



Registration of a Charge

Company Name: **GUSBOURNE PLC**

Company Number: **08225727**



XCVTIVFM

Received for filing in Electronic Format on the: **30/01/2024**

Details of Charge

Date of creation: **18/01/2024**

Charge code: **0822 5727 0008**

Persons entitled: **DEACON STREET PARTNERS LIMITED**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **FIELDFISHER LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8225727

Charge code: 0822 5727 0008

The Registrar of Companies for England and Wales hereby certifies that a charge dated 18th January 2024 and created by GUSBOURNE PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 30th January 2024 .

Given at Companies House, Cardiff on 31st January 2024

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



Companies House



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

Date: 18 January 2024

Gusbourne PLC

as Chargor

Deacon Street Partners Limited

as Security Trustee

Debenture

Fieldfisher 17th floor 1 Spinningfields 1 Hardman Square Manchester M3 3EB

Contents

No	Heading	Pages
1.	Definitions and interpretation	1
2.	Undertaking to pay	5
3.	Provisions relating to Security	6
4.	Fixed Security	6
5.	Floating Security	8
6.	Restrictions on dealing	9
7.	Representations	9
8.	General undertakings	13
9.	Real Property	15
10.	Environment	18
11.	Receivables	19
12.	Accounts	19
13.	Investments	20
14.	Insurance	22
15.	Intellectual Property	23
16.	Power to remedy	25
17.	When Security becomes enforceable	25
18.	Enforcement of Security	25
19.	Receiver	28
20.	Powers of Receiver	29
21.	Exclusion of liability	31
22.	Application of proceeds	32
23.	Expenses and payments	32
24.	Delegation of powers by Security Trustee or Receiver	33
25.	Further assurance	34
26.	Power of attorney	34

27.	Non-release provisions	34
28.	Release and recourse	36
29.	Benefit of this Deed	37
30.	Notices	37
31.	Tax gross-up	38
32.	Miscellaneous	39
33.	Governing law	41
34.	Enforcement	41
	Schedule 1	42
	Security Assets	42
	Part 1 – Intellectual Property	42
	Part 2 – Real Property	42

THIS SECURITY AGREEMENT is made the 18th day of January 2024

BETWEEN:

- (1) **GUSBOURNE PLC** (company number 08225727) whose registered office is at Gusbourne Kenardington Road, Appledore, Ashford, Kent, TN26 2BE (the "**Chargor**"); and
- (2) **DEACON STREET PARTNERS LIMITED** (company number 05707007) whose registered office is at Arcadia House Maritime Walk, Ocean Village, Southampton, SO14 3TL in its capacity as security trustee for the Bondholders (the "**Security Trustee**").

RECITALS:

- (A) The Chargor has issued the Bonds to the Bondholders pursuant to the Instrument.
- (B) This Deed provides security which the Chargor has agreed to give the Security Trustee (acting for and on behalf of the Secured Parties) for the Bonds.

IT IS AGREED as follows:

1. Definitions and interpretation

1.1 Definitions

Capitalised terms used in this Deed shall, except where the context otherwise required and except where otherwise defined in this Deed, have the meanings given to them in the Security Trust Deed, as the same may be amended from time to time, save that:

"Account" means any account opened by the Chargor;

"Account Bank" means any bank, building society, financial institution or other person with whom an Account is maintained by the Chargor;

"Act" means the Law of Property Act 1925;

"Administrator" means an administrator appointed under paragraph 14 of schedule B1 to the Insolvency Act 1986;

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

"Bondholders" means the holders from time to time of the Bonds;

"Bonds" means the Secured Deep Discount Bonds 2024 issued pursuant to the Instrument, or any replacement bonds issued by the Chargor to the Bondholders pursuant to the terms of the Instrument;

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

"Dangerous Substance" means any radioactive emissions and any natural or artificial substance (whether in solid or liquid form or in the form of a gas or vapour and whether alone or in combination with any other substance) capable of causing harm to man or any other living organism or damaging the environment or public health or welfare, including, but not limited to, any controlled, special, hazardous, toxic, radioactive or dangerous waste;

"Dividends" means all dividends, interest, coupons and other distributions paid or payable in respect of any Investment;

"Environment" means humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following media:

- (a) air (including, but not limited to, air within natural or man-made structures, whether above or below ground);
- (b) water (including, but not limited to, territorial, coastal and inland waters, water under or within land and water in drains and sewers); and
- (c) land (including, but not limited to, land under water);

"Environmental Claim" means any claim, demand, proceeding, notice or investigation by any person in respect of any Environmental Law, including any notice of any alleged non-compliance with, or liability under, any Environmental Law;

"Environmental Law" means any applicable law or regulation which relates to:

- (a) the pollution or protection of the Environment;
- (b) the conditions of the workplace; or
- (c) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including, but not limited to, any waste;

"Environmental Permits" means any permit and other Authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of the Chargor conducted on or from the properties owned or used by it;

"Equipment" means all fixed and moveable plant, machinery, tools, vehicles, computers and office and other equipment and the benefit of all related Authorisations, agreements and warranties (including all spare parts, replacements, modifications and additions);

"Event of Default" means any Event of Default as defined in the Instrument;

"Finance Parties" means the Security Trustee and each of the Bondholders (and **"Finance Party"** means any one of them);

"Finance Documents" has the meaning given to it in the Instrument;

"Guarantor" means Gusbourne Estate Limited (company number 07665948);

"Instrument" means the instrument dated on or about the date of this Deed by the Chargor creating the Bonds;

"Insurance Policy" means any contract or policy of insurance of any kind in which the Chargor has an interest from time to time and all rights related to any such policy;

"Intellectual Property" means (i) any patents, trade marks, service marks, logos, trade names, domain names, copyrights (including rights in computer software), database rights, semi-conductor topography rights, utility models, rights in designs, rights in get-up, rights in inventions, rights in know-how and confidential information, moral rights and other intellectual property rights and interests (which may now or in the future subsist), in each case whether registered or unregistered,

and all rights or forms of protection having equivalent or similar effect anywhere in the world, and (ii) the benefit of all applications for, and all rights to use, any of those things (which may now or in the future subsist), and "registered" includes registrations and applications for registration;

"Investments" means in relation to the Chargor:

- (a) any stock, share, debenture, loan stock, security, bond, warrant, coupon, interest in any investment fund and any other investment (whether or not marketable) whether held directly by or to the order of the Chargor or by any trustee, nominee, fiduciary, investment manager or depository or clearance system on its behalf (including, but not limited to, its shares in the Guarantor);
- (b) all allotments, accretions, offers, options, rights, bonuses, benefits and advantages, whether by way of conversion, redemption, preference, option or otherwise which at any time accrue to or are offered or arise in respect of any such investments mentioned in paragraph (a) above; and
- (c) all rights the Chargor has against any trustee, nominee, fiduciary, investment manager, depository or clearance system in respect of any such investments mentioned in paragraphs (a) or (b) above;

"Lease" includes any lease, agreement for lease or tenancy and (where the context admits) any licence or other right of occupation;

"Material Adverse Effect" means a material adverse effect on:

- (a) the business, operations, property, condition (financial or otherwise) or prospects of the Chargor;
- (b) the ability of the Chargor to perform its obligations under any Finance Document;
- (c) the validity or enforceability of, or the effectiveness or ranking of any Security granted or purported to be granted pursuant to any of, the Finance Documents; or
- (d) any right or remedy of the Security Trustee in respect of any Finance Document;

"Obligor" means the Chargor and the Guarantor;

"Occupational Lease" means any occupational Lease of Real Property or to which Real Property the subject of this Security may be subject from time to time;

"Real Property" means freehold, leasehold or other immoveable property and any buildings, erections, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of such property and easements or other rights servicing that property (including, but not limited to, the property described in Part 2 of Schedule 1 (*Security Assets*));

"Receivables" means book and other debts and rights to money and income liquidated and unliquidated due or owing to the Chargor including the benefit of all negotiable instruments, securities, guarantees and indemnities for such debts and rights but excluding cash at bank;

"Receiver" means any one or more persons appointed by the Security Trustee as a receiver, receiver and manager or (if allowed by law) administrative receiver under this Deed;

"Regulations" means the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) (as amended) or (where the context admits) equivalent legislation in any applicable jurisdiction bringing into effect Directive 2002/47/EC on financial collateral arrangements;

"Rental Income" means amounts payable to or for the benefit of the Chargor under or in connection with any Lease of Real Property forming part of the Security Assets;

"Secured Obligations" means all present and future obligations and liabilities of the Chargor owed or expressed to be owed under or in connection with any Finance Document, whether actual or contingent and whether owed or incurred alone or jointly and/or severally with another and as principal or as surety or in any other capacity or of any nature;

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

"Security Assets" means all the assets and undertaking of the Chargor from time to time the subject of any Security created or, where the context admits, to be created by this Deed;

"Security Period" means the period beginning on the date of this Deed and ending on the date on which the Security Trustee is satisfied that all the Secured Obligations have been unconditionally and irrevocably paid, released and discharged in full and no further Secured Obligations are capable of becoming outstanding;

"Security Trust Deed" means the security trust deed dated on or around the date of this Deed between the Chargor, the Guarantor, the Security Trustee and the Bondholders;

"Subsidiary" means a subsidiary undertaking of the Chargor within the meaning of section 1162 of the Companies Act 2006; and

"VAT" means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature.

1.2 Construction

(a) In this Deed, unless a contrary indication appears, any reference to:

- (i) **"assets"** includes present and future properties, revenues and rights of every description and includes the proceeds of sale of any such asset;
- (ii) a Finance Document or any other agreement or document is a reference to that Finance Document or other agreement or document as it may have been, or may from time to time be, amended, varied, supplemented or novated;
- (iii) a party to this Deed shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
- (iv) a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
- (v) a provision of law includes that provision as amended, re-enacted or replaced from time to time and includes any subordinate legislation;
- (vi) **"Real Property"**, the **"Security Assets"**, and any other asset or assets or the **"Secured Obligations"** includes a reference to any part of them or it;

- (vii) a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (viii) **"this Security"** means any Security created or constituted by this Deed; and
- (ix) words in the singular include the plural and vice versa and words in one gender include any other gender.
- (b) Headings in this Deed are for ease of reference only.
- (c) Any covenant or undertaking by the Chargor under this Deed is given to or made in favour of the Security Trustee and remains in force during the Security Period.
- (d) An Event of Default is **"continuing"** if it has not been remedied or waived.
- (e) It is intended that this document take effect as a deed notwithstanding the fact that (if executed by the Security Trustee) the Security Trustee may only execute this document under hand.
- (f) The terms of any other agreement and of any side letter between the parties to this Deed are incorporated in this Deed to the extent required to ensure that any purported disposition of or purported agreement to dispose of any Real Property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (g) This Deed is a Finance Document.
- (h) The fact that the details of any assets in the Schedules are incorrect or incomplete shall not affect the validity or enforceability of this Deed in respect of the assets of the Chargor.

1.3 Third party rights

- (a) Unless expressly provided to the contrary in this Deed, a person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.
- (b) Notwithstanding any provision of this Deed, the consent of any person who is not a party to this Deed is not required to rescind or vary this Deed at any time.

2. Undertaking to pay

2.1 Undertaking to pay

The Chargor undertakes with the Security Trustee to pay the Secured Obligations when due.

2.2 Amount secured

The Chargor acknowledges to the Security Trustee that the amount secured by this Deed and in respect of which this Security is enforceable is the full amount of the Secured Obligations.

2.3 Interest

If the Chargor fails to pay any of the Secured Obligations on the due date for payment of that sum, the Chargor shall on demand pay to the Security Trustee interest on all such sums from the due

date until the date of payment (both before and after judgment) calculated and payable in accordance with the rate and in the manner specified in the Instrument.

3. Provisions relating to Security

3.1 Nature of Security created

- (a) All the Security created under this Deed is created:
 - (i) with full title guarantee as a continuing security for the payment, discharge and performance of the Secured Obligations;
 - (ii) in favour of the Security Trustee; and
 - (iii) (except in the case of assets which are the subject of a legal mortgage under this Deed) over all present and future assets of the kind described which are owned by the Chargor and, to the extent it does not own those assets, shall extend to any right, title or interest which it may have in them.
- (b) The Security Trustee holds the benefit of this Deed on trust for the Finance Parties.

3.2 Consents

- (a) If the Chargor purports to mortgage, assign or charge (absolutely or by way of fixed mortgage or charge) an asset under this Deed and such mortgage, assignment or charge breaches a term of an agreement or licence binding on the Chargor in respect of that asset because the consent of a person has not been obtained:
 - (i) the Chargor shall notify the Security Trustee immediately;
 - (ii) subject to paragraph (iv) below, the relevant mortgage, assignment or fixed charge under this Deed will extend (to the extent no breach of the relevant agreement would occur) to all amounts which the Chargor may receive and other rights in respect of that asset but will exclude the asset itself;
 - (iii) unless the Security Trustee otherwise requires, the Chargor shall use all reasonable endeavours to obtain the consent of the relevant person and, once obtained, shall promptly provide a copy of that consent to the Security Trustee; and
 - (iv) immediately upon the relevant consent being obtained, the relevant asset shall become subject to this Security in favour of the Security Trustee under Clause 4 (*Fixed Security*).

4. Fixed Security

4.1 Real Property

- (a) The Chargor charges:
 - (i) by way of first legal mortgage the Real Property vested in it on the date of this Deed;
 - (ii) by way of first fixed charge any right, title or interest in Real Property (to the extent not the subject of a mortgage under paragraph (i) above).

(b) The Chargor assigns absolutely, subject to the provisions of Clause 29 (*Release and recourse*):

- (i) all Rental Income;
- (ii) all rights under any licence, agreement for sale or agreement for lease or other use of its Real Property or under any agreement to purchase Real Property (in each case present or future);
- (iii) all rights, powers, benefits, claims, contracts, warranties, remedies, covenants for title, security, guarantees or indemnities in respect of any of its Real Property or any Rental Income (including, but not limited to, any rent deposit or other sum paid as security) and all rights and claims to compensation of any nature paid in relation to its Real Property;
- (iv) the proceeds of sale of any of its Real Property; and
- (v) any other moneys paid or payable in respect of its Real Property.

4.2 Equipment

The Chargor charges by way of first fixed charge all its rights, title or interest in Equipment in so far as it is not charged under Clause 4.1 (*Real Property*) and in any Equipment for the time being in its possession.

4.3 Investments

The Chargor charges by way of first fixed charge all its rights, title or interest in Investments and Dividends.

4.4 Intellectual Property

The Chargor charges by way of first fixed charge all its rights, title or interest in Intellectual Property (including the Intellectual Property described in Part 1 of Schedule 1 (*Security Assets*));

4.5 Receivables

The Chargor charges by way of first fixed charge all its rights, title or interest in Receivables.

4.6 Accounts

The Chargor charges by way of first fixed charge all its rights, title or interest in the Accounts and all monies standing to the credit of the Accounts and interest and other monies payable on or in respect of the Accounts.

4.7 Goodwill

The Chargor charges by way of first fixed charge its goodwill.

4.8 Uncalled capital

The Chargor charges by way of first fixed charge all its uncalled capital.

4.9 Authorisations

The Chargor charges by way of first fixed charge all its rights, title or interest in Authorisations held in relation to any other Security Asset.

4.10 Insurances

The Chargor assigns absolutely, subject to the provisions of Clause 29 (*Release and recourse*), all its rights, title or interest in the Insurance Policies and the proceeds of such policies.

4.11 Contracts

The Chargor assigns absolutely, subject to the provisions of Clause 29 (*Release and recourse*), all its rights, title or interest in:

- (a) all agreements to which it is a party except to the extent that it is subject to any fixed security created under any other term of this Clause 4; and
- (b) the benefit of any guarantee or security for the performance of any of such agreements.

5. Floating Security**5.1 Floating Charge**

The Chargor charges by way of first floating charge the whole of its present and future business, undertaking and assets to the extent that they are not effectively mortgaged, charged or assigned to the Security Trustee by way of fixed security under Clause 4 (*Fixed Security*).

5.2 Conversion

Subject to Clause 5.3 (*Moratorium under Insolvency Act*), the Security Trustee may at any time by written notice to the Chargor convert the floating charge created by Clause 5.1 (*Floating charge*) into a fixed charge as regards any assets specified in the notice if:

- (a) an Event of Default has occurred;
- (b) the Security Trustee considers such 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 or to be at risk of becoming subject to any Security (other than this Security); or
- (c) the Security Trustee considers it is necessary in order to protect the value of the Security Asset or the priority of this Security.

5.3 Moratorium under Insolvency Act

The Security Trustee shall not be entitled to convert the floating charge created by Clause 5.1 (*Floating charge*) into a fixed charge as a result only of the Chargor obtaining a moratorium or anything done with a view to obtaining a moratorium under section 1A of and Schedule A1 to the Insolvency Act 1986.

5.4 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by Clause 5.1 (*Floating charge*), which is a "qualifying floating charge" for the purpose of paragraph 14(1) of Schedule B1 to the Insolvency Act 1986.

5.5 Automatic conversion

The floating charge created by Clause 5.1 (*Floating charge*) will convert automatically into a fixed charge over all the Chargor's assets not already subject to an effective fixed charge:

- (a) if the Security Trustee receives notice of an intention to appoint an administrator of the Chargor;
- (b) if any step is taken to appoint a liquidator, provisional liquidator, administrator or Receiver in respect of the Chargor or over all or any of its assets, or if such person is appointed;
- (c) if the Chargor takes any step to create Security over any Security Asset in breach of Clause 6 (*Restrictions on dealing*);
- (d) on the crystallisation of any other floating charge over the Security Assets;
- (e) if any person takes any step to seize, attach, charge, take possession of or sell any Security Asset under any form of distress, sequestration, execution or other process; or
- (f) in any other circumstances prescribed by law.

5.6 Reconversion to floating charge

Any floating charge which has crystallised under Clause 5.2 (*Conversion*) or Clause 5.5 (*Automatic conversion*) may by notice in writing given at any time by the Security Trustee to the Chargor be reconverted into a floating charge under Clause 5.1 (*Floating charge*) in relation to the assets, rights and property specified in such notice.

6. Restrictions on dealing

The Chargor shall not:

- (a) create or permit to subsist any Security over any of the Security Assets; or
- (b) sell, transfer, license, lease or otherwise dispose of any of the Security Assets,

except as expressly permitted to do so under the Instrument.

7. Representations

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

7.1 Status

- (a) It is a limited liability company duly incorporated and validly existing under the law of England and Wales.
- (b) It has the power to own its assets and carry on its business in England and Wales as it is being conducted.
- (c) It has the capacity and power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Deed.

7.2 Binding obligations

The obligations and liabilities expressed to be assumed by it in each Finance Document to which it is a party are legal, valid, binding and enforceable obligations and liabilities.

7.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, each Finance Document to which it is a party 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 binding upon it or any of its assets.

7.4 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

7.5 Authorisations

All material Authorisations required:

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

have been obtained or effected and are in full force and effect.

7.6 No default

- (a) No Event of Default is continuing or might reasonably be expected to result from the execution of this Deed.
- (b) No other event or circumstance is outstanding which constitutes a default under any agreement or instrument which is binding on it or to which its assets are subject which has or is reasonably likely to have a Material Adverse Effect.

7.7 Pari passu ranking

Its payment obligations under the Finance Documents rank at least pari passu with the claims of all its unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

7.8 No proceedings pending or threatened

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, might reasonably be expected to have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against it.

7.9 Nature of Security

Subject to general principles of law limiting its obligations, this Deed creates the Security it purports to create and such Security is valid and effective.

7.10 Security Assets

- (a) It is the sole legal and beneficial owner of, and absolutely entitled to, the assets it purports to mortgage, charge or assign under this Deed (save, where relevant, in respect of the legal ownership of any of its Investments registered in the name of its nominee or custodian or in the name of the Security Trustee (or its nominee) pursuant to this Deed).
- (b) Such assets are free from any Security (except as created by this Deed in favour of the Security Trustee or as permitted by the Finance Documents) and it has not granted any option or other right in favour of a third party or otherwise encumbered any such assets.
- (c) As at the date of this Deed, Schedule 1 (*Security Assets*) identifies:
 - (i) all of the Real Property in which it has any interest (whether direct or indirect); and
 - (ii) all of the Intellectual Property in which it has any interest that it considers (acting reasonably) is required to conduct its business or any part of it.

7.11 Real Property

- (a) It has a good and marketable title to the Real Property described in Part 2 of Schedule 1 (*Security Assets*).
- (b) Its Real Property is not subject to any covenant, restriction, overriding interest, easement, right, order, agreement, notice or dispute other than as previously disclosed to the Security Trustee in writing.
- (c) There subsists no breach of any planning laws and regulations, by-laws or local authority or statutory requirements which materially and adversely affects or which materially and adversely affects the value of its Real Property dispute other than as previously disclosed to the Security Trustee in writing.
- (d) No facility necessary for the enjoyment and use of its Real Property is enjoyed or used on terms entitling any person to terminate or curtail its use.
- (e) Its Real Property is free from any Lease other than an Occupational Lease previously disclosed to the Security Trustee in writing or granted with the prior written consent of the Security Trustee.
- (f) It does not at the date of this Deed own any estate or interest in any Real Property other than the Real Property described in Part 2 of Schedule 1 (*Security Assets*).
- (g) Its Real Property and all other Security Assets of a repairable nature are in good and substantial repair

7.12 Environmental Law

- (a) The Chargor has at all times complied in all material respects with all applicable Environmental Law.

- (b) All Environmental Permits have been obtained and are valid and subsisting.
- (c) The Chargor has no notice of any claim under any Environmental Law or of any circumstances which might result in such a claim applicable to any of its Real Property or any occupier of any of its Real Property or otherwise which might materially and adversely affect the open market realisable value or marketability of any of its Real Property.
- (d) No Dangerous Substance has to the best of its knowledge and belief, having made due and careful enquiry been used, disposed of, generated, stored, transported, dumped, deposited, buried or emitted at, on, from or under its Real Property in circumstances where this results in a liability or potential liability on the Chargor.

7.13 Investments

- (a) The Investments are duly authorised, validly issued, freely transferable and fully paid.
- (b) The terms and conditions of the Investments do not restrict or otherwise limit the Chargor's right to transfer or charge them other than any restriction permitted under the Finance Documents.
- (c) It has not nominated any person to enjoy or exercise any rights relating to the Investments pursuant to Part 9 of the Companies Act 2006 or otherwise.
- (d) It has complied with all notices relating to the Investments received by it pursuant to sections 790D and 790E of the Companies Act 2006.
- (e) No warning notice has been issued under paragraph 1(2) of Schedule 1B of the Companies Act 2006, and no restrictions notice has been issued under paragraph 1(3) of Schedule 1B of the Companies Act 2006, in respect of the Investments.

7.14 Intellectual Property

- (a) All Intellectual Property owned by the Chargor which is material to its business is identified in Part 1 of Schedule 1 (*Security Assets*).
- (b) The Chargor is the registered proprietor of the registrations and applications included in the Intellectual Property identified in Part 1 of Schedule 1 (*Security Assets*), and those registrations and applications are not subject to, or likely to be subject to, any notice of amendment, challenge, removal or surrender. There is nothing which might prevent the application from being granted.
- (c) All application, filing, registration, renewal and other fees for its registered Intellectual Property which are due for payment have been paid, and all material transactions relating to them have been registered within applicable time limits.
- (d) There are no agreements or arrangements which restrict the disclosure, use or charging or assignment by it of its Intellectual Property nor which otherwise prevent the granting of Security over its Intellectual Property;
- (e) No claim has been made by a third party which disputes the right of the Chargor to use or charge its Intellectual Property in the manner contemplated by this Deed. The Chargor is not aware of any circumstances likely to give rise to such a claim.
- (f) It is not aware of any infringement or threatened infringement of its Intellectual Property.

- (g) The Chargor has not acquiesced in the unauthorised use by a third party of any of its Intellectual Property.
- (h) There has been no act or omissions which would prejudice the rights of the Security Trustee to enforce its security against the Chargor's Intellectual Property as contemplated by this Deed.
- (i) The Chargor's Intellectual Property will not be lost or rendered liable to termination by virtue of the performance of this Deed.

7.15 Immunity

- (a) The entry into by it of this Deed constitutes, and the exercise by it of its rights and performance of its obligations under this Deed will constitute private and commercial acts performed for private and commercial purposes.
- (b) It will not be entitled to claim immunity from suit, execution, attachment or other legal process in any proceedings taken in its jurisdiction of incorporation in relation to this Deed.

7.16 Repetition

The representations and warranties in this Clause are deemed to be made by the Chargor on the date of this Deed and to be repeated by the Chargor by reference to the facts and circumstances then existing on each day during the Security Period.

8. General undertakings

8.1 Covenant to perform

The Chargor shall at all times comply with the terms of this Deed, the other Finance Documents to which it is a party and of all contracts to which it is a party relating to the Secured Obligations.

8.2 Carry on business

The Chargor shall carry on its business in a proper manner and not make any material alteration in the nature of its business.

8.3 Laws

The Chargor shall observe and perform all laws, covenants and stipulations from time to time affecting any Security Asset or otherwise relating to its business.

8.4 Not to jeopardise this Security

The Chargor shall not do or cause or permit to be done anything which may depreciate, jeopardise or otherwise prejudice the Security Assets or their value to the Security Trustee.

8.5 Maintenance

The Chargor shall keep all Equipment for the time being required for it to operate its business in a good and substantial state of repair and in good working order and condition and when necessary replace the same by items of similar quality and value.

8.6 Accounting records

The Chargor shall keep proper accounting records and make all proper entries in relation to its affairs and make such records available for inspection by or on behalf of the Security Trustee or any Receiver at the cost of the Chargor at all reasonable times.

8.7 Information

The Chargor shall promptly:

- (a) provide the Security Trustee or any Receiver with all such documents and information about the Security Assets and about the Chargor's business and affairs (including its books, accounts and records) as the Security Trustee may from time to time reasonably require;
- (b) provide the Security Trustee with copies of all communications sent to shareholders and/or creditors or any class of them generally; and
- (c) deliver to the Security Trustee a copy of any notice or litigation, arbitration or administrative proceedings which to its knowledge are threatened, pending or have been commenced against it which is likely to have a Material Adverse Effect.

8.8 Documents

- (a) The Chargor shall, upon execution of this Deed or, if later, upon receipt, deposit with the Security Trustee all deeds, certificates and other documents evidencing title in respect of the Investments and its Real Property.
- (b) The Chargor shall deliver to the Security Trustee all deeds and other documents of title relating to its Intellectual Property (including any licences relating to, and any applications to register, any such Intellectual Property) and such other documents of title relating to Security Assets as the Security Trustee may from time to time require.
- (c) The Security Trustee is entitled to hold and retain all such deeds, certificates and documents until the expiry of the Security Period or, if earlier, until the Security Asset to which such deeds, certificates or documents of title relate is released from this Security in accordance with the Finance Documents.

8.9 Events of Default

The Chargor shall upon becoming aware of the same promptly notify the Security Trustee of the occurrence of any Event of Default and at the same time inform the Security Trustee of any action taken or proposed to be taken by it in connection with it.

8.10 Accuracy of information

The Chargor shall ensure that all information supplied to the Security Trustee by it is at the time of supply complete and accurate in all material respects.

8.11 Centre of main interests

The Chargor shall not move its centre of main interests for the purposes of Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (recast) on insolvency proceedings outside England and Wales.

9. Real Property

9.1 HM Land Registry

- (a) The Chargor applies and agrees that it shall apply to HM Land Registry (by submitting a form RX1, CH2 or otherwise as appropriate) to:
 - (i) enter a restriction in the following terms on the register or registers of title relating to any of its Real Property now or after the date of this Deed registered at HM Land Registry and against which this Deed may be noted:

"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 Deacon Street Partners Limited referred to in the Charges Register."
 - (ii) to enter any obligation to make further advances on the relevant register of title.
- (b) The Chargor certifies to HM Land Registry that this Security does not contravene any of the provisions of its memorandum or articles of association or other constitutive documents.

9.2 Acquisitions of Real Property

The Chargor shall:

- (a) notify the Security Trustee immediately upon the acquisition by or on behalf of the Chargor of any Real Property and the title number of such Real Property;
- (b) at the cost of the Chargor, execute and deliver to the Security Trustee a legal mortgage in favour of the Security Trustee of any Real Property which becomes vested in it after the date of this Deed substantially in the form of this Deed;
- (c) if the title to such Real Property is (or is required to be) registered at HM Land Registry, promptly submit an application to register the Chargor as proprietor of the Real Property and of the Security Trustee as proprietor of such legal mortgage; and
- (d) if the consent of the landlord in whom the reversion of any lease comprised in any Real Property which becomes vested in the Chargor after the date of this Deed is required for the Chargor to create any fixed charge or legal mortgage, the Chargor will:
 - (i) use all reasonable endeavours to obtain such landlord's consent;
 - (ii) notify the Security Trustee in writing upon receipt of such consent; and
 - (iii) not be required to create a fixed charge or legal mortgage over such Real Property until it has received the landlord's consent.

9.3 Outgoings

The Chargor shall punctually pay or cause to be paid and shall indemnify and/or secure the Security Trustee and any Receiver against all rents, rates, taxes, liabilities, duties, assessments and other outgoings payable in respect of or by the owner or occupier of its Real Property.

9.4 Repair

The Chargor shall put and keep all buildings, installations and structures on its Real Property in good and substantial repair and condition, replacing, rebuilding and renewing the same when necessary and shall keep all fixtures and fittings from time to time on or in its Real Property in good and substantial repair and in good working order, in each case, ordinary wear and tear excepted.

9.5 Alterations

The Chargor shall not make any material alteration or addition to, erect, demolish or pull down, or change the use of, any of its Real Property or building or structure on its Real Property, or permit any such thing to be done.

9.6 Compliance with Leases

The Chargor shall:

- (a) observe and perform all the terms on its part contained in any Lease comprised within its Real Property and enforce the due observance and performance of all obligations of all other parties to such Lease;
- (b) not do or knowingly permit to be done any act as a result of which any such Lease may become liable to forfeiture or otherwise be determined;
- (c) not accelerate or defer payment of any moneys due or waive or vary any obligation under the terms of any Lease or other property agreement comprised within its Real Property; and
- (d) comply with any rent review procedures in Leases comprised within its Real Property.

9.7 Compliance with covenants

The Chargor shall duly and punctually perform and observe and indemnify and/or secure the Security Trustee for any breach of any covenants and stipulations (restrictive or otherwise) affecting its Real Property or its use and enjoyment.

9.8 Compliance with applicable laws and regulations

The Chargor shall perform all of its obligations under any law or regulation affecting its Real Property including, but not limited to, any planning permission in any way related to or affecting its Real Property or its use and enjoyment.

9.9 Occupational Leases

The Chargor shall:

- (a) not grant or agree to grant any Occupational Lease or accept a surrender of any Occupational Lease;
- (b) not determine or extend or renew on substantially different terms or accept any surrender of any Occupational Lease or agree to do any of these things;
- (c) not accelerate or defer payment of any moneys due to it or agree to any reduction in rent or waive or vary any obligation under the terms of any Occupational Lease or other property agreement and duly and promptly implement any rent review under the same but

not agree to the reviewed rent or appoint or agree to the appointment of a third party to determine the same without the prior written approval of the Security Trustee; and

- (d) give prompt notice in writing to the Security Trustee if any tenant, lessee or licensee under an Occupational Lease or other property agreement withholds rent or exercises any right of set-off against sums payable under any Occupational Lease or other property agreement or purports, attempts or threatens to do so.

9.10 Notices

The Chargor shall, promptly after the receipt by the Chargor of any material communication including, but not limited to, any application, requirement, order or notice served or given by any public or local or any other authority with respect to its Real Property, deliver a copy of the same to the Security Trustee and inform the Security Trustee of the steps taken or proposed to be taken to comply with the relevant communication.

9.11 Planning

The Chargor shall comply with any conditions attached to any planning permissions relating to or affecting its Real Property and shall not:

- (a) carry out or permit to be carried out any development of its Real Property;
- (b) make any application for planning permission for development or change of use in respect of its Real Property; or
- (c) implement any planning permission obtained or enter or agree to enter into any agreement or undertaking under section 106 or 106A of the Town and Country Planning Act 1990, section 33 of the Local Government (Miscellaneous Provisions) Act 1982 or section 38 of the Highways Act 1980 or any similar act.

9.12 User

The Chargor shall use its Real Property only for such purpose or purposes as may from time to time be authorised as the permitted use or user of its Property under or by virtue of the planning laws and regulations.

9.13 Valuation reports

The Chargor shall, promptly on receipt, cause a copy of each professional valuation report which it obtains in relation to its Real Property to be provided to the Security Trustee.

9.14 Access

The Chargor shall permit the Security Trustee and any person nominated by it at all reasonable times during business hours to enter and view the state of its Real Property.

9.15 Fixtures

The Chargor shall not at any time without the prior written consent of the Security Trustee sever or remove any of the fixtures forming part of its Real Property or any of the Equipment (other than stock in trade or work in progress) on or in its Real Property if to do so would reasonably be expected to have a materially adverse effect of the value, saleability or use of the Real Property or the enforceability of this Security;

9.16 Compulsory acquisition

The Chargor shall not enter into any negotiations with any competent agency of any state with regard to the compulsory acquisition of its Real Property nor consent to any such compulsory acquisition.

9.17 VAT

Save to the extent that the Chargor has already made such election prior to the date of this Deed, the Chargor shall not elect to charge VAT or to transfer the right to recover or levy VAT or to treat supplies made by it as taxable supplies for the purposes of VAT except with the prior written consent of the Security Trustee.

9.18 No onerous obligations

The Chargor shall not enter into onerous or restrictive obligations affecting its Real Property or create or permit to arise any overriding interest or any easement or right whatever in or over it which would be reasonably likely adversely to affect in any material respect its value or the value of this Security over it.

10. Environment**10.1 Environmental compliance**

The Chargor shall:

- (a) comply with all Environmental Law and provide to the Security Trustee documentation of such compliance upon the Security Trustee's reasonable written request;
- (b) obtain, maintain and ensure compliance with all requisite Environmental Permits.

10.2 Environmental Claims

The Chargor shall, promptly upon becoming aware of the same, inform the Security Trustee in writing of:

- (a) any Environmental Claim against it which is current, pending or threatened;
- (b) any facts or circumstances which are reasonably likely to result in any Environmental Claim being commenced or threatened against it; and
- (c) any release into the Environment of any hazardous or toxic material, substance or waste in any quantity and circumstance that is required by Environmental Law to be investigated or cleaned up or that is required to be reported to any governmental authority,

and of any steps taken or intended to be taken by it in respect of any such matter.

10.3 New requirements

The Chargor shall give notice to the Security Trustee as soon as practicable of any new or additional requirements under any Environmental Law imposed on it or on its Real Property.

11. Receivables**11.1 Restriction on dealing**

The Chargor shall not charge, factor, discount, assign or otherwise deal with any of the Receivables save as permitted by Clause 11.2 (*Collection and payment*) and shall not subordinate, release or waive its rights in respect of any of the Receivables.

11.2 Collection and payment

The Chargor shall collect and realise all of the Receivables in a prudent manner and, immediately on receipt, pay the proceeds of such payment or realisation or procure that such proceeds are paid into an Account, and pending that payment will hold all monies so received upon trust for the Security Trustee.

11.3 Exercise of rights on Event of Default

On and after the occurrence of an Event of Default, the Chargor shall:

- (a) not be entitled to withdraw or otherwise transfer the proceeds of collection or realisation of any receivables standing to the credit of any Account without the prior written consent of the Security Trustee; and
- (b) give written notice of this Security to the debtors in respect of any Receivable in such form as the Security Trustee may require.

12. Accounts**12.1 Notices**

The Chargor shall, no later than five Business Days after request by the Security Trustee, give notice to each Account Bank in such form as the Security Trustee may approve and shall use reasonable endeavours to ensure that the Account Bank delivers to the Security Trustee a duly completed acknowledgement of such notice.

12.2 Other undertakings

- (a) Prior to the occurrence of an Event of Default, the Chargor shall (subject to the terms of the Instrument) be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account.
- (b) The Chargor shall promptly deliver to the Security Trustee details of any Account maintained by it.
- (c) The Chargor shall not, without the Security Trustee's prior written consent, permit or agree to any variation of the rights attaching to any Account or close any Account.

12.3 Exercise of rights on Event of Default

On and after the occurrence of an Event of Default:

- (a) the Chargor shall not be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account except with the prior written consent of the Security Trustee; and

- (b) the Security Trustee shall be entitled without notice to withdraw, apply, transfer or set off any or all of the credit balances from time to time on any Account in or towards payment or other satisfaction of all or part of the Secured Obligations in accordance with Clause 23 (*Application of proceeds*).

13. Investments

13.1 Documents of title relating to Investments

The Chargor shall, on the date of this Deed or, if later, upon becoming entitled to the relevant Investments, deliver to the Security Trustee:

- (a) all stock and share certificates and other documents of title relating to the Investments; and
- (b) all stock transfer forms (duly executed in blank and left undated) and other documents that the Security Trustee may request in respect of the Investments and in such form as the Security Trustee may require (including declarations of trust in relation to any Investments in which the Chargor has an interest that are not held in its sole name, and forms of waiver of any pre-emption rights necessary to enable such transfers to be registered).

13.2 Voting powers

- (a) Prior to the occurrence of a Voting Event:
 - (i) the Chargor may continue to exercise the voting rights, powers and other rights in respect of the Investments (subject to paragraph (b) below); and
 - (ii) if any Investments have been registered in the name of the Security Trustee (or its nominee), the Security Trustee (or its nominee) shall exercise the voting rights, powers and other rights in respect of such Investments in such manner as that Chargor may direct in writing from time to time.
- (b) The Chargor shall not exercise any of its voting rights, powers and other rights in respect of the Investments (or direct the Security Trustee (or its nominee) to exercise such voting rights, powers and other rights) in any manner which varies the rights attaching to or conferred by the Investments in any way which could reasonably be expected to adversely effect the interests of the Security Trustee or which could reasonably be expected to prejudice the value of or the ability of the Security Trustee to realise this Security in respect of the Investments.
- (c) Before the occurrence of a Voting Event, voting power (for the purposes of section 435(10) of the Insolvency Act 1986) in respect of the Investments shall remain with the Chargor and shall not pass to the Security Trustee.
- (d) In this Clause 13 "**Voting Event**" in relation to a particular Investment means service of a notice by the Security Trustee (either specifying that Investment or generally in relation to all or a designated class of Investments) on the Chargor on or following an Event of Default specifying that control over voting rights are to pass to the Security Trustee.

13.3 Other undertakings

- (a) Prior to the occurrence of an Event of Default, the Chargor shall be entitled to receive and retain all Dividends paid or payable in relation to the Investments.

- (b) On and after the occurrence of an Event of Default, all Dividends in respect of the Investments will be payable to the Security Trustee and may be applied by the Security Trustee in reduction of the Secured Obligations whether or not any such Investment is registered in the name of the Security Trustee or its nominee or in the name of the Chargor or its nominee.
- (c) The Chargor shall not nominate any person, other than the Security Trustee (or its nominee), to enjoy or exercise any right relating to any of the Investments whether pursuant to Part 9 of the Companies Act 2006 or otherwise.
- (d) At any time when any Investments have been registered in the name of the Security Trustee (or its nominee), the Security Trustee (or its nominee) will not be under any duty to ensure that any Dividends or other monies payable in respect of such Investments are duly and promptly paid or received by it (or its nominee), or to verify that the correct amounts are paid or received by it (or its nominee), or to take any action in connection with the taking up of any (or any offer of any) stocks, shares, rights, monies or other property paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus, rights, preference, option, warrant or otherwise on or in respect of such Investments.
- (e) Prior to the occurrence of an Event of Default, the Security Trustee shall use its reasonable endeavours to forward to the Chargor all material notices, correspondence and other communication it receives in relation to the Investments.
- (f) The Chargor shall promptly copy to the Security Trustee and comply with all requests for information which are made under the Companies Act 2006 (including, but not limited to, under sections 790D and 790E of the Companies Act 2006) relating to the Investments. If it fails to do so, the Security Trustee may elect to provide such information as it may have on behalf of the Chargor.
- (g) The Chargor shall indemnify the Security Trustee (or its nominee) against any loss or liability incurred by the Security Trustee (or its nominee) as a consequence of the Security Trustee (or its nominee) acting at the direction of a Chargor in respect of the Investments.
- (h) The Chargor shall pay when due all calls or other payments that may be or become due in respect of any of the Investments. In the case of a default by the Chargor in such payment, the Security Trustee may make such payment on behalf of the Chargor in which case any sums paid by the Security Trustee shall be reimbursed (together with interest at the rate applicable under Clause 2.3 (*Interest*) for the period from and including the date incurred up to and excluding the date reimbursed) by the Chargor to the Security Trustee on demand.

13.4 Exercise of rights on Voting Event

- (a) On and after the occurrence of a Voting Event, the Security Trustee (or its nominee) may exercise or refrain from exercising any voting rights, powers and other rights in respect of the Investments in each case in the name of the Chargor, the registered holder or otherwise and without any further consent or authority on the part of the Chargor and irrespective of any direction given by the Chargor.
- (b) The Chargor irrevocably appoints the Security Trustee (or its nominee) as its proxy to exercise all voting rights in respect of the Investments with effect from the occurrence of a Voting Event to the extent that such Investments remain registered in its name.

13.5 Clearance systems

- (a) The Chargor shall, if so requested by the Security Trustee:
 - (i) instruct or request its nominee or custodian to instruct any clearance system (including, but not limited to, CREST) to transfer any Investment held by it or its nominee or custodian for the Chargor to an account of the Security Trustee or its nominee with that clearance system; and
 - (ii) take whatever action the Security Trustee may request for the dematerialisation or rematerialisation of any Investments held in a clearance system.
- (b) The Security Trustee may, at the expense of the Chargor, take whatever action the Security Trustee considers necessary for the dematerialisation or rematerialisation of the Investments.

13.6 Custodian arrangements

The Chargor shall:

- (a) promptly give notice of this Deed to any custodian of any Investment in any form which the Security Trustee may reasonably require; and
- (b) use reasonable endeavours to ensure that the custodian acknowledges that notice in any form which the Security Trustee may reasonably require.

14. Insurance**14.1 Cover**

The Chargor shall keep its Real Property and all its other assets which are of an insurable nature insured (with the Security Trustee named as composite insured in respect of its own separate insurable interest under each of the insurances and with the Security Trustee as loss payee in the case of the Real Property) against all risks which a prudent person carrying on a business similar to that of the Chargor would reasonably insure against and against such other risks as the Security Trustee may from time to time specify:

- (a) in the case of assets other than buildings to their full replacement value; and
- (b) in the case of buildings on a full reinstatement basis and against all professional fees, VAT, demolition and site clearance charges and loss of rental and other income derived from such buildings for at least three years.

14.2 Notice of assignment

The Chargor shall within five Business Days after request by the Security Trustee give notice of assignment to each insurer in such form as the Security Trustee may approve and shall use all its reasonable endeavours to procure the prompt delivery to the Security Trustee of a duly completed acknowledgement of such notice.

14.3 Other undertakings

- (a) The Chargor will promptly pay all premiums and take all reasonable and practicable steps to preserve and enforce its rights and remedies under or in respect of each Insurance Policy.

- (b) The Chargor shall supply to the Security Trustee on request copies of each Insurance Policy together with the current applicable premium receipts.

14.4 Policy endorsements

The Chargor shall procure that each Insurance Policy contains:

- (a) a standard mortgagee clause providing that such insurance shall not be avoided or vitiated as against a mortgagee in the event or as a result of any misrepresentation, act or neglect or failure to make disclosure on the part of the insured party or in any circumstances beyond the control of the insured party or the mortgagee;
- (b) terms providing that it shall not be invalidated so far as the Security Trustee is concerned by failure to pay any premium due or breach of any other policy term or condition, or otherwise cancelled or allowed to lapse, without the insurers first giving to the Security Trustee not less than 30 days' written notice; and
- (c) a waiver of the rights of subrogation of the insurer as against the Chargor, the Security Trustee, any Receiver and the tenants of the Real Property other than any such rights arising in connection with any fraud or criminal offence committed by any of those persons in respect of the Real Property or any such insurance.

14.5 Proceeds

All money received under any Insurance Policy shall be applied:

- (a) prior to the occurrence of an Event of Default, in making good the relevant loss or damage (any deficiency being made good by the Chargor); and
- (b) following the occurrence of an Event of Default, in or towards discharge of the Secured Obligations.

Any such money received by the Chargor shall be held on trust for the Security Trustee.

14.6 Leasehold property

If any part of the Security Assets is held by the Chargor under a Lease or subject to a prior Security, this Clause shall apply to the extent compatible with the terms of the relevant Lease or prior Security.

15. Intellectual Property

15.1 Preservation

The Chargor shall preserve and maintain the subsistence and validity of the Intellectual Property necessary for its business.

15.2 Infringements

The Chargor shall prevent any infringement in any material respect of its Intellectual Property and immediately notify the Security Trustee if it becomes aware of any infringement or suspected infringement or any challenge to the validity, enforceability or ownership of its Intellectual Property and supply the Security Trustee with all relevant information in relation to it.

15.3 Registrations

The Chargor shall make registrations and pay all registration and renewal fees and taxes necessary to maintain its Intellectual Property in full force and effect and record its interest in that Intellectual Property.

15.4 Use of Intellectual Property

The Chargor shall not use or permit its Intellectual Property to be used in a way or take any step or omit to take any step in respect of its Intellectual Property which may materially and adversely affect the existence or value of its Intellectual Property or imperil its right to use its Intellectual Property.

15.5 Fees

The Chargor shall pay all renewal and other fees which may become payable in respect of its Intellectual Property before or as soon as they become due and produce to the Security Trustee on demand a receipt for such fees or other evidence of payment of those fees.

15.6 Not abandon Intellectual Property

The Chargor shall not abandon, cancel or allow any of its Intellectual Property to become void, lapse or to become vulnerable to attack for non-use or otherwise.

15.7 Detect infringements

The Chargor shall use all reasonable endeavours to detect any material infringement of, or challenge to, any of its Intellectual Property and, immediately after becoming aware of such material infringement or challenge, inform the Security Trustee and take such steps at the cost of the Chargor as the Security Trustee shall reasonably consider necessary or desirable in order to protect its Intellectual Property in relation to any infringement of or challenge to any of its Intellectual Property.

15.8 Further assurance

The Chargor shall promptly and at its own expense take all such steps and execute all such documents as the Security Trustee reasonably requires in relation to the registration of the Security Trustee's interest under this Deed in or in relation to its Intellectual Property or to record the interest of the Security Trustee in any registers relating to any such Intellectual Property.

15.9 Other undertakings

The Chargor shall promptly provide details to the Security Trustee of any Intellectual Property that the Chargor considers (acting reasonably) is required to conduct its business or any part of it unless such details are set out in Part 1 of Schedule 1 (*Security Assets*).

15.10 Notification of new Intellectual Property

The Chargor shall promptly notify the Security Trustee of the creation or acquisition by it of any new Intellectual Property.

16. Power to remedy**16.1 Security Trustee's powers**

If the Chargor fails to comply with any of the covenants or obligations set out in this Deed or fails to perform its obligations affecting the Security Assets, and such failure is not remedied promptly to the satisfaction of the Security Trustee, the Chargor will allow the Security Trustee, its agents or contractors to take such action on behalf of the Chargor as may be necessary to ensure that such covenants and obligations are complied with. Such action may include, but is not limited to:

- (a) entering the Chargor's Real Property and carrying out any repairs or other works which the Chargor has failed to do; and
- (b) taking such action as the Security Trustee considers necessary or appropriate to comply with or object to any notice served on the Chargor in respect of its Real Property,

and the Security Trustee shall not, by taking any such action, become liable as a mortgagee in possession.

16.2 Reimbursement of expenses

The Chargor shall reimburse the Security Trustee on demand for all costs and expenses incurred by the Security Trustee in anything done pursuant to the powers contained in Clause 18.1 (*Security Trustee's powers*) together with interest from the date of payment by the Security Trustee until the reimbursement calculated in accordance with Clause 2.3 (*Interest*).

17. When Security becomes enforceable**17.1 Timing**

This Security shall become immediately enforceable if:

- (a) an Event of Default occurs; or
- (b) the Chargor requests the Security Trustee to exercise any of its powers under this Deed.

17.2 Enforcement

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

18. Enforcement of Security**18.1 Security Trustee's powers**

Immediately upon this Security becoming enforceable or at any time thereafter the Security Trustee may do all or any of the following:

- (a) exercise the power of sale and all other rights, powers and discretions conferred on mortgagees by section 101 of the Act as varied or extended by this Deed;
- (b) appoint one or more qualified persons as an Administrator of the Chargor (to act together or independently of any others so appointed) in accordance with schedule B1 to the Insolvency Act 1986, and for this purpose "qualified person" means a person who, under the Insolvency Act 1986, is qualified to act as an administrator of any company with respect to which he is appointed;

- (c) subject to section 72A of and paragraph 43 of schedule A1 to the Insolvency Act 1986, appoint one or more persons as a Receiver of all or any part of the Security Assets;
- (d) exercise all the rights, powers and discretions conferred on a Receiver by this Deed, the Act, the Insolvency Act 1986 or otherwise by law, without first appointing a Receiver or notwithstanding the appointment of a Receiver;
- (e) by notice to the Chargor end the Chargor's right to possession of all or any of its Real Property and enter into possession of all or such part of such Real Property;
- (f) exercise all other powers conferred on mortgagees or receivers by law;
- (g) to the extent that this Deed constitutes a "security financial collateral arrangement" as defined in the Regulations, without notice to the Chargor, appropriate any Security Asset which constitutes "financial collateral" as defined in the Regulations in or towards satisfaction of the Secured Obligations and for this purpose the value of the financial collateral so appropriated shall be:
 - (i) in the case of cash, the amount standing to the credit of each relevant account together with any accrued but unposted interest at the time the right of appropriation is exercised;
 - (ii) in the case of any Investment, the market price of such Investment at the time the right of appropriation is exercised determined by the Security Trustee in a commercially reasonable manner (including by reference to a public index or independent valuation or other procedure selected by the Security Trustee acting reasonably); and
 - (iii) in the case of any other Security Asset, such amount as the Security Trustee determines having taken into account advice obtained by it from an independent investment or accounting firm of national standing selected by it.

The Chargor agrees that the methods of valuation provided for in this Clause are commercially reasonable for the purposes of the Regulations.

18.2 Consideration on a disposal

The consideration for any sale or other disposal of the Security Assets by the Security Trustee or any Receiver in the exercise of their respective powers may (in addition to that permitted under the Act on a sale by a mortgagee) consist of cash, shares, securities, debentures or other valuable consideration, may fluctuate according to or dependent upon profit or turnover or be determined by a third party, and may be payable in a lump sum or in instalments (with or without security).

18.3 Leasing

The statutory powers of leasing conferred on the Security Trustee are extended so as to authorise the Security Trustee to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Trustee may think fit and without the need to comply with any provision of sections 99 or 100 of the Act, and may be exercised by the Security Trustee at any time after this Security has become enforceable. Any lease granted will bind any holder of a subsequent Security deriving title under the Security Trustee.

18.4 Protection of third parties

No person (including a purchaser) dealing with the Security Trustee or a Receiver will be concerned to enquire:

- (a) whether the Secured Obligations have become payable;
- (b) whether any right or power which the Security Trustee or a Receiver is purporting to exercise has arisen or become exercisable;
- (c) whether any money remains due under this Deed or the other Finance Documents;
- (d) how any money paid to the Security Trustee or to a Receiver is to be applied; or
- (e) as to the propriety or regularity of such dealings.

18.5 Redemption of prior mortgages

At any time after this Security has become enforceable, the Security Trustee may redeem any prior Security against any Security Asset, and/or procure the transfer of that Security to itself, and/or settle and pass the accounts of the prior mortgagee, chargee or encumbrancer. Any accounts so settled and passed shall be conclusive and binding on the Chargor. All principal moneys, interest, costs, charges and expenses of and incidental to any such redemption and/or transfer shall be paid by the Chargor to the Security Trustee on demand and form part of the Secured Obligations.

18.6 Cash cover

After this Security has become enforceable the Chargor shall, immediately on demand, provide to the Security Trustee full cash cover for any contingent liabilities forming part of the Secured Obligations including liabilities arising in respect of bills of exchange or promissory notes accepted, endorsed or discounted and bonds, guarantees, indemnities, documentary or other credits or other instruments from time to time entered into by the Security Trustee.

18.7 Receipts

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

18.8 General

- (a) For the purposes of all rights, powers and discretions implied by statute or arising by law, the Secured Obligations are deemed to have become due and payable on the date of this Deed.
- (b) The power of sale and all other powers conferred on mortgagees by section 101 of the Act as varied or extended by this Deed shall arise on the execution of this Deed by the Chargor.
- (c) 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.
- (d) The power to appoint a Receiver pursuant to Clause 18.1 (*Security Trustee's powers*) is in addition to the power to appoint a Receiver under section 101 of the Act. Section 109(1) of the Act does not apply to this Deed.

19. Receiver**19.1 Appointment**

Any appointment of a Receiver by the Security Trustee shall be by deed or in writing under its hand.

19.2 Extension of appointment

If a Receiver is appointed of part of the Security Assets, the Security Trustee may subsequently extend the appointment to all or any other part of the Security Assets or appoint another Receiver of any other part of the Security Assets.

19.3 Removal

The Security Trustee may by writing under its hand or by deed (subject to any requirement for an order of the court in the case of an administrative receiver):

- (a) remove any Receiver appointed by it; and
- (b) whenever it deems it expedient, appoint a new Receiver to be an additional Receiver or in the place of any Receiver whose appointment may for any reason have terminated.

19.4 Remuneration

The Security Trustee may appoint any Receiver upon such terms as to remuneration and otherwise as the Security Trustee thinks fit, and the maximum rate specified in section 109(6) of the Act will not apply.

19.5 Payments to the Security Trustee

Only monies actually paid by a Receiver to the Security Trustee in satisfaction or discharge of the Secured Obligations shall be capable of being applied by the Security Trustee for that purpose.

19.6 Agent of the Chargor

Each Receiver shall be the agent of the Chargor for all purposes and accordingly is deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. The Chargor alone shall be responsible for his remuneration and for his contracts, engagements, acts, omissions, defaults and losses and for liabilities incurred by him and the Security Trustee shall not incur any liability (either to the Chargor or to any other person) by reason of the Security Trustee making his appointment as a Receiver or for any other reason. If a liquidator is appointed in respect of the Chargor, the Receiver shall act as principal and not as agent of the Security Trustee.

19.7 Receivers of the same assets

If at any time any two or more persons appointed by the Security Trustee hold office as Receivers of the same assets or income, each of them may (unless otherwise stated in the instrument(s) appointing them) exercise all rights, powers and discretions conferred on Receivers by this Deed individually and to the exclusion of the other or others of them.

20. Powers of Receiver**20.1 General powers**

A Receiver has (subject to any limitation or restriction expressed in the instrument appointing him) all the rights, powers and discretions set out below in this Clause 20 in addition to those conferred on the Receiver by any law or otherwise conferred by this Deed. Such rights, powers and discretions include (without limitation):

- (a) in the case of an administrative receiver all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986;
- (b) otherwise, all the rights, powers and discretions conferred on a receiver (or receiver or manager) under the Act or the Insolvency Act 1986.

20.2 Possession

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

20.3 Comply with undertakings

A Receiver may comply with and perform all of the undertakings and covenants of the Chargor contained in this Deed.

20.4 Carry on business

A Receiver may carry on, manage, develop, amalgamate, reconstruct or diversify the whole or any part of the Chargor's business and, where the Chargor has one or more Subsidiaries, may supervise, control and finance any such Subsidiary or business.

20.5 Building operations

A Receiver may commence and/or complete any building operations or development on any Real Property subject to any of this Security and apply for and obtain any planning permissions, building regulation approvals and any other permissions, consents or licences, and may appoint and enter into contracts with building and engineering contractors or other contractors or professional advisors, in each such case as he may think fit.

20.6 Repairs

A Receiver may repair, decorate, maintain, furnish, alter or improve the Security Assets.

20.7 Borrow money

A Receiver may raise or borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on such terms as he may think fit.

20.8 Subsidiaries

A Receiver may form a Subsidiary of the Chargor and transfer any Security Asset to that Subsidiary on such terms and conditions as he thinks fit.

20.9 Leasehold property

If the Real Property subject to any of this Security is leasehold a Receiver may vary the terms of or surrender the lease and/or take a new lease of such Real Property on such terms as he may

think fit. Any such new lease shall automatically be charged to the Security Trustee on the terms of this Deed so far as applicable, but a Receiver shall if requested by the Security Trustee execute a formal legal charge over such new lease in favour of the Security Trustee in such form as the Security Trustee may require.

20.10 Power of sale

A Receiver may sell, transfer, assign, exchange, hire out, lend or otherwise convert into money or realise or dispose of the Security Assets or concur in any of the same, either by public auction or private contract or in any other manner, and generally in such manner and on such terms and conditions and for such consideration as he may think fit. Equipment, other than landlord's fixtures (where the Real Property subject to this Security is leasehold), may be severed and sold separately from such Real Property.

20.11 Leases

A Receiver may grant Leases of Real Property subject to this Security for any term and at any rent, with or without a premium, and otherwise on such terms and conditions as he may think fit and may accept surrenders of such Leases on such terms as he may think fit, with or without a premium to or by any tenant or other person.

20.12 Transfers and other disposals

A Receiver may carry any sale, letting or other disposal into effect by transferring, letting or otherwise making such disposal in the name of the Chargor and for that purpose may give valid receipts for all moneys and enter into covenants and contractual obligations in the name of and so as to bind the Chargor.

20.13 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to the Security Assets or the business of the Chargor as he may think fit.

20.14 Obligations in relation to the Security Assets

A Receiver may enter into, perform, repudiate, rescind, rectify or vary contracts, bonds, covenants, commitments, guarantees, indemnities and similar matters in relation to the Security Assets and may make all payments needed to effect, maintain, perform or satisfy any of the same.

20.15 Settle disputes

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

20.16 Insurance

A Receiver may effect such insurances of or in connection with the Security Assets as he may think fit.

20.17 Employees

A Receiver may engage or employ or dismiss managers, officers, contractors, agents, servants, workmen and others for any of the purposes referred to in this Clause 20 upon such terms as to remuneration or otherwise as he may think fit.

20.18 Prior Security

A Receiver may redeem, discharge or compromise any prior Security and settle the account of encumbrances on such terms as he may think fit.

20.19 Act in the Chargor's name

A Receiver may do all acts and execute in the name and on behalf of the Chargor, any deed, receipt or other document.

20.20 VAT

A Receiver may make such elections, registrations and applications for VAT purposes as he may think fit, and may do so in, or use the Chargor's name, for any such purpose.

20.21 Credit and guarantees

A Receiver may lend money or extend credit to any customer of the Chargor, enter into bonds, covenants, commitments, guarantees, indemnities or like matters and make all requisite payments to effect, maintain or satisfy the same.

20.22 Other acts

A Receiver may do all other acts and things which he may consider to be necessary, expedient or desirable for preserving, improving or realising any Security Asset or the getting in and collection of the Security Assets (or any assets which when got in would constitute Security Assets) or which are incidental or conducive to any of the rights, powers and discretions conferred on a Receiver by or pursuant to this Deed or by law.

20.23 Other powers

A Receiver may exercise in relation to the Security Assets all powers, authorities and things which he could exercise if he were the absolute beneficial owner of the Security Assets.

21. Exclusion of liability**21.1 No obligation to recover**

Neither the Security Trustee nor any Receiver is under any obligation to take action to collect any money or enforce any rights comprised in the Security Assets whether or not it is in possession of the relevant Security Assets.

21.2 No liability as mortgagee in possession

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

21.3 Possession

If the Security Trustee or any Receiver shall take possession of the Security Assets it or he may at any time go out of possession. The Chargor will remain liable to observe and perform all conditions and obligations relating to the Security Assets.

21.4 Losses on enforcement

The Security Trustee or any Receiver will not be liable to the Chargor for any loss or damage arising from:

- (a) any sale of any Security Asset;
- (b) any act, default or omission of the Security Trustee or any Receiver in relation to any Security Asset; or
- (c) any exercise or non-exercise by the Security Trustee or any Receiver of any power conferred upon it in relation to any Security Asset by or pursuant to this Deed or by the Act,

unless such loss or damage is caused by the fraud, gross negligence or wilful misconduct of the Security Trustee or any Receiver.

22. Application of proceeds**22.1 Order of application**

Subject to any claims having priority to this Security all money recovered by the Security Trustee or any Receiver as a result of the enforcement of this Deed or otherwise by reason of this Security will be applied in the following order:

- (a) in payment of all costs, fees, taxes and expenses incurred by the Security Trustee or any Receiver in or pursuant to the exercise of the powers set out in this Deed and all other outgoings properly payable by any Receiver;
- (b) in payment of remuneration to any Receiver;
- (c) in or towards payment of the Secured Obligations; and
- (d) the balance (if any) will be applied as required by law.

The Security Trustee may at any time vary such order in its absolute discretion.

22.2 Contingent or future liabilities

If any money is received by the Security Trustee or a Receiver as a result of the enforcement of or otherwise by reason of this Security at a time when the Secured Obligations include contingent or future liabilities the Security Trustee or any Receiver may hold some or all of such money in an interest bearing suspense account.

22.3 Insurance moneys

Any insurance moneys received by a Receiver deriving from any Insurance Policy which form part of the Security Assets shall be applied in accordance with Clause 14.5 (*Proceeds*) and section 109(8) of the Act shall not apply.

23. Expenses and payments**23.1 Enforcement and preservation costs**

All costs and expenses (including legal fees), charges and liabilities incurred in connection with the negotiation, preparation, printing, execution, registration and perfection, enforcement of, or the

preservation of any rights under, this Deed by the Security Trustee or any Receiver shall be paid by the Chargor to the Security Trustee in accordance with the provisions of Conditions 6.24(A) and (C) of Schedule 2 (*Conditions*) of the Instrument.

23.2 Indemnity

The Chargor shall indemnify the Security Trustee and any Receiver upon demand against all liabilities, claims and expenses whether arising out of contract or in tort or in any other way which may at any time be incurred by any of them in connection with this Deed or for anything done or omitted to be done in the exercise or purported exercise of their powers pursuant to this Deed unless such liabilities, claims and expenses are caused by the fraud, gross negligence or wilful default of the Security Trustee or such Receiver.

23.3 Stamp taxes

The Chargor shall pay and, within three Business Days of demand, indemnify and/or secure the Security Trustee and any Receiver against any cost, loss or liability the Security Trustee or Receiver incurs in relation to all stamp duty, stamp duty land tax, registration and other similar taxes payable in respect of or in connection with the entry into, performance or enforcement against the Chargor of this Deed.

23.4 VAT

Where this Deed requires the Chargor to reimburse or indemnify and/or secure the Security Trustee or any Receiver for any costs or expenses the Chargor shall at the same time pay and indemnify and/or secure the Security Trustee or any Receiver against all VAT incurred by the Security Trustee or any Receiver in respect of the costs and expenses to the extent that the Security Trustee or any Receiver determines that it is not entitled to credit or repayment of the VAT. All amounts payable by the Chargor under this Deed are exclusive of VAT. The Chargor will, in addition, pay any applicable VAT on those amounts.

24. Delegation of powers by Security Trustee or Receiver

24.1 Delegation

The Security Trustee and (to the fullest extent permitted by law) 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. Any such delegation may be made upon the terms (including power to sub-delegate) and subject to any conditions or regulations which the Security Trustee or Receiver (as the case may be) may think fit.

24.2 No liability for delegates

Neither the Security Trustee nor any Receiver will be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate.

24.3 Construction of this Deed

References in this Deed to the Security Trustee or a Receiver shall be deemed to include references to any delegate of the Security Trustee or Receiver appointed in accordance with this Clause 24.

25. Further assurance

When required by the Security Trustee or any Receiver the Chargor shall, at its own cost:

- (a) execute an assignment of its Intellectual Property in such form as the Security Trustee or any Receiver from time to time requires;
- (b) execute a charge by way of legal mortgage, assignment by way of security or fixed charge over any assets of the Chargor and such legal mortgage, assignment or charge shall secure the Secured Obligations and contain a power of sale which arises immediately upon execution, provisions excluding section 93 of the Act and the restrictions contained in section 103 of the Act and such other provisions including any similar to those in this Deed as the Security Trustee may reasonably require;
- (c) execute any documents or do any other thing which the Security Trustee or any Receiver may require for perfecting or protecting any Security created or intended to be created by this Deed or in connection with the exercise of any rights, powers or discretions given to the Security Trustee or any Receiver under this Deed; and
- (d) convey, transfer, assign or otherwise deal with any Security Assets in such manner as the Security Trustee or any Receiver may require in connection with any enforcement of any of this Security.

26. Power of attorney**26.1 Grant of power of attorney**

The Chargor, by way of security, irrevocably and severally appoints the Security Trustee and each Receiver to be its attorney in its name and on its behalf to take any action which the Chargor is or may be obliged to take under or pursuant to this Deed or which the Security Trustee or any Receiver in its or his sole and absolute discretion considers to be requisite, expedient or appropriate in order to carry any sale, lease or other disposal into effect, or to execute any deed, document or instrument, or to convey or transfer any legal estate or other interest in any asset, or to get in the Security Assets, or generally to enable the Security Trustee or a Receiver to exercise the respective rights, powers and discretions conferred on them by or pursuant to this Deed or by law.

26.2 Ratification

The Chargor agrees to ratify and confirm whatever any such attorney shall do, or attempt to do, in the exercise or purported exercise of the power of attorney granted under this Clause 26.

26.3 Appropriation

The power of attorney conferred on the Security Trustee and each Receiver shall continue notwithstanding the exercise by the Security Trustee of any right of appropriation pursuant to Clause 18.1 (*Security Trustee's powers*).

27. Non-release provisions**27.1 Waiver of defences**

The obligations and liabilities of the Chargor under this Deed and this Security will not be affected by an act, omission or thing (whether or not known to it or the Security Trustee) which, but for this

Clause, would reduce, release or prejudice any of such obligations and liabilities or Security including:

- (a) any time, waiver or consent granted to, or composition with, any person;
- (b) the release of any person under the terms of any composition or arrangement;
- (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 property of, any person;
- (d) any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person;
- (f) any amalgamation, merger or reconstruction of the Security Trustee with any other person or any sale or transfer of the whole or any part of the assets of the Security Trustee to any other person;
- (g) the existence of any claim, set-off or other rights which any other person may have at any time against the Security Trustee, whether in connection with the Finance Documents or otherwise;
- (h) any novation, amendment (however fundamental) or replacement of a Finance Document or any other document or Security;
- (i) any obligation of any person under any Finance Document or any other document or Security being void, voidable, invalid, unenforceable or otherwise irrecoverable; or
- (j) any insolvency or similar proceedings.

27.2 Chargor intent

Without prejudice to the generality of Clause 27.1 (*Waiver of defences*), the Chargor expressly confirms that it intends that this Security shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents.

27.3 Immediate recourse

The Chargor waives any right it may have of first requiring the Security Trustee to proceed against or enforce any other rights or Security or claim payment from any person before enforcing this Security. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

27.4 Appropriations

During the Security Period the Security Trustee may:

- (a) refrain from applying or enforcing any moneys, Security or rights held or received by it (or any trustee or agent on its behalf) in respect of the Secured Obligations, or, subject to Clause 22 (*Application of proceeds*), apply and enforce the same in such manner and order as it sees fit (whether against the Secured Obligations or otherwise) and the Chargor shall not be entitled to the benefit of the same; and

- (b) hold in an interest bearing suspense account any moneys received from the Chargor for or on account of the Secured Obligations.

27.5 Deferral of Chargor's rights

Until the expiry of the Security Period and unless the Security Trustee otherwise directs, the Chargor will not exercise any rights which it may have by reason of the enforcement of this Deed to:

- (a) be indemnified by any other Obligor;
- (b) claim any contribution from any other Obligor or any other person in respect of any obligations and liabilities of that person under the Finance Documents;
- (c) take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Security Trustee under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by the Security Trustee;
- (d) bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which the Chargor has given Security under this Deed;
- (e) exercise any right of set-off against any Obligor;
- (f) exercise any right of quasi-retainer or other analogous equitable right; and/or
- (g) claim or prove as a creditor of any Obligor in competition with the Security Trustee.

27.6 Turnover

If the Chargor receives any benefit, payment or distribution in relation to the rights referred to in Clause 27.5 (*Deferral of Chargor's rights*) it shall hold that benefit, payment or distribution on trust for the Security Trustee and shall promptly pay or transfer the same to the Security Trustee or as the Security Trustee may direct for application in or towards discharge of the Secured Obligations.

28. Release and recourse

28.1 Release of Security Assets

Upon the expiry of the Security Period (but not otherwise), the Security Trustee shall, at the request and cost of the Chargor:

- (a) take whatever action is necessary to release the Security Assets from, and/or to cancel, this Security; and
- (b) reassign or procure the reassignment to the Chargor of the assets assigned by it to the Security Trustee pursuant to this Deed,

in each case subject to Clause 28.2 (*Releases conditional*) and without recourse to, or any representation or warranty by, the Security Trustee or any of its nominees.

28.2 Releases conditional

Any settlement, release or discharge under this Deed between the Security Trustee and the Chargor will be conditional upon no security or payment to the Security Trustee by the Chargor or

any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to bankruptcy, winding-up, administration or insolvency for the time being in force, and if such condition is not satisfied, the Security Trustee will be entitled to recover from the Chargor on demand the value of such security or the amount of any such payment as if such settlement, release or discharge had not occurred and/or to enforce this Security to the full extent of the Secured Obligations. The Security Trustee may concede or compromise any claim that any payment, security or disposition is liable to avoidance, refund or reduction.

29. Benefit of this Deed

29.1 Assignment by the Security Trustee

The Security Trustee may assign or transfer all or any part of its rights, and/or obligations under this Deed without the consent of the Chargor. The Chargor shall enter into any documents specified by the Security Trustee to be necessary to give effect to such assignment or transfer.

29.2 No assignment by the Chargor

The Chargor may not assign or transfer all or any part of its rights and/or obligations under this Deed.

29.3 Disclosure of information

The Security Trustee may disclose to:

- (a) any person to (or through) whom it assigns or transfers (or may potentially assign or transfer) this Security or all or any of its rights and obligations under this Deed;
- (b) any Receiver or proposed replacement or additional Receiver;
- (c) any person with (or through) whom it enters into (or may potentially enter into) any arrangement in relation to, or any other transaction under which payments are to be made by reference to, the Secured Obligations; or
- (d) any person to whom, and to the extent that, information is required to be disclosed by any applicable law or regulation,

any information about the Chargor and this Deed as the Security Trustee shall consider appropriate.

29.4 Change in name or constitution

This Deed shall remain valid and enforceable notwithstanding any change in the name, composition or constitution of any party or any merger, amalgamation or consolidation of such party with any other corporation or any reconstruction or reorganisation of any kind.

30. Notices

30.1 Communications in writing

Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by delivering it personally or sending it by pre-paid recorded delivery or registered post.

30.2 Addresses

(a) Subject to paragraph (b) below the initial administrative details of the parties to this Deed for any notice, communication or document to be made or delivered under or in connection with this Deed are:

(i) In the case of the Security Trustee:

Address: Arcadia House, Maritime Walk, Ocean Village, Southampton, SO14 3TL

Attention: The Directors

(ii) In the case of the Chargor:

Address: Gusbourne Estate, Kenardington Road, Appledore, Kent, TN26 2BE

Attention: The Directors

or any substitute address as the Chargor may notify to the Security Trustee by not less than five Business Days' written notice.

(b) A notice, communication or document by the Security Trustee shall also be effective if sent to or left at the Chargor's registered office or the address or email address of the Chargor last known to the Security Trustee.

30.3 Delivery

The provisions of Clause 18 (*Service of Notices*) of the Instrument shall apply to this Deed as if they were expressly incorporated and set out in this Deed with appropriate and necessary modifications.

30.4 English language

Any notice given under or in connection with this Deed must be in English.

31. Tax gross-up

(a) The Chargor shall make all payments to be made by it under this Deed without any deduction or withholding for or on account of Tax (a "**Tax Deduction**") unless a Tax Deduction is required by law.

(b) The Chargor shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Security Trustee accordingly.

(c) If a Tax Deduction is required by law to be made by the Chargor, the amount of the payment due from the Chargor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

(d) If the Chargor is required to make a Tax Deduction, it shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

- (e) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Chargor shall deliver to the Security Trustee evidence satisfactory to the Security Trustee that the Tax Deduction has been made or (as applicable) any appropriate payment has been paid to the relevant taxing authority.

32. Miscellaneous

32.1 Continuing security

This Security is continuing and will extend to the ultimate balance of all the Secured Obligations, regardless of any intermediate payment or discharge in whole or in part.

32.2 Additional Security

This Security is in addition to and is not in any way prejudiced by any bill, note, guarantee, indemnity or other Security now or subsequently held by the Security Trustee for any of the Secured Obligations.

32.3 New accounts

If the Security Trustee receives, or is deemed to be affected by, notice, whether actual or constructive, of any subsequent Security or other interest affecting any Security Asset and/or the proceeds of sale of any Security Asset, or this Security for any reason ceases to be a continuing security in respect of the Chargor, the Security Trustee may open a new account for the Chargor. If the Security Trustee does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice. As from that time all payments made to the Security Trustee will be credited or be treated as having been credited to the new account and will not operate to reduce any amount for which this Deed is security.

32.4 No deduction or withholding

All payments made by the Chargor to the Security Trustee under this Deed shall (save insofar as required by law to the contrary) be paid in full without set-off or counterclaim and free and clear of and without any deduction or withholding or payment for or on account of any present or future tax, levy, duty, impost or other charge or withholding of a similar nature. If the Chargor shall be required by law to effect any such deduction or withholding or payment the Chargor shall immediately pay to the Security Trustee such additional amount as will result in the immediate receipt by the Security Trustee of the full amount which would otherwise have been received had no such deduction or withholding or payment been made.

32.5 Set-off

The Security Trustee may set off any matured obligation owed by the Chargor to the Security Trustee against any obligation (whether or not matured) owed by the Security Trustee to the Chargor regardless of the place of payment, or currency of either obligation. If the obligations are in different currencies, the Security Trustee may convert either obligation at a market rate of exchange for the purpose of the set-off in an amount estimated by it in good faith to be the amount of that obligation.

32.6 Remedies

No failure to exercise, nor any delay in exercising, on the part of the Security Trustee, any right or remedy under this Deed, shall operate as a waiver, nor shall 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.

32.7 Waivers

A waiver given or consent granted by the Security Trustee under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

32.8 Partial invalidity

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

32.9 Amendments

Any term of this Deed may be amended, varied or supplemented with the consent of the Security Trustee and the Chargor and by an instrument in writing signed by the parties to this Deed and any such amendment, variation or supplement will be binding on the Security Trustee and the Chargor.

32.10 Certificates and determinations

Any certification or determination by the Security Trustee of a rate or amount under this Deed is, in the absence of manifest or proven error, conclusive evidence of the matters to which it relates.

32.11 Accounts

In any litigation or arbitration proceedings arising out of or in connection with this Deed, the entries made in the accounts maintained by the Security Trustee are *prima facie* evidence of the matters to which they relate.

32.12 Currency

- (a) In this Clause, the "**Spot Rate**" means the Security Trustee's spot rate of exchange for the purchase of any currency with any other currency in the London foreign exchange market.
- (b) The Security Trustee may convert any moneys received, recovered or realised in any currency under this Deed (including the proceeds of any previous conversion under this Clause) from their existing currency into any other currency, by purchasing that other currency at the Spot Rate.
- (c) If the Chargor fails to pay any sum under this Deed on the due date, the Security Trustee may, without notice to the Chargor, purchase at the Spot Rate any currency which the Security Trustee considers necessary or desirable to cover the liabilities of the Chargor to pay that sum.

32.13 Currency indemnity

- (a) If any sum due from the Chargor under this Deed (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

- (i) making or filing a claim or proof against the Chargor; or
- (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Chargor shall as an independent obligation, within three Business Days of demand, indemnify and/or secure the Security Trustee against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to the Security Trustee at the time of its receipt of that Sum.

- (b) The Chargor waives any right it may have in any jurisdiction to pay any amount under this Deed in a currency or currency unit other than that in which it is expressed to be payable.

32.14 Counterparts

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

33. Governing law

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

34. Enforcement

34.1 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 regarding the existence, validity or termination of this Deed or any non-contractual obligations arising out of or in connection with this Deed) (a "**Dispute**").
- (b) The Security Trustee and the Chargor agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly neither of them will argue to the contrary.
- (c) This Clause 34.1 is for the benefit of the Security Trustee only. As a result, the Security Trustee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Trustee may take concurrent proceedings in any number of jurisdictions.

EXECUTED as a deed and delivered on the date stated at the beginning of this document.

Schedule 1

Security Assets

Part 1 – Intellectual Property

None as at the date of this Deed

Part 2 – Real Property

Registered Land

None as at the date of this Deed.

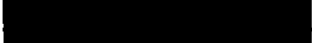
Signatories

The Chargor

EXECUTED as a **DEED** by **GUSBOURNE PLC** acting by a director in the presence of:

Signature of witness ... 

Print name JOSEPHINE HALLS

Address 



Occupation HOME HELP



Signature of director

The Security Trustee

EXECUTED as a **DEED** by **DEACON STREET PARTNERS LIMITED** acting by a director in the presence of:

.....

Signature of director

Signature of witness

Print name

Address

.....

.....

Occupation