automatic conversion of floating charge

In addition to any circumstances in which any floating charge created under this Deed will crystallise automatically under the general law, and without prejudice to the operation of Clause 3.5 (*Conversion of floating charge*):

- (a) if any Chargor creates (or purports to create) any Security on or over any of the Floating Charge Assets (other than Permitted Security) without the prior written consent of the Security Trustee; or
- (b) if any Chargor convenes any meeting of its members to consider a resolution in relation to its winding up, or if a liquidator, administrative receiver, receiver, administrator or another similar officer is appointed in respect of such Chargor or any of its assets,

then and in any such event, any floating charge created by this Deed in relation to such Chargor shall, without any notice being given under Clause 3.5 (*Conversion of floating charge*) and immediately upon such event occurring, be converted into a fixed charge over all the assets which immediately prior to such conversion comprised the Floating Charge Assets of such Chargor.

3.7 Continuing security

The provisions of this Deed will apply at all times (a) regardless of the date on which any of the Secured Obligations was incurred and (b) in respect of the full amount of the Secured Obligations at the relevant time even if, at some other time, the amount of the Secured Obligations has been less than the amount at the relevant time or there has been no part of the Secured Obligations outstanding.

3.8 Miscellaneous

- (a) All the Security created by this Deed by any Chargor is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (b) Clauses 3.1(b) to 3.1(l) inclusive shall be read and construed as if each asset described, and each asset comprised within any category of asset described, in each such Clause were expressed, separately and specifically, to have been made subject to a first fixed charge; and the validity and effectiveness of each such fixed charge will not be prejudiced by any other such first fixed charge being found not to be fully valid or effective as such.
- (c) The fact that no, or incomplete, details of any particular Secured Assets are included or inserted in any relevant Schedule shall not affect the validity or enforceability of the charges created by this Deed.

4 FURTHER ASSURANCE

Each Chargor shall (and the First Chargor shall procure that each other Chargor will):

- (a) promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Trustee may reasonably specify (and in such form as the Security

Trustee may reasonably require) in favour of the Security Trustee or its nominee(s) (i) to perfect the Security created or intended to be created or evidenced by this Deed or for the exercise of any rights, powers and remedies of the Security Trustee provided by or pursuant to this Deed; (ii) to confer on the Security Trustee Security over any property or assets of such Chargor located in England and Wales or any other jurisdiction equivalent or similar to the Security intended to be created, or expressed to be created, by this Deed; and/or (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of this Deed; and

- (b) take all such action as is available to it (including making all filings and registrations and the payment of all fees and Taxes) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Trustee by or pursuant to this Deed.

5 NEGATIVE PLEDGE AND DISPOSAL RESTRICTIONS

5.1 Negative pledge

During the Security Period, no Chargor shall:

- (a) create, extend or permit to subsist any Security over any of the Secured Assets; nor
- (b) (i) execute, or agree to grant, vary, or accept any surrender of, any conveyance, transfer, lease, or assignment, or any other right of occupation or use, of the Secured Assets, (ii) create any legal or equitable estate, or other interest, in, over, or relating to, the Secured Assets, (iii) sell, transfer or otherwise dispose of any of its receivables on recourse terms, (iv) enter into any arrangement under which money, debts or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts, or (v) enter into any preferential arrangement with any person, having a similar effect to any of the arrangements or transactions previously described in this Clause 5.1, in any case in circumstances where the arrangement or transaction is entered into primarily as a method of borrowing monies or otherwise raising indebtedness (whether actual or contingent and whatever the nature, structure or characteristic of the arrangement or transaction under which the relevant liability arises) or of financing the acquisition of an asset.

5.2 Exceptions

- (a) Clause 5.1 does not apply to (i) the Security created or required to be created pursuant to this Deed, nor (ii) any Security, arrangement or transaction to which the Security Trustee has given its written consent, nor (iii) Permitted Security.
- (b) Clause 5.1(b) does not apply to Floating Charge Assets, which are not also Fixed Charge Assets, and which are being dealt with at arm's length in the ordinary course of business.

6 REPRESENTATIONS AND WARRANTIES

Each Chargor represents and warrants to the Security Trustee on the date of this Deed as follows.

6.1 Status

It is a limited liability company, duly incorporated and validly existing under the laws of England and Wales and it has the power to own its assets and carry on its business and other activities as they are being conducted.

6.2 Binding obligations

The obligations expressed to be assumed by it in this Deed are, and at all relevant times have been, legal, valid, binding and enforceable obligations (subject to the principle that equitable remedies are discretionary and subject to any applicable insolvency laws).

6.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, this Deed do not and will not conflict with or result in any breach of (a) any law or regulation applicable to it, (b) its or any of its Subsidiaries' constitutional documents, or (c) any agreement or instrument binding upon it or any of its Subsidiaries or any of its or any of its Subsidiaries' assets in a manner reasonably likely to have a Material Adverse Effect.

6.4 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Deed and the transactions contemplated by this Deed.

6.5 Validity and admissibility in evidence

All Authorisations required or desirable (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Deed, and (b) to make this Deed admissible in evidence in England and Wales, have been obtained or effected and are in full force and effect (and such Chargor is not aware of any circumstance having arisen by which they might be withdrawn or varied, in whole or part).

6.6 No Event of Default

No Event of Default has occurred or is continuing or might reasonably be expected to result from the execution of this Deed or from effect being given to its provisions and no person who holds any Security over any asset of such Chargor has enforced or given notice of its intention to enforce such Security.

6.7 Commercial benefit

It enters into this Deed in good faith and for the purposes of the promotion of the success of its business and has given due consideration to the terms and conditions of the documents evidencing the Secured Obligations and of this Deed and has

satisfied itself that there are reasonable grounds for believing that by executing this Deed it will derive commercial benefit.

6.8 Matters affecting Shares

- (a) It is and will remain the sole beneficial owner of the Specified Shares and of any other Shares acquired by it, or in which it has acquired a beneficial interest, after the date of this Deed.
- (b) It has not nominated another person or persons to enjoy or exercise all or any of its rights as the registered holder of the Specified Shares and (save where the Specified Shares have been registered in the name of the Security Trustee or its nominee pursuant to the provisions of this Deed and save as otherwise agreed by the Security Trustee) it is and will remain the absolute legal owner of the Specified Shares.
- (c) The Shares are fully paid and neither the Shares nor the Distribution Rights attributable to the Shares are subject to any lien, charge, equity, encumbrance, option to purchase or similar rights of any person, other than under or pursuant to this Deed.
- (d) The Security Trustee is entitled to be registered or to require a nominee to be registered as a member of each of the relevant companies to which such Shares relate without any right of the board of directors of any such company to refuse registration or to consent to such registration only subject to satisfaction of conditions.

6.9 Centre of main interest

For the purposes of the EC Regulation its COMI is situated in England and Wales and it has no Establishment in any other jurisdiction.

6.10 Repeated representations

Each of the further representations and warranties set out in this 6 (other than those at Clauses 6.7 (*Commercial benefit*) and 6.8(a) which are not repeated) shall be deemed to be repeated on each day during the Security Period.

7 UNDERTAKINGS

Throughout the Security Period, each Chargor undertakes to the Security Trustee in the terms of the following provisions of this Clause 7.

7.1 Perform

It will at all times comply with the terms (express or implied) of this Deed and of all contracts relating to the Secured Obligations.

7.2 Not jeopardise Security

It will not (and, without prejudice to Clause 7.14(d), will procure that no nominee will) do or omit to do anything, or allow anything to be done or omitted, the result of which may be in any way to depreciate, jeopardise or otherwise prejudice the value to the

Security Trustee of the Security created by this Deed or the priority of its ranking as expressed in this Deed.

7.3 Maintenance

It will keep the Property and Secured Assets in a good and substantial state of repair, working order and condition. Where the Secured Assets include any item of plant or machinery which becomes incapable of economic repair, it will replace such asset with an asset which is a comparable modern equivalent or which is otherwise approved by the Security Trustee.

7.4 Observe covenants

It will observe and perform all covenants and stipulations from time to time on its part to be performed or observed and affecting any of the assets owned by it or in which it has an interest or the way in which it uses or benefits from such assets.

7.5 Observe laws

It will not do or omit to do or allow anything to be done in relation to the Secured Assets which would infringe any laws affecting (whether directly or indirectly) the Secured Assets and will comply with all notices, orders, injunctions and mandatory proposals served on it, issued or made by any local or other authority or governmental agency, or by its landlords relating to any of the Secured Assets or its use of them, and will serve within any relevant time limit any counter-notice necessary or desirable to preserve the value of any such Secured Assets.

7.6 Effect registrations

It will effect all registrations, make all filings or applications and pay all Taxes, rents, fees or dues necessary to keep in full force and effect, and where necessary to renew or extend, all the Secured Assets and such Chargor's right to make full use and enjoy the full benefit of the Secured Assets.

7.7 Proceedings

At its own cost and expense, it will use its best endeavours to enforce, institute, continue or defend all proceedings affecting the Secured Assets, their state or condition or continued use or value so as to preserve to the fullest extent the value to the Security Trustee of the Security created by this Deed.

7.8 Insurance

In respect of its business, and such of the Secured Assets as are of an insurable nature, it will obtain, maintain and renew (all at its own expense) insurance, indemnity or similar cover with reputable, independent, United Kingdom incorporated insurance companies or underwriters, against those risks and to the extent as is usual for companies carrying on the same or substantially similar business, provided that (a) if required by the Security Trustee, in respect of all or any of the Insurances required by this Deed, it will procure and promptly produce to the Security Trustee evidence satisfactory to the Security Trustee that the Security Trustee is named as sole loss payee in respect of all claims under such Insurances and (b) it will promptly pay all premiums and other sums necessary to effect and maintain the Insurances

required by this Deed and will, on demand, produce to the Security Trustee such Insurances and evidence that such premiums and other sums have been paid.

7.9 Chattels

If so requested by the Security Trustee, it will place and maintain on each chattel which is expressed to be subject to a fixed charge under this Deed, in a conspicuous place, an identification marking in the following terms and not conceal, alter or remove such marking or permit it to be concealed, altered or removed:

"Notice of Charge - This [*specify the chattel*] and additions and ancillary equipment are subject to a first fixed charge in favour of [*insert name of Security Trustee*].".

7.10 Property

It will comply with the provisions of Part 2 of Schedule 5 (*Property warranties and undertakings*).

7.11 Maintain Intellectual Property

It will (a) observe and perform all covenants and stipulations from time to time affecting such Chargor's Intellectual Property or the way it is used or enjoyed, (b) make all payments, carry out or seek all registrations, grants or renewals of such Chargor's Intellectual Property, or of any licences or other interests affecting such Chargor's Intellectual Property, (c) generally take all such steps as may be necessary to preserve, maintain and renew when necessary or desirable (and in any case promptly following a request by the Security Trustee for it to do so) all of such Chargor's Intellectual Property, present or future, and (d) not do (or fail to do) anything nor permit anything to be done, if that might infringe any Intellectual Property owned or used by it or affect the existence or value of any such Intellectual Property or its right or ability to use it.

7.12 Land Registry

- (a) In relation to all present and future registered Property (and any unregistered Property subject to compulsory first registration at the date of this Deed), it will, if the Security Trustee so directs, apply to the Land Registrar to enter on the register against the title number of or to be allocated to the relevant Property a restriction in the following terms:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [date of this Deed] in favour of [name and description of Security Trustee] referred to in the charges register, or its conveyancer"

and, where applicable, notice of an obligation to make further advances.

- (b) It shall submit the relevant applications no later than the date of submission of the initial application for registration of the Security created by this Deed (or, in the case of The Land Registry form CH2, where applicable, promptly following its later receipt of such form duly completed by the Security

Trustee), and pay all fees, costs and expenses incurred in connection with the applications.

- (c) The Security Trustee, in its absolute discretion, may make any of the applications referred to in this Clause 7.12 in place of such Chargor. In such a case, such Chargor consents to the entry of the relevant restriction and will pay all fees, costs and expenses incurred in connection with the application.

7.13 Book debts

It will not, without the prior written consent of the Security Trustee, charge, factor, discount or assign any of the Charged Debts in favour of any other person or purport to do so and shall deal with its Charged Debts as directed by the Security Trustee from time to time.

7.14 Shares and other Investments

- (a) It will, promptly upon receipt of them, deliver to the Security Trustee copies of all notices, circulars, letters, reports, accounts and other communications with shareholders relating to its holding of the Shares.
- (b) It will pay all calls or other payments due and payable in respect of any of the Shares and if it fails to do so the Security Trustee may pay the calls or other payments on its behalf.
- (c) Save with the prior written consent of the Security Trustee, it will not (i) take any action by or as a consequence of which the rights attaching to the Shares are altered or diluted or the issued capital of any of the companies whose Shares are charged by this Deed is increased, nor (ii) participate in any rights issue relating to the Shares, nor (iii) apply for, or consent to, the conversion of any Shares held in certificated form into uncertificated form.
- (d) Except where the Security Trustee requires it to do so, it will not nominate another person or persons to enjoy or exercise all or any of its rights as the registered holder of the Shares.
- (e) If the Security Trustee requires it to do so, it will take all steps within its power to procure that any of the companies to which the Shares relate will make such changes to its respective articles of association as may be necessary, pursuant to section 145 of the Companies Act 2006, to permit it to nominate the Security Trustee or a nominee of the Security Trustee to exercise or enjoy all or any of such Chargor's rights as a registered holder of the Shares of such company.
- (f) Immediately following the execution of this Deed it will deliver to the Security Trustee (or as it shall direct) all bearer instruments, share certificates and other documents of title to or evidence of ownership of the Investments and/or the Distribution Rights owned by it or in which it has an interest together with (in the case of Shares, other than bearer instruments, held in certificated form) instruments of transfer in respect of each of the Shares executed in blank (except for the number and class of Shares and the name of the transferor) and left undated.

- (g) If it acquires Investments, whether pursuant to its Distribution Rights or for any other reason, after the date of this Deed, the provisions of Clause 7.14(c) and the remaining provisions of this Clause 7.14 shall apply to such Investments.
- (h) The Security Trustee may, at any time if the Security Trustee reasonably considers that the Security created by this Deed is in jeopardy, complete the instruments of transfer on behalf of such Chargor in favour of itself or such other person as it shall select, and such Chargor shall procure that such instruments of transfer are immediately registered in the statutory registers of the relevant company and that share certificates in the name of the Security Trustee and/or its nominee(s) in respect of the Shares to which such instrument of transfer relates are delivered to the Security Trustee as soon as reasonably practicable, but in any event no later than 5 days after the date upon which the Security Trustee has delivered the relevant instrument of transfer.
- (i) Until the occurrence of an Event of Default, but not after such occurrence while such Event of Default is continuing, such Chargor will be entitled to receive and retain all Dividends and will be entitled to exercise all voting and other rights and powers attaching to the Shares, provided that it will not exercise any such voting rights or powers in a manner which would prejudice the value of, or the ability of the Security Trustee to realise, the Security created by this Deed.
- (j) It shall give to the Security Trustee reasonable notice of the manner in which it proposes to exercise the rights and powers referred to in Clause 7.14(i).
- (k) Throughout the period following the occurrence of an Event of Default and while it is continuing (the "**default period**"), any Dividends will be received by such Chargor on trust for the Security Trustee and paid into a separate account or otherwise dealt with as directed by the Security Trustee, and such Chargor shall, if the Security Trustee so requires, during the default period, exercise all voting and other rights and powers attaching to the Shares as the Security Trustee shall direct.
- (l) At any time when any Investments are registered in the name of the Security Trustee or its nominee:
 - (i) for so long as there is no Event of Default which is continuing, the Security Trustee will (so far as is consistent with the Security created by this Deed) exercise any applicable voting or other rights and powers in accordance with the directions of such Chargor and account to such Chargor for any Dividends; but
 - (ii) upon the occurrence of an Event of Default and while it is continuing the Security Trustee may exercise or refrain from exercising such voting or other rights and powers as it thinks fit and may retain any Dividends, but in any case the Security Trustee will not be under any duty to ensure that any Dividends are duly and promptly paid or received by it or its nominee, nor to verify that the correct amounts are paid or received by it or its nominee, nor to take any action in

connection with the taking up of any Distribution Rights in respect of or in substitution for, any of those Investments.

7.15 Access

It will (at the risk and cost of such Chargor) permit the Security Trustee and its professional advisers, agents and contractors and, where required by the Security Trustee, independent valuers free access at all reasonable times and on reasonable notice and for all reasonable purposes (including carrying out physical inspections, valuations and/or the preparation or making of inventories and/or schedules and/or other records or copies) (a) to the premises, assets, books, accounts and records of such Chargor and (b) to meet and discuss matters with such senior employees as the Security Trustee may reasonably require, and will provide and will procure that any occupiers of such premises and such employees provide all reasonable assistance to the Security Trustee and such other persons in connection with the access obligations imposed by this Clause 7.15.

7.16 Change of business

It will procure that no substantial change is made to the general nature of its business from that carried on at the date of this Deed.

7.17 Centre of main interests

It will not move its COMI, nor have any Establishment, outside England and Wales.

7.18 Deposit of documents

It will promptly at the Security Trustee's request deposit with the Security Trustee (or as the Security Trustee directs) (a) all deeds and documents of title relating to the Property, including counterpart leases, licences and any other deeds or documents necessary or desirable to assist the Security Trustee to enforce the Security created by this Deed, (b) all policies of insurance in respect of which the proceeds of any claims are assigned or charged pursuant to this Deed and (c) all such other documents relating to the Secured Assets as the Security Trustee may from time to time reasonably require.

7.19 Retention of documents

The Security Trustee may retain any document delivered to it pursuant to Clause 7.18 (*Deposit of documents*) or otherwise until the Discharge Date and if, for any reason, the Security Trustee ceases to hold any such document before such time, it may, by notice to such Chargor, require that the relevant document be redelivered to it and such Chargor shall immediately comply (or procure compliance) with such notice.

7.20 Power to remedy

If such Chargor fails to comply with any of the covenants and undertakings set out or referred to in Clauses 7.1 (*Perform*) to 7.19 (*Retention of documents*) inclusive, it will allow (and irrevocably authorises) the Security Trustee and/or such persons as the Security Trustee nominates to take on behalf of such Chargor such action (including the making of payments) as is necessary to protect any relevant assets against the

consequences of such failure to comply and/or to ensure compliance with such covenants and undertakings.

7.21 Indemnity

It will indemnify the Security Trustee and will keep the Security Trustee indemnified against all costs, Taxes, losses and liabilities incurred by the Security Trustee as a result of any default by such Chargor in the performance of any of the obligations expressed to be assumed by it in this Deed and in connection with the exercise by the Security Trustee of its rights contained in Clauses 7.14(b) and 7.20 (*Power to remedy*). All sums the subject of this indemnity will be payable by such Chargor to the Security Trustee on demand.

8 ENFORCEABILITY

For the purposes of all powers implied by the LPA or any other applicable legislation, the Secured Obligations shall be deemed to have become due and payable and this Deed will become immediately enforceable and the powers of the Security Trustee and any Receiver will become exercisable on the date of this Deed, but, as between the Security Trustee and each Chargor, the power of the Security Trustee to enforce the Security created by this Deed shall be exercisable only upon the occurrence of an Event of Default and for so long as it is continuing (unless there has been a request from such Chargor to the Security Trustee for the appointment of a Receiver, in which case it will be exercisable at any time following the making of such request).

9 ENFORCEMENT OF SECURITY

- (a) At any time after the Security Trustee's power of sale has become exercisable, the Security Trustee may, without further notice, (i) appoint one or more than one person to be Receiver in respect of the Secured Assets or any of them and, if more than one person is appointed as Receiver, such appointees may act jointly and severally or individually, (ii) take possession of the Secured Assets, and/or (iii) in its absolute discretion enforce all or any part of the Security created by this Deed in such other lawful manner as it thinks fit. The Security Trustee may remove any person from appointment as Receiver and may appoint another person as Receiver. The Security Trustee may also appoint an additional Receiver.
- (b) The Receiver will, so far as the law permits, be the agent of each Chargor in respect of which the Receiver is appointed and each such Chargor alone will be responsible for the acts or defaults of the Receiver and will be liable on any contracts or obligations made or entered into by the Receiver. The Security Trustee will not be responsible for any misconduct, negligence or default of the Receiver. The powers of the Receiver will continue in full force and effect following any liquidation of the relevant Chargor.
- (c) The remuneration of the Receiver may be fixed by the Security Trustee but will be payable by the relevant Chargor. The amount of the remuneration will form part of the Secured Obligations.
- (d) The Receiver will have the power, on behalf and at the cost of each Chargor in respect of which the Receiver is appointed, (i) to do or omit to do anything which he considers appropriate in relation to the Secured Assets and (ii) to

exercise all or any of the powers conferred on the Receiver or the Security Trustee under this Deed or conferred upon administrative receivers by the Insolvency Act (even if he is not an administrative receiver), or upon receivers by the LPA or any other statutory provision (even if he is not appointed under the LPA or such other statutory provision) but so that if there is any ambiguity or conflict between the powers contained in such legislation and those contained in this Deed, those contained in this Deed shall prevail.

- (e) Without prejudice to the general powers set out in Clause 9(d), a Receiver will also have the powers and discretions set out in Schedule 6 (*Receiver's specific powers*).
- (f) The Security Trustee or any Receiver may sever any Fixtures from the Property and sell them apart from the Property without taking possession of the Property and apply the net proceeds of such sale in or towards satisfaction of the Secured Obligations.
- (g) If the Security Trustee or the Receiver obtains possession of the Property, the Security Trustee or the Receiver may use and remove, store or sell any chattels on the Property, whether or not forming part of the Secured Assets, without being under any liability to any Chargor other than to account for their net proceeds of the sale. All costs, losses and liabilities incurred by the Security Trustee or the Receiver in connection with the removal, storage and sale of such chattels will form part of the Secured Obligations.
- (h) If (notwithstanding any representation or warranty to the contrary contained in this Deed) there shall be any Security affecting the Secured Assets or any of them which ranks in priority to the Security created by this Deed and the holder of such prior Security takes any steps to enforce such Security, the Security Trustee or any Receiver may, at its option, take a transfer of, or repay the indebtedness secured by, such Security.
- (i) The Security Trustee may, at any time after this Deed has become enforceable pursuant to Clause 8 (Enforceability), exercise, to the fullest extent permitted by law, all or any of the powers, authorities and discretions conferred on a Receiver by this Deed, whether as attorney of any Chargor or otherwise and whether or not a Receiver has been appointed.
- (j) The Security Trustee may, in writing, either in its appointment of a Receiver or by subsequent notice to that Receiver, restrict the right of such Receiver to exercise all or any of the powers conferred on a Receiver by this Deed.
- (k) Paragraph 14 of Schedule B1 to the Insolvency Act applies to the floating charges created under this Deed.

10 PAYMENTS, ACCOUNTS AND APPLICATION OF PROCEEDS

10.1 Right of appropriation

Subject to the provisions of Clause 10.8 (*Recoveries by Receiver*), the Security Trustee is entitled to appropriate money and/or assets to the Secured Obligations in such manner or order as it thinks fit and any such appropriation shall override any appropriation by any Chargor.

10.2 No set-off by Chargors

No Chargor shall exercise any right of set-off or counterclaim it might have in respect of any payment due to the Security Trustee under this Deed.

10.3 Security Trustee's rights of set-off

The Security Trustee may, at any time after this Deed has become enforceable, and without notice (a) combine or consolidate all or any of a Chargor's then liabilities to the Security Trustee and/or (b) set-off any other obligation owed by the Security Trustee to any such Chargor (whether or not matured at such time), in or towards satisfaction of any of the Secured Obligations; and if any amount is in a different currency from the amount against which it is to be set-off, the Security Trustee may convert either amount (or both) at any reasonable time and at any reasonable rate. The Security Trustee shall notify such Chargor in writing that any such transaction has taken place.

10.4 Suspense Account

The Security Trustee may, at any time, credit to a suspense account any money received by it under this Deed, to be held for so long as and on such terms as the Security Trustee may determine pending its application towards discharging the Secured Obligations.

10.5 New account

If the Security Trustee receives notice of a subsequent mortgage or charge relating to the Secured Assets, it will be entitled to close any account and to open a new account in respect of the closed account. If the Security Trustee does not open such new account, it will in any event be treated as if it had done so at the time when it received such notice.

10.6 Time deposit

Without prejudice to the provisions of Clause 10.3 (*Security Trustee's rights of set-off*), if at any time any Chargor has made a deposit with the Security Trustee on terms that it will be repaid on a specified date (a "**Time Deposit**") then: (a) if the Security Trustee has made any demand under Clause 2.1 (*Covenant*), it may vary the terms of such Time Deposit so that it becomes repayable immediately or on any other date before such specified date; or (b) if an Event of Default has arisen which is continuing but no amount of Secured Obligations has fallen due before such specified date, the Security Trustee may renew such Time Deposit for such further maturity as the Security Trustee in its absolute discretion determines.

10.7 Calculations

The Security Trustee's calculation of any amount payable by any Chargor under this Deed at any time will be conclusive (unless it has made an obvious mistake).

10.8 Recoveries by Receiver

The proceeds arising from the exercise of the powers of the Receiver will, subject to any claims ranking in priority to the Secured Obligations, be applied by or at the

direction of the Receiver in or towards discharging or satisfying the following amounts in the following order of priority: (a) the costs, charges and expenses of and incidental to the Receiver's appointment and the payment of his remuneration; (b) any costs, charges, expenses and liabilities of or incurred by any Enforcement Party in the exercise of any of its powers including all rents, Taxes, rates and outgoings whatever affecting the Secured Assets, all premiums on Insurances properly payable under this Deed or any applicable legislation, the cost of executing necessary or proper repairs to the Secured Assets, and the payment of annual sums or other payments, and the interest on all principal sums, having priority to the Secured Obligations; (c) the remaining Secured Obligations, in accordance with the provisions of the Noteholder Documents; and (d) the claims of those persons entitled to any surplus.

10.9 Insurances

All Insurance Proceeds shall be paid to the Security Trustee (or if not paid by the insurers directly to the Security Trustee shall be held on trust for the Security Trustee) and shall (subject as otherwise provided in the Noteholder Documents) be applied in replacing or reinstating the property or assets destroyed, damaged or lost (any deficiency being made good by the relevant Chargor) or (if an Event of Default has arisen which is continuing) as the Security Trustee otherwise directs.

10.10 Currency of payment

No payment to the Security Trustee (whether under any judgment or court order or otherwise) shall discharge the obligation or liability of any Chargor in respect of which it was made unless and until the Security Trustee shall have received payment in full in the currency in which the obligation or liability was incurred. To the extent that the amount of any such payment shall, on actual conversion into such currency, fall short of such obligation or liability expressed in that currency, the Security Trustee shall have a further separate cause of action against such Chargor and shall be entitled to enforce the Security created by this Deed to recover the amount of the shortfall.

10.11 Currency conversion

All money received or held by the Security Trustee or any Receiver under this Deed may be converted into such other currency as the Security Trustee considers necessary or desirable to cover the obligations and liabilities comprised in the Secured Obligations in that other currency at the spot rate of exchange of Barclays Bank PLC then prevailing for purchasing that other currency with the existing currency.

11 PROTECTION OF THIRD PARTIES

11.1 No duty to enquire

A buyer from, or other person dealing with, any Enforcement Party will not be concerned to enquire whether any of the powers which such Enforcement Party has exercised or purported to exercise has arisen or become exercisable and may assume that it is acting in accordance with this Deed.

11.2 Receipt conclusive

The receipt of the Security Trustee or any Receiver shall be an absolute and conclusive discharge to a purchaser of the Secured Assets and shall relieve him of any obligation to see to the application of any monies paid to or by the direction of the Security Trustee or any Receiver.

12 PROTECTION OF SECURITY TRUSTEE

12.1 Security Trustee's receipts

The Security Trustee shall not be obliged to account to any Chargor, nor to any other person, for anything other than its own actual receipts which have not been distributed or paid to the person entitled (or whom the Security Trustee, acting reasonably, believes to be entitled) in accordance with the requirements of this Deed.

12.2 Exclusion of liability

- (a) No Enforcement Party will be liable to any Chargor for any expense, loss, liability or damage incurred by such Chargor arising out of the exercise by such Enforcement Party of its rights or powers or any attempt or failure to exercise those rights or powers, except for any expense, loss, liability or damage arising from its gross negligence, fraud or wilful misconduct.
- (b) No Chargor may take any proceedings against any officer, employee or agent of any Enforcement Party in respect of any claim it might have against such Enforcement Party or in respect of any act or omission of any kind by that officer, employee or agent in relation to this Deed.
- (c) Any officer, employee or agent of any Enforcement Party may rely on this Clause 12.2 under the Third Parties Act.

12.3 Effect of possession

If the Security Trustee or any Receiver enters into possession of the Secured Assets or any of them, this will not oblige either the Security Trustee or the Receiver to account as mortgagee in possession, and if at any time the Security Trustee enters into possession of the Secured Assets or any of them it may at any time at its discretion go out of such possession.

12.4 Chargors' indemnity

Each Chargor agrees with the Security Trustee to indemnify the Security Trustee and any Receiver or Delegate on demand against any costs, Taxes, losses, liabilities or damage incurred by any of them in respect of (a) the taking, holding, protection or enforcement of the Security created by this Deed, (b) any exercise of the rights, powers, discretions or remedies of, or vested in, any Enforcement Party or any attempt or failure to exercise those rights, powers, discretions or remedies and (c) anything done or omitted to be done in the exercise or purported exercise of the powers under this Deed or under any appointment duly made under the provisions of this Deed.

13 POWER OF ATTORNEY

- (a) Each Chargor irrevocably and by way of security appoints the Security Trustee and each Receiver and any person nominated for the purpose by the Security Trustee or the Receiver (in writing, under hand, signed by an officer of the Security Trustee or by the Receiver) severally to be the attorney of such Chargor (with full power of substitution and delegation) for the purposes set out in Clause 13(b).
- (b) The power of attorney granted in Clause 13(a) allows the Security Trustee, the Receiver or the relevant nominee, in the name of the relevant Chargor, on its behalf, as its act and deed and at its expense to perfect the Security created by such Chargor under this Deed and to execute and deliver (using such Chargor's seal where appropriate) any document or do any act or thing which such Chargor may, ought or has agreed to execute or do under this Deed or which the attorney may in its absolute discretion consider appropriate in connection with the exercise of any of the rights, powers, authorities or discretions of the Security Trustee or the Receiver under, or otherwise for the purposes of, this Deed.
- (c) Each Chargor covenants with the Security Trustee to ratify and confirm all acts or things made, done or executed by any attorney exercising or purporting to exercise the powers conferred in accordance with this Clause 13.

14 APPLICATION, VARIATION AND EXTENSION OF STATUTORY PROVISIONS

- (a) The covenants set out in sections 2 to 5 of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to bind a Chargor only if, in any case, the relevant covenant imposes upon such Chargor a burden, liability or obligation that would not otherwise arise under this Deed.
- (b) For the purposes only of section 101 of the LPA, (but otherwise subject to the provisions of Clause 8 (*Enforceability*)), the conditions set out in that section, as to when the powers conferred on a mortgagee by that section arise, do not apply and the Secured Obligations become due and the statutory power of sale and other powers of enforcement arise immediately following the execution of this Deed. The Security Trustee and any Receiver may exercise the statutory power of sale conferred by the LPA free from the restrictions imposed by section 103 of the LPA, which shall not apply to this Deed.
- (c) The power of sale and the other powers conferred by the LPA or otherwise are extended and varied to authorise the Security Trustee in its absolute discretion to do all or any of the things or exercise all or any of the powers which a Receiver is empowered to do or exercise under this Deed.
- (d) The restriction on the consolidation of mortgages in section 93 of the LPA does not apply to this Deed nor to any Security given to the Security Trustee pursuant to this Deed. Section 109(1) of the LPA shall not apply to this Deed. Sections 105, 107(2), 109(6) and 109(8) of the LPA will not apply to the Security Trustee nor to a Receiver appointed under this Deed.

- (e) The statutory and other powers of leasing, letting, entering into agreements for leases or lettings and accepting or agreeing to accept surrenders of leases or tenancies shall not be exercisable by any Chargor in relation to the Secured Assets or any part of them. The restrictions on the powers of the Security Trustee or the Receiver to grant leases or to accept the surrender of leases in sections 99 and 100 of the LPA do not apply to this Deed.

15 OTHER MISCELLANEOUS PROVISIONS

- (a) Except where expressly stated to the contrary, the powers, rights and remedies provided in this Deed are in addition to (and not instead of) powers, rights and remedies under law.
- (b) If an Enforcement Party fails to exercise any power, right or remedy under this Deed or delays its exercise of any power, right or remedy, this does not mean that it waives that power, right or remedy. If an Enforcement Party exercises, or partly exercises, a power, right or remedy once, this does not mean that it cannot exercise such power right or remedy again, fully or in part.
- (c) The Security Trustee may decide when and how to apply any payments and distributions received for its own account under this Deed, and also, as between the Security Trustee and any Chargor, whether and, if so, when, how and to what extent (i) to exercise its rights under this Deed and (ii) to exercise any other right it might have in respect of any Chargor (or otherwise) without, in any case, any Chargor having the right to control or restrict the Security Trustee's exercise of this discretion.
- (d) No provision of this Deed will interfere with the Security Trustee's right to arrange its affairs as it may in its absolute discretion decide (nor oblige it to disclose any information relating to its affairs), except as expressly stated.
- (e) Each Chargor authorises the holder of any prior or subsequent Security to provide to the Security Trustee, and the Security Trustee to receive from such holder, details of the state of account between such holder and such Chargor.
- (f) No Chargor shall assign, novate or otherwise deal with its rights or obligations under or interests in this Deed, except with the prior written consent of the Security Trustee.
- (g) Subject to the Security Trust Deed, the Security Trustee may at any time assign, novate or otherwise deal with any rights or obligations under or interests in this Deed.
- (h) The Security Trustee may disclose any information about any Chargor, the Secured Assets and/or this Deed to any person to whom it proposes to assign, novate or transfer (or has assigned, novated or transferred) any rights or obligations under or interests in this Deed, or with whom it proposes to enter into (or has entered into) any other dealings in relation to any such rights, obligations or interests and any person to whom the benefit of all such rights has been transferred, subject to such obligations, may enforce this Deed in the same way as if it had been an original party to this Deed.

- (i) If, at any time, there has been a release, settlement or discharge of any Chargor's obligations under this Deed and, as a consequence of any insolvency proceedings (or analogous proceedings) or for any other reason, (i) any payment made to any person in respect of any of the Secured Obligations is required to be repaid and/or (ii) any such payment or any Security (or other right) held by the Security Trustee in respect of any of the Secured Obligations (whether under this Deed or otherwise) is void, is set aside or is otherwise affected, then the relevant Chargor's obligations under this Deed shall continue in effect as if there had been no such release, settlement or discharge and as if the relevant payment had not been made and/or (as applicable) the relevant Security (or other right) had not been held by the Security Trustee; and accordingly (but without limiting the Security Trustee's other rights under this Deed) the Security Trustee shall be entitled to recover from such Chargor the value which the Security Trustee has placed upon such Security or the amount of any such payment as if such payment, settlement or discharge had not occurred.
- (j) If the Security Trustee, acting reasonably, considers that any amount paid by any Chargor in respect of the Secured Obligations is capable of being avoided or ordered to be refunded or reduced for the reasons set out in Clause 15.9, then for the purposes of this Deed such amount shall not be considered to have been irrevocably paid.
- (k) To the extent that any Chargor may be entitled in any jurisdiction to claim for itself or its assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process of any kind wherever it might originate, or to the extent that in any such jurisdiction there may be attributed to such Chargor or its assets such immunity (whether or not claimed), it irrevocably agrees not to claim and irrevocably waives such immunity to the fullest extent permitted by the laws of such jurisdiction.
- (l) On the Discharge Date (but subject to Clauses 15.9 and 15.10) the Security Trustee shall, at the request and cost of each Chargor, execute and do all deeds, acts and things as may be necessary to release the Secured Assets from the Security created by this Deed.
- (m) Each Chargor (other than the First Chargor) by its execution of this Deed or a Deed of Accession irrevocably appoints the First Chargor to act on its behalf as its agent in relation to any Security Document and irrevocably authorises:
 - (i) the First Chargor on behalf of such Chargor to supply to the Security Trustee all information concerning such Chargor contemplated by this Deed and to complete and give all notices, requests and instructions, to execute on its behalf any Deed of Accession and any other Security Document, to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by such Chargor, notwithstanding that they may affect such Chargor, without (in any case) further reference to or the consent of such Chargor; and
 - (ii) the Security Trustee to give or make to the First Chargor (and not to such Chargor) any notice, demand or other communication concerning such Chargor pursuant to the Security Documents,

and in each case such Chargor shall be bound as though such Chargor itself had given the information, notices, requests and instructions or executed or made the Deed of Accession, such other Security Documents or such agreements, or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.

- (n) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the First Chargor or given to the First Chargor under or in connection with any Deed of Accession or other Security Document on behalf of another Chargor (whether or not known to any other Chargor and whether occurring before or after such other Chargor became a Chargor under this Deed) shall be binding for all purposes on that Chargor as if that Chargor had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the First Chargor and any other Chargor, those of the First Chargor shall prevail.
- (o) The obligations of each Chargor under Clause 2 (Covenant to pay) are unconditional and neither the provisions of this Deed nor the obligations of any Chargor will be affected by the occurrence or existence at any time of any of the following events or circumstances or by any person's knowledge or lack of knowledge as to any such matter: (i) any person's insolvency or lack of capacity, power or authority; (ii) any unenforceability, illegality or invalidity of any obligation of any person; (iii) any change in the constitution, membership, ownership, legal form, name or status of any person; (iv) the making, amendment or termination of any other deed or agreement; (v) any amendment, novation, re-statement or substitution of, or any supplement to, any other deed or agreement; (vi) any increase or reduction in the amount of any person's indebtedness or any alteration of any term, condition or arrangement in respect of any person's indebtedness; (vii) any person taking or omitting to take any steps in relation to (A) any Chargor or any other person, (B) any of the Secured Obligations, (B) any Security, guarantee or other financial support in respect of any indebtedness and/or (D) any other asset; or (viii) anything else which, although it could affect the liability of a surety, would not affect the liability of a principal debtor.

16 COMMUNICATIONS

16.1 Addresses

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

- (a) in the case of the First Chargor, the other Chargors who are original Parties and the Security Trustee, those given for each of them, respectively, in the signature pages of this Deed;
- (b) in the case of each Chargor who becomes a Party upon execution and delivery of a Deed of Accession, that given for it on the signature pages of the relevant Deed of Accession; and

- (c) in the case of each Receiver and each Delegate, those notified in writing to the Security Trustee by such Receiver or Delegate as soon as practicable after its respective appointment,

or any substitute address, fax number or department or officer as the relevant person may notify to the Security Trustee (or as the Security Trustee may notify to the other Parties, if a change is made by the Security Trustee) by not less than 5 Business Days' notice.

16.2 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with the Security Documents will only be effective (i) if by way of fax, when received in legible form, or (ii) if by way of letter, when it has been left at the relevant address or 5 Business Days after being deposited in the post, postage prepaid, in an envelope addressed to it at that address, and, in any case, if a particular department or officer is specified as part of its address details provided under Clause 16.1 (*Addresses*), if addressed to that department or officer.
- (b) Any communication or document to be made or delivered to the Security Trustee will be effective only when actually received by the Security Trustee.
- (c) All notices from or to a Chargor shall be sent through the Security Trustee.
- (d) Any communication or document made or delivered to the First Chargor in accordance with this Clause 16.2 will be deemed to have been made or delivered to each of the Chargors.

16.3 Notification of address and fax number

Promptly upon receipt of notification of an address and fax number or change of address or fax number pursuant to Clause 16.1 (*Addresses*) or changing its own address or fax number, the Security Trustee shall notify the other Parties.

16.4 Communications in writing

Any communication to be made under or in connection with the Security Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

17 THIS DEED

- (a) Each Chargor has entered into this Deed in consideration of the Secured Parties agreeing to provide (or to continue to provide) finance facilities to it on the terms agreed in the Noteholder Documents.
- (b) If the Parties execute this Deed in separate counterparts, this Deed will take effect as if they had all executed a single copy.
- (c) This Deed is intended to be a deed even if any Party's execution is not in accordance with the formalities required for the execution of deeds.

- (d) If, at any time, any provision of this Deed is or is found to have been illegal, invalid or unenforceable in any respect under the law of any jurisdiction, this does not affect the legality, validity or enforceability of the other provisions of this Deed, nor the legality, validity or enforceability of the affected provision under the law of any other jurisdiction.
- (e) If any Party is not bound by this Deed (or any part of it) for any reason, this does not affect the obligations of each other Party under this Deed (or under the relevant part).
- (f) A company which is required by or pursuant to the provisions of the Noteholder Documents to become a Chargor, or which the Loan Noteholders agree may become a Chargor, (a "**New Chargor**") shall deliver to the Security Trustee a Deed of Accession, duly executed by the New Chargor and by the First Chargor (for itself and as agent for each other Chargor), and shall become a Party when such Deed of Accession has been executed by the Security Trustee and delivered.
- (g) This Deed is in addition to, and does not operate so as in any way to prejudice or affect, or be prejudiced or affected by, any other Security or guarantee which the Security Trustee may now or at any time after the date of this Deed hold for or in respect of the Secured Obligations.
- (h) Each Chargor submitting this Deed or any counterpart to The Land Registry shall, on each occasion, also submit a certified copy of this Deed and request the return of the original and upon the return of the original it shall deliver such original to the Security Trustee.
- (i) This Deed and every counterpart is the property of the Security Trustee.

18 GOVERNING LAW

This Deed and any non-contractual obligations arising out of or in connection with it are governed by the law of England of Wales.

19 JURISDICTION

19.1 Jurisdiction of the courts of England of Wales

The courts of England and Wales have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed) and any non-contractual obligations arising out of or in connection with it (a "**Dispute**"). The Parties agree that the courts of England and Wales are the most appropriate and convenient courts to settle any Dispute and accordingly no Party will argue to the contrary. This Clause 19.1 is for the benefit of the Enforcement Parties only. As a result, no Enforcement Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, each Enforcement Party may take concurrent proceedings in any number of jurisdictions.

This document is executed as a deed and delivered on the date stated at the beginning of this Deed.

SCHEDULE 1

The Chargors other than the First Chargor

High Street TV (Bidco) Limited

Place of Incorporation	:	England and Wales
Registered Office	:	3 Whitehall Quay, Leeds, LS1 4BF
Registered Number	:	09509865

High Street TV (Group) Limited

Place of Incorporation	:	England and Wales
Registered Office	:	Central House, Beckwith Knowle, Otley Road, Harrogate, HG3 1UF
Registered Number	:	06577510

High Street TV Limited

Place of Incorporation	:	England and Wales
Registered Office	:	Central House, Beckwith Knowle, Otley Road, Harrogate, HG3 1UF
Registered Number	:	06578495

New Image TV (International) Limited

Place of Incorporation	:	England and Wales
Registered Office	:	Central House, Beckwith Knowle, Otley Road, Harrogate, HG3 1UF
Registered Number	:	06579808

New Image TV (US) Limited

Place of Incorporation	:	England and Wales
Registered Office	:	Central House, Beckwith Knowle, Otley Road, Harrogate, HG3 1UF
Registered Number	:	06603395

Job Pipe Limited

Place of Incorporation	:	England and Wales
Registered Office	:	Central House, Beckwith Knowle, Otley Road, Harrogate, HG3 1UF
Registered Number	:	06598701

HSTV Media Limited

Place of Incorporation	:	England and Wales
Registered Office	:	Central House, Beckwith Knowle, Otley Road, Harrogate,

		HG3 1UF
Registered Number	:	06268025

SCHEDULE 2

Shares

	Name of owning Chargor	Name of Subsidiary or other company	Company Number	Number and Class of Shares (and where held by nominees, names of nominees)
1.	High Street TV Holdings Limited	High Street TV (Bidco) Limited	09509865	One hundred ordinary shares of £0.001
2.	High Street TV Bidco Limited	High Street TV (Group) Limited	06577510	83,329 ordinary A shares of £0.20 each 5,584 ordinary B shares of £0.20 each
3.	High Street TV (Group) Limited	High Street TV Limited	06578495	One hundred ordinary shares of £1.00 each
4.	High Street TV (Group) Limited	New Image TV (International) Limited	06579808	One hundred ordinary shares of £1.00 each
5.	High Street TV (Group) Limited	New Image TV (US) Limited	06603395	One hundred ordinary shares of £1.00 each
6.	High Street TV (Group) Limited	Job Pipe Limited	06598701	Sixty thousand ordinary shares of £1.00 each
7.	High Street TV (Group) Limited	HSTV Media Limited	06268025	Four hundred and fifty thousand, one hundred ordinary shares of £1.00 each

SCHEDULE 3

Designated Chattels

This Schedule has been intentionally left blank.

SCHEDULE 4

Notices

Part 1

Notice to insurer

(For attachment by way of endorsement to the Insurances)

To: *[name and address of insurer]*

Dated: *[date]*

Dear Sirs,

Re: The policies of insurance referred to in the Schedule below (the "Policies")

We, *[Chargor]* (the "**Chargor**"), give you notice that, by a debenture dated *[date]* (the "**Debenture**") and made by (amongst others) ourselves in favour of Andrew Edmund Malcher (the "**Security Trustee**"), we have charged by way of fixed charge and assigned to the Security Trustee, as first priority chargee and assignee, all of the Policies as are capable of being charged and/or assigned by law.

The assets *[charged]* *[and]* *[assigned]* include all our right, title and interest in and to the Policies (including, but not limited to, the benefit of all sums assured by the Policies and all bonuses, profits, returns of premium and other benefits of whatever nature arising by virtue of our ownership of the Policies and all interest on any of the secured money).

We irrevocably and unconditionally authorise and request you:

- (a) to note the Security Trustee's interest as first chargee, assignee and sole loss payee of the proceeds of such Policies; and
- (b) to give the acknowledgement, undertakings and agreements required by the Security Trustee and to act on the instructions of the Security Trustee without any further reference to or authorisation from us.

Please sign the enclosed copy of this notice and deliver it to the Security Trustee at *[address]* (with a further copy to us).

This notice is governed by the law of England of Wales.

Yours faithfully,

For and on behalf of *[Chargor]*:

By:.....

THE SCHEDULE

The Policies*

*To be completed by the Chargor and approved by the Security Trustee and to include all relevant policies with the named insurer

	Policy number	Name and address of insurer	Name and address of broker	Brief description of assets insured	Date of expiry of policy#
1.	[number]				
2.	[number]				
3.	[number]				
4.	[number]				
5.	[number]				

#Not required if policies are annually renewable

Dated [date]

[to be included on copy notice]

To: Andrew Edmund Malcher

Copy to:[name and address of Chargor]

We [name of insurer] acknowledge receipt of the above notice. We:

- 1 agree to note your interest as first charge, assignee and sole loss payee of the proceeds of such Policies;
- 2 undertake to disclose to you, promptly following request, without any reference to or further authority from the Chargor, such information relating to the Policies as you may at any time reasonably request;
- 3 confirm that we have not received notice of any previous assignment or charge by the Chargor of or over any of its rights, title, interests or benefits referred to in the notice; and
- 4 agree promptly to notify you of our intention to cancel or decline renewal of any of the Policies; and

- 5 agree promptly to notify you of any request made, or notification given, by the Chargor to us, to cancel the Policies, or to allow the Policies to lapse.

Terms defined in the notice apply to this endorsement, which is governed by the law of England of Wales.

Signed:.....

for and on behalf of [*name of insurer*]

Dated: [*date*]

SCHEDULE 5

Property warranties and undertakings

Part 1

Definitions and interpretation applicable to Schedule 5

1 Expressly defined terms

In this Schedule, the following words and phrases have the specified meanings.

"Granted Lease" means any lease, agreement for lease, tenancy, contractual licence or other document which gives a person who is not the relevant Chargor the right to occupy, use or enjoy the Property.

"Planning Acts" means the Town and Country Planning Acts 1990 and the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991 and any order, regulations or permission made or granted under or by virtue of such Acts or any of them.

"Relevant Lease" means any lease, agreement for lease, tenancy, contractual licence or other document which gives the relevant Chargor the right to occupy, use or enjoy the Property.

2 Construction

In this Schedule, unless a contrary indication appears:

- 2.1 the words **"would have an Adverse Property Effect"** are to be construed as meaning "would or might reasonably be expected to have an Adverse Property Effect";
- 2.2 reference in any Part of this Schedule to matters, events or circumstances having an Adverse Property Effect are to be construed as if such matters, events or circumstances were taken together with all other matters, events or circumstances arising under any paragraph of such Part of this Schedule which would, on such construction, in aggregate have an Adverse Property Effect; and
- 2.3 a reference to the **"Property"** is a reference to the Property of the relevant Chargor to which clause 7.10 applies.

Part 2

Property undertakings

1 No changes to the property

It will not, without the prior written consent of the Security Trustee:

- 1.1 make any application for the grant of planning permission, listed building consent or conservation area consent, within the meaning of the Planning Acts;
- 1.2 demolish all or any part of the Property;
- 1.3 destroy or remove from the Property, except in the ordinary course of its business as currently carried on, any other of the Secured Assets now or at any time after the date of this Deed located in or on the Property;
- 1.4 make any additions or structural or other material alteration to the Property;
- 1.5 create or permit to arise any overriding interest, easement or right over the Property;
- 1.6 enter into negotiations with any competent agency of local or national government with a view to the compulsory acquisition of the Property nor consent to such acquisition;
- 1.7 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 regulatory authority to build roads or carry out other works; and
- 1.8 change the use of the Property or do or suffer to be done anything in relation to the Property which constitutes development (as that expression is defined in the Town and Country Planning Act 1990).

2 Comply with covenants

It will observe and perform all covenants, agreements, restrictions, stipulations and conditions from time to time affecting its interest in the Property or the mode of user or the enjoyment of it, and will promptly pay all present and future tax, rates, assessments and outgoings of any kind imposed upon or payable in respect of the Property, or by the owner or occupier of the Property.

3 Comply with authorisations

It will observe and comply with the terms of all Authorisations relating to the Property.

4 Repair

If, following any inspection of the Property by the Security Trustee or any of its professional advisors, the Security Trustee considers that the Property is suffering any defect or want of repair the Security Trustee may serve a notice specifying the relevant defect or want of repair, and such Chargor shall without delay promptly remedy such defect or want of repair.

5 Disposals of fixtures

It will not, otherwise than in the ordinary course of maintenance or replacement, sever or dispose of any Fixtures which are now, or which at any time after the date of this Deed may be, affixed to the Property.

6 Granted leases

6.1 It will not grant any Granted Lease or otherwise part with or share possession of the Property (except where the prior written consent of the Security Trustee has been obtained).

6.2 In respect of any Granted Lease, it will:

- (a) not exercise any right of re-entry, nor accept the surrender of the whole or any part of the premises comprised in such Granted Lease nor vary the terms of such Granted Lease, nor exercise any landlord's break clause contained in such Granted Lease, without in any such case having first obtained the written consent of the Security Trustee;
- (b) not agree to any reduction in, nor capitalisation of, the rent payable under such Granted Lease, nor agree any rent review, nor grant any approval or consent, without in any such case having first obtained the written consent of the Security Trustee;
- (c) use all reasonable endeavours to procure the payment by such tenant, lessee, licensee or grantee to whom any Granted Lease has been granted of the rents or other fees or monies reserved by and the observance and performance of the covenants, stipulations and conditions contained in such Granted Lease and itself observe and perform the covenants, stipulations and conditions on the part of such Chargor to be observed and performed under such Granted Lease; and
- (d) give prompt notice in writing to the Security Trustee if any tenant, lessee, licensee or grantee under any Granted Lease withholds, or purports or threatens to withhold, any rent or other monies falling due, or exercises, or purports or threatens to exercise, any right of set-off.

7 Acquisitions

7.1 It will notify the Security Trustee immediately in writing (a) before contracting or otherwise committing itself to purchase any estate or interest in Real Property and supply the Security Trustee with such details of the proposed purchase as the Security Trustee may from time to time request and (b) upon completion of its acquisition of any estate or interest in Real Property. In this paragraph 7 any such Real Property in which such Chargor has acquired an estate or interest is referred to as "Acquired Property".

8 Where the completion of the acquisition of any estate or interest in Real Property would result in such Chargor holding any part of such Real Property under a Relevant Lease, such Chargor shall, as a condition precedent of such acquisition, obtain any necessary consent from any other party to the Relevant Lease to the

Security created by this Deed, and may not waive such condition without the consent of the Security Trustee.

- 8.1 If the Acquired Property includes any Property held by such Chargor under a Relevant Lease, such Chargor shall, within 21 days of the acquisition, serve on each of the other parties to such Relevant Lease a notice of the Security constituted by this Deed and use its reasonable endeavours to procure that each of such other parties shall countersign the acknowledgement contained in such notice.

9 Insurance

It will insure and keep insured the Property with a reputable independent United Kingdom insurance company or United Kingdom underwriter:

- 9.1 if the Security Trustee agrees, with the interest of the Security Trustee as mortgagee noted on the policy;
- 9.2 against such risks and contingencies as the Security Trustee from time to time reasonably requires having regard to the nature and extent of cover recommended by insurance brokers appointed or approved by the Security Trustee and the requirements of the Financial Services Authority (or any other regulatory authority) applicable to lenders in relation to capital adequacy costs;
- 9.3 in a value equal to the full cost of reinstatement from time to time including proper provision for cost inflation over any period that might be required for planning and negotiation and the reconstruction period plus the cost of demolition and debris removal and architects', surveyors' and all other professional fees and the cost of complying with local authority and other statutory requirements;
- 9.4 upon terms that the relevant insurance company or underwriters confirm in favour of the Security Trustee that the insurance cover will not be altered or cancelled without prior reference to the Security Trustee; and
- 9.5 otherwise in such form and upon such terms as the Security Trustee agrees (such agreement not to be unreasonably withheld or delayed).

10 Application of insurance proceeds

It will promptly apply the proceeds of insurance arising from damage to, or destruction of, the Property in repairing or reinstating it or (if an Event of Default has arisen which is continuing) as the Security Trustee otherwise directs.

SCHEDULE 6

Form of Deed of Accession

This Deed is made on [date]

between:

- (1) [name of acceding company], [a company incorporated in England and Wales with company number [number]] / [alternative corporate description, as appropriate], (the "New Chargor");
- (2) **HIGH STREET TV (HOLDINGS) LIMITED**, a company incorporated in England and Wales with company number 09509738 whose registered office is located at 3 Whitehall Quay, Leeds, LS1 4BF, for itself and as agent for and on behalf of each of the other Chargors defined as such in the Debenture referred to below, (the "First Chargor"); and
- (3) **ANDREW EDMUND MALCHER**, of Summerbeck House, Whinney Lane, Harrogate, HG3 1QF (the "Security Trustee").

1 INTERPRETATION

- 1.1 In this Deed, the "Debenture" means a debenture dated [date] made between, amongst others, the First Chargor, each of the other Chargors and the Security Trustee as amended, novated, supplemented, extended, or restated from time to time.
- 1.2 Unless a contrary indication appears:
 - (a) each term used in this Deed which is defined in the Debenture or the definition of which is incorporated by reference into the Debenture shall have the same meaning as applies in the Debenture; and
 - (b) the principles of construction set out or referred to in clause 1.2 of the Debenture shall apply also (where relevant) to this Deed.

2 REPRESENTATIONS

The New Chargor warrants and represents to the Security Trustee that:

- (a) it is a member of the Group; and
- (b) it has given due consideration to the terms and conditions of the Noteholder Documents (including the Debenture and this Deed) and has satisfied itself that there are reasonable grounds for believing that by executing this Deed the New Chargor will derive commercial benefit and that it enters into this Deed in good faith and for the purposes of the promotion of the success of its business.

3 AGREEMENT TO ACCEDE

The New Chargor agrees to accede and become a party to and to be bound by the terms of the Debenture as a Chargor with effect from the date of this Deed (the "Effective Date").

4 AFFECT OF ACCESSION

On and after the Effective Date, the Debenture shall be read and construed for all purposes as if the New Chargor had been an original party to it in the capacity of Chargor (but so that the Security created consequent on such accession shall be created on the Effective Date).

5 SECURITY

5.1 Security over all assets

- (a) The New Chargor grants to the Security Trustee in relation to its assets and undertaking the same Security as is set out in Clause 3 (*Security*) of the Debenture.
- (b) The New Chargor agrees and confirms that such Security (i) shall be effective and binding upon it and its assets and undertaking and (ii) shall not in any way be avoided, discharged or released or otherwise adversely affected by any ineffectiveness or invalidity of the Debenture or of any other Party's execution of the Debenture or any other Deed of Accession, or by any avoidance, invalidity, discharge or release of any Security contained in the Debenture or in any other Deed of Accession.

5.2 Specific Security

Without limiting the generality of Clause 5.1 (*Security over all assets*) of this Deed or of the Debenture, the New Chargor, as a continuing security for the payment, discharge and performance of the Secured Obligations charges in favour of the Security Trustee:

- (a) [by way of first legal mortgage, all its Property, identified in Schedule 1 (Details of Property owned by the New Chargor) to this Deed;]
- (b) [by way of first fixed charge, (i) the chattels (which shall be Designated Chattels for the purposes of the Debenture) listed in Schedule 2 (Specifically identified chattels owned by the New Chargor) to this Deed (but not including any of the assets which is subject to a valid legal mortgage under Clause (a) of this Deed and (ii) the benefit of all Associated Rights in relation to such Designated Chattels;]
- (c) [by way of first fixed charge, all the Shares listed in Schedule 3 (Shares) to this Deed; and]
- (d) [by way of first fixed charge, all the Distribution Rights accruing to or on the Shares listed in Schedule 3 (Shares) to this Deed.]

6 AGREEMENT AND CONSENT BY CHARGORS

The First Chargor, for itself and as agent for and on behalf of all other Chargors under the Debenture, agrees and consents to all matters provided for in this Deed.

7 CONSTRUCTION

The Debenture shall continue in full force and effect but amended with effect from the Effective Date in the manner and to the extent provided in this Deed; and the Debenture and this Deed shall be read as one and so that references in the Debenture to "**this Deed**", and similar phrases shall be deemed to include this Deed.

8 THIS DEED

8.1 This Deed and any non-contractual obligations arising out of or in connection with it are governed by the law of England of Wales.

8.2 This Deed and every counterpart is the property of the Security Trustee.

This document is executed as a deed and delivered on the date stated at the beginning of this Deed.

[insert Schedules as appropriate]

[insert execution provisions as appropriate]

SCHEDULE 7

Receiver's specific powers

The Receiver will have full power and authority:

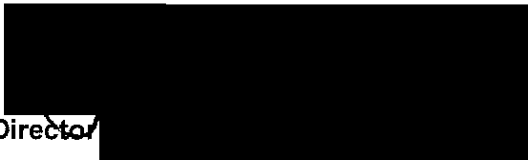
- 1 to enter upon, and to take possession of, the Secured Assets;
- 2 to collect and get in all rents, fees, charges or other income of the Secured Assets;
- 3 generally to manage the Secured Assets and to manage or carry on, reconstruct, amalgamate, diversify or concur in carrying on the business of the relevant Chargor or any part of it as he may think fit;
- 4 without restriction, to sell, charge, grant, vary the terms or accept surrenders of, leases or tenancies of, licences to occupy, or options or franchises over or otherwise deal with and dispose of the Secured Assets or any property acquired in exercise of its powers under this Deed;
- 5 to purchase or acquire any land and purchase, acquire or grant any interest in or right over land;
- 6 to take a lease or tenancy of any property required or convenient for the business of the relevant Chargor or the exercise of the Receiver's powers under this Deed;
- 7 to exercise on behalf of the relevant Chargor and without the consent of or notice to such Chargor all the powers conferred on a landlord or a tenant by any legislation from time to time in force in any relevant jurisdiction relating to leasehold property, landlord and tenant, rents, housing or agriculture in respect of the Property;
- 8 for the purpose of exercising any of the rights, powers, authorities and discretions conferred on the Receiver by or pursuant to this Deed and/or for defraying any costs, losses or liabilities which may be incurred by him in their exercise or for any other purpose, to raise or borrow moneys from the Security Trustee or others or incur any other liability on such terms, whether secured or unsecured, as he may think fit, and whether to rank in priority to this Deed or not;
- 9 to appoint and discharge employees, officers, consultants, advisers, managers, agents, solicitors, accountants or other professionally qualified persons, workmen and others for any of the purposes of this Deed or to guard or protect the Secured Assets upon such terms as to remuneration or otherwise as he may think fit and to discharge any such persons appointed by the relevant Chargor prior to his appointment;
- 10 in the name of the relevant Chargor, to bring, prosecute, enforce, defend and discontinue all such actions, suits and proceedings, in relation to such Chargor, the business of such Chargor or the Secured Assets as in any case he thinks fit;
- 11 to settle, adjust, refer to arbitration or expert determination, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person or body who is or claims to be a creditor of the relevant Chargor or relating in any way to the Secured Assets;

- 12 to give valid receipts for all moneys and execute all assurances and things which may be proper or desirable for realising the Secured Assets;
- 13 to obtain Authorisations for and to carry out on the Property any new works or complete any unfinished works of development, building, reconstruction, maintenance, repair, renewal, improvement, furnishing or equipment;
- 14 to enter into, vary, cancel or waive any of the provisions of any contracts which he shall in any case think expedient in the interests of the relevant Chargor or the Security Trustee;
- 15 to purchase materials, tools, equipment, goods or supplies on such terms and at such price as the Receiver in the Receiver's absolute determination thinks fit;
- 16 to insure the Secured Assets, any assets acquired by the Receiver in exercise of his powers, and any business or works, and effect indemnity insurance or other similar insurance, in every case in such amounts, against such risks and with such offices as the Receiver thinks fit, and obtain bonds and give guarantees and Security to any bondsmen;
- 17 to remove, store, sell or otherwise deal with any chattels located at the Property;
- 18 to promote or establish any company or to acquire shares in any company (whether as a Subsidiary of the relevant Chargor or otherwise) to facilitate the exercise of his powers under this Deed, to transfer to any such company all or any of the Secured Assets or other assets acquired by the Receiver in exercise of his powers and to exercise or cause to be exercised all voting and other rights attaching to, and to charge, sell or otherwise transfer any shares in any such company;
- 19 to exercise all voting and other rights attaching to the Investments and all other stocks, shares and securities owned by the relevant Chargor and comprised in the Secured Assets in such manner as he thinks fit;
- 20 to make, or require the directors of the relevant Chargor to make, calls conditionally or unconditionally on the members of such Chargor in respect of uncalled capital; and take action to enforce payment of unpaid calls;
- 21 to carry into effect and complete any transaction;
- 22 to redeem any prior Security (or procure the transfer of such Security to an Enforcement Party) and settle and pass the accounts of the person entitled to the prior Security so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the relevant Chargor and the money so paid shall be deemed to be an expense properly incurred by the Receiver;
- 23 either in the name of the relevant Chargor or in the name of the Receiver to execute documents and do all other acts or things which the Receiver may consider to be incidental or conducive to any of the Receiver's powers or to the realisation or use of the Secured Assets.

EXECUTION

The First Chargor

Executed as a deed by High Street TV Holdings Limited, acting by a director


Director

in the presence of:

Witness Signature:

Witness Name: Louisa Bendjelloul
Solicitor
Witness Address: Squire Patton Boggs (UK) LLP
2 Park Lane, Leeds LS3 1ES

Witness Occupation:

Communications to be delivered to:

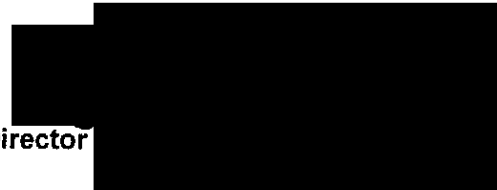
Address: 3 Whitehall Quay
Leeds
LS1 4BF

Fax number: /

Attention: Andrew Malcher

The Chargors (other than the First Chargor)

Executed as a deed by High Street TV Bidco Limited, acting by a director


Director

in the presence of:

Witness Signature:

Witness Name: Louisa Bendjelloul
Solicitor
Witness Address: Squire Patton Boggs (UK) LLP
2 Park Lane, Leeds LS3 1ES

Witness Occupation:

Communications to be delivered to:

Address: 3 Whitehall Quay
Leeds
LS1 4BF

Fax number: /

Attention: Andrew Malcher

Executed as a deed by High Street TV (Group) Limited, acting by a director

Director

in the presence of:

Witness Signature:

Witness Name: Louisa Bendjelloul
Solicitor
Witness Address: Squire Patton Boggs (UK) LLP
2 Park Lane, Leeds LS3 1ES

Witness Occupation:

Communications to be delivered to:

Address: Central House
Beckwith Knowle
Otley Road
Harrogate HG31 1UF

Fax number: ✓

Attention: Andrew Malcher

Executed as a deed by High Street TV Limited, acting by a director

Director

in the presence of:

Witness Signature:

Witness Name: Louisa Bendjelloul
Solicitor
Witness Address: Squire Patton Boggs (UK) LLP
2 Park Lane, Leeds LS3 1ES

Witness Occupation:

Communications to be delivered to:

Address: Central House, Beckwith Knowle
Otley Road
Harrogate HG31 1UF

Fax number: ✓

Attention: Andrew Malcher

Executed as a deed by New Image TV
(International) Limited, acting by a director


Director

in the presence of

Witness Signature:

Witness Name: Louisa Bendjelloul
Witness Address: Solicitor
Squire Patton Boggs (UK) LLP
2 Park Lane, Leeds LS3 1ES

Witness Occupation:

Communications to be delivered to:

Address: Central House, Beckwith Knowle
Otley Road
Harrogate HG3 1UF

Fax number: /

Attention: Andrew Malcher

Executed as a deed by New Image TV (US)
Limited, acting by a director


Director

in the presence of:

Witness Signature:

Witness Name: Louisa Bendjelloul
Witness Address: Solicitor
Squire Patton Boggs (UK) LLP
2 Park Lane, Leeds LS3 1ES

Witness Occupation:

Communications to be delivered to:

Address: Central House, Beckwith Knowle
Otley Road
Harrogate HG3 1UF

Fax number: /

Attention: Andrew Malcher

Executed as a deed by Job Pipe Limited,

acting by a director

Director

in the presence of:

Witness Signature:

Witness Name: Louisa Bendjelloul
Witness Address: Solicitor
Squire Patton Boggs (UK) LLP
2 Park Lane, Leeds LS3 1ES

Witness Occupation:

Communications to be delivered to:

Address: Central House, Beckwith Knowle
Otley Road
Harrogate HG3 1UF

Fax number: /

Attention: Andrew Malcher

Executed as a deed by HSTV Media Limited,

acting by a director

Director

in the presence of:

Witness Signature:

Witness Name: Louisa Bendjelloul
Witness Address: Solicitor
Squire Patton Boggs (UK) LLP
2 Park Lane, Leeds LS3 1ES

Witness Occupation:

Communications to be delivered to:

Address: Central House, Beckwith
Knowle
Otley Road
Harrogate HG3 1UF

Fax number: /

Attention: Andrew Malcher

The Security Trustee

Executed as a deed by
ANDREW EDMUND MALCHER

in the presence of:

Witness signature

Witness Name:

Witness Address: **Louisa Bendjelloul**
Solicitor
Squire Patton Boggs (UK) LLP
2 Park Lane, Leeds LS3 1ES

Witness Occupation:

Communications to be delivered to:

Address: **Summerbeck House**
Whinney Lane
Harrogate
HG3 1QF

Fax number: /

Attention: **Andrew Malcher**