

100166/23

In accordance with
Sections 859A and
859J of the Companies
Act 2006

MR01

Particulars of a charge



Companies House



Go online to file this information
www.gov.uk/companieshouse

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

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

☒ **What this form is NOT for**
You may not use this form to
register a charge where there is no
instrument Use form MR08

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

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



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



A14

A5BMK5KH

20/07/2016

#215

WEDNESDAY

1 Company details

Company number 0 7 2 9 8 8 3 4

Company name in full NEW CALL TELECOM LIMITED

8 For official use

→ Filling in this form
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date d 1 d 4 m 0 m 7 y 2 y 0 y 1 y 6

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

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

Name TALKTALK COMMUNICATIONS LIMITED (3849133)

Name

Name

Name

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

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

MR01

Particulars of a charge

4	Brief description	
Brief description	<p>Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument</p> <p>All freehold and leasehold properties (whether registered or unregistered) and all commonhold properties now or in the future (and from time to time) owned by the Company, or in which the Company holds an interest. For more details of land, ship, aircraft or intellectual property charged, please refer to the instrument</p>	<p>Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"</p> <p>Please limit the description to the available space</p>
5	Other charge or fixed security	
	<p>Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	
6	Floating charge	
	<p>Is the instrument expressed to contain a floating charge? Please tick the appropriate box</p> <p><input checked="" type="checkbox"/> Yes Continue</p> <p><input type="checkbox"/> No Go to Section 7</p> <p>Is the floating charge expressed to cover all the property and undertaking of the company?</p> <p><input checked="" type="checkbox"/> Yes</p>	
7	Negative Pledge	
	<p>Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	
8	Trustee statement ^①	
	<p>You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge</p> <p><input type="checkbox"/></p>	<p>^① This statement may be filed after the registration of the charge (use form MR06)</p>
9	Signature	
Signature	<p>Please sign the form here</p> <p>Signature</p> <p><i>X J E. W. for and on behalf of Teltell Communications Ltd.</i> X</p> <p>This form must be signed by a person with an interest in the charge</p>	

MR01

Particulars of a charge



Presenter information

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

Contact name Michael Clark

Company name TalkTalk

Address Stanford House

Garrett Field

Birchwood

Post town Warrington

County/Region

Postcode W A 3 7 B H

Country

DX

Telephone 07711 354 570



Certificate

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



Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

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



Important information

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



How to pay

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

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



Where to send

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

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

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

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



Further information

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

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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7298834

Charge code: 0729 8834 0008

The Registrar of Companies for England and Wales hereby certifies that a charge dated 14th July 2016 and created by NEW CALL TELECOM LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 20th July 2016

po

Given at Companies House, Cardiff on 25th July 2016



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

I HEREBY CERTIFY THIS
TO BE A TRUE AND
COMPLETE COPY OF THE
ORIGINAL

J E. W. JAMES W. X
18 07 16 SOLICITOR
C/O TALKTALK 11 EVESHAM
ST. LONDON W11 4AR

Debenture

between

- (1) TalkTalk Communications Limited
- (2) New Call Telecom Limited

Dated 14 JULY 2016

This Deed is made on

14 JULY

2016

Between:

- (1) New Call Telecom Limited incorporated and registered in England and Wales with company number 07298834 whose registered office is at 5-9 Eden Street, Kingston Upon Thames, Surrey KT1 1BQ ("New Call"), and
- (2) TalkTalk Communications Limited incorporated and registered in England and Wales with company number 03849133 whose registered office is at Stanford House, Garrett Field, Birchwood, Warrington, WA3 7BH ("TalkTalk")

1 BACKGROUND

- 1.1 TalkTalk and New Call entered into the Services Agreement pursuant to which TalkTalk granted New Call the non-exclusive right to market and enter into contracts with customers for the supply of certain telecommunications products and services
- 1.2 New Call has defaulted in its payment obligations to TalkTalk pursuant to the Services Agreement and TalkTalk has ongoing concerns about New Call's ability to pay future sums as they fall due under the Services Agreement Under this debenture New Call agrees to provide security to TalkTalk in return for TalkTalk continuing to provide services under the Services Agreement

AGREED TERMS

2 DEFINITIONS AND INTERPRETATION

- 2.1 The definitions and rules of interpretation in this clause apply in this debenture

Definition	Meaning
Administrator	An administrator appointed to manage the affairs, business and property of New Call pursuant to Paragraph 15 of Schedule 3
Book Debts	All present and future book and other debts, and monetary claims due or owing to New Call, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by New Call in relation to any of them
Business Day	A day (other than a Saturday or Sunday) on which commercial banks are open for general business in London and deposits are dealt with on the London Interbank Market
Charged Property	All the assets, property and undertaking for the time being, subject to the security interests created by this debenture (and references to the Charged Property shall include references to any part of it)
Costs	All costs, charges, expenses and liabilities of any kind including costs and damages in connection with litigation, professional fees, disbursements and any value added tax charged on Costs
Designated Account	Any account of New Call nominated by TalkTalk as a designated account for the purposes of this debenture
Environment	The natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media

Definition	Meaning
Environmental Law	All applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment
Equipment	All present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property for the time being owned by New Call, including any part of it and all spare parts, replacements, modifications and additions
Financial Collateral	Shall have the meaning given to that expression in the Financial Collateral Regulations
Financial Collateral Regulations	The Financial Collateral Arrangements (No 2) Regulations 2003 (SI 2003/3226)
Insurance Policies	All the contracts and policies of insurance effected or maintained by New Call from time to time in respect of its assets or business (including any insurances relating to the Properties or the Equipment)
Intellectual Property	New Call's present and future patents, trade marks, service marks, trade names, designs, copyrights, inventions, topographical or similar rights, confidential information and know-how and any interest in any of these rights, whether or not registered, including all applications and rights to apply for registration and all fees, royalties and other rights derived from, or incidental to, these rights
Intercreditor Deed	The intercreditor agreement dated the same day as this agreement between New Call, TalkTalk and Jerome Booth
Investments	All present and future stocks, shares, loan capital, securities, bonds and investments (whether or not marketable) for the time being owned (at law or in equity) by New Call, including all rights accruing or incidental to those investments from time to time
Properties	All freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or in the future (and from time to time) owned by New Call, or in which New Call holds an interest and Property means any of them
Receiver	A receiver, manager or receiver and manager of any or all of the Charged Property appointed under Paragraph 6 of Schedule 3
Secured Liabilities	All present and future monies, obligations and liabilities owed by New Call to TalkTalk, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity (including those arising under Clause 20 3(a)(ii)), together with all interest (including, without limitation, default interest) accruing in respect of those monies or liabilities
Security Financial Collateral Arrangement	Shall have the meaning given to that expression in the Financial Collateral Regulations
Security Interest	Any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any

Definition	Meaning obligation of any person, or any other agreement or arrangement having a similar effect
Security Period	The period starting on the date of this debenture and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding
Services Agreement	The Partner Master Services Agreement, entered into between the parties, for the provision of telecommunication services dated 10 th January 2011 (as amended) together with all applicable service schedules and any other agreements pursuant to which TalkTalk provides services to New Call

2.2 Unless the context otherwise requires, in this debenture

- (a) a reference to a statute or statutory provision includes a reference to any subordinate legislation made under that statute or statutory provision, to any modification, re-enactment or extension of that statute or statutory provision and to any former statute or statutory provision that it consolidated or re-enacted before the date of this debenture,
- (b) a reference to one gender includes a reference to the other genders,
- (c) words in the singular include the plural and in the plural include the singular,
- (d) a reference to a clause or Schedule is to a clause of, or Schedule to, this debenture, and references to paragraphs are to paragraphs of the relevant Schedule,
- (e) a reference to **this debenture** (or any specified provision of it) or any other document shall be construed as a reference to this debenture, that provision or that document as in force for the time being and as amended or novated from time to time,
- (f) a reference to a **person** shall include a reference to an individual, firm, corporation, unincorporated body of persons, or any state or any agency of a person,
- (g) any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms,
- (h) a reference to an **amendment** includes a supplement, variation, novation or re-enactment (and **amended** shall be construed accordingly),
- (i) a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description,
- (j) a reference to an **authorisation** includes an authorisation, consent, licence, approval, resolution, exemption, filing, registration and notarisation,
- (k) a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation,
- (l) a reference to New Call or TalkTalk shall include its successors, permitted transferees and permitted assigns, and
- (m) clause, schedule and paragraph headings shall not affect the interpretation of this debenture

3 CLAWBACK

- 3.1 If TalkTalk considers that an amount paid by New Call in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of New Call or otherwise,

then that amount shall not be considered to have been irrevocably paid for the purposes of this debenture

4 NATURE OF SECURITY OVER REAL PROPERTY

4 1 A reference in this debenture to a charge or mortgage of any freehold, leasehold or commonhold property includes

- (a) all buildings and fixtures (including trade and tenant's fixtures) that are situated on that property at any time,
- (b) the proceeds of the sale of any part of that property, and
- (c) the benefit of any covenants for title given, or entered into, by any predecessor in title of New Call in respect of that property, and any monies paid or payable in respect of those covenants

5 LAW OF PROPERTY (MISCELLANEOUS PROVISIONS) ACT 1989

5 1 For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Services Agreement and of any side letters between any parties in relation to the Services Agreement are incorporated into this debenture

6 THIRD PARTY RIGHTS

6 1 A third party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce, or to enjoy the benefit of, any term of this debenture

7 PERPETUITY PERIOD

7 1 If the rule against perpetuities applies to any trust created by this debenture, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009)

8 INSOLVENCY ACT 1986

8 1 Paragraph 14 of Schedule B1 of the Insolvency Act 1986 (as inserted by section 248 of, and Schedule 16 to, the Enterprise Act 2002) applies to the floating charge created by this debenture

9 SCHEDULES

9 1 The Schedules form part of this debenture and shall have effect as if set out in full in the body of this debenture. Any reference to this debenture includes the Schedules.

10 COVENANT TO PAY

10 1 New Call shall, on demand, pay to TalkTalk and discharge the Secured Liabilities when they become due

11 GRANT OF SECURITY

11 1 Charging clause

- (a) Subject to the provisions of the Intercreditor Deed, as a continuing security for the payment and discharge of the Secured Liabilities, New Call with full title guarantee
 - (i) charges to TalkTalk, by way of legal mortgage, all the Properties,
 - (ii) charges to TalkTalk, by way of fixed charge all
 - (A) Properties acquired by New Call in the future,

- (B) present and future interests of New Call not effectively mortgaged or charged under the preceding provisions of this Clause 11 in, or over, freehold or leasehold property,
 - (C) present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to each Property,
 - (D) licences, consents and authorisations (statutory or otherwise) held or required in connection with New Call's business or the use of any Charged Property, and all rights in connection with them;
 - (E) its present and future goodwill and uncalled capital,
 - (F) the Equipment,
 - (G) the Intellectual Property,
 - (H) the Book Debts,
 - (I) the Investments, and
 - (J) monies from time to time standing to the credit of its accounts with any bank, financial institution or other person (including each Designated Account)
- (iii) assigns to TalkTalk absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities, all its rights in each Insurance Policy, and
 - (iv) charges to TalkTalk, by way of floating charge, all the undertaking, property, assets and rights of New Call at any time not effectively mortgaged, charged or assigned pursuant to Clause 11 1(a)(i) to Clause 11 1(a)(iii) inclusive

12 AUTOMATIC CONVERSION OF FLOATING CHARGE

12 1 The floating charge created by Clause 11 1(a)(iv) shall automatically and immediately (without notice) be converted into a fixed charge over the relevant Charged Property if

- (a) New Call
 - (i) creates, or attempts to create, without the prior written consent of TalkTalk, a Security Interest or a trust in favour of another person on all or any part of the Charged Property, or
 - (ii) disposes, or attempts to dispose of, all or any part of the Charged Property (other than Charged Property that is only subject to the floating charge while it remains uncrystallised),
- (b) a receiver is appointed over all or any of the Charged Property that is subject to the floating charge,
- (c) any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Charged Property, or
- (d) TalkTalk receives notice of the appointment of, or a proposal or an intention to appoint, an administrator of New Call

13 CONVERSION OF FLOATING CHARGE BY NOTICE

13 1 TalkTalk may, in its sole discretion, by written notice to New Call, convert the floating charge created under this debenture into a fixed charge as regards any part of the Charged Property specified by TalkTalk in that notice if

- (a) any of the events set out in Paragraph 1 1 of Schedule 3 occurs and is continuing, or
- (b) TalkTalk considers any of those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy

14 ASSETS ACQUIRED AFTER ANY FLOATING CHARGE CRYSTALLISATION

- 14 1 Any asset acquired by New Call after any crystallisation of the floating charge created under this debenture which, but for that crystallisation, would be subject to a floating charge under this debenture, shall (unless TalkTalk confirms otherwise to New Call in writing) be charged to TalkTalk by way of fixed charge

15 LIABILITY OF NEW CALL

15 1 Liability not discharged

- (a) New Call's liability under this debenture in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by
- (i) any security, guarantee, indemnity, remedy or other right held by, or available to, TalkTalk that is, or becomes, wholly or partially illegal, void or unenforceable on any ground,
 - (ii) TalkTalk renewing, determining, varying or increasing any facility, credit limit or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person, or
 - (iii) any other act or omission, which but for this Clause 15 1 might have discharged, or otherwise prejudiced or affected, the liability of New Call

15 2 Immediate recourse

- (a) New Call waives any right it may have to require TalkTalk to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this debenture against New Call

15 3 Covenants

- (a) New Call covenants with TalkTalk in the terms set out in Schedule 1

15 4 Powers of TalkTalk

- (a) TalkTalk shall have the powers set out in Schedule 2

16 ENFORCEMENT

16 1 Enforcement events

- (a) The security constituted by this debenture shall be immediately enforceable if any of the events set out in Paragraph 1 1 of Schedule 3 occurs and is continuing. The parties to this debenture agree that the provisions of Schedule 3 shall apply to this debenture and shall be binding between them

16 2 Receiver's powers

- (a) A Receiver shall have, in addition to the powers conferred on receivers by statute, the further powers set out in Schedule 4

16 3 Right of appropriation

- (a) To the extent that
- (i) the Charged Property constitutes Financial Collateral, and
 - (ii) this debenture and the obligations of New Call hereunder constitute a Security Financial Collateral Arrangement,

TalkTalk shall have the right, at any time after the security constituted by this debenture has become enforceable, to appropriate all or any of that Charged Property in or towards the payment or discharge of the Secured Liabilities in such order as TalkTalk may, in its absolute discretion, determine

- (b) The value of any Charged Property appropriated in accordance with this clause shall be the price of that Charged Property at the time the right of appropriation is exercised as listed on any recognised market index, or determined by such other method as TalkTalk may select (including independent valuation)
- (c) New Call agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations

17 COSTS AND INDEMNITY

17 1 Costs

- (a) New Call shall pay to, or reimburse, TalkTalk and any Receiver on demand, on a full indemnity basis, all Costs incurred by TalkTalk or any Receiver in connection with
 - (i) this debenture or the Charged Property,
 - (ii) protecting, perfecting, preserving or enforcing (or attempting to do so) any of TalkTalk's or Receiver's rights under this debenture,
 - (iii) suing for, or recovering, any of the Secured Liabilities,

(including the Costs of any proceedings in connection with this debenture or the Secured Liabilities), together with interest on any amount due under Clause 17 1(a)(ii) and Clause 17 1(a)(iii) at the default rate of interest specified in the Services Agreement

17 2 Indemnity

- (a) TalkTalk and any Receiver, and their respective employees and agents, shall be indemnified on a full indemnity basis out of the Charged Property in respect of all actions, liabilities and Costs incurred or suffered in or as a result of
 - (i) the exercise, or purported exercise, of any of the powers, authorities or discretions vested in them under this debenture,
 - (ii) any matter or thing done, or omitted to be done, in relation to the Charged Property under those powers, or
 - (iii) any default or delay by New Call in performing any of its obligations under this debenture

18 RELEASE

- 18 1 Subject to Clause 20 3, on the expiry of the Security Period (but not otherwise), TalkTalk shall, at the request and cost of New Call, take whatever action is necessary to release the Charged Property from the security constituted by this debenture

19 ASSIGNMENT AND TRANSFER

19 1 Assignment by TalkTalk

- (a) At any time, without the consent of New Call, TalkTalk may assign or transfer the whole or any part of its rights and obligations under this debenture to any other person

19 2 Assignment by Borrower

- (a) New Call may not assign any of its rights, or transfer any of its obligations, under this debenture, or enter into any transaction that would result in any of those rights or obligations passing to another person

20 FURTHER PROVISIONS

20 1 Independent security

- (a) This debenture shall be in addition to, and independent of, every other security or guarantee that TalkTalk may hold for any of the Secured Liabilities at any time. No prior security held by TalkTalk over the whole or any part of the Charged Property shall merge in the security created by this debenture.
- 20.2 Continuing security
- (a) This debenture shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until TalkTalk discharges this debenture in writing.
- 20.3 Discharge conditional
- (a) Any release, discharge or settlement between New Call and TalkTalk shall be deemed conditional on no payment or security received by TalkTalk in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement
- (i) TalkTalk or its nominee may retain this debenture and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Charged Property, for such period as TalkTalk deems necessary to provide TalkTalk with security against any such avoidance, reduction or order for refund, and
- (ii) TalkTalk may recover the value or amount of such security or payment from New Call subsequently as if such release, discharge or settlement had not occurred.
- 20.4 Certificates
- (a) A certificate or determination by TalkTalk as to any amount for the time being due to it from New Call shall (in the absence of any manifest error) be conclusive evidence of the amount due.
- 20.5 Rights cumulative
- (a) The rights and remedies of TalkTalk conferred by this debenture are cumulative, may be exercised as often as TalkTalk considers appropriate, and are in addition to its rights and remedies under the general law.
- 20.6 Variations and waivers
- (a) Any waiver or variation of any right or remedy by TalkTalk (whether arising under this debenture or under the general law), or any consent given under this debenture, is only effective if it is in writing and signed by the waiving, varying or consenting party, and applies only in the circumstances for which it was given, and shall not prevent the party giving it from subsequently relying on the relevant provision.
- 20.7 Further exercise of rights
- (a) No act or course of conduct or negotiation by, or on behalf of, TalkTalk shall, in any way, preclude TalkTalk from exercising any right or remedy under this debenture or constitute a suspension or variation of any such right or remedy.
- 20.8 Delay
- (a) No delay or failure to exercise any right or remedy under this debenture shall operate as a waiver of that right or remedy.
- 20.9 Single or partial exercise
- (a) No single or partial exercise of any right or remedy under this debenture shall prevent any further or other exercise of that right or remedy, or the exercise of any other right or remedy under this debenture.
- 20.10 Consolidation

- (a) The restriction on the right of consolidation contained in section 93 of the Law of Property Act 1925 shall not apply to this debenture
- 20 11 Partial invalidity
- (a) The invalidity, unenforceability or illegality of any provision (or part of a provision) of this debenture under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions. If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with any modification necessary to give effect to the commercial intention of the parties
- 20 12 Counterparts
- (a) This debenture may be executed and delivered in any number of counterparts, each of which is an original and which together have the same effect as if each party had signed the same document
- 21 NOTICES**
- 21 1 Service
- (a) Each notice or other communication required to be given under, or in connection with, this debenture shall be
- (i) in writing, delivered personally or sent by pre-paid first-class letter, and
- (ii) sent
- (A) to New Call at
- 5 - 9 Eden Street, Kingston Upon Thames, Surrey, KT1 1BQ
- Attention
- (B) to TalkTalk at
- Stanford House, Garrett Field, Birchwood, Warrington, WA3 7BH
- Attention Head of Legal
- With a copy to
- TalkTalk Telecom Group PLC, 11 Evesham Street, London, W11 4AR
- Attention Company Secretary
- or to such other address or fax number as is notified in writing by one party to the other from time to time
- 21 2 Receipt by Borrower
- (a) Any notice or other communication that TalkTalk gives shall be deemed to have been received
- (i) if given by hand, at the time of actual delivery, and
- (ii) if posted, on the second Business Day after the day it was sent by pre-paid first-class post
- A notice given as described in Clause 21 2(a)(i) on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day
- 21 3 Receipt by TalkTalk
- (a) Any notice given to TalkTalk shall be deemed to have been received only on actual receipt

22 GOVERNING LAW AND JURISDICTION

22.1 Governing law

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

22.2 Jurisdiction

- (a) The parties to this debenture irrevocably agree that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of, or in connection with, this debenture or its subject matter or formation (including non-contractual disputes or claims) Nothing in this clause shall limit the right of TalkTalk to take proceedings against New Call in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of that other jurisdiction

22.3 Other service

- (a) New Call irrevocably consents to any process in any proceedings being served on it in accordance with the provisions of this debenture relating to service of notices Nothing contained in this debenture shall affect the right to serve process in any other manner permitted by law

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

Schedule 1

(COVENANTS)

Part 1

(General covenants)

1 NEGATIVE PLEDGE AND DISPOSAL RESTRICTIONS

1 1 New Call shall not at any time, except with the prior written consent of TalkTalk

- (a) create, purport to create or permit to subsist any Security Interest on, or in relation to, any Charged Property other than any Security Interest created by this debenture,
- (b) sell, assign, transfer, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Charged Property (except, in the ordinary course of business, Charged Property which is only subject to an uncrystallised floating charge), or
- (c) create or grant (or purport to create or grant) any interest in the Charged Property in favour of a third party

2 PRESERVATION OF CHARGED PROPERTY

2 1 New Call shall not do, or permit to be done, any act or thing that would or should reasonably be expected to depreciate, jeopardise or otherwise materially prejudice the security held by TalkTalk, or materially diminish the value of any of the Charged Property or the effectiveness of the security created by this debenture

3 ENFORCEMENT OF RIGHTS

3 1 New Call shall use its best endeavours to

- (a) procure the prompt observance and performance of the covenants and other obligations imposed on New Call's counterparties, and
- (b) enforce any rights and institute, continue or defend any proceedings relating to any of the Charged Property which TalkTalk may require from time to time

4 NOTICE OF BREACHES

4 1 New Call shall, promptly on becoming aware of any of the same, give TalkTalk notice in writing of any breach of any covenant set out in this Schedule 1

5 TITLE DOCUMENTS

5 1 To the extent not already deposited with a holder of a Security Interest, New Call shall, on the execution of this debenture (or, if later, the date of acquisition of the relevant Charged Property), deposit with TalkTalk and TalkTalk shall, for the duration of this debenture be entitled to hold

- (a) all deeds and documents of title relating to the Charged Property which are in the possession or control of New Call (and if these are not within the possession or control of New Call, New Call undertakes to obtain possession of all such deeds and documents of title),
- (b) all Insurance Policies and any other insurance policies relating to any of the Charged Property which New Call is entitled to possess,
- (c) all deeds and documents of title (if any) relating to the Book Debts as TalkTalk may specify from time to time, and

- (d) copies of any agreement assigned to TalkTalk, certified to be true copies by either a director of New Call or by New Call's solicitors

6 NOTICES TO BE GIVEN BY NEW CALL

6.1 New Call shall within immediately on the execution of this debenture

- (a) give notice to each insurer of the assignment of New Call's rights and interest in and under each Insurance Policy pursuant to Clause 11.1(a)(iii) and procure that each addressee of any such notice promptly provides an acknowledgement of TalkTalk's interest to TalkTalk,
- (b) give notice to each counterparty to any agreement expressly assigned to TalkTalk of the assignment pursuant to this debenture, of New Call's rights and interest in and under that assigned agreement and procure that each addressee of any such notice will promptly provide an acknowledgement of TalkTalk's interest to TalkTalk, and
- (c) give notice to any bank, financial institution or other person (excluding TalkTalk) with whom New Call has an account of the charging to TalkTalk under Clause 11.1(a)(ii) of New Call's rights and interests under such accounts and procure that each addressee of any such notice promptly provides an acknowledgement of TalkTalk's interest to TalkTalk

New Call shall obtain TalkTalk's prior approval of the form of any notice or acknowledgement to be used under this Paragraph 6

7 FURTHER ASSURANCE

7.1 New Call shall, at its own cost

- (a) prepare and execute, in favour of TalkTalk and in such form as TalkTalk may reasonably require, such further mortgages, charges or transfers of or over all or any part of the Charged Property as TalkTalk may, in its absolute discretion, require from time to time, and
- (b) give all notices, orders and directions which TalkTalk may require, in its absolute discretion, for perfecting, protecting or facilitating the realisation of its security over the Charged Property

8 APPOINTMENT OF ACCOUNTANTS

8.1 New Call shall

- (a) at its own cost, if TalkTalk reasonably requires, appoint an ICAEW accountant or firm of accountants nominated by TalkTalk to investigate the financial affairs of New Call and any of its subsidiaries and report to TalkTalk, and
- (b) co-operate fully with any accountants so appointed and immediately provide them with all information requested

8.2 New Call authorises TalkTalk to appoint, at any time (and without any further authority from New Call), an accountant or firm of accountants to investigate the financial affairs of New Call and any of its subsidiaries and to report to TalkTalk. If TalkTalk does appoint an accountant or firm of accountants, New Call shall pay the fees and expenses of those accountants but, if TalkTalk pays those fees and expenses on New Call's behalf, New Call shall reimburse TalkTalk under Clause 17

9 BORROWER'S WAIVER OF SET-OFF

9.1 New Call waives any present or future right of set-off it may have in respect of the Secured Liabilities (including sums payable by New Call under this debenture)

Part 2
(Book Debts, insurance and Assigned Agreements covenants)

1 PRESERVATION OF BOOK DEBTS

New Call shall not (except as provided by Paragraph 2 of Part 2 of Schedule 1 or with the prior written consent of TalkTalk) release, exchange, compound, set-off, grant time or indulgence in respect of, or in any other manner deal with, all or any of the Book Debts

2 REALISING BOOK DEBTS

2 1 New Call shall

- (a) as an agent for TalkTalk, collect in and realise all Book Debts, pay the proceeds into a Designated Account immediately on receipt and, pending that payment, hold those proceeds in trust for TalkTalk,
- (b) not, without the prior written consent of TalkTalk, withdraw any amounts standing to the credit of any Designated Account, and
- (c) if called on to do so by TalkTalk, execute a legal assignment of the Book Debts to TalkTalk on such terms as TalkTalk may require and give notice of that assignment to the debtors from whom the Book Debts are due, owing or incurred

3 INSURANCE

3 1 New Call shall

- (a) if TalkTalk so requires, produce to, or deposit with, TalkTalk each Insurance Policy and the receipts for all premiums and other payments necessary for effecting and keeping up each Insurance Policy, and
- (b) not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any Insurance Policy

4 INSURANCE POLICIES' PROCEEDS

4 1 All monies payable under any Insurance Policy at any time (whether or not the security constituted by this debenture has become enforceable) shall

- (a) immediately be paid to TalkTalk,
- (b) if they are not paid directly to TalkTalk by the insurers, be held by New Call as trustee of the same for the benefit of TalkTalk (and New Call shall account for them to TalkTalk), and
- (c) at the option of TalkTalk, be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received or in, or towards, discharge or reduction of the Secured Liabilities (but subject to Paragraph 12 of Schedule 33)

5 ASSIGNED AGREEMENTS

5 1 New Call shall not, without the prior written consent of TalkTalk

- (a) waive any of its rights under any agreement assigned to TalkTalk, or
- (b) supplement, amend, novate, terminate or permit termination of any agreement assigned to TalkTalk

Part 3
(Property covenants)

1 MAINTENANCE AND INSURANCE

1 1 New Call shall

- (a) keep all buildings and all fixtures on each Property in good and substantial repair and condition,
- (b) insure, and keep insured, those buildings and fixtures with such insurer and against such risks, in such amounts and otherwise on such terms as TalkTalk may require (or, failing such requirement, in accordance with the practice in respect of items of the same type which are current amongst prudent businessmen from time to time), and
- (c) procure that the interest of TalkTalk is noted on all those insurance policies or, at the option of TalkTalk, that those insurance policies are issued in the joint names of TalkTalk and New Call

2 PRESERVATION OF PROPERTY, FIXTURES AND EQUIPMENT

2 1 New Call shall not, without the prior written consent of TalkTalk

- (a) pull down or remove the whole, or any part of, any building forming part of any Property,
- (b) make any alterations to any Property, or sever or remove any of its fixtures,
- (c) remove or make any alterations to any of the Equipment belonging to, or in use by, New Call on any Property (except to affect necessary repairs or replace them with new or improved models or substitutes), or
- (d) whenever any Equipment is destroyed, damaged or deteriorates, immediately repair, replace and make good the same

3 CONDUCT OF BUSINESS ON PROPERTIES

3 1 New Call shall carry on its trade and business on those parts (if any) of the Properties as are used for the purposes of trade or business in accordance with the standards of good management from time to time current in such trade or business

4 PLANNING INFORMATION

4 1 New Call shall

- (a) give full particulars to TalkTalk of any notice, order, direction, designation, resolution or proposal given or made by any planning authority or other public body or authority ("Planning Notice") that specifically applies to any Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Planning Notice, and
- (b) if TalkTalk so requires, immediately, and at the cost of New Call, take all reasonable and necessary steps to comply with any Planning Notice, and make, or join with TalkTalk in making, such objections or representations in respect of any such Planning Notice as TalkTalk may desire

5 COMPLIANCE WITH COVENANTS AND PAYMENT OF RENT

5 1 New Call shall

- (a) observe and perform all covenants, stipulations and conditions to which each Property, or the use of it, is or may be subjected, and (if TalkTalk so requires) produce evidence sufficient to satisfy TalkTalk that those covenants, stipulations and conditions have been observed and performed, and

- (b) without prejudice to the generality of the foregoing, where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time, and perform and observe all the tenant's covenants and conditions

6 MAINTENANCE OF INTERESTS IN PROPERTIES

6 1 New Call shall not, without the prior written consent of TalkTalk

- (a) grant, or agree to grant, any licence or tenancy affecting the whole or any part of any Property, or exercise the statutory powers of leasing (or agreeing to lease) or of accepting (or agreeing to accept) surrenders under sections 99 or 100 of the Law of Property Act 1925, or
- (b) in any other way dispose of, or agree to dispose of, surrender or create any legal or equitable estate or interest in the whole or any part of any Property

7 REGISTRATION RESTRICTIONS

7 1 New Call shall procure that no person shall be registered under the Land Registration Acts 1925 to 2002 as proprietor of any Property without the prior written consent of TalkTalk. New Call shall be liable for the Costs of TalkTalk in lodging cautions against the registration of the title to the whole or any part of any Property from time to time

8 DEVELOPMENT RESTRICTIONS

8 1 New Call shall not, without the prior written consent of TalkTalk, carry out, or permit, or suffer to be carried out on any Property any development as defined in the Town and Country Planning Act 1990 or change or permit or suffer to be changed the use of any Property

9 ENVIRONMENT

9 1 New Call shall

- (a) comply with all the requirements of Environmental Law both in the conduct of its general business and in the management, possession or occupation of each Property, and
- (b) obtain and comply with all authorisations, permits and other types of licences necessary under Environmental Law

10 NO RESTRICTIVE OBLIGATIONS

10 1 New Call shall not, without the prior written consent of TalkTalk, enter into any onerous or restrictive obligations affecting the whole or any part of any Property, or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of any Property

11 PROPRIETARY RIGHTS

11 1 New Call shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of any Property without the prior written consent of TalkTalk

12 INSPECTION

12 1 New Call shall permit TalkTalk, any Receiver and any person appointed by either of them to enter on and inspect any Property on reasonable prior notice

13 PROPERTY INFORMATION

13 1 New Call shall inform TalkTalk promptly of any acquisition by New Call of, or contract made by New Call to acquire, any freehold, leasehold or other interest in any property

14 REGISTRATION AT THE LAND REGISTRY

- 14 1 New Call consents to an application being made by TalkTalk to the Land Registrar for the following restriction in Form P to be registered against its title to each 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 [DATE] in favour of [TalkTalk] referred to in the charges register [or [their conveyancer or specify appropriate details]] "

Part 4
(Investment covenants)

1 REGISTRATION OF INVESTMENTS

1 1 New Call shall

- (a) terminate with immediate effect all nominations it may have made under sections 145 and 146 of the Companies Act 2006 in respect of any Investments and, pending that termination, procure that any person so nominated
 - (i) does not exercise any rights in respect of any Investments without the prior written approval of TalkTalk, and
 - (ii) immediately on receipt, forward to TalkTalk all communications or other information received in respect of any Investments for which it has been so nominated, and
- (b) at the direction of TalkTalk, immediately execute and deliver to TalkTalk all transfers and other documents, and do all such things, as may be necessary or desirable to register all or any of the Investments in the name of TalkTalk or its nominee

1 2 During the Security Period, New Call shall not exercise any rights under sections 145 and 146 of the Companies Act 2006 to nominate any person in respect of any of the Investments

2 ADDITIONAL REGISTRATION OBLIGATIONS

2 1 New Call shall

- (a) obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association of any issuer that is not a public company or otherwise, for the transfer of the Investments to TalkTalk or its nominee, or to a purchaser on enforcement of this debenture, and
- (b) procure the amendment of the share transfer provisions of the articles of association of each issuer that is not a public company in such manner as TalkTalk may require in order to permit such a transfer

3 DIVIDENDS AND VOTING RIGHTS POST ENFORCEMENT

3 1 After the security constituted by this debenture has become enforceable

- (a) all dividends and other distributions paid in respect of the Investments and received by New Call shall be held by New Call on trust for TalkTalk and immediately paid into a Designated Account or, if received by TalkTalk, shall be retained by TalkTalk, and
- (b) all voting and other rights and powers attaching to the Investments shall be exercised by, or at the direction of, TalkTalk and New Call shall, and shall procure that its nominees shall, comply with any directions TalkTalk may give, in its absolute discretion, concerning the exercise of those rights and powers

4 CALLS ON INVESTMENTS

4 1 New Call shall duly and promptly pay all calls, instalments and other monies that may be payable from time to time in respect of the Investments New Call acknowledges that TalkTalk shall not be under any liability in respect of any such calls, instalments or other monies

5 NO ALTERATION OF INVESTMENTS

New Call shall not, without the prior written consent of TalkTalk, amend, or agree to the amendment of, the memorandum or articles of association, or any other constitutional documents, of any issuer that is not a public company, or the rights or liabilities attaching to any of the Investments

6 PRESERVATION OF INVESTMENTS

6 1 New Call shall ensure (as far as it is able to by the exercise of all voting rights, powers of control and other means available to it) that any issuer that is not a public company shall not

- (a) consolidate or subdivide any of its Investments, or reduce or re-organise its share capital in any way,
- (b) issue any new shares or stock, or
- (c) refuse to register any transfer of any of its Investments that may be lodged for registration by, or on behalf of, TalkTalk or New Call in accordance with this debenture

7 INVESTMENTS INFORMATION

7 1 New Call shall send to TalkTalk copies of all notices, circulars, reports, accounts and other documents, which are sent to holders of any Investments, promptly following receipt

Part 5
(Equipment covenants)

8 MAINTENANCE OF EQUIPMENT

8 1 New Call shall

- (a) maintain the Equipment in good and serviceable condition (except for expected fair wear and tear), and
- (b) not permit any Equipment to be
 - (i) used or handled other than by properly qualified and trained persons, or
 - (ii) overloaded or used for any purpose for which it is not designed or reasonably suitable

9 PAYMENT OF EQUIPMENT TAXES

9 1 New Call shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Equipment and, on demand, produce evidence of such payment to TalkTalk

10 EQUIPMENT INFORMATION

10 1 New Call shall

- (a) give TalkTalk any information concerning the location, condition, use and operation of Equipment as TalkTalk may require, and
- (b) permit any persons designated by TalkTalk to inspect and examine Equipment and the records relating to Equipment at all reasonable times

11 EQUIPMENT INSURANCE

11 1 New Call shall

- (a) at its own expense, procure that the Equipment is covered and kept covered by insurance of a kind satisfactory to TalkTalk with insurers approved by TalkTalk (such approval not to be unreasonably withheld) for full comprehensive insurance cover, which shall include fire, theft and accident, for an amount that is not less than the aggregate cost of reinstating or replacing the Equipment,
- (b) if TalkTalk so requires, procure that the interest of TalkTalk is noted on all such insurance policies or, at the option of TalkTalk, that such insurance policies are issued in the joint names of TalkTalk and New Call, and
- (c) maintain insurance for third party liabilities in such amount, and on such terms, as is usual for users of equipment of the same type as the Equipment

12 NOTICE OF CHARGE

12 1 New Call shall, if so requested by TalkTalk, place and maintain on each item of Equipment, in a conspicuous place, a clearly legible identification plate containing the following wording

"NOTICE OF CHARGE

This [DESCRIBE ITEM] and ancillary equipment is subject to a fixed charge dated [DATE] in favour of [TALKTALK] "

Part 6
(Intellectual Property covenants)

1 PRESERVATION OF RIGHTS

- 1 1 New Call shall take all necessary action to safeguard and maintain present and future rights in, or relating to, the Intellectual Property including observing all covenants and stipulations relating to such rights, and paying all applicable renewal fees, licence fees and other outgoings

2 REGISTRATION OF INTELLECTUAL PROPERTY

- 2 1 New Call shall use all reasonable efforts to register applications for the registration of any Intellectual Property, and shall keep TalkTalk informed of all matters relating to each such registration

3 MAINTENANCE OF INTELLECTUAL PROPERTY

- 3 1 New Call shall not permit any Intellectual Property to be abandoned, cancelled or to lapse

Schedule 2
(POWERS OF TALKTALK)

1 POWER TO REMEDY

- 1 1 TalkTalk shall be entitled (but shall not be bound) to remedy, at any time, a breach by New Call of any of its obligations contained in this debenture, and New Call irrevocably authorises TalkTalk and its agents to do everything necessary or desirable for that purpose

2 EXERCISE OF RIGHTS

- 2 1 The rights of TalkTalk under Paragraph 1 of this Schedule 2 are without prejudice to any other rights of TalkTalk under this debenture. The exercise of those rights shall not make TalkTalk liable to account as a mortgagee in possession

3 POWER TO DISPOSE OF CHATTELS

- 3 1 At any time after the security constituted by this debenture has become enforceable, TalkTalk or any Receiver may, as agent for New Call, dispose of any chattels or produce found on any Property
- 3 2 Without prejudice to any obligation to account for the proceeds of any disposal made under Paragraph 3 1 of this Schedule 2, New Call shall indemnify TalkTalk and any Receiver against any liability arising from such disposal

4 PRIOR SECURITY INTERESTS

- 4 1 At any time after the security constituted by this debenture has become enforceable, or after any powers conferred by any Security Interest having priority to this debenture shall have become exercisable, TalkTalk may
- (a) redeem such or any other prior Security Interest, or procure its transfer to itself, and
 - (b) settle any account of the holder of any prior Security Interest

Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on New Call. All monies paid by TalkTalk to the holder of a Security Interest in settlement of such an account shall, as from its payment by TalkTalk, be due from New Call to TalkTalk on current account and shall bear interest at the default rate of interest specified in the Services Agreement and be secured as part of the Secured Liabilities

5 CONVERSION OF CURRENCY

- 5 1 For the purpose of, or pending the discharge of, any of the Secured Liabilities, TalkTalk may convert any monies received, recovered or realised by it under this debenture (including the proceeds of any previous conversion under this Paragraph 5) from their existing currencies into such other currencies as TalkTalk may think fit
- 5 2 Any such conversion shall be effected at HSBC Bank plc's then prevailing spot selling rate of exchange for such other currency against the existing currency
- 5 3 Each reference in this Paragraph 5 to a currency extends to funds of that currency and the funds of one currency may be converted into different funds of the same currency

6 NEW ACCOUNTS

- 6 1 If TalkTalk receives notice of any subsequent Security Interest, or other interest, affecting all or part of the Charged Property, TalkTalk may open a new account for New Call in TalkTalk's books. Without prejudice to TalkTalk's right to combine accounts, no money paid to the credit of New Call in any such

new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities

- 6 2 If TalkTalk does not open a new account immediately on receipt of notice under Paragraph 6 1 of this Schedule 2, then (unless TalkTalk gives express written notice to the contrary to New Call) all payments made by New Call to TalkTalk shall be treated as having been credited to a new account of New Call and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt of the relevant notice by TalkTalk

7 TALKTALK'S SET-OFF RIGHTS

- 7 1 If TalkTalk has more than one account for New Call in its books, TalkTalk may at any time after

- (a) the security constituted by this debenture has become enforceable, or
- (b) TalkTalk has received notice of any subsequent Security Interest or other interest affecting all or any part of the Charged Property,

transfer, without prior notice, all or any part of the balance standing to the credit of any account to any other account that may be in debit (but TalkTalk shall notify New Call of the transfer once made)

8 INDULGENCE

- 8 1 TalkTalk may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person or persons not being a party to this debenture (whether or not any such person is jointly liable with New Call) in respect of any of the Secured Liabilities, or of any other security for them without prejudice either to this debenture or to the liability of New Call for the Secured Liabilities

9 INVESTMENTS: DIVIDENDS AND VOTING RIGHTS BEFORE ENFORCEMENT

- 9 1 Until the security constituted by this debenture becomes enforceable TalkTalk shall

- (a) on request by New Call, release and pay to New Call any cash dividends paid in respect of any of the Investments and received by TalkTalk or its nominee, and
- (b) in exercising all voting and other rights and powers of TalkTalk or its nominee attaching to the Investments, act in accordance with the directions of New Call from time to time provided that acting in accordance with those directions would not, in TalkTalk's opinion, prejudice TalkTalk's security under this debenture or the value of the Investments, or contravene any agreement between TalkTalk and New Call

Schedule 3

(ENFORCEMENT)

1 ENFORCEMENT EVENTS

1 1 This debenture shall be enforceable if

- (a) any of the Secured Liabilities are not paid or discharged when the same ought to be paid or discharged by New Call (whether on demand, at scheduled maturity, or by acceleration or otherwise, as the case may be),
- (b) New Call is in breach of any of its obligations under this debenture or under any other agreement between New Call and TalkTalk and that breach (if capable of remedy) has not been remedied to the satisfaction of TalkTalk within 14 days of notice by TalkTalk to New Call to remedy the breach,
- (c) New Call
 - (i) becomes unable to pay its debts as they fall due (and/or the value of New Call's assets is less than the amount of its liabilities, taking into account New Call's contingent and prospective liabilities),
 - (ii) commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness, or
 - (iii) makes a general assignment for the benefit of, or a composition with, its creditors,
- (d) New Call passes any resolution, takes any corporate action, a petition is presented or proceedings are commenced, or any action is taken by any person for its winding-up, dissolution, administration or re-organisation, or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of it or of any or all of its revenues or assets,
- (e) a distress, execution, attachment or other legal process is levied, enforced on or sued against all or any part of the assets of New Call and remains undischarged for seven days,
- (f) any event occurs in relation to New Call that is analogous to those set out in Paragraph 1 1(c), Paragraph 1 1(d) or Paragraph 1 1(e) of this Schedule 3, or
- (g) New Call is in material breach of the Services Agreement and such material breach is continuing,

1 2 If any of the events listed in Paragraph 1 1 of this Schedule 3 occurs and is continuing, without prejudice to any other rights of TalkTalk and whether or not such event is continuing, the powers of sale under the Law of Property Act 1925 shall immediately be exercisable and TalkTalk may, in its absolute discretion, enforce all or any part of the security created by this debenture as it sees fit

2 STATUTORY POWER OF SALE

2 1 The statutory powers of sale conferred by the Law of Property Act 1925 shall, as between TalkTalk and a purchaser from TalkTalk, arise on and be exercisable at any time after the execution of this debenture, but TalkTalk shall not exercise such power of sale until the security constituted by this debenture has become enforceable under Paragraph 1 1 of this Schedule 3

3 EXTENSION OF STATUTORY POWERS

3 1 The statutory powers of leasing and accepting surrenders conferred on mortgagees under the Law of Property Act 1925, and by any other statute, are extended so as to authorise TalkTalk and any Receiver, at any time after the security constituted by this debenture has become enforceable, whether in its own name or in that of New Call, to

- (a) grant any lease or agreement for lease,
- (b) accept surrenders of leases, or
- (c) grant any option of the whole or any part of the freehold and leasehold property of New Call with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of New Call, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as TalkTalk or Receiver thinks fit, without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925

4 PROTECTION OF THIRD PARTIES

- 4 1 No purchaser, mortgagee or other person dealing with TalkTalk or any Receiver shall be concerned to enquire
- (a) whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged,
 - (b) whether any power TalkTalk or a Receiver is purporting to exercise has become exercisable, or
 - (c) how any money paid to TalkTalk, any Receiver or any Delegate is to be applied

5 NO LIABILITY AS MORTGAGEE IN POSSESSION

- 5 1 Neither TalkTalk, nor any Receiver nor any Administrator shall be liable to account as mortgagee in possession in respect of all or any of the Charged Property, nor shall any of them be liable for any loss on realisation of, or for any neglect or default of any nature in connection with, all or any of the Charged Property for which a mortgagee in possession might be liable as such

6 APPOINTMENT OF RECEIVER

- 6 1 At any time after the security constituted by this debenture has become enforceable, or at the request of New Call, TalkTalk may, without further notice
- (a) appoint by way of deed, or otherwise in writing, any one or more person or persons to be a Receiver of all or any part of the Charged Property, and
 - (b) (subject to section 45 of the Insolvency Act 1986) from time to time, by way of deed, or otherwise in writing, remove any person appointed to be Receiver and may, in a similar manner, appoint another in his place

Where more than one person is appointed Receiver, each Receiver shall have power to act separately (unless the appointment by TalkTalk specifies to the contrary)

- 6 2 TalkTalk may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the Law of Property Act 1925, and the remuneration of the Receiver shall be a debt secured by this debenture which shall be due and payable immediately upon its being paid by TalkTalk

7 POWER OF SALE ADDITIONAL

- 7 1 The powers of sale and appointing a Receiver conferred by this debenture shall be in addition to all statutory and other powers of TalkTalk under the Insolvency Act 1986, the Law of Property Act 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the Law of Property Act 1925 or otherwise
- 7 2 The power to appoint a Receiver (whether conferred by this debenture or by statute) shall be, and remain, exercisable by TalkTalk despite any prior appointment in respect of all or any part of the Charged Property

8 AGENT OF NEW CALL

- 8 1 Any Receiver appointed by TalkTalk under this debenture shall be the agent of New Call, and New Call shall be solely responsible for his acts and remuneration, as well as for any defaults committed by him

9 POWERS OF RECEIVER

- 9 1 Any Receiver appointed by TalkTalk under this debenture shall, in addition to the powers conferred on him by the Law of Property Act 1925 and the Insolvency Act 1986, have the,

- (a) power to do all such acts and things that an absolute owner could do in the management of that part of the Charged Property over which the Receiver is appointed, and
- (b) powers set out in Schedule 4

10 ORDER OF APPLICATION OF PROCEEDS

- 10 1 All monies received by TalkTalk or a Receiver in the exercise of any enforcement powers conferred by this debenture shall be applied

- (a) first, in paying all unpaid fees, costs and other liability incurred by, or on behalf of, TalkTalk (and any Receiver, attorney or agent appointed by it),
- (b) second, in paying the remuneration of any Receiver (as agreed between the Receiver and TalkTalk),
- (c) third, in or towards discharge of the Secured Liabilities in such order and manner as TalkTalk determines, and
- (d) finally, in paying any surplus to New Call or any other person entitled to it

11 APPROPRIATION

- 11 1 Neither TalkTalk nor any Receiver shall be bound (whether by virtue of section 109(8) of the Law of Property Act 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities

12 SUSPENSE ACCOUNT

- 12 1 All monies received by TalkTalk or a Receiver under this debenture may, at the discretion of TalkTalk or Receiver, be credited to a suspense or securities realised account and be held in such account for so long as TalkTalk or Receiver thinks fit, and shall bear interest at such rate, if any, as may be agreed in writing between TalkTalk and New Call

13 POWER OF ATTORNEY

- 13 1 By way of security, New Call irrevocably appoints TalkTalk and every Receiver separately to be the attorney of New Call and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things that

- (a) New Call is required to execute and do under this debenture, including execute any document required by TalkTalk under Paragraph 6 of Part 1 of Schedule 1, and
- (b) any attorney may deem proper or desirable in exercising any of the powers, authorities and discretions conferred by this debenture or by law on TalkTalk or any Receiver

14 RATIFICATION OF ACTS OF ATTORNEY

- 14 1 New Call ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise or purported exercise of all or any of the powers, authorities and discretions referred to in Paragraph 13 of this Schedule 3

15 APPOINTMENT OF AN ADMINISTRATOR

- 15 1 TalkTalk may, without notice to New Call, appoint any one or more persons to be an administrator of New Call pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this debenture becomes enforceable
- 15 2 Any appointment under this Paragraph 15 shall
- (a) be in writing signed by a duly authorised signatory of TalkTalk, and
 - (b) take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986, when the requirements of paragraph 18 of that Schedule B1 are satisfied
- 15 3 TalkTalk may, subject to any necessary approval from the court, end the appointment of an Administrator by notice in writing in accordance with this Paragraph 15 and appoint a replacement for any Administrator whose appointment ends for any reason under that paragraph

Schedule 4

(FURTHER POWERS OF A RECEIVER)

1 POWER TO REPAIR AND DEVELOP PROPERTIES

- 1 1 A Receiver may undertake or complete any works of repair, building or development on the Properties

2 POWER TO SURRENDER LEASES

- 2 1 A Receiver may grant, or accept surrenders of, any leases or tenancies affecting the Properties on such terms, and subject to such conditions, as he thinks fit

3 POWER TO EMPLOY PERSONNEL AND ADVISORS

- 3 1 A Receiver may provide services and employ, or engage, such managers, contractors and other personnel and professional advisors on such terms as he thinks fit

4 POWER TO MAKE VAT ELECTIONS

- 4 1 A Receiver may make exercise or revoke any value added tax option to tax as he thinks fit

5 POWER TO CHARGE FOR REMUNERATION

- 5 1 A Receiver may charge and receive such sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) as TalkTalk may prescribe or agree with him

6 POWER TO REALISE CHARGED PROPERTY

- 6 1 A Receiver may collect and get in the Charged Property, or any part of it, in respect of which he is appointed and make such demands, and take such proceedings, as may seem expedient for that purpose, and take possession of the Charged Property with like rights

7 POWER TO MANAGE OR RECONSTRUCT NEW CALL'S BUSINESS

- 7 1 A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of New Call

8 POWER TO DISPOSE OF CHARGED PROPERTY

- 8 1 A Receiver may grant options and licences over all or any part of the Charged Property, sell, assign, lease and accept surrenders of leases of (or concur in selling, assigning, leasing or accepting surrenders of leases of) all or any of the Charged Property in respect of which he is appointed for such consideration and, in such manner (including by public auction or private sale) and generally on such terms and conditions as he thinks fit A Receiver may promote, or concur in promoting, a company to purchase the Charged Property to be disposed of by him

9 POWER TO SEVER FIXTURES AND FITTINGS

- 9 1 A Receiver may sever and sell separately any fixtures or fittings from any Property without the consent of New Call

10 POWER TO SELL BOOK DEBTS

- 10 1 A Receiver may sell and assign all or any of the Book Debts in respect of which he is appointed in such manner, and generally on such terms and conditions, as he thinks fit

11 POWER TO MAKE SETTLEMENTS

- 11 1 A Receiver may make any arrangement, settlement or compromise between New Call and any other person that he may think expedient

12 POWER TO IMPROVE THE EQUIPMENT

- 12 1 A Receiver may make substitutions of, or improvements to, the Equipment as he may think expedient

13 POWER TO MAKE CALLS ON BORROWER MEMBERS

- 13 1 A Receiver may make calls conditionally or unconditionally on the members of New Call in respect of uncalled capital with, for that purpose and for the purpose of enforcing payments of any calls so made, the same powers as are conferred by the articles of association of New Call on its directors in respect of calls authorised to be made by them

14 POWER TO APPOINT

- 14 1 A Receiver may appoint managers, officers, servants, workmen and agents for the purposes of this Schedule 4 at such salaries, for such periods and on such terms as he may determine

15 POWER TO INSURE

- 15 1 A Receiver may, if he thinks fit, but without prejudice to the indemnity in Clause 17, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by New Call under this debenture

16 POWERS UNDER LAW OF PROPERTY ACT 1925

- 16 1 A Receiver may exercise all powers provided for in the Law of Property Act 1925 in the same way as if he had been duly appointed under that act, and exercise all powers provided for an administrative receiver in Schedule 1 of the Insolvency Act 1986

17 POWER TO BORROW

- 17 1 A Receiver may, for any of the purposes authorised by this Schedule 4, raise money by borrowing from TalkTalk (or from any other person) either unsecured or on the security of all or any of the Charged Property in respect of which he is appointed on such terms as he shall think fit (including, if TalkTalk consents, terms under which such security ranks in priority to this debenture)

18 POWER TO REDEEM PRIOR SECURITY INTERESTS

- 18 1 A Receiver may redeem any prior Security Interest and settle and pass the accounts to which the Security Interest relates. Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on New Call, and the monies so paid shall be deemed to be an expense properly incurred by him

19 INCIDENTAL POWERS

- 19 1 A Receiver may do all such other acts and things
- (a) as he may consider desirable or necessary for realising any of the Charged Property,

- (b) as he may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this deed or law, or
- (c) which he lawfully may or can do as agent for New Call

20 SCOPE OF POWERS

- 20 1 Any exercise of any of the powers given by this Schedule 4 may be on behalf of New Call, the directors of New Call (in the case of the power contained in Paragraph 13 of this Schedule 4) or himself

TalkTalk

Executed as a deed by TalkTalk
Communications Limited by a director, in the
presence of:


Director

Signature of witness J.E. ~~bx~~

Name JAMES BX

Address C/o TALKTALK

11 EVERHAM CT. LONDON

Occupation SOLICITOR

New Call

Executed as a deed by New Call Telecom
Limited by a director, in the presence of:


Director

Signature of witness H. Burke

Name HANNAH BURKE

Address 23 BARMOUTH RD

LONDON CR0 5ER

Occupation BOARD SECRETARY