



Registration of a Charge

Company name: **CHATHAM WORKS LIMITED**

Company number: **07247261**



X63CT5S9

Received for Electronic Filing: **31/03/2017**

Details of Charge

Date of creation: **29/03/2017**

Charge code: **0724 7261 0006**

Persons entitled: **N H FINANCE LIMITED**

Brief description: **NOT APPLICABLE**

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **EXCEPT FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006, I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **DAVID ALLEN**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7247261

Charge code: 0724 7261 0006

The Registrar of Companies for England and Wales hereby certifies that a charge dated 29th March 2017 and created by CHATHAM WORKS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 31st March 2017 .

Given at Companies House, Cardiff on 3rd April 2017

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

SHAREHOLDER'S SECURITY AGREEMENT

DATED 29 MARCH 2017

**CHATHAM WORKS LIMITED
as Chargor**

and

**N H FINANCE LIMITED
as Original Lender**

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THIS DEED is dated 29 March 2017 and is made

BETWEEN:

- (1) **CHATHAM WORKS LIMITED**, a limited company with registration number 07247261 with its registered office at 12 Park Mount, Hampden, Hertfordshire, AL5 3AR (the **Chargor**); and
- (2) **N H FINANCE LIMITED** (the **Original Lender**).

BACKGROUND:

- (A) The Chargor enters into this Deed in connection with the Facility Agreement (as defined below).
- (B) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

Act means the Law of Property Act 1925.

Borrower means Hackney Walk Limited (registered number 10428451).

Facility Agreement means the £9,874,910 facility agreement dated on or around the date of this Deed between the Borrower and the Original Lender.

Party means a party to this Deed.

Receiver means a receiver, a receiver and manager, or an administrative receiver, in each case, appointed under this Deed.

Related Rights means:

- (a) any dividend, interest or other distribution paid or payable in relation to any Shares; and
- (b) any right, money or property accruing or offered at any time in relation to any Shares by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise.

Secured Liabilities means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Transaction Obligor to the Lender.

Security Asset means each asset of the Chargor which is, or is intended to be, subject to any security created by this Deed.

Security Period means the period beginning on the date of this Deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

Shares means all of the shares in the share capital of the Borrower.

Subordinated Document has the meaning given to it in the Subordination Agreement.

Subordination Agreement means the Subordination Agreement entered into by the Chargor, the Borrower and the Lender.

Transaction Obligor means:

- (a) the Borrower; or
- (b) the Chargor.

1.2 Construction

- (a) Capitalised terms defined in the Facility Agreement have the same meaning in this Deed unless expressly defined in this Deed.
- (b) The provisions of clause 1.2 (Construction) of the Facility Agreement apply to this Deed as though they were set out in full in this Deed except that references to the Facility Agreement will be construed as references to this Deed.
- (c) Any reference in this Deed to:
 - (i) a Finance Document or other agreement or instrument includes (without prejudice to any restriction on amendments) any amendment to that Finance Document or other agreement or instrument, including any change in the purpose of, any extension of or any increase in the amount of a facility or any additional facility;
 - (ii) any **rights** in respect of an asset include all amounts and proceeds paid or payable, all rights to make any demand or claim, and all powers, remedies, causes of action, security, guarantees and indemnities, in each case, in respect of or derived from that asset; and
 - (iii) this **Security** means any security created by this Deed.
- (d) Any covenant of the Chargor under this Deed (other than a payment obligation) remains in force during the Security Period.
- (e) If the Lender considers that an amount paid to the Lender under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- (f) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of any disposal of that Security Asset.

1.3 Third party rights

- (a) In this Clause:

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

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

- (c) Notwithstanding any term of this Deed, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.
- (d) Any Receiver or any delegate or sub-delegate of the Lender or any Receiver that is not a Party may enforce and enjoy the benefit of any Clause which expressly confers rights on it, subject to paragraph (c) above and the provisions of the Third Parties Act.

2. CREATION OF SECURITY

2.1 General

All the security created under this Deed:

- (a) is created in favour of the Lender;
- (b) is created over present and future assets of the Chargor;
- (c) is security for the payment and satisfaction of all the Secured Liabilities; and
- (d) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

2.2 Shares

The Chargor charges by way of a first fixed charge:

- (a) all the Shares owned by it or held by any nominee or trustee on its behalf; and
- (b) all Related Rights.

2.3 Subordinated Debt

The Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights:

- (a) in respect of the Subordinated Debt; and
- (b) under each Subordinated Document.

3. REPRESENTATIONS

3.1 Representations

The Chargor makes the representations and warranties set out in this Clause to the Lender.

3.2 Status

- (a) It is a limited liability company, duly incorporated and validly existing under the laws of the jurisdiction of its incorporation.
- (b) It has the power to own its assets and carry on its business as it is being conducted.

3.3 Binding obligations

- (a) The obligations expressed to be assumed by it in this Deed are, subject to the Legal Reservations, legal, valid, binding and enforceable obligations.
- (b) This Deed is in the proper form for its enforcement in the jurisdiction of its incorporation.

3.4 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, this Deed do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) any agreement or instrument which is binding on it or any of its assets.

3.5 Power and authority

- (a) It has the power to enter into and perform, and has taken all necessary action to authorise its entry into and performance of, this Deed and the transactions contemplated by this Deed.
- (b) No limit on its powers will be exceeded as a result of any grant of security or giving of indemnities contemplated by this Deed.

3.6 Validity and admissibility in evidence

All Authorisations required or desirable:

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations under this Deed; and
- (b) to make this Deed admissible in evidence,

have been obtained or effected and are in full force and effect except for any Authorisation referred to in Clause 3.10 (No filing or stamp taxes), which Authorisations will be promptly obtained or effected after the date of this Deed.

3.7 Nature of security

This Deed creates those Security Interests it purports to create and is not liable to be avoided or otherwise set aside on its liquidation or administration or otherwise.

3.8 Shares

- (a) The Shares are fully paid.
- (b) The Shares represent the whole of the issued share capital of the Borrower.
- (c) The Chargor is the sole legal and beneficial owner of the Shares.
- (d) The Shares are free of any Security Interests (except those created by or pursuant to the Security Documents) and any other rights or interests in favour of third parties.

- (e) The Chargor has complied in all respects with its obligations under Part 21A of the Companies Act 2006 in relation to the Shares.

3.9 Subordinated Debt

- (a) The Chargor is the sole legal and beneficial owner of the Subordinated Debt.
- (b) The Subordinated Debt and its rights in respect of each Subordinated Document are free of any Security Interests (except those created by or pursuant to the Security Documents) and any other rights or interests in favour of third parties.
- (c) All payments to it by any other party to a Subordinated Document are not subject to any right of set-off or similar right.
- (d) Each Subordinated Document is its legally binding, valid, and enforceable obligation.
- (e) Neither it nor (so far as it is aware) any other party to a Subordinated Document is in default of any of its material obligations under that Subordinated Document.
- (f) There is no prohibition on assignment, or other restriction on the creation of security by the Chargor, in respect of any of the Subordinated Debt or its rights under any Subordinated Document.

3.10 No filing or stamp taxes

It is not necessary that this Deed be registered, filed, recorded, notarised or enrolled with any court or other authority in any of those jurisdictions or that any stamp, registration, notarial or similar taxes or fees be paid on or in relation to this Deed or the transactions contemplated by this Deed except registration of particulars of this Deed with the Registrar of Companies under the Companies Act 2006 and payment of associated fees, which registration and fees will be made and paid promptly after the date of this Deed.

3.11 Times for making representations

- (a) The representations and warranties set out in this Deed are made on the date of this Deed.
- (b) Each representation or warranty under this Deed is deemed to be repeated by the Chargor on the date of each Utilisation Request, each Utilisation Date and the first day of each Interest Period.
- (c) When a representation or warranty is repeated, it is applied to the facts and circumstances existing at the time of repetition.

4. RESTRICTIONS ON DEALINGS

The Chargor must not:

- (a) create or allow to subsist any Security Interest (other than this Deed) on any Security Asset;
or
- (b) sell, transfer, licence, lease or otherwise dispose of any Security Asset.

5. SHARES

5.1 Deposit

The Chargor must:

- (a) immediately deposit with the Lender, or as the Lender may direct, all certificates and other documents of title or evidence of ownership in relation to any Security Asset; and
- (b) promptly execute and deliver to the Lender all share transfers and other documents which may be requested by the Lender in order to enable the Lender or its nominees to be registered as the owner or otherwise obtain a legal title to any Security Asset.

5.2 Changes to rights

The Chargor must not take any action or allow the taking of any action on its behalf which may result in the rights attaching to any Security Asset being altered or further shares in the Borrower being issued.

5.3 Calls

- (a) The Chargor must pay all calls or other payments due and payable in respect of any Security Asset.
- (b) If the Chargor fails to do so, the Lender may pay the calls or other payments on behalf of the Chargor. The Chargor must, immediately on demand, reimburse the Lender for any payment made by the Lender under this Clause.

5.4 Other obligations in respect of Security Assets

- (a) The Chargor must promptly copy to the Lender and comply with all requests for information which is within its knowledge and which are made under any law or regulation or by any listing or other authority or any similar provision contained in any articles of association or other constitutional document relating to any Security Asset. If it fails to do so, the Lender may elect to provide such information as it may have on behalf of the Chargor.
- (b) The Chargor must comply with all other conditions and obligations assumed by it in respect of any Security Asset.
- (c) The Lender is not obliged to:
 - (i) perform any obligation of the Chargor;
 - (ii) make any payment;
 - (iii) make any enquiry as to the nature or sufficiency of any payment received by it or the Chargor; or
 - (iv) present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Deed,

in respect of any Security Asset.

5.5 Voting rights and dividends

- (a) Before this Security becomes enforceable:
 - (i) the Chargor may continue to exercise (or refrain from exercising) the voting rights and any other rights or powers in respect of its Security Assets;
 - (ii) if the voting rights or other rights or powers are exercisable by the Lender, the Lender must exercise (or refrain from exercising) them as the Chargor may direct in writing; and

- (iii) all dividends, distributions or other income paid or payable in relation to the Security Assets must be paid directly to the Chargor.
- (b) The Chargor must indemnify the Lender against any cost, loss or liability incurred by the Lender as a consequence of the Lender acting (or refraining from acting) in respect of any Security Assets as directed by the Chargor.
- (c) After this Security has become enforceable:
 - (i) the Lender may exercise (or refrain from exercising) in the name of the Chargor and without any further consent or authority on the part of the Chargor any voting rights and any rights or powers which may be exercised by the legal or beneficial owner of any Security Asset, any person who is the holder of any Security Asset or otherwise; and
 - (ii) if any Security Assets remain registered in the name of the Chargor, the Chargor irrevocably appoints the Lender as its proxy to exercise the voting rights and other rights or powers in respect of the Security Assets.

5.6 PSC regime

The Chargor must:

- (a) comply on time with any notice it receives under section 790D or 790E of the Companies Act 2006; and
- (b) promptly notify the Lender if it receives a warning notice or restrictions notice under schedule 1B of the Companies Act 2006,

in each case, in relation to the Shares.

6. SUBORDINATED DOCUMENTS

- (a) The Chargor must:
 - (i) subject to the terms of the Subordination Agreement, duly and promptly perform its obligations under each Subordinated Document; and
 - (ii) supply the Lender and any Receiver with copies of each Subordinated Document and any information and documentation relating to any Subordinated Document requested by the Lender or any Receiver.
- (b) After this Security has become enforceable, the Lender may exercise, without any further consent or authority on the part of the Chargor and irrespective of any direction given by the Chargor, any of the Chargor's rights under any Subordinated Document.

7. WHEN SECURITY BECOMES ENFORCEABLE

7.1 Event of Default

This Security will become immediately enforceable if an Event of Default occurs.

7.2 Discretion

After this Security has become enforceable, the Lender may in its absolute discretion enforce all or any part of this Security in any manner it sees fit.

7.3 Statutory powers

Any power of sale or other powers conferred by section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

8. ENFORCEMENT OF SECURITY

8.1 General

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- (b) Section 103 of the Act (restricting the power of sale) and section 93 of the Act (restricting the right of consolidation) do not apply to this Security.

8.2 No liability as mortgagee in possession

Neither the Lender nor any Receiver will be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

8.3 Privileges

Each Receiver and the Lender is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that section 103 of the Act does not apply.

8.4 Protection of third parties

No person (including a purchaser) dealing with the Lender or a Receiver or its or his agents will be concerned to enquire:

- (a) whether the Secured Liabilities have become payable;
- (b) whether any power which the Lender or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
- (c) whether any money remains due under the Finance Documents; or
- (d) how any money paid to the Lender or to that Receiver is to be applied.

8.5 Redemption of prior mortgages

- (a) At any time after this Security has become enforceable, the Lender may do any one or more of the following:
 - (i) redeem any prior Security Interest against any Security Asset;
 - (ii) procure the transfer of that Security Interest to itself; and
 - (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the Chargor.

- (b) The Chargor must pay to the Lender, immediately on demand, the costs and expenses incurred by the Lender in connection with any such redemption and/or transfer, including the payment of any principal or interest.

8.6 Contingencies

If this Security is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, the Lender (or a Receiver) may pay the proceeds of any recoveries effected by it into a suspense account.

8.7 Financial collateral

- (a) To the extent that the Security Assets constitute "financial collateral" and this Deed and the obligations of the Chargor under this Deed constitute a "security financial collateral arrangement" (in each case, for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003), the Lender will have the right after this Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Liabilities.
- (b) Where any financial collateral is appropriated:
 - (i) if it is cash, its value will be the amount standing to the credit of the relevant account on the date of appropriation plus any accrued but uncredited interest;
 - (ii) if it is listed or traded on a recognised exchange, its value will be taken as the value at which it could have been sold on the exchange on the date of appropriation; and
 - (iii) in any other case, its value will be such amount as the Lender reasonably determines having taken into account advice obtained by it from an independent commercial property adviser, investment bank or accountancy firm of national standing selected by it,

and the Lender will give credit for the proportion of the value of the financial collateral appropriated to its use.

9. RECEIVER

9.1 Appointment of Receiver

- (a) Except as provided below, the Lender may from time to time appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:
 - (i) this Security has become enforceable; or
 - (ii) the Chargor so requests the Lender in writing at any time.
- (b) Any appointment under paragraph (a) above 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 Act) does not apply to this Deed.
- (d) The Lender 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 section 1A of the Insolvency Act 1986.

9.2 Removal

The Lender may by writing under its hand remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

9.3 Remuneration

The Lender may fix the remuneration of any Receiver appointed by it and the maximum rate specified in section 109(6) of the Act will not apply.

9.4 Agent of the Chargor

- (a) A Receiver will be deemed to be the agent of the 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 Act. The Chargor alone is responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for liabilities incurred by a Receiver.
- (b) The Lender will not incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

9.5 Relationship with Lender

To the fullest extent permitted by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Lender in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

10. POWERS OF RECEIVER

10.1 General

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause in addition to those conferred on it by any law, this includes all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act 1986.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing it states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

10.2 Possession

A Receiver may take immediate possession of, get in and collect any Security Asset.

10.3 Sale of assets

- (a) A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which it thinks fit.
- (b) 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 any period which it thinks fit.

10.4 Compromise

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

10.5 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which it thinks fit.

10.6 Receipts

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Security Asset.

10.7 Delegation

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

10.8 Other powers

A Receiver may:

- (a) do all other acts and things which it may consider desirable or necessary for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;
- (b) exercise in relation to any Security Asset all the powers, authorities and things which it would be capable of exercising if it were the absolute beneficial owner of that Security Asset; and
- (c) use the name of the Chargor for any of the above purposes.

11. APPLICATION OF PROCEEDS

All amounts from time to time received or recovered by the Lender or any Receiver pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or part of this Security will be held by the Lender and applied in the following order of priority:

- (a) in or towards payment of or provision for the Secured Liabilities in accordance with the terms of the Facility Agreement; and
- (b) in payment of the surplus (if any) to the Chargor or other person entitled to it.

This Clause is subject to the payment of any claims having priority over this Security. This Clause does not prejudice the right of the Lender to recover any shortfall from any Chargor.

12. EXPENSES AND INDEMNITY

The Chargor must:

- (a) immediately on demand, pay to the Lender the amount of all costs and expenses (including legal fees) incurred by the Lender in connection with this Deed including any arising from any actual or alleged breach by any person of any law or regulation;

- (b) in or towards payment of or provision for the Secured Liabilities in accordance with the terms of any other loan or other document or security between a Transaction Obligor and the Original Lender; and
- (c) keep the Lender indemnified against any failure or delay in paying those costs or expenses.

13. DELEGATION

13.1 Power of Attorney

The Lender or any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed.

13.2 Terms

Any such delegation may be made on any terms (including power to sub-delegate) which the Lender or any Receiver may think fit.

13.3 Liability

Neither the Lender nor any Receiver will be in any way liable or responsible to the Chargor for any cost, loss or liability arising as a result of any act, default, omission or misconduct on the part of any delegate or sub-delegate.

14. FURTHER ASSURANCES

- (a) The Chargor must, at its own expense, take whatever action the Lender or a Receiver may require for:
 - (i) creating, perfecting or protecting any security over any Security Asset; or
 - (ii) facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Lender or any Receiver or any of their respective delegates or sub-delegates in respect of any Security Asset.
- (b) The action that may be required under paragraph (a) above includes:
 - (i) the execution of any mortgage, charge, transfer, conveyance, assignment or assurance in respect of any asset, whether to the Lender or to its nominee; or
 - (ii) the giving of any notice, order or direction and the making of any filing or registration,which, in any such case, the Lender may think expedient.

15. POWER OF ATTORNEY

The Chargor, by way of security, irrevocably and severally appoints the Lender, each Receiver and their respective delegates and sub-delegates to be its attorney with the full power and authority of the Chargor to execute, deliver and perfect all deeds, instruments and other documents in its name and otherwise on its behalf and to do or cause to be done all acts and things, in each case, which may be required or which any attorney in its absolute discretion may deem necessary for carrying out any obligation of the Chargor under or pursuant to this Deed or generally for enabling the Lender 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.

16. PRESERVATION OF SECURITY

16.1 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Transaction Obligor or any security for those obligations or otherwise) is made by the Lender in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, the liability of the Chargor under this Deed will continue or be reinstated as if the discharge, release or arrangement had not occurred.

16.2 Waiver of defences

The obligations of the Chargor under this Deed will not be affected by any act, omission, matter or thing which, but for this Clause would reduce, release or prejudice any of its obligations under this Deed including (without limitation and whether or not known to it or the Lender):

- (a) any time, waiver or consent granted to, or composition with, any Transaction Obligor or other person;
- (b) the release of any Transaction Obligor or any other person under the terms of any composition or arrangement with any creditor;
- (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 Transaction Obligor or any other person;
- (d) any non-presentation or non-observance of any formality or other requirement in respect of any instruments or any failure to realise the full value of any security;
- (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Transaction Obligor or any other person;
- (f) any amendment of any Finance Document or loan or other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (g) any unenforceability, illegality, invalidity or non-provability of any obligation of any person under any Finance Document or loan or other document or security; or
- (h) any insolvency, resolution or similar proceedings.

16.3 Amendments to the Finance Documents

- (a) Without limiting Clause 16.2 (Waiver of defences), the Chargor acknowledges that the Finance Documents or loans or other documents or securities may from time to time be amended (and that term has the wide meaning given to it by clause 1.2 (Construction) of the Facility Agreement).
- (b) The Chargor confirms its intention that:
 - (i) any amendment to a Finance Document or loan or other document or security is within the scope of the Secured Liabilities and this Security; and

- (ii) the Secured Liabilities and this Security extend to any amount payable by a Transaction Obligor under or in connection with a Finance Document or loan or other document or security as amended.
- (c) The Chargor agrees that the confirmations in paragraph (b) above apply regardless of:
 - (i) why or how a Finance Document or loan or other document or security is amended (including the extent of the amendment and any change in the parties);
 - (ii) whether any amount payable by a Transaction Obligor under or in connection with the amended Finance Document or loan or other document or security in any way relates to any amount that would or may have been payable had the amendment not taken place;
 - (iii) the extent to which the Chargor's liability under this Deed (whether present or future, actual or contingent), or any right it may have as a result of entering into or performing its obligations under this Deed, changes or may change as a result of the amendment; and
 - (iv) whether the Chargor was aware of or consented to the amendment.

16.4 Immediate recourse

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

16.5 Appropriations

The Lender (or any trustee or agent on its behalf) may at any time during the Security Period:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by the Lender (or any trustee or agent on its behalf) in respect of the Secured Liabilities or apply and enforce them in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and the Chargor will not be entitled to the benefit of such moneys, security or rights; and
- (b) hold in an interest bearing suspense account any moneys received from the Chargor or on account of the liability of the Chargor under this Deed.

16.6 Deferral of Chargor's rights

- (a) Unless the Security Period has expired or the Lender otherwise directs, the Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under this Deed or by reason of any amount being payable, or liability arising under this Clause:
 - (i) to be indemnified by a Transaction Obligor;
 - (ii) to claim any contribution from any other person who has provided security or a guarantee in respect of any Transaction Obligor's obligations under the Finance Documents;
 - (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by the Lender;

- (iv) to bring legal or other proceedings for an order requiring any Transaction Obligor to make any payment, or perform any obligation, in respect of which the Chargor has granted security under this Deed;
 - (v) to exercise any right of set-off against any Transaction Obligor; and/or
 - (vi) to claim or prove as a creditor of any Transaction Obligor in competition with the Lender.
- (b) If the Chargor receives any benefit, payment or distribution in relation to such rights it must hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Lender by the Transaction Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Lender and must promptly pay or transfer them to the Lender or as the Lender may direct for application in accordance with the terms of this Deed.

16.7 Additional security

- (a) This Security is in addition to and is not in any way prejudiced by any other security or guarantee now or subsequently held by the Lender.
- (b) No prior security held by the Lender over any Security Asset will merge into this Security.

17. CHANGES TO THE PARTIES

17.1 The Chargor

The Chargor may not assign or transfer any of its rights or obligations under this Deed without the prior consent of the Lender.

17.2 The Lender

The Lender may assign or otherwise dispose of all or any of its rights under this Deed in accordance with the Finance Documents to which it is a party.

18. MISCELLANEOUS

18.1 Continuing security

This Security is a continuing security and will extend to the ultimate balance of the Secured Liabilities regardless of any intermediate payment or discharge in whole or in part.

18.2 Covenant to pay

The Chargor must pay or discharge the Secured Liabilities.

18.3 Tacking

The Lender must perform its obligations under the Facility Agreement (including any obligation to make available further advances).

18.4 New Accounts

- (a) If any subsequent charge or other interest affects any Security Asset, the Lender may open a new account with the Chargor.

- (b) If the Lender 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.
- (c) As from that time all payments made to the Lender will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability.

18.5 Notice to Chargor

This Deed constitutes notice in writing to the Chargor of any charge or assignment by way of security that may at any time be created or made under any Security Document by any Transaction Obligor in respect of any obligation or liability under any agreement, instrument or other document to which that Transaction Obligor is a party.

18.6 Release of Chargor's rights

If the shares in the Borrower are disposed of as a result of enforcement of this Security, the Chargor irrevocably authorises the Lender (on behalf of the Chargor and without requiring any authority or consent from the Borrower) to release (in whole or in part) the Borrower from the liabilities and obligations (present and future, actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) it may have to the Chargor under or in connection with the Finance Documents or loans or other documents or securities as a result of the Chargor being a guarantor or security provider (including, without limitation, any liabilities and obligations arising by way of indemnity, contribution or subrogation).

19. RELEASE

At the end of the Security Period, the Lender must, at the request and cost of the Chargor, take whatever action is necessary to release the Security Assets from this Security.

20. NOTICES

20.1 Communications in writing

Any communication to be made under or in connection with this Deed must be made in writing and, unless otherwise stated, may be made by fax or letter.

20.2 Addresses

- (a) The contact details of the Chargor for any communication to be made or delivered under or in connection with this Deed are the same as those set out in the Facility Agreement for the Borrower.
- (b) The contact details of the Lender for any communication to be made or delivered under or in connection with this Deed are the same as those set out in the Facility Agreement for the Lender.
- (c) Any Party may change its contact details by giving five Business Days' notice to the Lender or (in the case of the Lender) to the other Party.

20.3 Delivery

- (a) Except as provided below, any communication made or delivered by one person to another under or in connection with this Deed will only be effective:
 - (i) if by way of fax, when received in legible form; or

- (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under this Deed, if addressed to that department or officer.

- (b) Any communication to be made or delivered to the Lender will only be effective when actually received by the Lender.
- (c) Any communication which would otherwise become effective on a non-working day or after business hours in the place of receipt will be deemed only to become effective on the next working day in that place.

20.4 Electronic communication

- (a) Any communication to be made between the Parties under or in connection with this Deed may be made by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website), if the relevant Parties:
 - (i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;
 - (ii) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
 - (iii) notify each other of any change to their electronic mail address or any other such information supplied by them.
- (b) For the purposes of this Deed, an electronic communication will be treated as being in writing.
- (c) Any electronic communication as specified in paragraph (a) above made between the Parties will be effective only when actually received (or made available) in readable form and in the case of any electronic communication made by a Party to the Lender only if it is addressed in such a manner as the Lender may specify for this purpose.
- (d) Any electronic communication which would otherwise become effective on a non-working day or after business hours in the place in which the Party to whom the relevant communication is sent (or made available) has its address for the purposes of this Deed will be deemed only to become effective on the next working day in that place.
- (e) Any reference in this Deed to a communication being sent or received will be construed to include that communication being made available in accordance with this Clause.

20.5 English language

- (a) Any communication made under or in connection with this Deed must be in English.
- (b) All other documents provided under or in connection with this Deed must be:
 - (i) in English; or
 - (ii) if not in English, and if so required by the Lender, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

21. PARTIAL INVALIDITY

If, at any time, any term of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction that will not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other term of this Deed; or
- (b) the legality, validity or enforceability in other jurisdictions of that or any other term of this Deed.

22. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of the Lender, any right or remedy under this Deed will operate as a waiver, nor will any single or partial exercise of any right or remedy 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 and may be waived only in writing and specifically.

23. COUNTERPARTS

This Deed may be executed in any number of counterparts. This has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

24. GOVERNING LAW

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

25. ENFORCEMENT

25.1 Jurisdiction

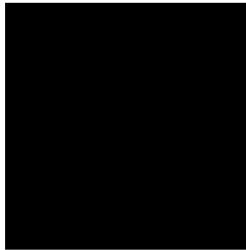
- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a **Dispute**).
- (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 is for the benefit of the Lender only. As a result, to the extent permitted by law:
 - (i) the Lender will not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction; and
 - (ii) the Lender may take concurrent proceedings in any number of jurisdictions.

THIS DEED has been entered into as a deed on the date stated at the beginning of this Deed.

SIGNATORIES

Chargor

EXECUTED AS A DEED by)
CHATHAM WORKS LIMITED)
acting by)



Director **JOCK BARAWY**

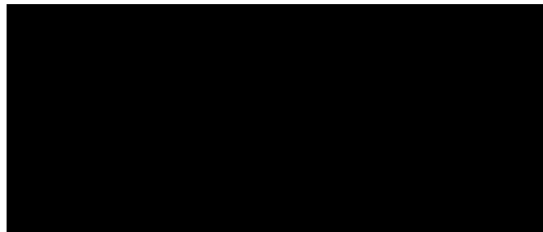
In the presence of:

Witness's signature:



Name:

Address:



Lender

NH FINANCE LIMITED

By:

SIGNATORIES

Chargor

EXECUTED AS A DEED by)
CHATHAM WORKS LIMITED)
acting by)

Director

In the presence of:

Witness's signature:

Name:

Address:

Lender

N H FINANCE LIMITED

By:

