



Registration of a Charge

Company Name: **SWAN ELECTRONICS MANUFACTURING SOLUTIONS LTD**

Company Number: **06368840**



Received for filing in Electronic Format on the: **15/01/2024**

XCURRNP

Details of Charge

Date of creation: **15/01/2024**

Charge code: **0636 8840 0005**

Persons entitled: **SHAWBROOK BANK LIMITED AS SECURITY TRUSTEE FOR THE SECURED PARTIES**

Brief description: **NOT APPLICABLE.**

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: **ADDLESHAW GODDARD LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 6368840

Charge code: 0636 8840 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 15th January 2024 and created by SWAN ELECTRONICS MANUFACTURING SOLUTIONS LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 15th January 2024 .

Given at Companies House, Cardiff on 16th January 2024

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 15 January **2024**

EC ELECTRONICS MIDCO LIMITED
as Parent

THE ENTITIES LISTED IN PART 1 OF SCHEDULE 1
as Original Chargors

SHAWBROOK BANK LIMITED
as Security Agent

DEBENTURE

Contents

Clause	Page
1 Definitions and interpretation.....	4
2 Covenant to pay	11
3 Charging provisions.....	11
4 Restricted Assets.....	14
5 Effectiveness of security.....	14
6 Negative pledge.....	16
7 Restrictions on disposals.....	16
8 Further assurance	17
9 Land Registry	17
10 Notices of assignments and charges	18
11 Undertakings	19
12 Power to remedy	24
13 Security power of attorney.....	24
14 Enforcement of security.....	25
15 Receiver.....	28
16 Delegation.....	32
17 Application of monies	32
18 Remedies and waivers	33
19 Protection of third parties.....	33
20 Additional security	33
21 Settlements conditional	33
22 Subsequent Security	34
23 Set-off	34
24 Notices.....	34
25 Invalidity.....	34
26 Assignment.....	34
27 Releases.....	34
28 Currency clauses.....	35
29 Certificates and determinations.....	35
30 Counterparts.....	35
31 Governing law.....	35
32 Enforcement	35
 Schedule 1	
Chargors.....	37
 Schedule 2	
Properties	38
Registered Land	38
None at the date of this deed.	38
Unregistered Land	38
None at the date of this deed.	38
 Schedule 3	
Subsidiary Shares	39
Chargor.....	39
 Schedule 4	
Relevant Agreements.....	40

Part 1 - Form of notice of assignment 40

Part 2 - Form of acknowledgement 42

Schedule 5

Relevant Policies 43

Part 1 - Form of notice of assignment 43

Part 2 - Form of acknowledgement 45

Schedule 6

Accounts 46

Part 1 - Form of notice of assignment/charge 46

Part 2 - Form of acknowledgement 48

Schedule 7

Form of Security Deed of Accession 49

This Debenture is made on

15 January 2024

Between

- (1) **EC Electronic Midco Limited** (registered in England and Wales with number 14373223) (**Parent**);
- (2) the entities listed in Schedule 1 (Chargors) (together with the Parent), (**Original Chargors**); and
- (3) **Shawbrook Bank Limited** (registered in England and Wales with number 00388466) as security trustee for the Secured Parties (**Security Agent**) (which term shall include any person appointed as security trustee or as an additional trustee in accordance with the terms of the Intercreditor Deed defined below).

It is agreed

1 Definitions and interpretation

1.1 Definitions

In this Deed:

Account has the meaning given to it in clause 3.4 (First Fixed charges)

Additional Chargor means a person which becomes a party to this Deed and creates Security over its assets in favour of the Security Agent by executing a Security Deed of Accession

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

Company means EC Electronics Bidco Limited (14373631)

Chargor means the Original Chargors and any Additional Chargor

Chattels has the meaning given to it in clause 3.4(e) (First fixed charges)

Debts has the meaning given to it in clause 3.4(h) (First fixed charges)

Declared Default has the meaning given to it in the Facilities Agreement

Excluded Assets means any property, asset (including any rights of any Chargor under any agreement, contract, licence, lease, instrument or document) or undertaking excluded from fixed security, pursuant to the terms of clause 4 (Excluded Assets).

Excluded Property means:

- (a) all freehold property held by a Chargor and all future freehold property acquired by a Chargor after the date hereof (or, in the case of an Additional Chargor, after the date on which it became a party to this Deed) in each case with a value of £1,000,000 or less
- (b) all leasehold property beneficially owned by a Chargor with an unexpired term of 25 years or less from (a) the date of this Deed, (b) the date of any Security Deed of Accession, or (c) the date on which the relevant property is acquired (as applicable) and including, for the avoidance of doubt, any rack rent leases

Facilities Agreement means the facilities agreement between the Parent, EC Electronics Bidco Limited as Original Borrower, the Parent and others as Original Guarantors and Shawbrook Bank Limited as Arranger, Original Lender, Agent and Security Agent and dated on or about the date of this Deed, and as amended, supplemented or varied from time to time

Fixtures means, in respect of any Secured Property, all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery and other tangible movable property now or at any time after the date of this Deed on that Secured Property

Floating Charge Assets means all the assets and undertaking from time to time subject to the floating charge created under clause 3.5 (Floating charge)

Insurance Policies means, in respect of a Chargor, all contracts or policies of insurance present and future taken out by it or on its behalf or in which it has an interest excluding all contracts or policies of insurance or assurance which relate to liabilities to third parties and directors and officers insurance

Intellectual Property means:

- (a) any patents, trademarks, service marks, designs, business names, copyrights, database rights, design rights, topography rights, domain names, moral rights, inventions, confidential information, knowhow and any other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered and
- (b) the benefit of all applications and rights to use such assets of each Obligor (which may now or in the future subsist)

Intercreditor Deed has the meaning given to that term in the Facilities Agreement

Intra-Group Loan Agreement means any loan agreement made between a Chargor and another Chargor

Investments means any shares, stocks, debentures, securities, bonds and investments of any type (other than the Subsidiary Shares and shares in any entity which is not a Material Company or is a Material Company, but is not incorporated in England and Wales), whatever, including but not limited to, negotiable instruments, certificates of deposit, eligible debt securities, interests in collective investment schemes and partnerships, warrants, options and any rights to subscribe for any investment (other than the Subsidiary Shares), and in each case

- (a) whether certified or uncertified, physical or dematerialised, registered or unregistered; and
- (b) whether held directly by or to the order of the relevant Chargor or by a trustee, custodian, fiduciary, or clearance system or nominee on its behalf (including all rights against any such trustee, custodian, fiduciary, clearance system or nominee)

Material Intellectual Property means any Intellectual Property which is material in the context of the business of the Group or the relevant member of the Group and which is required by it in order to carry on its business as it is being conducted

Occupational Lease means any, in respect of a Chargor, lease or licence or other right of occupation or right to receive rent to which a Secured Property may at any time be subject and any guarantee of the same

Party means a party to this Deed

Premises means any building on or forming part of a Secured Property

Properties means the properties listed in Schedule 2 (Properties)

Receiver means any receiver, receiver and manager or administrative receiver of any Chargor or the whole or any part of any of the Secured Assets and includes any appointee made under a joint or several appointment

Related Rights means, in respect of any asset:

- (a) all monies, amounts and proceeds paid or payable in respect of (or derived from) that asset (whether as income, capital or otherwise)
- (b) in the case of an Investment or Subsidiary Shares, all shares, investments or other assets derived from that Investment or Subsidiary Shares and all dividends, interest and other monies payable in respect of such Investment or Subsidiary Shares (whether derived by way of redemption, bonus, preference, options, substitution, conversion, compensation or otherwise)
- (c) all rights in respect of, derived from or incidental to that asset (including all rights to make any demand or claim)
- (d) all powers, remedies, causes of action, guarantees, indemnities, security or other collateral in respect of, or derived from, that asset (or any of them)
- (e) the benefit of any judgment or order to pay a sum of money and all rights of enforcement in respect of that asset and
- (f) the benefit of any covenants for title given or entered into by any predecessor in title of the relevant Chargor in respect of that asset or any monies paid or payable in respect of those covenants

Relevant Agreement means:

- (a) each Acquisition Agreement
- (b) each Intra-Group Loan Agreement
- (c) each Occupational Lease document
- (d) each Hedging Agreement
- (e) any document evidencing any Subordinated Debt
- (f) each other agreement designated as a Relevant Agreement by the Security Agent and the Parent in writing

Relevant Policies means all Insurance Policies (other than policies in respect of third party, public liability and directors and officers), together with all monies payable in respect of those policies

Restricted Asset means any asset which cannot be validly mortgaged, charged or assigned in accordance with the terms of this deed as a result of a Restriction (including one which requires the consent of a third party)

Restriction means a valid provision of an agreement to which a Chargor is a party that prohibits or imposes a condition or other restriction on assignment of any rights under such agreement which would prevent any Security expressed to be created over any such rights being valid and effective against the other party

Secured Assets means, in respect of any Chargor, all of its assets and undertaking which from time to time are, or are expressed to be, the subject of any Security created (or expressed to be created) by, under or supplemental to, this Deed in favour of the Security Agent

Secured Obligations means all the Liabilities and all other present and future liabilities and obligations at any time due, owing or incurred by any member of the Group and by each Debtor to any Secured Party under the Debt Documents (as amended, supplemented or varied), both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity (each term as defined in the Intercreditor Deed)

Secured Parties means the Security Agent, any Receiver or Delegate and each of the Primary Creditors from time to time but, in the case of each Primary Creditor, only if it is a party to the Intercreditor Deed or has acceded to the Intercreditor Deed, in the appropriate capacity, pursuant to clause 20.9 (Creditor Accession Undertaking) of the Intercreditor Deed

Secured Property means at any time the Properties and all other freehold, leasehold or commonhold property (other than Excluded Property) which is subject to (or expressed to be subject to) any Security created (or expressed to be created) by, under or supplemental to this Deed

Security means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect

Security Deed of Accession means a deed in the form set out in Schedule 7 (Form of Security Deed of Accession) by which a person will become a party to this Deed as a Chargor

Security Period means the period beginning on the date of this Deed and ending on the date that the Secured Obligations have been irrevocably and unconditionally satisfied and discharged in full and all facilities made available by the Finance Parties (or any of them) under the Finance Documents (or any of them) have been cancelled and no Finance Party is under any further actual or contingent obligation to make advances or provide other financial accommodation to any Chargor or any other person under any of the Finance Documents

Subsidiary means a subsidiary within the meaning of section 1159 of the Companies Act 2006

Subsidiary Shares means:

- (a) in respect of the Parent, all shares present and future held by it in its Subsidiaries (other than any Subsidiary incorporated in a jurisdiction other than England and Wales) (including those listed in Schedule 3 (Subsidiary Shares) to this Deed);
- (b) in respect of the Company, all shares present and future held by it in its Subsidiaries (other than any Subsidiary incorporated in a jurisdiction other than England and Wales) (including those listed in Schedule 3 (Subsidiary Shares) to this Deed); and

- (c) in respect of any other Chargor, all shares present and future held by it in its Subsidiaries (other than any Subsidiary incorporated in a jurisdiction other than England and Wales),

and in each case:

- (i) whether certificated or uncertificated, physical or dematerialised, registered or unregistered and
- (ii) whether held directly by or to the order of the relevant Chargor or by a trustee, custodian, fiduciary, clearance system or nominee on its behalf (including all rights against any such trustee, custodian, fiduciary, clearance system or nominee)

1.2 Interpretation

- (a) Unless otherwise defined in this Deed, a term defined in the Facilities Agreement has the same meaning when used in this Deed or any notices, acknowledgements or other documents issued under or in connection with this Deed.
- (b) In this Deed the term **disposal** includes any sale, transfer, assignment, grant, lease, licence, declaration of trust or other disposal, whether voluntary or involuntary, and dispose will be construed accordingly.
- (c) Clause 1.2 (Construction) and 1.3 (Currency symbols and definitions) of the Facilities Agreement are incorporated in this Deed as if set out here in full but so that each reference in that clause to this **Agreement** or a **Finance Document** shall be read as a reference to this Deed.
- (d) Any reference to the Security constituted by this Deed becoming **enforceable** shall mean that the Security created under this Deed has become enforceable under clause 14 (Enforcement of security).
- (e) Any reference to this **Deed** or any other agreement or document shall be construed as a reference to this Deed or such other agreement or instrument as varied, amended, supplemented, extended, restated, novated and/or replaced in any manner (and however fundamentally) from time to time.

1.3 Third party rights

- (a) Unless expressly provided to the contrary in any Finance Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed or any other Finance Document issued or entered into under or in connection with it.
- (b) Unless expressly provided to the contrary in any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Deed or any other Finance Document entered into under or in connection with it.
- (c) Any Receiver or Delegate may enforce and enjoy the benefit of any clause which expressly confers rights on it, subject to clause 1.3(b) and the provisions of the Contracts (Rights of Third Parties) Act 1999.

1.4 Administration

- (a) Any reference in this Deed, or any other Finance Document entered into under or in connection with it, to the making of an administration order shall be treated as including a reference to the appointment of an administrator under paragraph 14 (by the holder of a qualifying floating charge in respect of a Chargor's assets) or 22 (by a Chargor or the directors of a Chargor) of Schedule B1 to the Insolvency Act 1986 or any steps taken toward such order or appointment.
- (b) Any reference in this Deed or any other Finance Document entered into under or in connection with it, to making an application for an administration order by petition shall be treated as including a reference to making an administration application to the court under Schedule B1 to the Insolvency Act 1986, appointing an administrator under paragraph 14 or 22 of that Schedule, or giving notice under paragraph 15 or 26 of that Schedule of intention to appoint an administrator or any steps taken toward such order or appointment.

1.5 Incorporated terms

The terms of the Finance Documents and of any other agreement or instrument relating to the Finance Documents and the Secured Obligations are incorporated into this Deed and each other Finance Document to the extent required to ensure that any purported disposition, or any agreement for the disposition, of any freehold or leasehold property contained in this Deed to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.6 Intercreditor Deed

This Deed is subject to the terms of the Intercreditor Deed. If there is an inconsistency between the terms of this Deed and the terms of the Intercreditor Deed, the Intercreditor Deed shall prevail.

1.7 Property

A reference in this Deed to a mortgage, assignment or charge of any Secured Property includes:

- (a) all Premises on or forming part of that Secured Property; and
- (b) all Fixtures on or forming part of that Secured Property; and
- (c) all Related Rights relating to that Secured Property.

1.8 Present and future assets

- (a) A reference in this **Deed** to any **Secured Property**, **Secured Assets** or other asset includes, unless the contrary intention appears, present and future **Secured Property**, **Secured Assets** and other assets.
- (b) The absence of or incomplete details of any Secured Assets in any Schedule shall not affect the validity or enforceability of any Security under this Deed.

1.9 Fixed security

Clauses 3.2 (First legal mortgages) to 3.4 (First fixed charges) shall be construed as creating a separate and distinct mortgage, fixed charge or assignment by way of security over each

relevant asset within any particular class of assets defined under this Deed and the failure to create an effective mortgage, fixed charge or assignment by way of security (whether arising out of this Deed or any act or omission by any party) on any one asset shall not affect the nature of any mortgage, fixed charge or assignment by way of security imposed on any other asset whether within that same class of assets or not.

1.10 **Security Agent protections**

- (a) The Security Agent is not under obliged to do any of the following in respect of any Secured Assets:
 - (i) perform any obligation of the Chargors;
 - (ii) make any payment;
 - (iii) make any enquiry as to the nature or sufficiency of any payment received by it or any Chargor;
 - (iv) present or file any claim or take any other action to collect or enforce the payment of any amount to which it or any Chargor may be entitled; or
 - (v) exercise any rights to which it or any Chargor may be entitled.
- (b) Each Chargor shall at all times remain liable to perform all obligations expressed to be assumed by it in respect of the Secured Assets.

1.11 **Liability not discharged**

A Chargor's liability under this Deed in respect of any of the Secured Obligations shall not be discharged, prejudiced or otherwise adversely affected by:

- (a) any intermediate payment, settlement of account or discharge in whole or in part of the Secured Obligations;
- (b) any variation, extension, discharge, compromise, dealing with, exchange or renewal of any right or remedy which a Secured Party may now or after the date of this deed have from or against a Chargor or any other person in connection with the Secured Obligations;
- (c) any act or omission by the Security Agent or any other person in taking up, perfecting or enforcing any Security, indemnity, or guarantee from or against a Chargor or any other person;
- (d) any termination, amendment, variation, novation, replacement or supplement of or to any of the Secured Obligations;
- (e) any grant of time, indulgence, waiver or concession to a Chargor or any other person;
- (f) any insolvency, bankruptcy, liquidation, administration, winding up, incapacity, limitation, disability, the discharge by operation of law, or any change in the constitution, name or style of a Chargor or any other person;
- (g) any invalidity, illegality, unenforceability, irregularity or frustration of any actual or purported obligation of, or Security held from, a Chargor or any other person in connection with the Secured Obligations;

- (h) any claim or enforcement of payment from a Chargor or any other person; or
- (i) any other act or omission which would not have discharged or affected the liability of a Chargor had it been a principal debtor or anything done or omitted by any person which, but for this provision, might operate to exonerate or discharge a Chargor or otherwise reduce or extinguish its liability under this Deed.

2 Covenant to pay

Each Chargor covenants with the Security Agent as security trustee for the Secured Parties, to pay and discharge the Secured Obligations when they become due for payment and discharge in accordance with the terms of the Finance Documents.

3 Charging provisions

3.1 General

All Security created by a Chargor under this Deed is:

- (a) a continuing security for the payment and discharge of the Secured Obligations;
- (b) subject to any Permitted Security, granted with full title guarantee, being subject to and qualified by the Legal Reservations;
- (c) granted in respect of all right, title and interest (if any), present and future of a Chargor in and to the relevant Secured Asset; and
- (d) granted in favour of the Security Agent as security trustee for the Secured Parties and the Security Agent shall hold the benefit of this Deed and the Security created by or pursuant to it on trust for the Secured Parties.

3.2 First legal mortgages

Each Chargor charges by way of first legal mortgage its Properties (other than any Excluded Property) and all Premises and Fixtures on each of such Properties.

3.3 Assignments

- (a) Each Chargor assigns absolutely, subject to a proviso for re-assignment on redemption all of its rights, title and interest from time to time under or in respect of:
 - (i) the Relevant Agreements to which it is a party;
 - (ii) the Relevant Policies to which it is a party;
 - (iii) each Account, any amount standing to the credit of each Account and the debt represented by each Account; and
 - (iv) each and every sum from time to time paid or payable by any member of the Group for the time being to a Chargor

together with, in each case, all other Related Rights thereto.
- (b) Each Chargor shall remain liable to perform all its obligations under each Relevant Agreement and each Relevant Policy to which it is a party.

- (c) Notwithstanding the other terms of this clause 3.3, prior to the occurrence of a Declared Default, each Chargor may, subject to the other terms of the Finance Documents, continue to exercise all and any of its rights under and in connection with the Relevant Agreements.

3.4 **First fixed charges**

Each Chargor charges by way of first fixed charge all of its rights, title and interest from time to time in and to:

- (a) to the extent not validly and effectively assigned pursuant to clause 3.3, the Relevant Agreements to which it is a party, the Relevant Policies to which it is a party;
- (b) all interests and estates in any freehold, leasehold or commonhold property other than any Excluded Property now or subsequently owned by it (other than any freehold, leasehold or commonhold property effectively charged by way of legal mortgage under clause 3.2);
- (c) other than in respect of any Excluded Property the proceeds of sale of its Secured Property and all licences to enter on or use any Secured Property;
- (d) the benefit of all other agreements, instruments and rights relating to its Secured Property;
- (e) all plant, machinery, vehicles, computers, office and other equipment, all furniture, furnishings, fittings, equipment and tools and any removals or replacement of them, (together **Chattels**) present and future and the benefit of all contracts, licences, warranties, maintenance contracts relating to them and any renewals and replacements of them;
- (f) the Subsidiary Shares together with all Related Rights;
- (g) the Investments together with all Related Rights;
- (h) all book and other debts and monetary claims due to the relevant Chargor and their proceeds (both collected and uncollected) (together **Debts**) and all rights, guarantees, security or other collateral in respect of the Debts (or any of them) and the benefit of any judgment or order to pay a sum of money and all rights to enforce the Debts (or any of them);
- (i) all monies from time to time standing to the credit of each account held by the relevant Chargor with any bank, building society, financial institution or other person (each an **Account**);
- (j) all its Material Intellectual Property, to the extent it is capable of being charged;
- (k) all its goodwill and uncalled capital;
- (l) the benefit of all Authorisations held or utilised by it in connection with its business or the use of any of its assets and the right to recover and receive compensation payable in respect of any of them; and
- (m) to the extent that any other assignment in clause 3.3 is ineffective as an assignment, the assets referred to in that clause,

together with, in each case, all other Related Rights thereto.

3.5 **Floating charge**

- (a) Each Chargor charges by way of first floating charge all its assets and undertaking wherever located both present and future.
- (b) The floating charge created by clause 3.5(a) shall be deferred in point of priority to all fixed Security validly and effectively created by the relevant Chargor under the Finance Documents in favour of the Security Agent (as trustee for the Secured Parties) as security for the Secured Obligations.

3.6 **Qualifying floating charge**

This Deed contains a qualifying floating charge and paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by or under this Deed.

3.7 **Conversion of floating charge to a fixed charge**

The Security Agent may at any time by notice in writing to any Chargor convert the floating charge created under clause 3.5 into a fixed charge as regards any Floating Charge Asset as it shall specify in the notice if:

- (a) a Declared Default has occurred; or
- (b) in the opinion of the Security Agent (acting reasonably) that Floating Charge Asset is in danger of being seized or sold pursuant to any legal process or execution is being enforced against that Floating Charge Asset.

3.8 **Automatic conversion of floating charge to a fixed charge**

If (unless permitted in writing by the Security Agent or expressly permitted under the terms of any Finance Document):

- (a) a Chargor creates or attempts to create any Security over any of its Floating Charge Assets;
- (b) any person levies any distress, attachment, execution or other legal process against any Floating Charge Asset (or any analogous procedure or step is taken in any jurisdiction); or
- (c) any corporate action, legal proceedings or other formal procedures or steps are taken for the winding up, dissolution, administration or reorganisation of any Chargor or the appointment of any Receiver or administrator with respect to any Chargor or any Secured Assets (or any analogous procedure or step is taken in any jurisdiction),

the floating charge created by this Deed will automatically and immediately without notice be converted into a fixed charge over the relevant assets or, in the circumstances described in clause 3.8(c), over all of the Floating Charge Assets.

3.9 **Moratorium**

- (a) Subject to clause 3.9(b), the floating charge created by clause 3.5 may not be converted into a fixed charge solely by reason of:

- (i) the obtaining of a moratorium; or
 - (ii) anything done with a view to obtaining a moratorium,
- under Part A1 of the Insolvency Act 1986.
- (b) Clause 3.9(a) does not apply in respect of any floating charge referred to in subsection (4) of section A52 of Part A1 of the Insolvency Act 1986.

4 Restricted Assets

- 4.1 If any Restricted Asset cannot be validly mortgaged, charged or assigned in accordance with the terms of this Deed, for any reason including any Restriction which requires the consent of a third party, the relevant Chargor agrees to use reasonable endeavours to promptly obtain any waiver, consent or agreement or the fulfilment of any condition required for mortgaging, charging or assigning the Restricted Asset in accordance with the terms of this Deed.
- 4.2 Subject to clause 4.1:
- (a) this Security will constitute security over all proceeds and other amounts which the relevant Chargor may receive, or has received, in respect of any Restricted Assets; and
 - (b) that Chargor's other rights in respect of any Restricted Assets shall be excluded from the fixed security, only, granted pursuant to this deed.
- 4.3 If the relevant Chargor obtains the required waiver, consent or agreement or fulfils any condition required for mortgaging, charging or assigning the Restricted Asset in accordance with the terms of this Deed:
- (a) that Chargor must notify the Security Agent promptly, providing evidence of the grant of the required consent for mortgaging, charging or assigning the Restricted Asset;
 - (b) all of that Chargor's rights in respect of that Restricted Asset will immediately be secured by this Deed in the manner specified in accordance with clause 3.2, 3.3 and/or 3.4 (as applicable); and
 - (c) clause 10 (Notices of assignments and charges) will apply to that Document.
- 4.4 This clause 4.4 is without prejudice to clause 11.2(b) (Landlord's consent) of this Deed.

5 Effectiveness of security

5.1 Continuing security

The Security constituted by this Deed shall be continuing security and shall remain in full force and effect unless and until discharged by the Security Agent in writing and regardless of any intermediate payment, discharge or satisfaction by any Chargor or any other person of the whole or any part of the Secured Obligations.

5.2 No prejudice

The Security created by or pursuant to this Deed shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to any Chargor or any other person, by the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties or by any variation of the terms of the trust upon

which the Security Agent holds the Security or by any other thing which might otherwise prejudice that Security.

5.3 Cumulative rights

- (a) The Security constituted by this Deed shall be cumulative, in addition to and independent of any other Security which any Secured Party may hold at any time for the Secured Obligations (or any of them) or any other obligations or any rights, powers and remedies provided by law and shall operate as an independent security notwithstanding any receipt, release or discharge endorsed on or given in respect of or under any such other Security.
- (b) No prior Security held by the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties over the whole or any part of the Secured Assets shall merge into the Security constituted by this Deed.

5.4 Waiver of defences

The obligations of, and the Security created by, each Chargor under this Deed will not be affected by an act, omission, matter or thing which, but for this clause 5.4, would reduce, release or prejudice any of its obligations under this Deed (without limitation and whether or not known to it or any Finance Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment, novation, supplement, extension restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings.

5.5 Chargor intent

Without prejudice to the generality of clause 5.4, each Chargor expressly confirms that it intends that the Security created under the Deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the

purposes of or in connection with any of the following: acquisitions of any nature; increasing working capital; enabling distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

5.6 **Immediate recourse**

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

5.7 **Deferral of rights**

Until the end of the Security Period, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under this Deed:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any other guarantor of any Obligor's obligations under this Deed;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under this Deed or of any other guarantee or Security taken pursuant to, or in connection with, this Deed by any Secured Party;
- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Guarantor has given a guarantee, undertaking or indemnity under any Finance Document;
- (e) to exercise any right of set-off against any Obligor; and/or
- (f) to claim or prove as a creditor of any Obligor in competition with any Secured Party.

If any Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to any Secured Party by the Obligors under or in connection with this Deed to be repaid in full on trust for the Security Agent and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with clause 17 (Application of monies).

6 **Negative pledge**

- 6.1 No Chargor shall create or permit to subsist any Security over any of its assets.
- 6.2 Clause 6.1 does not apply to any Security or arrangement which is expressly permitted pursuant to the terms of the Facilities Agreement.

7 **Restrictions on disposals**

- 7.1 No Chargor shall enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of all or any part of any Secured Assets.

- 7.2 Clause 7.1 does not apply to any disposal expressly permitted pursuant to the Facilities Agreement (including for the avoidance of doubt, any Permitted Disposals as defined therein).

8 Further assurance

- 8.1 Subject to the Agreed Security Principles each Chargor shall promptly, at its own expense, do all such acts (including filings, registrations, notarisations and applying for relief against forfeiture) and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent or a Receiver may reasonably specify (and in such form as the Security Agent may require):
- (a) to create, perfect, protect and/or maintain the Security created or intended to be created under or evidenced by this Deed in favour of the Security Agent or its nominee(s) (which may include the execution by any Chargor of a mortgage, charge or assignment over all or any of the assets constituting, or intended to constitute, Secured Assets) or for the exercise of any rights, powers and remedies of the Security Agent, the Finance Parties or any Receiver provided by or pursuant to this Deed or by law;
 - (b) to confer on the Security Agent or confer on the Secured Parties Security over any property and assets of that Chargor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to this Deed; and/or
 - (c) (if a Declared Default has occurred) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created by or under this Deed.
- 8.2 Each Chargor shall take all such action as is available to it (including making all filings and registrations) 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 Agent or the Finance Parties by or pursuant to this Deed.

9 Land Registry

9.1 Application for restriction

- (a) Each Chargor hereby consents to an application being made to the Land Registry to enter the following restriction in the Proprietorship Register of any registered land at any time forming part of the Secured Property:

"No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [♦] in favour of [♦] referred to in the charges register."
- (b) Each Chargor confirms that so far as any of its Secured Property is unregistered, such land is not affected by any disclosable overriding interests within the meaning of the Land Registration Act 2002 or the Land Registration Rules 2003.

9.2 Tacking and further advances

- (a) Subject to the terms of the Facilities Agreement, each Lender is under an obligation to make further advances to the Borrower and that obligation will be deemed to be incorporated in this Deed as if set out in this Deed.

- (b) Each Chargor consents to an application being made to the Land Registry to enter the obligation to make further advances on the Charges Register of any registered land forming part of the Secured Property (other than Excluded Property) (and any unregistered properties subject to compulsory first registration at the date of this Deed).

9.3 Documents of title

Each Chargor shall:

- (a) immediately upon the date of this Deed (and on the acquisition by it of any interest in any Charged Property at any time) deposit (or procure the deposit of) with the Security Agent all deeds, certificates and other documents constituting or evidencing title to the Charged Property (or otherwise procure that any such deeds, certificates and other documents are held to the order of the Security Agent on terms acceptable to the Security Agent); and
- (b) deposit (or procure the deposit of) with the Security Agent at any time after the date of this Deed any further deeds, certificates, instruments of transfer and other documents constituting or evidencing title to the Charged Property, promptly upon coming into possession of them (or otherwise procure that any such deeds, certificates, instruments of transfer and other documents are held to the order of the Security Agent on terms acceptable to the Security Agent).

10 Notices of assignments and charges

10.1 Relevant Agreements

- (a) Each Chargor which is party to or has rights under a Relevant Agreement shall give notice substantially in the form specified in Part 1 (Form of notice of assignment) of 0 to the other parties to each Relevant Agreement that the Chargor has assigned to the Security Agent all its right, title and interest in that Relevant Agreement.
- (b) The relevant Chargor shall give the notices referred to in clause 10.1(a):
 - (i) in the case of each Relevant Agreement in existence as at the date of this Deed within five Business Days of the date of this Deed; and
 - (ii) in the case of each Relevant Agreement coming into existence or being designated as such after the date of this Deed, within five Business Days of the later of that agreement coming into existence or being designated a Relevant Agreement.
- (c) The relevant Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice in substantially the form specified in Part 2 (Form of acknowledgement) of 0.
- (d) The execution of this Deed by the Chargors shall constitute notice to, and acknowledgement by, the relevant Chargor of the assignment by this clause 10.1 over any Relevant Agreement outstanding on the date of this Deed and to which the Chargors are a party.

10.2 Insurance Policies

- (a) Each Chargor which is an insured party under a Relevant Policy shall give notice substantially in the form specified in Part 1 (Form of notice of assignment) of Schedule 5 to each insurer under each Relevant Policy that the Chargor has assigned to the Security Agent all its right, title and interest in that Relevant Policy.
- (b) The relevant Chargor shall give the notices referred to in clause 10.2(a):
 - (i) in the case of each Relevant Policy subsisting at the date of this Deed, within five Business Days of the date of this Deed; and
 - (ii) in the case of each Relevant Policy coming into existence after the date of this Deed, within five Business Days of that Relevant Policy being put on risk.
- (c) The relevant Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice in substantially the form specified in Part 2 (Form of acknowledgement) of Schedule 5.
- (d) If the Security Agent receives prior to a Declared Default, any sum in respect of a Relevant Policy which represents Excluded Insurance Proceeds because the relevant Chargor is required or otherwise intends to apply such sum towards a purpose specified in the definition of Excluded Insurance Proceeds in clause 9.2 (Disposal, Insurance, Acquisition Proceeds) of the Facilities Agreement, the Security Agent shall, as soon as reasonably practicable following a written request from the relevant Chargor transfer such sum to that Chargor (or otherwise apply it in accordance with the Chargor's written instructions) and, at the cost of the relevant Chargor, take any other action reasonably requested by the Chargor in order to allow that Chargor to direct such sum in accordance with the terms of the Facilities Agreement.

10.3 Charge over Accounts

- (a) Each Chargor holding an Account shall give notice substantially in the form specified in Part 1 (Form of notice of charge) of Schedule 6 to the financial institution at which such Account is held that the Chargor has created a first fixed charge over all its rights, title and interest in and to that Account and the balance standing to the credit of that Account.
- (b) The relevant Chargor shall give the notices referred to in clause 10.3(a):
 - (i) in the case of an Account held by that Chargor at the date of this Deed, within five Business Days of the date of this Deed; and
 - (ii) in the case of an Account opened after the date of this Deed, within five Business Days of that Account being opened.
- (c) The relevant Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice in substantially the form specified in Schedule 6 Part 2 (Form of acknowledgement) of Schedule 6.

11 Undertakings

Each Chargor undertakes to the Security Agent in accordance with this clause 11. The undertakings in this clause 11 shall remain in force during the Security Period.

11.1 Real property

(a) Repair

- (i) It shall keep its Secured Property in good and substantial repair and condition and decorative order (ordinary wear and tear excepted).
- (ii) It shall repair any defect or damage to any of its Secured Property promptly and if it fails to do so the Security Agent may, but shall not be obliged to, do so (ordinary wear and tear excepted).

(b) Planning

It shall not do or allow or omit to be done anything which may infringe or contravene the Planning Acts affecting its Secured Property, nor make any application for the grant of planning permission within the meaning of the Planning Acts without the prior written consent of the Security Agent (such consent not to be unreasonably withheld).

(c) Planning directions

- (i) Within 5 Business Days of receipt by it of any notice or order (**Direction**) served on or issued to it by any local or other authority (whether under the Planning Acts or otherwise) in respect of any part of its Secured Property, it shall give full particulars of the Direction to the Security Agent and, if so requested by the Security Agent, produce the Direction or a copy of it to the Security Agent.
- (ii) It shall advise the Security Agent of all steps taken or proposed to be taken by it from time to time to comply with the terms of the Direction.
- (iii) It shall take all necessary steps to comply with the Direction.
- (iv) It shall at the request of the Security Agent (but at the cost of the Chargor) make or join with the Security Agent in making such objections, representations against, appealing against or in respect of any proposal contained in the Direction as the Security Agent shall deem expedient in order to protect the interests of the Secured Parties.

(d) Development

- (i) It shall not carry out any development (as defined in the Planning Acts) on any part of its Secured Property without the prior written consent of the Security Agent.
- (ii) It shall not change the use of any part of its Secured Property without the prior written consent of the Security Agent.

(e) Outgoings

It will punctually pay and indemnify the Security Agent and any Receiver against all present and future rents, rates, taxes, assessments and outgoings of whatsoever nature imposed on or payable in respect of its Secured Property or any part of it or payable by the owner or occupier of it.

(f) Investigation of title

On request by the Security Agent, it shall grant the Security Agent or its advisers (at the cost of the Chargor) all facilities within its power to enable the Security Agent or its advisers or delegates to carry out such investigations of title to and enquiries into its Secured Property or other Secured Assets as may be carried out by a prudent mortgagee or chargee.

(g) Notices

It will deliver to the Security Agent promptly a certified true copy of any statutory or other notice in respect of the Secured Property.

(h) Future acquisitions and legal mortgage

It shall:

- (i) notify the Security Agent promptly of such acquisition;
- (ii) if requested by the Security Agent, at its cost, execute and deliver to the Security Agent as soon as practicably possible, a legal mortgage (in form and substance satisfactory to the Security Agent and in substantially the same terms as this Deed) in favour of the Security Agent of any freehold or leasehold (which is not an Excluded Property) interest in property which becomes vested in it after the date of this Deed;
- (iii) use reasonable endeavours to obtain any consents required for the Security referred to in this clause 11.1(h); and
- (iv) if applicable procure that notice of this Deed is noted in the appropriate manner on the title to any such property interest which becomes vested in it after the date of this Deed.

11.2 Leases

(a) Lease and covenant compliance

It shall (other than in respect of Excluded Property):

- (i) perform all the terms on its part contained in any lease or agreement for lease under which it holds an interest in a Secured Property or to which any of its Secured Property is subject;
- (ii) properly perform (and indemnify the Security Agent and each Receiver for any breach of) any covenants and stipulations of whatsoever nature affecting any of its Secured Property;
- (iii) not make any election or take any other action so as to alter the treatment of any Occupational Lease for the purposes of value added tax;
- (iv) not, without the prior written consent of the Security Agent, serve notice on any former tenant under any Occupational Lease under section 17(2) of the Landlord and Tenant (Covenants) Act 1995 or on any guarantor of any such former tenant under section 17(3) of that act; and
- (v) promptly, but in any event within three Business Days, notify the Security Agent of any notice received by it under section 146 of the Law of Property Act 1925

or any proceedings commenced or steps taken against it for the forfeiture of any lease under which it holds an interest in a Secured Property.

(b) Landlord's consent

If under the terms of any lease (other than in respect of Excluded Property) under which it holds an interest in any Secured Property, the Chargor is not permitted to charge its interest in such Secured Property without the consent of the landlord:

- (i) it undertakes promptly to make an application for landlord's consent to the creation of the fixed charge contained in clause 3.4 (First fixed charges) and any charge to be created under clause 8 (Further assurance), shall use all reasonable endeavours to obtain such consent as soon as possible and shall keep the Security Agent informed of the progress of its negotiations with such landlord;
- (ii) subject to clause 11.2(b)(iii):
 - (A) no breach of the Facilities Agreement nor any other representation in the Finance Documents shall occur by virtue of the Chargor's failure to have obtained such landlord's consent; and
 - (B) if the landlord indicates in writing that it proposes to commence, or commences an action of forfeiture of the lease, the Security Agent shall release from such fixed charge, the relevant Chargor's interest in the lease;
- (iii) clause 11.2(b)(ii) shall only apply where the relevant Chargor has complied with its obligations under clause 11.2(b)(i), but the landlord has not given the consent requested of it;
- (iv) upon receipt by the Security Agent of evidence in writing of the consent of the landlord to the creation and existence of the fixed charge over the Chargor's interest in such lease, clause 11.2(b)(ii) shall cease to apply in respect of the relevant Secured Property.

(c) No variation to lease

It shall not without the prior written consent of the Security Agent alter or vary or agree to alter or vary the terms of any lease under which it holds any Secured Property or any lease to which any Secured Property is subject.

(d) No surrender or termination

It shall not without the prior written consent of the Security Agent surrender or otherwise terminate any lease under which it holds a Secured Property or terminate, forfeit or accept a surrender of any lease to which any Secured Property is subject.

(e) Compliance by tenants

It shall use reasonable endeavours to procure that each tenant under an Occupational Lease complies with the terms of that Occupational Lease.

(f) Lease or right to occupy

It will not without the prior written consent of the Security Agent:

- (i) grant any lease or tenancy or exercise any other power of leasing of the whole or part of any Secured Property; or
 - (ii) grant any person any contractual licence or the right to occupy any Secured Property or part with possession of it.
- (g) Forfeiture

It shall not do or permit anything which may render any lease or agreement for lease under which it holds an interest in a Secured Property, or to which the Secured Property is subject, liable to forfeiture or otherwise determinable.]

11.3 **Chattels**

- (a) It will keep all Chattels comprised in its Secured Assets in good and substantial repair and in good working order and condition.
- (b) It shall repair any defect or damage to any of its Chattels promptly and if it fails to do so the Security Agent may, but shall not be obliged to, do so (ordinary wear and tear excepted).

11.4 **Insurance**

Each Chargor shall comply with clause 24.24 (*Insurance*) of the Facilities Agreement.

11.5 **Book and other debts**

After the occurrence of a Declared Default it shall collect and realise the Debts as agent for the Security Agent and shall hold all such proceeds on trust for the Security Agent.

11.6 **Subsidiary Shares and Investments**

- (a) So far as they relate to companies incorporated in England and Wales, on the later of:
 - (i) within three Business Days of the date of this Deed (or the relevant Security Accession Deed); and
 - (ii) as soon as is reasonably practicable, but in any event within three Business Days following the date of acquisition of those Subsidiary Shares, Investments or Related Rights (in particular, taking into account any requirement to submit any transfer documents to HM Revenue & Customs for stamping),

it shall:

- (A) deliver to the Security Agent or as it shall direct all certificates of title and other documents of title or evidence of ownership in respect of its Subsidiary Shares or Investments and the Related Rights; and
- (B) deliver to the Security Agent or as it shall direct such transfer documents (with the transferee left blank) or any other documents as the Security Agent may reasonably require or otherwise request in respect of those Subsidiary Shares, Investments and Related Rights.

- (b) Prior to the occurrence of a Declared Default, it shall be entitled to receive and retain all dividends, distributions and other monies received or receivable in respect of its Subsidiary Shares, Investments and Related Rights.
- (c) It shall be entitled to exercise its voting and other rights in respect of its Subsidiary Shares, Investments and Related Rights provided that it shall not do so in a manner which is materially prejudicial to the interests of the Finance Parties.
- (d) It shall make all payments which become due and payable in respect of any of its Subsidiary Shares, Investments and Related Rights. If it fails to promptly make any such payments, the Security Agent may but shall not be obliged to make such payment on behalf of the relevant Chargor. Any sums so paid by the Security Agent shall be repayable by the relevant Chargor to the Security Agent within three Business Days of demand and pending such repayment shall constitute part of the Secured Obligations.
- (e) It shall remain liable to observe and perform all of the conditions and obligations assumed by it in respect of its Subsidiary Shares, Investments and Related Rights and the Security Agent shall not be required to perform or fulfil any obligation of any Chargor in respect of any Subsidiary Shares, Investments or Related Rights.

11.7 **General undertaking**

It shall not do or cause or permit to be done anything which may in any way materially depreciate, jeopardise or otherwise prejudice the value to the Finance Parties of the Security created by or under this Deed.

12 **Power to remedy**

- 12.1 If a Chargor fails to comply with any of the undertakings set out in clause 11 (Undertakings), it shall allow and irrevocably authorises the Security Agent and/or such persons as it shall nominate to take such action on behalf of that Chargor as shall be necessary to ensure that it complies with those undertakings. For the avoidance of doubt, the Security Agent shall have no obligation to take such action.
- 12.2 If any Chargor fails to perform any obligation or other covenant affecting the Secured Property or other Secured Assets, each Chargor shall permit the Security Agent (who, for the avoidance of doubt shall not be obliged) or its agents and contractors:
 - (a) to enter the Secured Property;
 - (b) to comply with or object to any notice served on any Chargor relating to the Secured Property or other Secured Assets; and
 - (c) to take any action the Security Agent may reasonably consider expedient to prevent or remedy any breach of any such term or to comply with or object to any such notice.
- 12.3 Each Chargor shall within 3 Business Days of demand indemnify the Security Agent against any cost, loss or liability incurred by it in taking any of the steps referred to in this clause 12.

13 **Security power of attorney**

Each Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any of their delegates or sub-delegates to be its attorney with the full power and authority of such Chargor (in its name and otherwise on its behalf) to:

- (a) execute, deliver and perfect all deeds, instruments and other documents; and
- (b) to do or cause to be done all acts and things,

in each case:

- (i) such Chargor ought or has agreed to execute or do under this Deed and which it has failed to do within five Business Days following a request in writing from the Security Agent to undertake such execution or action; or
- (ii) on and following a Declared Default which any attorney may in its absolute discretion deem necessary for carrying out any obligation of the Chargor under or pursuant to this Deed or generally for enabling the Security Agent or any Receiver to exercise the respective powers conferred on them under this Deed or by law. The Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this clause.

14 Enforcement of security

14.1 When security is enforceable

On and at any time after the occurrence of a Declared Default, the Security created by and under this Deed is immediately enforceable.

14.2 Acts of enforcement

The Security Agent may, at its absolute discretion, at any time after the Security created by or under this Deed is enforceable:

- (a) enforce all or any part of the Security created by or under this Deed in any manner and on the terms it sees fit;
- (b) exercise all and any of its rights and powers conferred upon mortgagees by the Law of Property Act 1925 or otherwise by any law on mortgagees, as varied and extended by this Deed, and rights and powers conferred on a Receiver by this Deed or otherwise by law, whether or not it has taken possession or appointed a Receiver to any of the Secured Assets;
- (c) appoint one or more persons to be a Receiver to all or any part of the Secured Assets;
- (d) appoint one or more persons to be an administrator in respect of any Chargor and take any steps to do so;
- (e) exercise its power of sale under section 101 of the Law of Property Act 1925 (as amended by this Deed); or
- (f) if permitted by law, appoint an administrative receiver in respect of any Chargor.

14.3 Right of appropriation

- (a) To the extent that the Security created by this Deed constitutes a "security financial collateral arrangement" and the Secured Assets constitute "financial collateral" for the purpose of the Financial Collateral Arrangements (No. 2) Regulations 2003 (**Regulations**), the Security Agent shall have the right at any time after the Security

becomes enforceable, to appropriate all or any part of the Secured Assets in or towards discharge of the Secured Obligations.

- (b) The value of the appropriated Secured Assets shall be:
 - (i) in the case of cash, the amount of cash appropriated, together with any accrued but unposted interest at the time of appropriation; and
 - (ii) in the case of Subsidiary Shares and Investments, determined by the Security Agent by reference to any publicly available market price or by such other means as the Security Agent (acting reasonably) may select including, without limitation, an independent valuation.

In each case, for the purposes of the Regulations, each Chargor agrees that any such determination by the Security Agent will constitute a valuation "in a commercially reasonable manner".

14.4 **Statutory powers - general**

- (a) For the purposes of all powers implied by statute, the Secured Obligations are deemed to have become due and payable on the date of this Deed.
- (b) Section 103 of the Law of Property Act 1925 (restricting the power of sale) and section 93 of the Law of Property Act 1925 (restricting the right of consolidation) do not apply to the Security constituted by or under this Deed.
- (c) The statutory powers of leasing conferred on the Security Agent are extended so that, without the need to comply with any provision of section 99 or section 100 of the Law of Property Act 1925, the Security Agent and any Receiver is empowered to lease and make agreements for lease at a premium or otherwise, accept surrenders of leases and grant options or vary or reduce any sum payable under any leases or tenancy agreements as it may think fit.
- (d) Each Receiver and the Security Agent is entitled to all the rights, powers, privileges and immunities conferred by the Law of Property Act 1925 and the Insolvency Act 1986 on mortgagees and receivers duly appointed under the Law of Property Act 1925, except that section 103 of the Law of Property Act 1925 does not apply.

14.5 **Contingencies**

If the Security Agent enforces the Security constituted by or under this Deed at a time when no amounts are due under the Finance Documents but at a time when amounts may or will become so due, the Security Agent (or the Receiver) may pay the proceeds of any recoveries effected by it into a suspense account or other account selected by it, pending their application in or towards the discharge of any of the Secured Obligations.

14.6 **Mortgagee in possession - no liability**

None of the Security Agent, its nominee(s) nor any Receiver shall be liable, by reason of entering into possession of any Secured Assets, to account as a mortgagee or mortgagee in possession or for any loss arising by reason of taking any action permitted by this Deed or any neglect, default or omission in connection with the Secured Assets or taking possession of or realising all or any part of the Secured Assets.

14.7 Redemption of prior mortgages

- (a) At any time after the Security created by or under this Deed has become enforceable, the Security Agent may, at the sole cost of the Chargors (payable to the Security Agent on demand):
 - (i) redeem any prior form of Security over any Secured Assets;
 - (ii) procure the transfer of that Security to itself; and/or
 - (iii) settle and pass the accounts of any prior mortgagee, chargee or encumbrancer which once so settled and passed shall be conclusive and binding on the Chargors (subject to any manifest error).
- (b) The Chargors must pay to the Security Agent, promptly on demand, the costs and expenses incurred by the Security Agent in connection with any such redemption and/or transfer, including the payment of any principal or interest.

14.8 Subsidiary Shares and Investments – following a Declared Default

- (a) Following the occurrence of a Declared Default, each Chargor shall on request by the Security Agent:
 - (i) deliver to the Security Agent such pre-stamped stock transfer forms or other transfer documents as the Security Agent may require to enable the Security Agent or its nominee or nominees to be registered as the owner of, and to obtain legal and beneficial title to, the Subsidiary Shares, the Investments and/or Related Rights referred to in such request;
 - (ii) provide to the Security Agent certified copies of all resolutions and authorisations approving the execution of such transfer forms and registration of such transfers as the Security Agent may reasonably require;
 - (iii) procure that each such transfer is promptly registered by the relevant company or other entity;
 - (iv) procure that, promptly, but in any event within 5 Business Days, on their issue, all share certificates or other documents of title in the appropriate form, in respect of the relevant Subsidiary Shares, Investments and/or Related Rights, are delivered to the Security Agent in each case showing the registered holder as the Security Agent or its nominee or nominees (as applicable); and
 - (v) exercise all voting rights in respect of its Subsidiary Shares, Investments and Related Rights only in accordance with the instructions of the Security Agent.
- (b) Subject to clause 14.8(a)(v), following a Declared Default, only the Security Agent may exercise voting rights in respect of the Subsidiary Shares.
- (c) Following the occurrence of a Declared Default, the Security Agent may complete any transfer documents held by it in respect of the Subsidiary Shares, the Investments and/or the Related Rights in favour of itself or such other person or nominee as it shall select.

- (d) At any time after the Security created by or under this Deed has become enforceable the Security Agent and its nominee or nominees may sell all or any of the Subsidiary Shares, Investments or Related Rights of the Chargors (or any of them) in any manner permitted by law and on such terms as the Security Agent shall in its absolute discretion determine.
- (e) If any Chargor receives any dividends, distributions or other monies in respect of its Subsidiary Shares, Investments and Related Rights at a time following the occurrence of a Declared Default, the relevant Chargor shall promptly, but in any event within five Business Days, pay such sums received directly to the Security Agent for application in accordance with clause 17 (Application of monies) and shall hold all such sums on trust for the Security Agent pending payment of them to such account as the Security Agent shall direct.

15 Receiver

15.1 Appointment of Receiver

- (a)
 - (i) At any time after any Security created by or under this Deed is enforceable, the Security Agent may appoint one or more persons to be a Receiver to all or any part of the Secured Assets in accordance with clause 14.2(c) (Acts of enforcement).
 - (ii) At any time, if so requested in writing by any Chargor, without further notice, the Security Agent may appoint a Receiver to all or any part of the Secured Assets as if the Security Agent had become entitled under the Law of Property Act 1925 to exercise the power of sale conferred under the Law of Property Act 1925.
- (b) Any appointment under clause 15.1(a) may be by deed, under seal or in writing under its hand.
- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the Law of Property Act 1925) does not apply to this Deed.
- (d) Any Receiver appointed under this Deed shall be deemed to be the agent of the relevant Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Law of Property Act 1925. That Chargor alone is responsible for any contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver.
- (e) In no circumstances whatsoever shall the Security Agent or any Secured Party be liable (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason nor be in any way responsible for any misconduct, negligence or default of the Receiver.
- (f) The Security Agent is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under Part A1 of the Insolvency Act 1986 other than in respect of a floating charge referred to in subsection (4) of section A52 of Part A1 of the Insolvency Act 1986.

- (g) The Security Agent may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Secured Assets if the Security Agent is prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

15.2 Removal

The Security Agent may (subject to any requirement for an order of the court in the case of an administrative receiver) remove from time to time any Receiver appointed by it and may, whenever it may deem appropriate, appoint a new Receiver in the place of any Receiver whose appointment has terminated.

15.3 Powers of Receiver

(a) General

- (i) A Receiver has all of the rights, powers and discretions set out below in this clause 15.3 in addition to those conferred on it by the Law of Property Act 1925.
- (ii) A Receiver shall have all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the receiver is an administrative receiver).
- (iii) A Receiver may, in the name of any Chargor:
 - (A) do all other acts and things which he may consider expedient for realising any Secured Assets; and
 - (B) exercise in relation to any Secured Assets all the powers, authorities and things which he would be capable of exercising if he were its absolute beneficial owner.
- (iv) If there is more than one Receiver holding office at the same time, unless the document appointing him states otherwise, each Receiver may exercise all of the powers conferred on a Receiver under this Deed or under the Insolvency Act 1986 individually and to the exclusion of any other Receivers.

(b) Borrow money

A Receiver may raise and borrow money (either unsecured or on the security of any Secured Assets, either in priority to the Security constituted by this Deed or otherwise) on any terms and for whatever purpose which he thinks fit. No person lending that money need enquire as to the propriety or purpose of the exercise of that power or to check the application of any money so raised or borrowed.

(c) Carry on business

A Receiver may carry on any business of any relevant Chargor as he thinks fit and, for the avoidance of doubt, a Receiver may apply for such Authorisations as he considers in his absolute discretion appropriate.

(d) Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of any relevant Chargor or relating in any way to any Secured Assets.

(e) **Delegation**

A Receiver may delegate his powers in accordance with clause 16 (Delegation).

(f) **Lending**

A Receiver may lend money or advance credit to any person.

(g) **Employees**

For the purposes of this Deed, a Receiver as he thinks appropriate, on behalf of the relevant Chargor or for itself as Receiver, may:

(i) appoint and discharge managers, officers, agents, accountants, servants, workmen and others upon such terms as to remuneration or otherwise as he may think proper; and

(ii) discharge any such persons appointed by the relevant Chargor.

(h) **Leases**

A Receiver may let any Secured Assets for any term and at any rent (with or without a premium) which he thinks proper and may accept a surrender of any lease or tenancy of any Secured Assets on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender).

(i) **Legal actions**

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings or submit to arbitration or any form of alternative dispute resolution in the name of the relevant Chargor in relation to any Secured Assets as he considers expedient.

(j) **Possession**

A Receiver may take immediate possession of, get in and collect any Secured Assets.

(k) **Protection of assets**

A Receiver may, in each case as he may think fit:

(i) make and effect all repairs and insurances and do any and all other acts which the relevant Chargor might do in the ordinary conduct of its business be they for the protection or for the improvement of the Secured Assets;

(ii) commence and/or complete any building operations; and

(iii) apply for and maintain any planning permission, building regulation approval or any other permission, consent or licence or any other Authorisation.

(l) **Receipts**

A Receiver may give valid receipts for all monies and execute all assurances and things which may be proper and desirable for realising any Secured Assets.

(m) **Sale of assets**

- (i) A Receiver may sell, exchange, convert into monies and realise any Secured Assets by public auction or private contract in any manner and on any terms which he thinks proper.
- (ii) The consideration for any such transaction may consist of cash or non-cash consideration and any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit.
- (iii) Fixtures and any plant and machinery annexed to any part of the Secured Property may be severed and sold separately from the property containing them without the consent of the relevant Chargor.

(n) **Subsidiaries**

A Receiver may form a Subsidiary of the relevant Chargor and transfer to that Subsidiary any Secured Assets.

(o) **Deal with Secured Assets**

A Receiver may, without restriction sell, let or lease, or concur in selling, letting or leasing, or vary the terms of, determine, surrender or accept surrenders of, leases or tenancies of, or grant options and licences over or otherwise dispose of or deal with, all or any part of the Secured Assets without being responsible for loss or damage (unless caused by negligence, wilful deceit or fraud), and so that any such sale, lease or disposition may be made for cash payable by instalments, loan stock or other debt obligations or for shares or securities of another company or other valuable consideration. The Receiver may form and promote, or concur in forming and promoting, a company or companies to purchase, lease, licence or otherwise acquire interests in all or any of the Secured Assets or otherwise, arrange for such companies to trade or cease to trade and to purchase, lease, license or otherwise acquire all or any of the Secured Assets on such terms and conditions whether or not including payment by instalments secured or unsecured as he may think fit.

(p) **Voting rights**

A Receiver may exercise all voting and other rights attaching to the Investments, Subsidiary Shares, Related Rights, and stocks, shares and other securities owned by that Chargor and comprised in the Secured Assets in such manner as he may think fit.

(q) **Security**

A Receiver may redeem any prior Security 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 that Chargor and the money so paid shall be deemed to be an expense properly incurred by the Receiver.

(r) **Acquire land**

The Receiver may purchase or acquire any land and purchase, acquire or grant any interest in or right over land.

(s) **Development**

A Receiver may implement or continue the development of (and obtain all consents required in connection therewith) and/or complete any buildings or structures on, any real property comprised in the Secured Property and do all acts and things incidental to the Secured Property.

(t) **Landlord's obligations**

A Receiver may on behalf of a Chargor and without consent of or notice to that Chargor exercise all the powers conferred on a landlord or a tenant by the Landlord and Tenants Acts, the Rents Acts and Housing Acts or any other legislation from time to time in force in any relevant jurisdiction relating to rents or agriculture in respect of any part of the Secured Property.

(u) **Uncalled capital**

A Receiver may make calls conditionally or unconditionally on the members of any relevant Chargor in respect of uncalled capital.

(v) **Incidental matters**

A Receiver may do all other acts and things including without limitation, signing and executing all documents and deeds as may be considered by the Receiver to be incidental or conducive to any of the matters or powers listed here or granted by law or otherwise incidental or conducive to the preservation, improvement or realisation of the Secured Assets and to use the name of the relevant Chargor for all the purposes set out in this clause 15.

15.4 Remuneration

The Security Agent may from time to time fix the remuneration of any Receiver appointed by it.

16 Delegation

16.1 Clause 18.22 (Delegation by the Security Agent) of the Intecreditor Deed shall apply to this Deed as if set out here in full.

17 Application of monies

17.1 Sections 109(6) and (8) (Appointment, powers, remuneration and duties of receiver) of the Law of Property Act 1925 shall not apply to a Receiver appointed under this Deed.

17.2 All monies from time to time received or recovered by the Security Agent or any Receiver under this Deed or in connection with the realisation or enforcement of all or part of this Security will be held by the Security Agent and shall be applied in accordance with the terms of the Intecreditor Deed. This clause 17:

- (a) is subject to the payment of any claims having priority over this Security; and
- (b) does not prejudice the right of any Secured Party to recover any shortfall from the Chargor.

- 17.3 The Security Agent and any Receiver may place any money received, recovered or realised pursuant to this Deed in an interest bearing suspense account and it may retain the same for such period as it considers expedient without having any obligation to apply the same or any part of it in or towards discharge of the Secured Obligations, unless and until the balance standing to the credit of such suspense account would be sufficient to discharge the Secured Obligations in full, in which case it shall be so applied.

18 Remedies and waivers

- 18.1 No failure to exercise, nor any delay in exercising, on the part of the Security Agent or any Receiver, any right or remedy under this Deed shall operate as a waiver of any such right of remedy or constitute an election to affirm this Deed. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.
- 18.2 A waiver or affirmation given or consent granted by the Security Agent or any Receiver under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

19 Protection of third parties

- 19.1 No person (including a purchaser) dealing with the Security Agent or a Receiver or its or his agents has an obligation to enquire of the Security Agent, Receiver or others:
- (a) whether the Secured Obligations have become payable;
 - (b) whether any power purported to be exercised has become exercisable or is being properly exercised;
 - (c) whether any Secured Obligations or other monies remain outstanding;
 - (d) how any monies paid to the Security Agent or to the Receiver shall be applied; or
 - (e) the status, propriety or validity of the acts of the Receiver or Security Agent.
- 19.2 The receipt of the Security Agent or any Receiver shall be an absolute and a conclusive discharge to a purchaser and shall relieve that purchaser of any obligation to see to the application of any monies paid to or by the direction of the Security Agent or any Receiver.
- 19.3 In clauses 19.1 and 19.2, **purchaser** includes any person acquiring, for money or monies worth, any lease of, or Security over, or any other interest or right whatsoever in relation to, the Secured Assets or any of them.

20 Additional security

The Security created by or under this Deed is in addition to and is not in any way prejudiced by any guarantee or security now or subsequently held by any Finance Party.

21 Settlements conditional

- 21.1 If any amount paid by a Chargor or any other person in respect of the Secured Obligations is capable of being avoided or set aside for any reason, then for the purposes of this Deed, such amount shall not be considered to have been paid.

- 21.2 Any settlement, discharge or release between a Chargor and any Finance Party shall be conditional upon no Security or payment to or for that Finance Party by that Chargor or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any law relating to bankruptcy, insolvency or liquidation or otherwise.

22 Subsequent Security

- 22.1 If any subsequent charge or other interest affects any Secured Assets, a Finance Party may open a new account with the Chargor.
- 22.2 If that Secured Party does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest.
- 22.3 As from that time all payments made to that Secured Party will be credited or to be treated as having been credited to the new account and will not operate to reduce any Secured Obligations.

23 Set-off

A Finance Party may set off any matured obligation due from a Chargor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

24 Notices

Any communication under this Deed or any other Security or Finance Document created by or under this Deed, shall be made and given in accordance with the terms of clause 34 (Notices) of the Facilities Agreement.

25 Invalidity

Clause 36 (Partial invalidity) of the Facilities Agreement shall apply to this Deed as if set out here in full but so that references to the Finance Documents shall be construed as references to this Deed and any Security created by or under it.

26 Assignment

- 26.1 Each Finance Party may assign or otherwise transfer all or any part of its rights under this Deed or any Security created by or under it in accordance with the terms of the Finance Documents.
- 26.2 No Chargor may assign or otherwise transfer any of its rights and obligations under this Deed.

27 Releases

Upon the expiry of the Security Period, the Security Agent shall, at the request and reasonable cost of the Chargors, take whatever action is necessary to irrevocably and unconditionally release and reassign to each relevant Chargor:

- (a) its rights arising under this Deed; and
- (b) the Secured Assets from the Security created by and under this Deed.

28 Currency clauses

- 28.1 Clause 32.10 (Currency of account) of the Facilities Agreement shall apply to this Deed as if set out here in full but so that references to the Finance Documents shall be construed as references to this Deed and any Security created by or under it and references to the Obligors shall be construed as references to the Chargors.
- 28.2 If a payment is made to the Security Agent under this Deed in a currency (**Payment Currency**) other than the currency in which it is expressed to be payable (**Contractual Currency**), the Security Agent may convert that payment into the Contractual Currency at the market rate of exchange and to the extent that the converted amount of the payment falls short of the amount due and payable the Chargors will remain liable for such shortfall.

29 Certificates and determinations

Clause 35.2 (Certificates and determinations) of the Facilities Agreement shall apply to this Deed as if set out here in full but so that references to the Finance Documents shall be construed as references to this Deed and any Security created by or under it and references to the Finance Parties shall be construed as references to the Security Agent.

30 Counterparts

This Deed or any Finance Document entered into under or in connection with this Deed may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed or any Finance Document.

31 Governing law

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

32 Enforcement

32.1 Jurisdiction of English courts

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (**Dispute**).
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This clause 32 is for the benefit of the Security Agent. As a result, the Security Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

32.2 Service of process

Clause 45.2 (Service of process) of the Facilities Agreement shall apply to this Deed as if set out here in full but so that references to the Finance Documents shall be construed as references to this Deed and any Security created by or under it.

This Deed has been signed on behalf of the Security Agent and executed as a deed by each Chargor and is delivered on the date given at the beginning of this Deed. It is intended by the parties to this Deed that this Deed will take effect as a deed notwithstanding that the Security Agent may only execute it under hand.

Schedule 1

Chargors

Name	Jurisdiction of incorporation	Registered number
EC Electronics Midco Limited	England and Wales	14373223
EC Electronics Bidco Limited	England and Wales	14373631
E C Electronics Limited	England and Wales	03573232
Swan Electronics Manufacturing Solutions Ltd	England and Wales	06368840

Schedule 2

Properties

Registered Land

None at the date of this deed.

Unregistered Land

None at the date of this deed.

Schedule 3**Subsidiary Shares**

Chargor	Name and registered number of company	Number and class of shares
EC Electronics Midco Limited	EC Electronics Bidco Limited (company number 14373631)	1 Ordinary Share of £0.01
EC Electronics Bidco Limited	E C Electronics Limited (company number 03573232)	325,882 Ordinary Shares of £1.00 each
E C Electronics Bidco Limited	Swan Electronics Manufacturing Solutions Ltd (company number 06368840)	1000 Ordinary Shares of £1.00 each

Schedule 4**Relevant Agreements****Part 1 - Form of notice of assignment**

To: ♦

Dated: ♦

Dear Sirs

The agreement described in the attached schedule (Agreement)

We hereby notify you that we have assigned absolutely, subject to a proviso for re-assignment on redemption, to Shawbrook Bank Limited (**Security Agent**) as security trustee for itself and certain financial institutions all our right, title and interest in and to the Agreement pursuant to a debenture dated [] made between us and the Security Agent (the "**Debenture**").

With effect from your receipt of a separate notice from the Security Agent informing you that the security created under the Debenture has become enforceable, we authorise you:

- 1 without notice or reference to, or further authority from us and without enquiring as to the justification or the validity of those instructions, to comply only with any instructions from time to time received by you from the Security Agent relating to the Agreement and any rights under or in connection with the Agreement; and
- 2 to pay all sums payable by you under the Agreement directly to the Security Agent at such account as the Security Agent may specify from time to time.

We remain liable to perform all our obligations under the Agreement and the Security Agent is under no obligation of any kind whatsoever under the Agreement nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Agreement.

Please sign and return the acknowledgement attached to one enclosed copy of this notice to the Security Agent and the other copy to us.

The provisions of this notice (and any non-contractual obligations arising out of or in connection with it) are governed by English law.

Yours faithfully

.....
for and on behalf of

♦

The Schedule

Date	Parties	Description
◆	◆	◆

[Attach form of acknowledgment]

Part 2 - Form of acknowledgement

To: [name of Security Agent]
[address]

To: [name of Chargor] (**Chargor**)
[address]

Dated: ♦

We acknowledge receipt of the notice of assignment (**Notice**) of which the above is a duplicate. Terms defined in the Notice shall have the same meaning when used in this acknowledgement. We confirm that:

- (a) there has been no amendment, waiver or release of any rights, title or interests in the Agreement since the date of the Agreement;
- (b) we will notify the Security Agent of any amendment, waiver or release of any provision of the Agreement or any right, title and interest in and to the Agreement;
- (c) we shall act in accordance with the Notice;
- (d) the Chargor will remain liable to perform all its obligations under the Agreement and the Security Agent is under no obligation of any kind whatsoever under the Agreement nor under any liability whatsoever in the event of any failure by the Chargor to perform its obligations under the Agreement;
- (e) as at the date of this acknowledgement we have not received any notice of security assignment or charge of (or of any interest of any third party in) the Chargor's interest in the Agreement in favour of any other person;
- (f) as at the date of this acknowledgement, we are not aware of any breach by the Chargor of the terms of the Agreement; and
- (g) we do not have and have not claimed or exercised any right or claim against the Chargor or exercised or attempted to exercise any right of set-off, counterclaim or other right relating to the Agreement.

The provisions of this acknowledgement (and any non-contractual obligations arising out of or in connection with it) are governed by English law.

For and on behalf of

♦

Schedule 5**Relevant Policies****Part 1 - Form of notice of assignment**

To: [insurer]

Dated: ♦

Dear Sirs

The insurance policies described in the attached schedule (Relevant Policies)

We hereby notify you that we have assigned absolutely, subject to a proviso for re-assignment on redemption, to Shawbrook Bank Limited (**Security Agent**) as security trustee for itself and certain financial institutions all our right, title and interest in and to the Relevant Policies pursuant to a debenture dated [] made between us and the Security Agent (the "**Debenture**").

With effect from your receipt of a separate notice from the Security Agent informing you that the security created under the Debenture has become enforceable, we authorise you:

- 1 without notice or reference to or further authority from us and without enquiring as to the justification or the validity of those instructions, to comply only with any instructions from time to time received by you from the Security Agent relating to the Relevant Policies (or any of them); and
- 2 to pay all sums payable by you under the Relevant Policies (or any of them) directly to the Security Agent at such account as the Security Agent may specify from time to time.

We remain liable to perform all our obligations under the Relevant Policies and the Security Agent is under no obligation of any kind whatsoever under the Relevant Policies nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Relevant Policies.

Please sign and return the acknowledgement attached to one enclosed copy of this notice to the Security Agent and the other copy to us.

The provisions of this notice (and any non-contractual obligations arising out of or in connection with it) are governed by English law.

Yours faithfully

.....
for and on behalf of

♦

The Schedule

Date of policy	Insured	Policy type	Policy number
◆	◆	◆	◆

[Attach form of acknowledgment]

Part 2 - Form of acknowledgement

To: [name of Security Agent]
[address]

To: [name of Chargor] (**Chargor**)
[address]

Dated: ♦

We acknowledge receipt of the notice of assignment (**Notice**) of which the above is a duplicate. Terms defined in the Notice shall have the same meaning when used in this acknowledgement. We confirm that:

- (a) we shall act in accordance with the Notice;
- (b) the Chargor will remain liable to perform all its obligations under the Relevant Policy and the Security Agent is under no obligation of any kind whatsoever under the Relevant Policy nor under any liability whatsoever in the event of any failure by the Chargor to perform its obligations under the Relevant Policy;
- (c) as at the date of this acknowledgement we have not received any notice of assignment or charge of (or of any interest of any third party in) the Chargor's interest in any Relevant Policy or the proceeds of any Relevant Policy in favour of any other person; and
- (d) we do not have and have not claimed or exercised any right or claim against the Chargor or exercised or attempted to exercise any right of set-off, counterclaim or other right relating to any Relevant Policy and we waive all future rights to claim or exercise any rights of set-off, counterclaim or other similar right now or in the future relating to the Relevant Policy.

The provisions of this acknowledgement (and any non-contractual obligations arising out of or in connection with it) are governed by English law.

For and on behalf of
[insurance company]

Schedule 6**Accounts****Part 1 - Form of notice of assignment/charge**

To: *[insert name and address of account holding institution]*

Dated: ♦

Dear Sirs

Account number: ♦ (Account)
Sort code: ♦
Account holder: ♦ Limited

We hereby notify you that we have [have assigned absolutely, subject to a proviso for re-assignment on redemption]/[charged by way of first fixed charge] to Shawbrook Bank Limited (**Security Agent**) as security trustee for itself and certain financial institutions all our right, title and interest in and to the monies from time to time standing to the credit of the Account pursuant to a debenture dated [] made between us and the Security Agent (the "**Debenture**").

With effect from your receipt of a separate notice from the Security Agent informing you that the security created under the Debenture has become enforceable, we authorise you:

- 1 to hold all monies from time to time standing to the credit of the Account to the order of the Security Agent and accordingly to pay all or any part of those monies to the Security Agent (or as it may direct) promptly following receipt of written instructions from the Security Agent to that effect; and
- 2 to disclose to the Security Agent such information relating to us and the Account as the Security Agent may from time to time request you to provide.

By countersigning this notice, the Security Agent authorises you to permit us to withdraw and otherwise deal with funds standing to the credit of the Account until:

- (a) you receive a notice in writing to the contrary from the Security Agent;
- (b) a petition is presented for a winding up order in respect of us or an application is made for an administration order in respect of us,

(whichever occurs first).

Please sign and return the acknowledgement attached to one enclosed copy of this notice to the Security Agent and the other copy to us.

The provisions of this notice (and any non-contractual obligations arising out of or in connection with it) are governed by English law.

Yours faithfully

.....
 for and on behalf of ♦ Limited

Countersigned for and on behalf of
the Security Agent:

.....

[Attach form of acknowledgment]

Part 2 - Form of acknowledgement

To: [name of Security Agent]
[address]

To: [name of Chargor] (**Chargor**)
[address]

Dated: ♦

We acknowledge receipt of the notice of assignment or charge (**Notice**) of which the above is a duplicate. Terms defined in the Notice shall have the same meaning when used in this acknowledgement.

We confirm that:

- (a) we shall act in accordance with the Notice;
- (b) as at the date of this acknowledgement we have not received any notice of security assignment or charge (or of any interest of any third party in) over the Chargor's interest in the Account in favour of any other person;

The provisions of this acknowledgement (and any non-contractual obligations arising out of or in connection with it) are governed by English law.

For and on behalf of
[account holding institution]

Schedule 7

Form of Security Deed of Accession

This Deed is made on

◆

Between

- (1) ◆ (registered in England with number ◆ for itself and for the Chargors (**Parent**);
- (2) ◆ (registered in England with number ◆ (**Acceding Chargor**); and
- (3) ◆ as security trustee for the Secured Parties (**Security Agent**).

Whereas

- (A) This Deed is supplemental to a debenture dated ◆ between, inter alia, the Parent, the Chargors and the Security Agent (**Debenture**).
- (B) The Acceding Chargor has also entered into an Accession Deed to the Facilities Agreement on or about the date of this Security Deed of Accession and by doing so appoints the Parent as its agent on the terms set out in the Accession Deed.

It is agreed

1 Definitions and interpretation

1.1 Definitions

- (a) Save to the extent otherwise defined in this Deed, terms defined in the Debenture have the same meaning when used in this Deed.
- (b) In this Deed, **Subsidiary Shares** means all shares present and future held by the Acceding Chargor or the Persons listed in Schedule 2 (Subsidiary Shares) to this Deed.

1.2 Interpretation

Clauses 1.2 (Interpretation), 1.3 (Third party rights), 1.4 (Administration), 1.5 (Incorporated terms), 1.6 (Intercreditor Deed), 1.7 (Property), 1.8 (Present and future assets), 1.9 (Fixed security), 1.10 (Security Agent protections) and 1.11 (Liability not discharged) of the Debenture are incorporated in this Deed as if they were set out in full in this Deed, but so that references in those clauses to this **Deed** shall be construed as references to this Security Deed of Accession.

2 Accession of Acceding Chargor

2.1 Accession

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

2.2 **Covenant to pay**

The Acceding Chargor covenants with the Security Agent as security trustee for the Secured Parties that it will pay and discharge the Secured Obligations when they become due for payment and discharge in accordance with the terms of the Finance Documents.

2.3 **Charging provisions**

All Security created by the Acceding Chargor under this Deed is:

- (a) a continuing security for the payment and discharge of the Secured Obligations;
- (b) subject to any Permitted Security, granted with full title guarantee, being subject to and qualified by the Legal Reservations;
- (c) granted in respect of all right, title and interest (if any), present and future of the Acceding Chargor in and to the relevant Secured Asset; and
- (d) granted in favour of the Security Agent as security trustee for the Secured Parties and the Security Agent shall hold the benefit of this Deed and the Security created by or pursuant to it on trust for the Secured Parties.

2.4 **First legal mortgages**

The Acceding Chargor charges by way of first legal mortgage the Properties (other than Excluded Property) described in to Schedule 1 (Properties) to this Deed and, in each case, all Premises and Fixtures on such Properties.

2.5 **Assignments**

- (a) The Acceding Chargor assigns absolutely, subject to a proviso for re-assignment on redemption all of its rights, title and interest from time to time under or in respect of:
 - (i) the agreements described in Schedule 3 (Relevant Agreements) to this Deed;
 - (ii) its insurance policies described in Schedule 4 (Relevant Policies) to this Deed;
 - (iii) each Account described in Schedule 5 (Accounts) to this Deed and any amount standing to the credit of each Account and the debt represented by each Account; and
 - (iv) each and every sum from time to time paid or payable by any member of the Group for the time being to a Chargor;together with, in each case, all other Related Rights thereto.
- (b) The Acceding Chargor shall remain liable to perform all its obligations under each Relevant Agreement, and each Relevant Policy.
- (c) Notwithstanding the other terms of this clause 2.5, prior to the occurrence of a Declared Default, the Acceding Chargor may, subject to the other terms of the Finance Documents, continue to exercise all and any of its rights under and in connection with the Relevant Agreements.

2.6 First fixed charges

The Acceding Chargor charges by way of first fixed charge all of its rights, title and interest from time to time in and to:

- (a) to the extent not validly and effectively assigned pursuant to clause 2.5, the Relevant Agreements to which it is a party and the Relevant Policies to which it is a party;
- (b) all interests and estates in any freehold, leasehold or commonhold property (other than Excluded Property) now or subsequently owned by it (other than any freehold, leasehold or commonhold property effectively charged by way of legal mortgage under clause 2.4);
- (c) the proceeds of sale of its Secured Property and all licenses to enter on or use any Secured Property;
- (d) the benefit of all other agreements, instruments and rights relating to its Secured Property;
- (e) all plant, machinery, vehicles, computers, office and other equipment, all furniture, furnishings, fittings, equipment and tools and any removals or replacement of them, (together **Chattels**) present and future and the benefit of all contracts, licences, warranties, maintenance contracts relating to them and any renewals and replacements of them;
- (f) the Subsidiary Shares together with all Related Rights;
- (g) the Investments together with all Related Rights;
- (h) all book and other debts and monetary claims due to the Acceding Chargor and their proceeds (both collected and uncollected) (together **Debts**) and all rights, guarantees, security or other collateral in respect of the Debts (or any of them) and the benefit of any judgment or order to pay a sum of money and all rights to enforce the Debts (or any of them);
- (i) (other than to the extent effectively assigned under clause [2.5]) all monies from time to time standing to the credit of each Account and the debt represented by each Account;
- (j) all its Material Intellectual Property to the extent it is capable of being charged;
- (k) all its goodwill and uncalled capital;
- (l) the benefit of all Authorisations held or utilised by it in connection with its business or the use of any of its assets and the right to recover and receive compensation payable in respect of any of them; and
- (m) to the extent that any assignment in clause 2.5 is ineffective as an assignment, the assets referred to in that clause,

together with, in each case, all Related Rights thereto.

2.7 Floating charge

- (a) The Acceding Chargor charges by way of first floating charge all its assets and undertaking wherever located both present and future.

- (b) The floating charge created by clause 2.7(a) shall be deferred in point of priority to all fixed Security validly and effectively created by the relevant Acceding Chargor under the Finance Documents in favour of the Security Agent (as trustee for the Secured Parties) as security for the Secured Obligations

2.8 **Qualifying floating charge**

This Deed contains a qualifying floating charge and paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by or under this Deed.

3 **Consent of existing charging companies**

The Chargors agree to the terms of this Deed and agree that its execution will in no way prejudice or affect any Security granted by any of them by or under the Debenture.

4 **Security power of attorney**

The Acceding Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any of their delegates or sub-delegates to be its attorney with the full power and authority (in its name and otherwise on its behalf) to:

- (a) execute, deliver and perfect all deeds, instruments and other documents; and
- (b) to do or cause to be done all acts and things,

in each case:

- (i) which the Acceding Chargor ought or has agreed to execute or do under this Deed and which it has failed to do within 5 Business Days following a request from the Security Agent to undertake such execution or action; or
- (ii) which any attorney may in its absolute discretion deem necessary or appropriate for carrying out any obligation of the Acceding Chargor under or pursuant to this Deed or generally for enabling the Security Agent or any Receiver to exercise the respective powers conferred on them under this Deed or by law. The Acceding Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this clause.

5 **Notices**

The Acceding Chargor confirms that its address details for notices in relation to clause 24 (Notices) of the Debenture are as follows:

Address: ◆

Facsimile: ◆

Attention: ◆

6 **Counterparts**

This Deed or any Finance Document entered into under or in connection with this Deed may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed or any Finance Document.

7 Governing law and jurisdiction

Clause 31 (Governing law) of the Debenture shall be incorporated in this Deed as if set out here in full but so that references to the Debenture shall be construed as references to this Deed.

This Deed has been signed on behalf of the Security Agent and executed as a deed by the Acceding Chargor and is delivered on the date given at the beginning of this Deed. It is intended by the parties to this Deed that this Deed will take effect as a deed notwithstanding that the Security Agent may only execute it under hand.

Schedule 1

Properties

Schedule 2

Subsidiary Shares

Schedule 3

Relevant Agreements

Schedule 4

Relevant Policies

Schedule 5

Accounts

SIGNATURES TO THE SECURITY DEED OF ACCESSION

Parent

Executed as a deed by)
♦ Limited) Director
acting by two directors or by a director and its)
secretary)
) Director/Secretary

OR

Executed as a deed by)
♦ Limited)
acting by a director in the presence of) Director

.....
Signature of witness

Name

Address

.....
I confirm that I was physically present when [name of signatory] signed this deed.

Chargors

Executed as a deed by)
♦ Limited) Director
acting by two directors or by a director and its)
secretary)
) Director/Secretary

OR

Executed as a deed by)
♦ **Limited**)
acting by a director in the presence of) Director

.....
Signature of witness

Name

Address

.....
I confirm that I was physically present when [name of signatory] signed this deed.

Security Agent
Shawbrook Bank Limited

By:

SIGNATURES TO THE DEBENTURE

Parent

Executed as a deed by
EC Electronics Midco Limited
acting by two directors or by a director and its
secretary

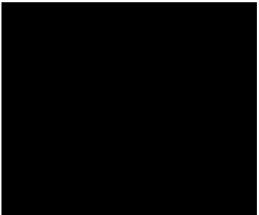
)
) Director
)
)
) Director/Secretary



Chargors

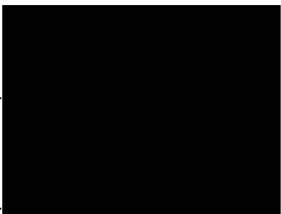
Executed as a deed by
EC Electronics Midco Limited
acting by two directors or by a director and its
secretary

)
) Director
)
)
) Director/Secretary



Executed as a deed by
EC Electronics Bidco Limited
acting by two directors or by a director and its
secretary

)
) Director
)
)
) Director/Secretary



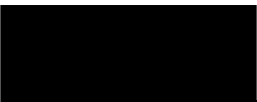
Executed as a deed by
E C Electronics Limited
acting by two directors or by a director and its
secretary

)
) Director
)
)
) Director/Secretary



Executed as a deed by
**Swan Electronics Manufacturing
Solutions Ltd**
acting by two directors or by a director and its
secretary

)
) Director
)
)
) Director/Secretary



The Security Agent

Shawbrook Bank Limited

By:

