

MR01

Particulars of a charge

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IRIS Laserform

TUESDAY



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08/07/2014

#36

COMPANIES HOUSE

A fee is payable with this form

Please see 'How to pay' on the
last page

You can use the WebFiling

Please go to www.companies

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

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

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

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

☒ You **must** enclose a certified copy of the instrument with this form. This will be
scanned and placed on the public record

1

Company details

Company number 0 9 1 0 3 3 5 5

Company name in full ARACARIS LIMITED

For official use

→ **Filing in this form**

Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2

Charge creation date

Charge creation date 0 3 0 7 2 0 1 4

3

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

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

Name SPICERS LIMITED

Name

Name

Name

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

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

MR01

Particulars of a charge

4

Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Continuation page

Please use a continuation page if you need to enter more details

Description

5

Fixed charge or fixed security

Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☒ Yes

☐ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☐ Yes Continue

☒ No Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ Yes

☐ No

MR01

Particulars of a charge

8

Trustee statement ①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

① This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here

Signature

Signature

X

Dls Waught

X

This form must be signed by a person with an interest in the charge

MR01

Particulars of a charge



Presenter information

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name LAURA TAYLOR

Company name OLSWANG LLP

Address 90 High Holborn

Post town London

County/Region

Postcode W C 1 V 6 X X

Country

DX 37972 Kingsway

Telephone 020 7067 3581



Certificate

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



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following

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



Important information

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



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper

Make cheques or postal orders payable to 'Companies House'



Where to send

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

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

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

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



Further information

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

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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9103355

Charge code: 0910 3355 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 3rd July 2014 and created by ARACARIS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 8th July 2014.

DK

Given at Companies House, Cardiff on 16th July 2014



Companies House

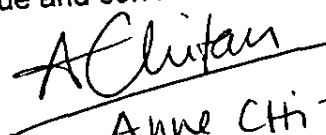


THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

3 July 2014

CHARGE OVER SHARES

We certify that, save for material redacted pursuant to s 859G of the Companies Act 2006, this is a true and correct copy of the original



Anne CHITAN
Solicitor 8.7.14 .

- (1) ARACARIS LIMITED
- (2) SPICERS LIMITED

CONTENTS

Clause	Page
1	DEFINITIONS AND INTERPRETATION _____ 1
1 1	Definitions _____ 1
1 2	Construction _____ 3
2	COVENANT TO PAY _____ 5
3	CHARGE _____ 5
3 1	General _____ 5
3 2	Investments _____ 6
4	REPRESENTATIONS AND WARRANTIES _____ 6
4 1	Status _____ 6
4 2	Powers and authority _____ 6
4 3	Binding obligations _____ 6
4 4	Non-conflict with other obligations _____ 6
4 5	Authorisations _____ 7
4 8	The Investments _____ 7
4 9	Security _____ 8
4 10	Times for making representations and warranties _____ 8
5	UNDERTAKINGS _____ 8
5 1	Duration _____ 8
5 2	Deposit of title documents _____ 8
5 3	Related Rights _____ 8
5 4	Voting rights and dividends _____ 8
5 5	Information _____ 9
5 6	Calls _____ 9
5 7	Other obligations in respect of the Security Assets _____ 10

5 8	Negative pledge	10
5 9	Restriction on dealing	10
5 10	Maintenance of security	10
6	ENFORCEMENT OF SECURITY	11
6 1	Event of Default	11
6 2	Discretion	11
6 3	Statutory powers	11
6 4	Privileges	11
6 5	Protection of third parties	11
6 6	No liability as mortgagee in possession	12
6 7	Redemption of prior Security	12
6 8	Contingencies	12
6 9	No duty to exercise powers	12
7	POWER OF SALE	13
8	RECEIVER	13
8 1	Appointment of Receiver	13
8 2	Removal	13
8 3	Agent of the Chargor	13
8 4	Remuneration	13
8 5	Relationship with the Chargee	13
8 6	Right of appropriation	14
9	POWERS OF RECEIVER	14
9 1	General	14
9 2	Receiver's powers	14
10	APPLICATION OF PROCEEDS	15
11	EXPENSES AND INDEMNITY	15

12	DELEGATION _____	16
13	FURTHER ASSURANCES _____	16
14	POWER OF ATTORNEY _____	17
15	PRESERVATION OF SECURITY _____	17
15 1	Continuing security _____	17
15 2	Immediate recourse _____	17
15 3	Reinstatement _____	17
15 4	Waiver of defences _____	17
15 5	Appropriations _____	18
15 6	Non-competition _____	18
15 7	Additional security _____	19
16	CUSTODY _____	19
17	ASSIGNMENT AND TRANSFER _____	19
18	THIRD PARTY RIGHTS _____	20
19	MISCELLANEOUS _____	20
19 1	Ruling off _____	20
19 2	Chargee's discretion _____	20
19 3	Remedies and waivers _____	20
19 4	Severance _____	20
19 5	Amendment _____	21
20	RELEASE _____	21
21	COUNTERPARTS _____	21
22	NOTICES _____	21
22 1	Communications in writing _____	21
22 2	Addresses _____	21
22 3	Delivery _____	21

23	APPLICABLE LAW AND JURISDICTION	22
23 1	Applicable law	22
23 2	Jurisdiction	22
	THE SCHEDULE	24

THIS DEED is made on

3 July

2014

BETWEEN

- (1) **ARACARIS LIMITED**, registered in England and Wales with registration number 09103355 and whose registered office is at 20-22 Bedford Row, London WC1R 4JS (the "**Chargor**"), and
- (2) **SPICERS LIMITED**, registered in England and Wales with registration number 00425809 and whose registered office is at Building 1000 Cambridge Research Park, Beach Drive, Waterbeach, Cambridge CB25 9PD (the "**Chargee**")

RECITALS

- (A) The Chargor enters into this Deed in order to provide security to the Chargee for the Secured Liabilities (as defined below)
- (B) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand

IT IS AGREED as follows

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed the following words and expressions shall have the following meanings unless the context requires otherwise

"**Agreement**" means the sale and purchase agreement dated on or around the date of this Deed between the Buyer, the Chargee and the Guarantor,

"**Buyer**" means Aracaris Capital Limited, registered in England and Wales with registration number 09103328 and whose registered office is at 20-22 Bedford Row, London WC1R 4JS,

"**Default Rate**" means the contract rate (as applicable) in accordance with clause 16 of the Agreement,

"**Event of Default**" means any event or circumstance specified as such in clause 23 of the Agreement,

"**Debenture**" means the debenture entered into by the Buyer in favour of the Chargee on or around the date of this Deed,

"**Documents**" means the Agreement, the Security CP Letter, the Security Documents and any other document designated as such by the Chargee and the Chargor,

"**Guarantor**" means Cognate Bioservices, Inc, incorporated under the laws of Delaware under EIN number 43-1956741 whose registered office is at 7513 Connelley Drive,

Suite 1, Hanover MD21076,

"Investments" means all stocks, shares and other securities listed in the Schedule and any other stocks, shares, bonds, debentures and securities of any kind (whether marketable or otherwise) and all other interests (including loan capital) in any person owned by the Chargor and/or held by any nominee on its behalf,

"Legal Reservations" means

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors,
- (b) the time barring of claims under the Limitation Acts, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim,
- (c) the limitation of the enforcement of the terms of leases of real property by laws of general application to those leases, and
- (d) similar principles, rights and remedies under the laws of jurisdiction of incorporation of the Chargor,

"Limitation Acts" means the Limitation Act 1980 and the Foreign Limitation Periods Act 1984,

"LPA" means the Law of Property Act 1925,

"Obligor" means each of the Chargor, the Buyer and Guarantor,

"Receiver" means a receiver, receiver and manager or an administrative receiver, in each case, appointed under this Deed and that term will include any appointee appointed under a joint or several appointment,

"Related Rights" means any dividend or interest paid or payable in relation to any Investment and any rights, warrants, benefits, money or property accruing or offered at any time in relation to any Investment by way of dividend, purchase, conversion, redemption, substitution, exchange, bonus or preference, under option rights or otherwise,

"Secured Liabilities" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor which are, or are expressed to be, or may become, due, owing or payable to the Chargee under each Document except for any obligation or liability which, if it were so included, would cause that obligation or liability or any of the security in respect thereof, to be unlawful or prohibited by any applicable law, together with all costs, charges and expenses incurred by the Chargee in connection with the protection, preservation or enforcement of its right under the Documents or any of them,

"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 of the Chargor which are the subject of this Security,

"Security Document" means

- (a) this Deed,
- (b) the Debenture,
- (c) any other document evidencing or creating Security over any asset to secure any obligation of any Obligor to the Chargee, or
- (d) any other document designated as such by the Buyer and the Chargee,

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

"Transaction Security" means the Security created or evidenced or expressed to be created or evidenced under the Security Documents

1 2 **Construction**

In this Deed (unless the context requires otherwise)

- 1 2 1 capitalised terms defined in the Agreement have, unless expressly defined in this Deed, the same meaning in this Deed,
- 1 2 2 the provisions of clause 1 (Interpretation) of the Agreement apply to this Deed as though they were set out in full in this Deed except that references to the Agreement are to be construed as references to this Deed,
- 1 2 3 the expressions **"Chargee"** and **"Chargor"** include, where the context admits, their respective successors and in the case of the Chargee, its assigns whether immediate or derivative,
- 1 2 4 the term **"this Security"** means any Security created or constituted by this Deed,
- 1 2 5 any covenant or undertaking of the Chargor under this Deed (other than a payment obligation) remains in force during the Security Period,
- 1 2 6 the terms of the other Documents, other agreements and any side letters between the Chargor and any other parties in relation to any Document are incorporated in this Deed to the extent required to ensure that any purported disposition of any freehold or leasehold property contained in this Deed is a

valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989,

- 1 2 7 if the Chargee considers that an amount paid to it under a Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed,
- 1 2 8 a "**Document**" or any other agreement or instrument is a reference to that Document or document or agreement or instrument as supplemented, amended or novated (however fundamentally) or replaced including, without limitation, any amendment, supplement, novation or replacement providing for future advances,
- 1 2 9 any reference to a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality) or two or more of the foregoing and that person's assigns, transferees or successors,
- 1 2 10 any reference to a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but if not having the force of law, one with which it is customary to comply) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation,
- 1 2 11 any reference to a Security Asset includes the proceeds of sale of that Security Asset,
- 1 2 12 use of any gender includes the other gender,
- 1 2 13 use of the singular includes the plural and vice versa,
- 1 2 14 a reference to "**writing**" does not include email,
- 1 2 15 a reference to a statute or statutory provision is a reference to that statute or statutory provision and to all orders, regulations, instruments or other subordinate legislation made under the relevant statute,
- 1 2 16 any reference to a statute, statutory provision, subordinate legislation, code or guideline ("**legislation**") is a reference to such legislation as amended and in force from time to time and to any legislation which re-enacts or consolidates (with or without) modification any such legislation,
- 1 2 17 the ejusdem generis rule shall not apply and accordingly general words introduced by the word "**other**" or any similar word, or followed by the words "**including**", "**includes**", "**include**", "**in particular**" or any similar words, shall

not be given a restricted meaning because they are preceded or followed by more specific words,

1 2 18 reference to any "**disposal**" includes any sale, lease, sub-lease, assignment or transfer, the grant of an option or similar right, the grant of any easement, right or privilege, the creation of a trust or other equitable interest or security right in favour of a third party, a sharing or parting with possession or occupation whether by way of licence or otherwise and (without prejudice to the generality of the foregoing) in the case of Intellectual Property Rights the granting of use of or access to any other person and "**dispose**" and "**disposition**" shall be construed accordingly,

1 2 19 clause headings and the contents page are for ease of reference only and shall not affect the interpretation of this Deed,

1 2 20 a Clause or Schedule is a reference to a clause of or schedule to this Deed,

1 2 21 Clause and Schedule headings are for ease of reference only,

1 2 22 the Schedules and recitals form an integral part of this Deed and shall have effect as if set out in full in the body of this Deed and any reference to this Deed includes the Schedules and recitals, and

1 2 23 a reference to any asset includes any present and future asset and properties, revenues and rights of every description

2 COVENANT TO PAY

The Chargor covenants that it will pay to the Chargee or discharge on demand the Secured Liabilities when due and payable

3 CHARGE

3 1 General

3 1 1 All the Security created under this Deed

3 1 1 1 is created in favour of the Chargee,

3 1 1 2 is created over present and future assets of the Chargor,

3 1 1 3 is security for the payment and satisfaction of all the Secured Liabilities,

3 1 1 4 is created by the Chargor to the extent of its interest whether joint or several, legal or beneficial, and

3 1 1 5 is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994

3 2 Investments

The Chargor charges by way of first fixed charge its interest in the Investments and all Related Rights

4 REPRESENTATIONS AND WARRANTIES

The Chargor makes the representations and warranties set out in this Clause 4 to the Chargee

4 1 Status

4 1 1 It is a limited liability company, duly incorporated and validly existing, under the laws of its jurisdiction, and

4 1 2 it has the power to own its assets and carry on its business, as it is being conducted

4 2 Powers and authority

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

4 3 Binding obligations

4 3 1 It has power to execute, deliver and perform its obligations under this Deed and all necessary corporate, shareholder and other action and consents have been taken or, as the case may be, received to authorise the execution, delivery and performance of this Deed

4 3 2 Subject to the Legal Reservations, this Deed constitutes, or when executed in accordance with its terms will constitute, its legal, valid, and binding obligation, enforceable in accordance with its terms

4 4 Non-conflict with other obligations

4 4 1 The entry into this Deed and performance and observance by it of the obligations under this Deed do not and will not

4 4 1 1 conflict with any law or regulation applicable to it,

4 4 1 2 conflict with or result in any breach of its or any of its Subsidiaries constitutional documents or any agreement or other instrument to which it is a party or is subject or by which it or any of its assets are bound, or

4 4 1 3 result in the creation of or oblige it to create any charge or other Security on any of its assets, rights or revenues

4 5 Authorisations

All Authorisations required in connection with the entry into, performance, validity and enforceability of, and the transactions contemplated by, this Deed have been obtained or effected (as appropriate) and are in full force and effect

4 6 Governing law and enforcement

Subject to the Legal Reservations, the choice of English law as the governing law this Deed will be recognised and enforced in its jurisdiction of incorporation

4 7 No filing or stamp taxes

4 7 1 Under the laws of its jurisdiction of incorporation it is not necessary that this Deed be registered, filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to this Deed or the transactions contemplated by this Deed

4 7 2 Any disclosure required to be made by it to any relevant taxing authority in relation to stamp duty land tax payable on any transactions contemplated by or being financed by this Deed has been made

4 8 The Investments

4 8 1 The Chargor is the sole legal and beneficial owner of the Security Assets

4 8 2 The Investments (together with any other shares in the Buyer which are the subject of the Security in favour of the Chargee) represent the whole of the issued share capital of the Buyer

4 8 3 The Investments and, to the extent applicable, the other Security Assets, are fully paid and there are no monies or liabilities outstanding in respect of them

4 8 4 There are no covenants, agreements, conditions, interest, rights or other matters whatsoever which adversely affect the Security Assets

4 8 5 The Security Assets are free from any Security other than any security created pursuant to this Deed

4 8 6 It has not sold or otherwise disposed of or agreed to sell or otherwise dispose of or granted or agreed to grant any option in respect of all or any of its rights, title and interest in and to the Security Assets

4 8 7 The Investments have been and will at all times be duly authorised and validly issued

4 9 Security

This Deed creates the Security it purports to create and is not liable to be avoided or otherwise set aside on the liquidation of the Chargor or otherwise

4 10 Times for making representations and warranties

The representations and warranties in this Clause 4 are made on the date of this Deed and shall be deemed to be repeated by the Chargor on each day until the Secured Liabilities have been paid or discharged in full as if made with reference to the facts and circumstances then existing

5 UNDERTAKINGS

5 1 Duration

The undertakings in this Clause 5 remain in force throughout the Security Period

5 2 Deposit of title documents

The Chargor must

5 2 1 promptly upon execution of this Deed deposit with the Chargee, or as the Chargee may direct, all certificates and other documents of title or evidence of ownership in relation to the Security Assets, and

5 2 2 promptly upon execution of this Deed deliver to the Chargee duly executed share transfer(s) relating to the Security Assets (with the name of the transferee, date and consideration left blank) in form and terms satisfactory to the Chargee, and shall execute such other documents and take such further action as the Chargee shall require, to enable the Chargee or its nominee or any purchaser following an Event of Default to be registered as the owner of or otherwise acquire legal title to the Security Assets

5 3 Related Rights

The Chargor shall upon the accrual, offer, issue or receipt of any Related Right deliver or pay to the Chargee or procure the delivery or payment to the Chargee of all such Related Rights or the stock or share certificates or other documents of title to or representing them together with such duly executed transfers or assignments with the name of the transferee, date and consideration left blank as the Chargee may require to enable the Chargee, after the occurrence of an Event of Default, to vest the same in the Chargee, its nominees or any purchaser to the intent that the Chargee may at any time after the occurrence of an Event of Default without notice present them for registration

5 4 Voting rights and dividends

5 4 1 Until the occurrence of an Event of Default which is continuing, unless the Chargee otherwise directs, the Chargor shall, for so long as it remains the

registered owner of any of the Investments, continue to be entitled to exercise the rights attaching to such Investments as beneficial owner and to receive and retain any dividends or interest paid on them

5 4 2 To the extent that the Investments shall be registered in the name of the Chargee or its nominee(s) then for so long as no Event of Default is continuing the Chargee will

5 4 2 1 hold all dividends, interest and other income deriving from and received by it in respect of the Investments for the account of the Chargor and will pay such dividends, interest and other income to the Chargor on request, and

5 4 2 2 exercise all voting and other rights and powers attached to the Investments as the Chargor may from time to time in writing reasonably direct provided that such direction does not adversely affect the value of the Investments and is not otherwise inconsistent with this Deed

5 4 3 At any time after this Security becomes enforceable

5 4 3 1 the Chargee may exercise (in the name of the Chargor and without any further consent or authority on the part of the Chargor) any voting rights and any powers or rights which may be exercised by the legal or beneficial owner of any Investment or Related Right, any person who is the holder of any Investment or Related Right or otherwise (including any powers given to trustees by sections 3 to 7 of the Trustee Act 2000), and

5 4 3 2 all dividends, interest and other income forming part of the Investments and Related Rights shall be paid without set-off or deduction to an interest bearing suspense account in the name of the Chargee and shall be retained by the Chargee and any such monies which may be received by the Chargor shall, pending such payment, be held in trust for the Chargee

5 5 Information

The Chargor undertakes to the Chargee to provide a copy of any circular resolution or notice received in respect of or in connection with the amendment of any document entered into by and between owners of the Security Assets and relating to the Security Assets to the Chargee forthwith upon receipt by the Chargor

5 6 Calls

The Chargor must pay all calls or other payments due and payable in respect of any of the Security Assets and if the Chargor fails to do so, the Chargee may pay the calls or other payments in respect of any Security Asset on behalf of the Chargor The Chargor

must immediately on request reimburse the Chargee for any payment made by the Chargee under this Subclause

5 7 Other obligations in respect of the Security Assets

5 7 1 The Chargor must comply with all other conditions and obligations assumed by it in respect of any Security Assets where non-compliance is reasonably likely to either adversely affect the rights of the Chargee under this Deed, the value of the Security Assets or result in the Chargee incurring loss, costs and expenses

5 7 2 The Chargee is not obliged to

5 7 2 1 perform any obligation of the Chargor,

5 7 2 2 make any payment,

5 7 2 3 make any enquiry as to the nature of sufficiency of any payment received by it or the Chargor, or

5 7 2 4 present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Deed, in respect of any Security Asset

5 8 Negative pledge

The Chargor shall not create or attempt to create or permit to arise or subsist any Security (other than this Security) on or over any Security Asset

5 9 Restriction on dealing

The Chargor shall not

5 9 1 sell, transfer or otherwise dispose of any Security Asset or permit the same to occur, or

5 9 2 take or permit the taking of any action whereby the rights attaching to any of the Security Assets are amended or further shares in the Buyer are issued

5 10 Maintenance of security

The Chargor shall not do or cause or permit anything to be done which may adversely affect this Security or which is a variation or abrogation of the rights attaching to or conferred by all or any part of the Security Assets without the prior written consent of the Chargee and shall take such action as the Chargee may in its discretion direct in relation to any proposed compromise, arrangement, reorganisation, conversion, repayment, offer or scheme of arrangement affecting all or any part of the Security Assets

6 ENFORCEMENT OF SECURITY

6.1 Event of Default

6.1.1 Subject to Clause 6.1.2, this Security shall become immediately enforceable at any time after the occurrence of an Event of Default

6.1.2 This Security shall not be enforceable before 15 August 2014 unless in relation to an Event of Default under Clause 23.1 (Non-payment), 23.3 (Misrepresentation), 23.5 (Insolvency), 23.6 (Insolvency proceedings), 23.7 (Creditors' process), 23.8 (Cessation of business), 23.9 (Unlawfulness and invalidity) and 23.10 (Repudiation and rescission of agreements)

6.2 Discretion

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

6.3 Statutory powers

6.3.1 The power of sale and other powers conferred by section 101 of the LPA, as amended by this Deed, will be exercisable at any time after this Security has become enforceable

6.3.2 For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed

6.3.3 Sections 103 and 93 of the LPA shall not apply to this Security or to any Security given to the Chargee pursuant to this Deed

6.4 Privileges

Each Receiver and the Chargee is entitled to all the rights, powers and privileges and immunities conferred by the LPA on mortgagees and receivers duly appointed under the LPA

6.5 Protection of third parties

No person (including, without limitation, a purchaser) dealing with the Chargee or a Receiver or its or his agent will be concerned to enquire

6.5.1 whether the Secured Liabilities have become payable,

6.5.2 whether any power which the Chargee or a Receiver is purporting to exercise has become exercisable or is being properly exercised,

6.5.3 whether any Secured Liability remains outstanding, or

6.5.4 how any money paid to the Chargee or to that Receiver is to be applied

6 6 No liability as mortgagee in possession

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

6 7 Redemption of prior Security

6 7 1 At any time after this Security has become enforceable, the Chargee may

6 7 1 1 redeem any prior Security against any Security Asset,

6 7 1 2 procure the transfer of that security to itself, and/or

6 7 1 3 settle and pass the accounts of the prior mortgagee, chargee or encumbrancer, and accounts so settled or passed will be, in the absence of manifest error, conclusive and binding on the Chargor

6 7 2 The Chargor must pay to the Chargee, immediately on demand, the costs and expenses incurred by the Chargee in connection with any such redemption and/or transfer, including the payment of any principal or interest

6 8 Contingencies

If this Security is enforced at a time when no Secured Liability is due but at a time when amounts may or will become due, the Chargee (or the Receiver) may pay the proceeds of any recoveries effected by it into an interest bearing suspense account or other account selected by it

6 9 No duty to exercise powers

The powers conferred on the Chargee by this Deed are solely to protect its interests in the Security Assets and shall not impose any duty on it to exercise any such powers. The Chargee shall not have any duty as to any Security Asset and shall incur no liability for

6 9 1 ascertaining or taking action in respect of any calls, instalments, conversions, exchanges, maturities, tenders or other matters in relation to any Security Asset or the nature or sufficiency of any payment whether or not the Chargee has or is deemed to have knowledge of such matters, or

6 9 2 taking any necessary steps to preserve rights against prior parties or any other rights pertaining to any Security Asset

7 POWER OF SALE

At any time after this Security has become enforceable, the Chargee may, without further notice to the Chargor, exercise the power to sell or otherwise dispose of the whole or any part of the Security Assets, in such manner and on such terms and for such consideration (whether payable immediately or by instalments) as the Chargee shall, in its absolute discretion, think fit and without liability for loss whatsoever, and may (without prejudice to any right which it may have under any other provision of this Deed) treat such part of the Security Assets as consists of money as if it were the proceeds of such a sale or other disposal

8 RECEIVER

8.1 Appointment of Receiver

At any time after this Security has become enforceable, or if the Chargor so requests the Chargee in writing, at any time, the Chargee may without further notice appoint under seal or in writing under hand any one or more persons to be a Receiver of all or any part of the Security Assets in like manner in every respect as if the Chargee had become entitled under the LPA to exercise the power of sale conferred under the LPA

8.2 Removal

The Chargee may by writing under its hand

- (a) (subject to any requirement for an order of the court in the case of administrative receiver) remove any Receiver appointed by it, and
- (b) may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated

8.3 Agent of the Chargor

A Receiver shall (save as otherwise required or provided as a matter of law) be the agent of the Chargor and the Chargor shall be solely responsible for his acts or defaults and for his remuneration

8.4 Remuneration

The Chargee may fix the remuneration of any Receiver appointed by it

8.5 Relationship with the Chargee

At any time after this Security has become enforceable, or if requested by the Chargor, the Chargee may, without further notice and without the restrictions contained in section 103 of the LPA and whether or not a Receiver shall have been appointed, exercise all the powers conferred upon mortgagees by the LPA as varied or extended by this Deed and any right, power or discretion conferred by this Deed (either expressly or impliedly) upon a Receiver of the Security Assets

8 6 Right of appropriation

To the extent that any of the Security Assets constitute "financial collateral" and this Deed and the obligation of any Chargor under this Deed constitutes a "security financial collateral arrangement" in each case defined in and for the purpose of the provisions of the Financial Collateral Arrangements (No 2) Regulations 2003, the Chargee shall have the right , while this Security is enforceable, to appropriate all or any part of that Security Asset in or towards payment or discharge of the Secured Liabilities The Parties agree that the value of a Security Asset shall be its market value as determined by reference to an independent valuation

9 POWERS OF RECEIVER

9 1 General

- (a) Each Receiver has, and is entitled to exercise, all of the rights, powers and discretions set out below in this Clause 9 and any power conferred by this Deed on the Chargee in addition to those conferred by the Act on any receiver appointed under the LPA
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receivers

9 2 Receiver's powers

A Receiver may

- 9 2 1 take possession of, get in and collect any Security Assets,
- 9 2 2 carry on the business of the Chargor as it relates to the Security Assets as he thinks fit,
- 9 2 3 appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he may think proper and discharge any such persons appointed by the Chargor,
- 9 2 4 raise and borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which he thinks fit and no person lending that money is concerned to enquire as to the propriety or purpose of the exercise of that power or to check the application of any money so raised or borrowed,
- 9 2 5 sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which he thinks proper and the consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable

consideration and may be payable in a lump sum or by instalments spread over such period as he thinks fit,

- 9 2 6 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 any Security Asset,
- 9 2 7 bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any Security Asset which may seem to him to be expedient,
- 9 2 8 give valid receipts for all moneys and execute all assurances and things which may be proper or desirable for realising any Security Asset,
- 9 2 9 delegate his powers in accordance with Clause 12 (Delegation),
- 9 2 10 do all other acts and things which he may consider desirable or necessary for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed, and
- 9 2 11 exercise in relation to any Security Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of the same,

and may use the name of the Chargor for any of the above purposes

10 APPLICATION OF PROCEEDS

Any moneys received by the Chargee or any Receiver after this Deed has become enforceable shall be applied in the following order of priority (but without prejudice to the right of the Chargee to recover any shortfall from the Chargor)

- 10 1 1 in satisfaction of or provision for all costs and expenses incurred by the Chargee or any Receiver and of all remuneration due to any Receiver under this Deed,
- 10 1 2 in or towards payment of the Secured Liabilities or such part of them as is then due and payable to the Chargee, and
- 10 1 3 in payment of the surplus (if any) to the Chargor or other person entitled to it

11 EXPENSES AND INDEMNITY

11 1 The Chargor must

- 11 1 1 within five days of demand pay all costs and expenses (including, without limitation, legal fees) reasonably and properly incurred in connection with this

Deed by the Chargee, any Receiver, attorney, manager, agent or other person appointed by the Chargee under or in connection with this Deed,

11 1 2 keep each of them indemnified against all losses, actions, claims, expenses, demands or liabilities whether in tort, contract, delict or otherwise and whether arising at common law in equity or by statute which may be incurred by or made against any of them (or by or against any manager, agent, officer or employee for whose liability, act or omission any of them may be answerable) as a consequence of

11 1 2 1 anything done or omitted in the exercise or purported exercise of the powers contained in this Deed, or

11 1 2 2 any breach by the Chargor of any of its obligations under this Deed, and

11 1 3 pay interest on the sum demanded at the Default Rate from the date of demand until the date of payment (both before and after judgment) such interest to be compounded monthly in accordance with the normal practice of the Chargee

12 **DELEGATION**

The Chargee and any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by the Chargee under this Deed. Any such delegation may be made upon the terms (including, without limitation, power to sub-delegate) and subject to any regulations which the Chargee or such Receiver (as the case may be) may think fit. Neither the Chargee 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.

13 **FURTHER ASSURANCES**

The Chargor must, at its own expense, take whatever action the Chargee or a Receiver may require for

13 1 1 creating, perfecting or protecting the security intended to be created by this Deed, or

13 1 2 facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Chargee or any Receiver or any of its delegates or sub-delegates in respect of any Security Asset

This includes (without limitation)

13 1 3 the execution of any transfer, conveyance, assignment or assurance of any property, whether to the Chargee or to its nominee, or

13 1 4 the giving of any notice, order or direction and the making of any registration,

which, in any such case, the Chargee may think expedient

14 POWER OF ATTORNEY

The Chargor, by way of security, irrevocably and severally appoints the Chargee, each Receiver and any of its delegates or sub-delegates to be its attorney to take any action which the Chargor is obliged to take under this Deed or that the Chargee otherwise requires that it take when exercising the powers granted to the Chargee by this Deed or by law but in each case (unless an Event of Default is continuing) the Chargor has failed to do so. The Chargor ratifies and confirms whatever any attorney lawfully does or purports to do under its appointment under this Clause.

15 PRESERVATION OF SECURITY

15.1 Continuing security

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

15.2 Immediate recourse

The Chargor waives any right it may have of first requiring the Chargee (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Chargor under this Deed.

15.3 Reinstatement

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

15.3.2 The Chargee may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

15.4 Waiver of defences

The obligations of the Chargor under this Deed will not be affected by any act, omission or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this Deed (whether or not known to the Chargor or the Chargee). This includes

15.4.1 any time, waiver or consent granted to, or composition with, any person,

- 15 4 2 the release of any person under the terms of any composition or arrangement with any creditor of the Chargor,
- 15 4 3 the taking, variation, compromise, exchange renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person,
- 15 4 4 any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to perfect, enforce, realise the full value of any security,
- 15 4 5 any incapacity or lack of power, authority or legal personality of or insolvency or dissolution or change in the members or status of any person,
- 15 4 6 any amendment (however fundamental) or replacement of a Document or any other document or security, or
- 15 4 7 any unenforceability, illegality, invalidity, voidability or non-provability of any obligation of any person under any Document or any other document or security

15 5 Appropriations

- 15 5 1 The Chargee (or any trustee or agent on its behalf) may at any time during the Security Period without affecting the liability of the Chargor under this Deed
 - 15 5 1 1 refrain from applying or enforcing any other monies, security or rights held or received by the Chargee (or any trustee or agent on its behalf) in respect of those amounts,
 - 15 5 1 2 apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise), and/or
 - 15 5 1 3 hold in an interest bearing suspense account any monies received from the Chargor or on account of the liability of the Chargor under this Deed

15 6 Non-competition

- 15 6 1 Unless the Security Period has expired or the Chargee otherwise requests, the Chargor shall not, after a claim has been made under this Deed or by virtue of any payment or performance by it under this Deed
 - 15 6 1 1 be subrogated to any rights, security or monies held, received or receivable by the Chargee (or any trustee or agent on its behalf),
 - 15 6 1 2 be entitled to any right of contribution or indemnity in respect of any payment made or monies received on account of the

Chargor's liability under this Deed or require the Chargee to implement marshalling,

15 6 1 3 claim, rank, prove or vote as a creditor of any Obligor or its estate in competition with the Chargee (or any trustee or agent on its behalf), or

15 6 1 4 receive, claim or have the benefit of any payment, distribution or security from or on account of any Obligor, or exercise any right of set-off as against any Obligor

15 6 2 The Chargor must hold in trust for and immediately pay or transfer to the Chargee any payment or distribution or benefit of security received by it contrary to this Clause or in accordance with any directions given by the Chargee under this Clause

15 6 3 If so directed by the Chargee, the Chargor shall prove for the whole or any part of any debt or other claim it may have to the fullest extent permitted by law in the liquidation of the Buyer or any other party which has an obligation to pay the Secured Liabilities or part

15 6 4 The Chargee shall be entitled to direct the Buyer or any other party which has an obligation to pay the Secured Liabilities or part to prove for the whole or any part of any debt or other claim that one or more of them may have in the liquidation of the other of them to the fullest extent permitted by law and any such direction shall not affect the Chargor's liability or give the Chargor any recourse against the Chargee

15 7 Additional security

This Security is in addition to and is not in any way prejudiced by any other security now or subsequently held by the Chargee

16 CUSTODY

The Chargee shall be entitled to provide for the safe custody by third parties of all stock and share certificates and documents of title deposited with the Chargee or its nominees relating to the Security Assets and shall not be responsible for any loss of or damage to any such certificates or documents

17 ASSIGNMENT AND TRANSFER

The Chargor may not assign, transfer, novate or dispose of any of its rights and obligations under this Deed

18 THIRD PARTY RIGHTS

A person who is not a party to this Deed has no right under the 1999 Act to rely upon or enforce any term of this Deed but this does not affect any right or remedy of a third party which exists or is available apart from that Act

19 MISCELLANEOUS

19.1 Ruling off

19.1.1 If the Chargee receives notice of any subsequent Security or other interest affecting any Security Asset the Chargee may open a new account for the Chargor

19.1.2 If the Chargee does not open a new account then it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that Security or other interest

19.1.3 As from that time all payments made by or on behalf of the Chargor to the Chargee will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability

19.2 Chargee's discretion

Any liability or power which may be exercised or any determination which may be made under this Deed in each case by the Chargee may be exercised or made in its absolute and unfettered discretion and the Chargee shall not be obliged to give reasons

19.3 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of the Chargee, any right, power or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise or waiver of any right, power or remedy prevent any further or other exercise of any other right, power or remedy. The rights, powers and remedies provided in this Deed are cumulative and are not, nor are they to be construed as, exclusive of any rights, powers or remedies provided by law or otherwise and may be exercised from time to time and as often as the Chargee deems expedient

19.4 Severance

19.4.1 If any provision of this Deed shall be found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions of this Deed which shall remain in full force and effect

19.4.2 If any provision of this Deed is so found to be invalid or unenforceable but would be valid or enforceable if some part of the provision were deleted, the provision in question shall apply with such deletion(s) as may be necessary to make it valid

19 5 Amendment

19 5 1 No modification or variation of this Deed (or any document entered into pursuant to or in connection with this Deed) shall be valid unless it is in writing and signed by or on behalf of each of the parties to this Deed. For the avoidance of doubt, no modification or variation of this Deed shall be valid if made by e-mail.

19 5 2 Unless expressly so agreed, no modification or variation of this Deed shall constitute or be construed as a general waiver of any provisions of this Deed, nor shall it affect any rights, obligations or liabilities under this Deed which have already accrued up to the date of such modification or waiver, and the rights and obligations of the parties under this Deed shall remain in full force and effect, except and only to the extent that they are so modified or varied.

20 RELEASE

20 1 At the end of the Security Period, the Chargee shall or shall procure that its nominees shall (as the case may be) at the request and cost of the Chargor, take whatever action is necessary to release the Security Assets from this Security.

20 2 Upon any release of the Security Assets the Chargee or its nominees (as the case may be) shall not be bound to release or transfer to the Chargor the identical stocks, shares or securities which were deposited with or transferred to it or them and the Chargor shall accept stocks, shares and securities of the same class and denomination or such other securities as then represent the Security Assets.

21 COUNTERPARTS

This Deed may be executed in any number of counterparts and by the parties to it on separate counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

22 NOTICES

22 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 fax or letter.

22 2 Addresses

Any communication to be made under or in connection with this Deed shall be made in writing and shall be given in accordance with the Agreement.

22 3 Delivery

22 3 1 Any communication or document made or delivered by one person to another under or in connection with this Deed will only be deemed effective

22 3 1 1 if by way of fax, at the time of transmission, or

22 3 1 2 if by way of letter, when it has been left at the relevant address or two Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 22 2 (Addresses), if addressed to that department or officer

22 3 2 Any communication or document to be made or delivered to the Chargee will be effective only when actually received by the Chargee and then only if it is expressly marked for the attention of the department or officer identified with the Chargee's signature below (or any substitute department or officer as the Chargee shall specify for this purpose)

22 3 3 Any communication or document made or delivered to the Chargor in accordance with this Clause will be deemed to have been made or delivered to the Chargor

23 APPLICABLE LAW AND JURISDICTION

23 1 Applicable law

The validity, construction and performance of this Deed (and any claim, dispute or matter arising under or in connection with it or its enforceability and any non-contractual obligations arising out of or in connection with it) shall be governed by and construed in accordance with the law of England

23 2 Jurisdiction

The Chargor irrevocably agrees for the exclusive benefit of the Chargee that the English courts shall have exclusive jurisdiction over any claim, dispute or matter arising under or in connection with this Deed or its enforceability or any non-contractual obligation arising out of or in connection with this Deed and that accordingly any proceedings in respect of any such claim, dispute or matter may be brought in such courts. Nothing in this Clause shall limit the right of the Chargee to take proceedings against the Chargor in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction or jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction or jurisdictions

23 3 Process agent for service

23 3 1 Without prejudice to any other mode of service allowed under any relevant law, the Chargor

23 3 1 1 irrevocably appoints the Buyer as its agent for service of process in relation to any proceedings before the English courts in connection with this Deed and any related documents, and

23 3 1 2 agrees that failure by the Buyer or any other process agent to notify the Chargor of the process will not invalidate the proceedings concerned

23 3 2 If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Chargor must immediately (and in any event within 7 days of such event taking place) appoint another agent on terms acceptable to the Chargee. Failing this, the Chargee may appoint another agent for this purpose

23 3 3 The Chargor expressly agrees and consents to the provisions of this Clause

THIS DEED has been executed and delivered by or on behalf of the parties on the date at the top of page 1

THE SCHEDULE

Number of shares or amount of stock	Description of stocks, shares, or other securities
One	Ordinary shares of £1 each in the Buyer

Chargor

EXECUTED as a deed but not

) Director's

delivered until the date of this Deed by

) Signature

ARACARIS LIMITED acting by its

)

director in the presence of

) Print Name

MARTIN PALMER

Witness's

Signature

Name

CLAIRE FLETCHER

Address

21 ST THOMAS STREET
BRISTOL

Occupation

ACCOUNTANT

Chargee

EXECUTED as a deed but not

) Director's

delivered until the date of this Deed by

) Signature

SPICERS LIMITED acting by its director

)

in the presence of

) Print Name

Witness's

Signature

Name

Address

Occupation

Chargor

EXECUTED as a deed but not

) Director's

delivered until the date of this Deed by

) Signature

ARACARIS LIMITED acting by its

)

director in the presence of

) Print Name

Witness's

Signature

Name

Address

Occupation

Chargee

EXECUTED as a deed but not

) Director's

delivered until the date of this Deed by

) Signature

SPICERS LIMITED acting by its director

)

in the presence of

) Print Name

NIB SANDER

Witness's

Signature

Name GREGORY JOHN MICHAEL

Address "THOENBURY HOUSE"

16 AVENUE ROAD

MALVERN

WOMES

WR14 3NR

Occupation

Solicitor