

MR01

Particulars of a charge

185721/£13

Laserform

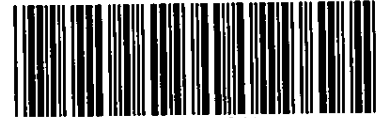
A fee is payable with this form
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online
Please go to www.companieshouse.gov.uk

✓ **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 the
instrument Use form MR0

For further information please



A3KO6200

A35

14/11/2014

#81

COMPANIES HOUSE

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. **Do not send the original**

1 Company details

Company number 9 1 5 5 9 7 0

Company name in full Project Salt Topco Limited

2 For official use

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

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date d0 d7 m1 m1 y2 y0 y1 y4

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 Northedge Captial LLP (as Security Agent)

Name

Name

Name

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

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

MR01

Particulars of a charge

4

Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument

Brief description

Not applicable

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"

Please limit the description to the available space

5

Other charge or fixed security

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

☒ 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 company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ Yes

☐ No

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

Adleshaw Gaddard LLP

X

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

MR01

Particulars of a charge



Presenter information

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

Contact name DRAIRA/333161-13

Company name Addleshaw Goddard LLP

Address Sovereign House

Sovereign Street

Post town Leeds

County/Region West Yorkshire

Postcode L S 1 1 H Q

Country United Kingdom

DX 12004 Leeds

Telephone 0113 209 2000



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

CHFP025

06/14 Version 2.0



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9155970

Charge code. 0915 5970 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 7th November 2014 and created by PROJECT SALT TOPCO LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 14th November 2014.

P

Given at Companies House, Cardiff on 19th November 2014



Companies House



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

Dated 7 November

2014

PROJECT SALT TOPCO LIMITED

as Parent

THE SUBSIDIARIES OF THE PARENT LISTED IN SCHEDULE 1

as Original Chargors

NORTHEDGE CAPITAL LLP

as Security Agent

GUARANTEE AND DEBENTURE

This guarantee and debenture is subject to the terms of the Intercreditor Agreement (defined herein)

**WE HEREBY CERTIFY THAT THIS IS
A TRUE COPY (AS REDACTED) OF
THE ORIGINAL**

Addleshaw Goddard LLP

**DATE 10/11/2014
ADDLESHAW GODDARD LLP**

ADDLESHAW GODDARD

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This Deed is made on **7 November**

2014

Between

- (1) **Project Salt Topco Limited** (registered in England with number 9155970) (**Parent**),
- (2) **The Subsidiaries of the Parent** listed in schedule 1 (the **Chargors**) (together with the Parent, the **Original Chargors**), and
- (3) **Northedge Capital LLP**, a limited liability partnership registered in England under number OC345118, whose registered office is at 6th Floor, Vantage Point, Hardman Street, Spinningfields, Manchester M3 3HF as security trustee for the Secured Parties (**Security Agent** which term shall include any person appointed as security trustee or as an additional trustee in accordance with the terms of the Security Trust Deed)

It is agreed

1 Definitions and interpretation

1.1 Definitions

In this Deed

A Loan Note Documents means the A Loan Notes and the A Loan Note Instrument

A Loan Note Holder means Northedge Capital Fund I LP and Northedge Capital I GP LLP

A Loan Note Instrument means the instrument pursuant to which the A Loan Notes are, or are to be, constituted

A Loan Notes means the £9,500,000 secured subordinated loan notes of Project Salt Bidco Limited (company number 09155980) due to the A Loan Note Holders

B Loan Note Documents means the B Loan Notes and the B Loan Note Instrument

B Loan Note Holders means Northedge Capital Fund I LP and Northedge Capital I GP LLP

B Loan Note Instrument means the instrument pursuant to which the B Loan Notes are, or are to be, constituted

B Loan Notes means the £4,000,000 secured subordinated loan notes of Project Salt Bidco Limited (company number 09155980) due to the B Loan Note Holders

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

Additional Chargor means a company which creates Security over its assets in favour of the Security Agent by executing a Security Deed of Accession

Authorisation means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration, or any other similar permission

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

CA2006 means the Companies Act 2006

Charged Property means, in respect of any Chargor, all of its assets and undertaking the subject of any Security created by, under or supplemental to, this Deed in favour of the Security Agent

Chargor means an Original Chargor or an Additional Chargor

Chattels has the meaning given to it in clause 3 4(d) (Fixed charges)

Collection Account means, in respect of a Chargor, its Account or any of its Accounts specified in schedule 1 (The Chargors) under the heading "Collection Account" or such other Account or Accounts as that Chargor and the Security Agent may agree in writing from time to time

Company means Project Salt Bidco Limited (Company Number 9155980)

Debts has the meaning given to it in clause 3 4(g) (Fixed charges)

Direction has the meaning given to it in clause 11 1(d) (Planning directions)

Environmental Law means any applicable law or regulation which relates to

- (a) the pollution or protection of the environment
- (b) harm to or the protection of human health
- (c) the conditions of the workplace or
- (d) any emission or substance capable of causing harm to any living organism or the environment

Event of Default means

- (a) an event of default howsoever described in respect of any of the Loan Notes and/or
- (b) an event of default howsoever described in any of the Senior Facility Documents

Finance Documents means this Deed, the Loan Note Documents and the Security Trust Deed and any other document designated as a Finance Document by the Security Agent and the Parent

Finance Parties means the Secured Parties and the Security Agent and **Finance Party** means any of them

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

Floating Charge Assets means all the assets and undertaking from time to time subject to the floating charge created under clause 3 5 (Floating charge)

Group means the Parent and each of its Subsidiaries for the time being

Instructing Group has the meaning given to the term Majority Loan Noteholders in the Security Trust Deed

Insurance Policies means, in respect of a Chargor, all policies of insurance present and future in which it has an interest

Intellectual Property means

- (a) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, topography rights, domain names, moral rights, inventions, confidential information, knowhow and any other associated or similar intellectual property rights and interests anywhere in the world (which may now or in the future subsist), and in each case whether registered or unregistered and
- (b) the benefit of all applications, rights to apply for and rights to use such assets (including, without limitation, any licences and sub-licences of the same granted by it or to it) of each Chargor (which may now or in the future subsist)

Intercreditor Agreement means an intercreditor agreement dated on or about the date of this Deed between among others Barclays Bank PLC, the Security Agent, the Original Chargors and the Secured Parties

Investments means any shares, stocks, debenture security, securities, bonds and investments of any type (other than the Subsidiary Shares) whatever, including but not limited to, negotiable instruments, certificates of deposit, eligible debt securities, interests in collective investment schemes, or other investments referred to in section 22 of, and as defined in Part II of Schedule 2 to, the Financial Services and Markets Act 2000 and Part III of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, whether certificated or uncertificated, physical or dematerialised, registered or unregistered, held by the relevant Chargor or by a trustee or clearance system or nominee

Loan Note Documents means the A Loan Note Documents and the B Loan Note Documents

Loan Noteholders means the A Loan Note Holders and the B Loan Note Holders

Loan Note Instruments means the A Loan Note Instruments and the B Loan Note Instruments

Loan Notes means the A Loan Notes and the B Loan Notes

Occupational Lease means, in respect of a Chargor, a lease of a Secured Property in respect of which it is landlord

Party means a party to this Deed

Permitted Security means

- (a) any Barclays Security as such term is defined in the Intercreditor Agreement
- (b) any other Security permitted under the Senior Facility Documents

Planning Acts means the Town and Country Planning Acts 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991, the Planning and Compulsory Purchase Act 2004 and any regulations or subordinate legislation made under any of the foregoing and any other statute or regulation governing or controlling the use or development of land and buildings

Premises means any building on a Secured Property

Properties mean the properties listed in schedule 2 (Properties)

Receiver means any receiver, manager or administrative receiver appointed by the Security Agent in respect of any Chargor or any of the Charged Property

Related Rights means, in respect of any Investment or Subsidiary Share

- (a) all monies paid or payable in respect of that Investment or Subsidiary Share (whether as income, capital or otherwise)
- (b) all shares, investments or other assets derived from that Investment or Subsidiary Share and
- (c) all rights derived from or incidental to that Investment or Subsidiary Share

Relevant Agreements means the Share Purchase Agreement between Foundation 9 Entertainment Inc and Project Salt Bidco Limited in relation to the sale and purchase of the entire issued share capital of Foundation 9 Entertainment Europe Limited and the Transitional Services Agreement between Foundation 9 Entertainment Inc and Project Salt Bidco Limited by which the Foundation 9 Entertainment Inc will provide transitional services to Project Salt Bidco Limited and its group

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

Secured Assets means in respect of any Chargor, all of its assets and undertaking the subject of any Security created by, under or supplemental to, this Deed in favour of the Security Agent

Secured Obligations means, in respect of any Chargor, all monies and liabilities now or after the date of this Deed due, owing or incurred by that Chargor to the Finance Parties (or any of them) and the Security Agent under the Loan Note Documents (or any of them) in any manner and in any currency or currencies and whether present or future, actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety, together with all interest accruing on such monies and liabilities and all costs, charges and expenses incurred by any Finance Party under any Loan Note Document, except for any obligation which, if it were included here, would constitute unlawful financial assistance, or its equivalent in any other jurisdiction

Secured Parties has the meaning given to that term in the Security Trust Deed

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

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

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

Security Period means the period beginning on the date of this Deed and ending on the date on which the Security Agent is satisfied that the Secured Obligations have been irrevocably and unconditionally satisfied in full and all facilities made available by the Finance Parties (or any of them) under the Loan Note Documents (or any of them) have been cancelled

Security Trust Deed means the security trust deed dated on or about the date of this Deed between the Security Agent and the Loan Noteholders (as amended, novated, supplemented, extended or restated)

Senior Facility Documents means an Amortising Treasury Loan in the amount of £625,000 dated 4 August 2006 and made between Barclays Bank PLC and Sumo Digital Limited, an Amortising Treasury Loan in the amount of £1,000,000 dated 4 August 2006 and made between Barclays Bank PLC and Sumo Digital Limited and an Overdraft Facility dated 23 March 2010 and made between Barclays Bank PLC and Sumo Digital Limited (each as amended, novated, supplemented, extended or restated)

Subsidiary means a subsidiary undertaking within the meaning of section 1162 of the CA2006 and any company which would be a subsidiary undertaking within the meaning of section 1162 of the CA2006 but for any Security subsisting over the shares in that company from time to time

Subsidiary Shares means, in respect of a Chargor, all shares present and future held by it in its Subsidiaries (including those listed in schedule 3 (Subsidiary Shares))

1 2 Interpretation

- (a) Unless otherwise defined in this Deed, a term defined in the Intercreditor Agreement has the same meaning when used in this Deed or any notices, acknowledgements or other documents issued under or in connection with this Deed
- (b) In this Deed the term **dispose** includes any sale, lease, licence, transfer or loan

1 3 Construction

- (a) Unless a contrary indication appears, a reference in this Deed to
 - (i) any **Chargor**, any **Party**, any **Secured Party**, the **Security Agent** or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Finance Documents and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Finance Documents,
 - (ii) **assets** includes present and future properties, revenues and rights of every description,
 - (iii) a **Loan Note Document** or any other agreement or instrument is a reference to that Loan Note Document or other agreement or instrument as amended, novated, supplemented, extended or restated,
 - (iv) **indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent,

- (v) a **guarantee** means (other than in clause 10 (Guarantee and Indemnity)) any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness,
- (vi) 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) or any other entity or body of any description,
- (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 of any regulatory, self-regulatory or other authority or organisation,
- (viii) a provision of law is a reference to a provision, of any treaty, legislation, regulation, decree, order or by-law and any secondary legislation enacted under a power given by that provision, as amended, applied or re-enacted or replaced (whether with or without modification) whether before or after the date of this Deed,
- (ix) a time of day is a reference to London time, and
- (x) **dispose** includes any sale, lease, licence, transfer or loan
- (b) Section, clause and schedule headings are for ease of reference only
- (c) Any word importing the singular shall include the plural and vice versa
- (d) An Event of Default is continuing if it has not been remedied to the satisfaction of the Security Agent or waived
- (e) A term defined in this Deed has the same meaning when used in any notices, acknowledgements or other documents issued under or in connection with this Deed

1.4 Third party rights

- (a) Unless expressly provided to the contrary in any Finance Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed or any other Finance Document issued or entered into under or in connection with it but this does not affect any right or remedy of a third party which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999
- (b) Unless expressly provided to the contrary in any Finance Document the consent of any person who is not a Party is not required to rescind or vary this Deed or any other Finance Document entered into under or in connection with it

1.5 Administration

- (a) Any reference in this Deed, or any other Finance Document entered into under or in connection with it, to the making of an administration order shall be treated as

including a reference to the appointment of an administrator under paragraph 14 (by the holder of a qualifying floating charge in respect of a Chargor's assets) or 22 (by a Chargor or the directors of a Chargor) of Schedule B1 to the Insolvency Act 1986 or any steps taken toward such order or appointment

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

1 6 Incorporated terms

The terms of the Finance Documents and of any side letters relating to the Finance Documents and the Secured Obligations are incorporated into this Deed to the extent required for any purported disposition of any Charged Property contained in this Deed to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989

1 7 Intercreditor Agreement

This Deed is subject to the terms of the Intercreditor Agreement. If there is any conflict or inconsistency between the terms of this Deed and the Intercreditor Agreement, the Intercreditor Agreement shall prevail.

1 8 Chargors' agent

- (a) Each Chargor (other than the Parent) by its execution of this Deed or an Accession Deed irrevocably appoints the Parent (acting through one or more authorised signatories) to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises

- (i) the Parent on its behalf to supply all information concerning itself contemplated by the Finance Documents to the Finance Parties and to give all notices and instructions, to execute on its behalf any Accession Deed, to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Chargor notwithstanding that they may affect the Chargor, without further reference to or the consent of that Chargor, and

- (ii) each Finance Party to give any notice, demand or other communication to that Chargor pursuant to the Finance Documents to the Parent,

and in each case the Chargor shall be bound as though the Chargor itself had given the notices and instructions or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication

- (b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Chargors' agent or given to the Chargors' agent under any Finance Document on behalf of another Chargor or in connection with any Finance Document (whether or not known

to any other Chargor and whether occurring before or after such other Chargor became a Chargor under any Finance Document) shall be binding for all purposes on that Chargor as if that Chargor had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the Chargors' agent and any other Chargor, those of the Chargors' agent shall prevail.

2 Covenant to pay

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

3 Charging provisions

3.1 General

All Security created by a Chargor under clauses 3.2 to 3.5 inclusive is

- (a) a continuing security for the payment and discharge of the Secured Obligations,
- (b) granted with full title guarantee,
- (c) granted in respect of all the right, title and interest (if any), present and future, of that Chargor in and to the relevant Charged Property, and
- (d) granted in favour of the Security Agent as security trustee for the Secured Parties.

3.2 Legal mortgages

Each Chargor charges by way of legal mortgage the Properties, and all Premises and Fixtures on each of the Properties.

3.3 Assignments

- (a) Each Chargor assigns
 - (i) the Relevant Agreements to which it is a party, and
 - (ii) the Relevant Policies to which it is a party.
- (b) Each Chargor shall remain liable to perform all its obligations under the Relevant Agreements and the Relevant Policies to which it is a party.

3.4 Fixed charges

Each Chargor charges by way of fixed charge

- (a) all interests and estates in any freehold, leasehold or commonhold property now or subsequently owned by it (other than any freehold, leasehold or commonhold property effectively charged by way of legal mortgage under clause 3.2) and, in each case, the Premises and Fixtures on each such property,
- (b) the proceeds of sale of its Secured Property and all licences to enter on or use any Secured Property.

- (c) the benefit of all other agreements, instruments and rights relating to its Secured Property,
- (d) all plant, machinery, vehicles, computers, office and other equipment, all furniture, furnishings, equipment and tools and any removals or replacement of them, (together **Chattels**) present and future and the benefit of all contracts, licences, warranties, maintenance contracts relating to them and any renewals and replacements of them,
- (e) the Subsidiary Shares together with all Related Rights,
- (f) the Investments together with all Related Rights,
- (g) all book and other debts due to the relevant Chargor and their proceeds (both collected and uncollected) (together **Debts**) and all rights, guarantees, security or other collateral in respect of the Debts (or any of them) and the benefit of any judgment or order to pay a sum of money and all rights to enforce the Debts (or any of them),
- (h) all monies from time to time standing to the credit of each account held by the relevant Chargor with any bank, building society, financial institution or other person (each an **Account**),
- (i) all its Intellectual Property,
- (j) all its goodwill and uncalled capital,
- (k) the benefit of all Authorisations held or utilised by it in connection with its business or the use of any of its assets and the right to recover and receive compensation payable in respect of any of them, and
- (l) to the extent that any assignment in clause 3.3 is ineffective as an assignment, the assets referred to in that clause

3.5 **Floating charge**

Each Chargor charges by way of floating charge all its assets and undertaking wherever located both present and future other than any assets effectively charged by way of legal mortgage or fixed charge or assigned under clauses 3.2, 3.3 or 3.4

3.6 **Qualifying floating charge**

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

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

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

- (a) an Event of Default is continuing, or
- (b) in the opinion of the Instructing Group that Floating Charge Asset is in danger of being seized or any legal process or execution is being enforced against that Floating Charge Asset

3 8 Automatic conversion of floating charge to a fixed charge

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

- (a) a Chargor creates or attempts to create any Security over any of its Floating Charge Assets,
- (b) any person levies or attempts to levy any distress, attachment, execution or other legal process against any Floating Charge Asset, or
- (c) any corporate action, legal proceedings or other procedures or steps are taken for the winding up, dissolution, administration or reorganisation of any Chargor,

the floating charge created by this Deed will automatically and immediately without notice be converted into a fixed charge over the relevant assets or, in the circumstances described in clause 3 8(c), over all of the Floating Charge Assets

3 9 Small company moratorium

Where a Chargor is an eligible company within the meaning of paragraphs 2 to 4 (inclusive) of Schedule A1 to the Insolvency Act 1986, then the obtaining of a moratorium, including any preliminary decision, or investigation in terms of paragraph 43 of Schedule A1 to the Insolvency Act 1986 shall not cause the floating charge created by this Deed to crystallise into a fixed charge, nor cause restrictions which would not otherwise apply to be imposed on the disposal of its property and assets by that Chargor

4 Continuing security

- 4 1 The Security constituted by this Deed shall be continuing security and shall remain in full force and effect regardless of any intermediate payment or discharge by any Chargor or any other person of the whole or any part of the Secured Obligations

4 2 Recourse

The Security constituted by this Deed

- (a) is in addition to any other Security which any Secured Party may hold at any time for the Secured Obligations (or any of them), and
- (b) may be enforced without first having recourse to any other rights of any Secured Party

5 Negative pledge

- 5 1 No Chargor shall create or permit to subsist any Security over any of its assets

5 2 No Chargor shall

- (a) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by it, a Chargor or any other member of the Group,
- (b) sell, transfer or otherwise dispose of any of its receivables on recourse terms,

(c) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts, or

(d) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset

5 3 Clauses 5 1 and 5 2 do not apply to any Security or arrangement which is Permitted Security

6 Restrictions on disposals

6 1 No Chargor shall enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any Charged Property

7 Further assurance

7 1 Each Chargor shall promptly do all such acts and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require) in favour of the Security Agent or its nominee(s)

(a) to create, perfect, protect and maintain the Security created or intended to be created under or evidenced by this Deed or for the exercise of any rights, powers and remedies of the Security Agent or the Secured Parties provided by or pursuant to this Deed or by law,

(b) to confer on the Security Agent or confer on the Secured Parties Security over any property and assets of that Chargor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to this Deed, and/or

(c) (if an Event of Default is continuing) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created by or under this Deed

7 2 Each Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Finance Parties by or pursuant to this Deed or for the exercise of any rights, powers and remedies of the Security Agent or the Finance Parties provided by or pursuant to this Deed or by law, including, but not limited to, the granting of a power of attorney on the same terms as that set out in clause 13 (Security power of attorney) of this Deed

7 3 Any document required to be executed by a Chargor under this clause 7 will be prepared at the cost of that Chargor

8 Land Registry

8 1 Application for restriction

(a) In relation to land and buildings situated in England and Wales title to which is registered or is to be registered at the Land Registry, each Chargor consents to an application being made to the Chief Land Registrar for registration of a restriction on the register of title of all present and future registered freehold, leasehold or

commonhold property of that Chargor (and any unregistered properties subject to compulsory first registration at the date of this Deed)

- (b) Each Chargor confirms that so far as any of the Secured Property is unregistered, such land is not affected by any disclosable overriding interests within the meaning of the Land Registration Act 2002 or the Land Registration Rules 2003

9 Notices of assignments and charges

9 1 Relevant Agreements

- (a) Following the Barclays Discharge Date (as such term is defined in the Intercreditor Agreement) each Chargor which is party to a Relevant Agreement shall give notice in the form specified in part 1 (Form of notice of assignment) of schedule 4 to the other parties to each Relevant Agreement that the Chargor has assigned to the Security Agent all its right, title and interest in that Relevant Agreement
- (b) The relevant Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice in substantially the form specified in part 2 (Form of acknowledgement) of schedule 4 within 5 Business Days of that notice being given

9 2 Insurance Policies

- (a) Following the Barclays Discharge Date (as such term is defined in the Intercreditor Agreement) each Chargor which is an insured party under a Relevant Policy shall give notice in the form specified in part 1 (Form of notice of assignment) of schedule 5 to each insurer under each Relevant Policy that the Chargor has assigned to the Security Agent all its right, title and interest in that Relevant Policy
- (b) The relevant Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice in substantially the form specified in part 2 (Form of acknowledgement) of schedule 5 within 5 Business Days of that notice being given

9 3 Charge over accounts

- (a) Following the Barclays Discharge Date (as such term is defined in the Intercreditor Agreement) each Chargor holding an Account shall give notice in the form specified in part 1 (Form of notice of charge) of schedule 6 to the financial institution at which such Account is held that the Chargor has created a fixed charge over the balance standing to the credit of that Account
- (b) The relevant Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice substantially in the form specified in part 2 (Form of acknowledgement) of schedule 6 within 5 Business Days of that notice being given

10 Guarantee and Indemnity

10 1 Guarantee and indemnity

Each Chargor irrevocably and unconditionally jointly and severally

- (a) guarantees to each Finance Party punctual performance by each other Chargor of all that Chargor's obligations under the Finance Documents,
- (b) undertakes with each Finance Party that whenever another Chargor does not pay any amount when due under or in connection with any Finance Document, that Chargor shall immediately on demand pay that amount as if it was the principal obligor, and
- (c) agrees with each Finance Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any cost, loss or liability it incurs as a result of a Chargor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by a Chargor under this indemnity will not exceed the amount it would have had to pay under this clause 10 if the amount claimed had been recoverable on the basis of a guarantee

10.2 Continuing Guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Chargor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part

10.3 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Chargor or any security for those obligations or otherwise) is made by a Finance Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Chargor under this clause 10 will continue or be reinstated as if the discharge, release or arrangement had not occurred

10.4 Waiver of defences

The obligations of each Chargor under this clause 10 will not be affected by an act, omission, matter or thing which, but for this clause 10, would reduce, release or prejudice any of its obligations under this clause 10 (without limitation and whether or not known to it or any Finance Party) including

- (a) any time, waiver or consent granted to, or composition with, any Chargor or other person,
- (b) the release of any other Chargor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group,
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Chargor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security,
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Chargor or any other person,

- (e) any amendment, novation, supplement, extension restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Finance Document or other document or security,
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security, or
- (g) any insolvency or similar proceedings

10 5 Chargor Intent

Without prejudice to the generality of clause 10 4, each Chargor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following

- (a) business acquisitions of any nature,
- (b) increasing working capital,
- (c) enabling investor distributions to be made,
- (d) carrying out restructurings,
- (e) refinancing existing facilities,
- (f) refinancing any other indebtedness,
- (g) making facilities available to new borrowers,
- (h) any other variation or extension of the purposes for which any such facility or amount might be made available from time to time, and
- (i) any fees, costs and/or expenses associated with any of the foregoing

10 6 Immediate recourse

Each Chargor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Chargor under this clause 10 This waiver applies irrespective of any law or any provision of a Finance Document to the contrary

10 7 Appropriations

Until all amounts which may be or become payable by the Chargors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may

- (a) refrain from applying or enforcing any other monies, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit

(whether against those amounts or otherwise) and no Chargor shall be entitled to the benefit of the same, and

- (b) hold in an interest-bearing suspense account any monies received from any Chargor or on account of any Chargor's liability under this clause 10

10.8 **Deferral of Chargors' rights**

Until all amounts which may be or become payable by the Chargors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Security Agent otherwise directs, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this clause 10

- (a) to be indemnified by a Chargor,
- (b) to claim any contribution from any other guarantor of any Chargor's obligations under the Finance Documents,
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party,
- (d) to bring legal or other proceedings for an order requiring any Chargor to make any payment, or perform any obligation, in respect of which any Chargor has given a guarantee, undertaking or indemnity under clause 10.1,
- (e) to exercise any right of set-off against any Chargor, and/or
- (f) to claim or prove as a creditor of any Chargor in competition with any Finance Party

If a Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Documents by the Chargors to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same to the Security Agent

10.9 **Release of Chargors' right of contribution**

If any Chargor (**Retiring Chargor**) ceases to be a Chargor in accordance with the terms of the Finance Documents for the purpose of any sale or other disposal of that Retiring Chargor then on the date such Retiring Chargor ceases to be a Chargor

- (a) that Retiring Chargor is released by each other Chargor from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Chargor arising by reason of the performance by any other Chargor of its obligations under the Finance Documents, and
- (b) each other Chargor waives any rights it may have by reason of the performance of its obligations under the Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under any Finance Document or of any other security taken pursuant to, or in connection with, any Finance Document where such rights or security are granted by or in relation to the assets of the Retiring Chargor

10 10 **Additional security**

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party

11 **Undertakings**

Following the Barclays Discharge Date (as such term is defined in the Intercreditor Agreement) each Chargor undertakes to the Security Agent in accordance with this clause 11 The undertakings in this clause 11 shall thereafter remain in force during the Security Period

11 1 **Real property**

(a) **Access**

It will permit the Security Agent and such person or persons as the Security Agent shall nominate at all reasonable times and on reasonable notice to enter on any part of its Secured Property

(b) **Repair**

(i) It shall keep its Secured Property in good and substantial repair and condition and decorative order

(ii) It shall repair any defect or damage to any of its Secured Property promptly and if it fails to do so the Security Agent may, but shall not be obliged to, do so

(c) **Planning**

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

(d) **Planning directions**

(i) Within 5 Business Days of receipt by it of any notice or order (**Direction**) served on or issued to it by any local or other authority (whether under the Planning Acts or otherwise) in respect of any part of its Secured Property, it shall give full particulars of the Direction to the Security Agent and, if so requested by the Security Agent, produce the Direction or a copy of it to the Security Agent

(ii) It shall advise the Security Agent of all steps taken or proposed to be taken by it from time to time to comply with the terms of the Direction

(iii) It shall take all necessary steps to comply with the Direction

(iv) It shall at the request of the Security Agent (but at the cost of the Chargor) make or join with the Security Agent in making such objections, representations against, appealing against or in respect of any proposal contained in the Direction as the Security Agent shall deem expedient in order to protect the interests of the Secured Parties

(e) **Development**

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

(f) **Future acquisitions and legal mortgage**

It shall

- (i) notify the Security Agent immediately of its intention to acquire any freehold, leasehold or other interest in property including the proposed date of such acquisition (and for the purposes of this clause 11 1(f) the date of exchange of contracts for such an acquisition shall be deemed the date of acquisition),
- (ii) at its cost, execute and deliver to the Security Agent on demand, a legal mortgage (in form and substance satisfactory to the Security Agent and in substantially the same terms as this Deed) in favour of the Security Agent of any freehold or leasehold or other interest in property which becomes vested in it after the date of this Deed,
- (iii) obtain any consents required for the Security referred to in this clause 11 1(f), and
- (iv) if applicable procure that notice of this Deed is noted in the appropriate manner on the title to any property which becomes vested in it after the date of this Deed

(g) **Deposit of title deeds**

It shall deposit with the Security Agent all deeds and documents to title relating to its Secured Property

(h) **Outgoings**

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

(i) **Investigation of title**

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

11.2 Leases

(a) Lease and covenant compliance

It shall

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

(b) Landlord's consent

If under the terms of any lease under which it holds an interest in any Secured Property, a Chargor is not permitted to charge its interest in such Secured Property without the consent of the landlord,

- (i) it undertakes promptly to make an application for landlord's consent to the creation of the fixed charge contained in clause 3.4 (Fixed charges) and any charge to be created under clause 7 (Further assurance), shall use all reasonable endeavours to obtain such consent as soon as possible and shall keep the Security Agent informed of the progress of its negotiations with such landlord,
- (ii) subject to clause 11.2(b)(iii)
 - (A) no breach of any representation in the Loan Note Documents shall occur by virtue of the Chargor's failure to have obtained such landlord's consent, and
 - (B) if the landlord indicates in writing that it proposes to commence, or commences an action of forfeiture of the lease, the Security Agent shall release from such fixed charge, the relevant Chargor's interest in the lease,
- (iii) clause 11.2(b)(ii) shall only apply where the relevant Chargor has complied with its obligations under clause 11.2(b)(i), but the landlord has not given the consent requested of it,

(iv) upon receipt by the Security Agent of evidence in writing of the consent of the landlord to the creation and existence of the fixed charge over the Chargor's interest in such lease, clause 11 2(b)(ii) shall cease to apply in respect of the relevant Secured Property

(c) **No variation to lease**

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

(d) **No surrender or termination**

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

(e) **Compliance by tenants**

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

(f) **Lease or right to occupy**

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

(i) grant any lease or tenancy or exercise any other power of leasing of the whole or part of any Secured Property, or

(ii) grant any person any contractual licence or the right to occupy any Secured Property or part with possession of it

(g) **Forfeiture**

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

11 3 Chattels

(a) It will keep all Chattels comprised in its Charged Property in good and substantial repair and in good working order and condition

(b) It shall repair any defect or damage to any of its Chattels promptly and if it fails to do so the Security Agent may, but shall not be obliged to, do so

11 4 Subsidiary Shares and Investments

(a) On the later of

(i) the Barclays Discharge Date (as such term is defined in the Security Trust Deed), and

(ii) the date of acquisition of those Subsidiary Shares, Investments or Related Rights

it shall

- (A) deliver to the Security Agent all certificates of title and other documents of title or evidence of ownership in respect of its Subsidiary Shares or Investments and the Related Rights, and
 - (B) deliver to the Security Agent such transfer documents (with the transferee left blank) or any other documents as the Security Agent may require or otherwise request in respect of those Subsidiary Shares, Investments and Related Rights
- (b) Until any steps are taken to enforce the Security created by or under this Deed, it shall be entitled to receive and retain all dividends, distributions and other monies receivable in respect of its Subsidiary Shares, Investments and Related Rights
- (c) It shall not exercise its voting and other rights in respect of its Subsidiary Shares, Investments and Related Rights in a manner which is likely to be prejudicial to the interests of the Finance Parties
- (d) It shall make all payments which may become due and payable in respect of any of its Subsidiary Shares, Investments and Related Rights. If it fails to make any such payments, the Security Agent may but shall not be obliged to make such payment on behalf of the relevant Chargor. Any sums so paid by the Security Agent shall be repayable by the relevant Chargor to the Security Agent on demand and pending such repayment shall constitute part of the Secured Obligations
- (e) It shall remain liable to observe and perform all of the conditions and obligations assumed by it in respect of its Subsidiary Shares, Investments and Related Rights and the Security Agent shall not be required to perform or fulfil any obligation of any Chargor in respect of any Subsidiary Shares, Investments or Related Rights
- (f) It shall comply with any notice served on it under CA 2006 or pursuant to the articles of association or any other constitutional document of any relevant entity in respect of or in connection with the Subsidiary Shares, Investments or Related Rights and will promptly provide to the Security Agent a copy of that notice
- (g) It shall ensure that none of its Subsidiary Shares are converted into uncertificated form without the prior written consent of the Security Agent
- (h) Immediately on conversion of any of its Subsidiary Shares, Investment or Related Rights from a certificated to an uncertificated form, and on the acquisition by it of any Subsidiary Shares, Investments or Related Rights in an uncertificated form, it shall give such instructions or directions and take such other steps and enter into such documentation as the Security Agent may require in order to protect or preserve the Security intended to be created by this Deed

11.5 Insurance

- (a) Following the Barclays Discharge Date (as such term is defined in the Intercreditor Agreement) upon the request of the Security Agent, each Chargor shall (and the Parent shall ensure that each Chargor will) ensure that
 - (i) the name of the Security Agent be noted on each policy of insurance as mortgagee and first loss payee,

- (ii) each policy of insurance shall contain a standard mortgagee clause whereby, among other things, the insurance shall not be vitiated or avoided as against a mortgagee notwithstanding that it could otherwise be so against any Chargor, and
- (iii) each policy of insurance shall contain a provision to the effect that the insurance shall not be invalidated as against the Security Agent for non-payment of any premium due without the insurer first giving to the Security Agent not less than 14 days' written notice
- (b) If a Chargor shall be in default of effecting or maintaining insurances or in producing any such policy or receipt to the Security Agent on demand, the Security Agent may take out or renew such insurances in any sum which the Security Agent may think expedient and all monies expended and costs incurred by the Security Agent under this provision shall be for the account of any such Chargor

11 6 Book and other debts

- (a) It shall collect and realise the Debts in the ordinary course of trading as agent for the Security Agent and pay their proceeds into its Collection Account immediately on receipt. It shall hold all such proceeds on trust for the Security Agent pending payment of them into its Collection Account
- (b) It shall not set off, postpone or release any of the Debts or do or omit to do anything which may delay or prejudice the full recovery of all Debts without the prior written consent of the Security Agent

11 7 General

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

12 Power to remedy

- 12 1 If a Chargor fails to comply with any of the undertakings set out in clause 11 (Undertakings), it shall allow and irrevocably authorises the Security Agent and/or such persons as it shall nominate to take such action on behalf of that Chargor as shall be necessary to ensure that it complies with those undertakings
- 12 2 If any Chargor fails to perform any obligation or other covenant affecting the Secured Property or other Charged Property, each Chargor shall permit the Security Agent or its agents and contractors
 - (a) to enter on the Secured Property,
 - (b) to comply with or object to any notice served on any Chargor relating to the Secured Property or other Charged Property, and
 - (c) to take any action the Security Agent may reasonably consider expedient to prevent or remedy any breach of any such term or to comply with or object to any such notice
- 12 3 Each Chargor shall within 3 Business Days of demand indemnify the Security Agent against any cost, loss or liability incurred by it in taking any of the steps referred to in this clause 12

13 Security power of attorney

Each Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any of their delegates or sub-delegates to be its attorney to take any action which the Chargor is obliged to take under this Deed. Each Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause 13

14 Enforcement of security

14.1 When security is enforceable

On the occurrence of any Event of Default which is continuing, the Security created by and under this Deed is immediately enforceable

14.2 Acts of enforcement

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

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

14.3 Right of appropriation

To the extent that the Security created by this Deed constitutes a "security financial collateral arrangement" and the Charged Property constitute "financial collateral" for the purpose of the Financial Collateral Arrangements (No 2) Regulations 2003 (**Regulations**), the Security Agent shall have the right on giving prior notice to the relevant Chargor, at any time after the Security becomes enforceable, to appropriate all or any part of those Charged Property in or towards discharge of the Secured Obligations. The parties agree that the value of the appropriated Charged Property shall be, in the case of cash, the amount of cash appropriated and, in the case of Subsidiary Shares and Investments, determined by the Security Agent by reference to any publicly available market price in the absence of which by such other means as the Security Agent (acting reasonably) may select including, without limitation, an independent valuation. For the purpose of Regulation 18(1) of the Regulations, each Chargor agrees that any such determination by the Security Agent will constitute a valuation "in a commercially reasonable manner"

14 4 Statutory powers - general

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

14 5 Contingencies

If the Security Agent enforces the Security constituted by or under this Deed at a time when no amounts are due to any Finance Party under the Loan Note Documents but at a time when amounts may or will become so due, the Security Agent (or the Receiver) may pay the proceeds of any recoveries effected by it into an interest bearing suspense account

14 6 Mortgagee in possession - no liability

Neither the Security Agent nor any Receiver will be liable, by reason of entering into possession of a Charged Property, 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 otherwise be liable

14 7 Redemption of prior mortgages

At any time after the Security created by or under this Deed has become enforceable, the Security Agent may, at the sole cost of the Chargors (payable to the Security Agent on demand)

- (a) redeem any prior form of Security over any Charged Property, and/or
- (b) procure the transfer of that Security to itself, and/or
- (c) settle and pass the accounts of any prior mortgagee, chargee or encumbrancer which once so settled and passed shall be conclusive and binding on the Chargors

14 8 Subsidiary Shares and Investments – following an Event of Default

- (a) If an Event of Default is continuing, each Chargor shall on request by the Security Agent
 - (i) deliver to the Security Agent such pre-stamped stock transfer forms or other transfer documents as the Security Agent may require to enable the Security Agent or its nominee or nominees to be registered as the owner of, and to

obtain legal and beneficial title to, the Subsidiary Shares, the Investments and/or Related Rights referred to in such request,

- (ii) provide to the Security Agent certified copies of all resolutions and authorisations approving the execution of such transfer forms and registration of such transfers as the Security Agent may reasonably require,
 - (iii) procure that each such transfer is promptly registered by the relevant company or other entity,
 - (iv) procure that, immediately on their issue, all share certificates or other documents of title in the appropriate form, in respect of the relevant Subsidiary Shares, Investments and/or Related Rights, are delivered to the Security Agent in each case showing the registered holder as the Security Agent or its nominee or nominees (as applicable), and
 - (v) exercise all voting rights in respect of its Subsidiary Shares, Investments and Related Rights only in accordance with the instructions of the Security Agent
- (b) At any time while an Event of Default is continuing, the Security Agent may complete any transfer documents held by it in respect of the Subsidiary Shares, the Investments and/or the Related Rights in favour of itself or such other person or nominee as it shall select
- (c) At any time after the Security created by or under this Deed has become enforceable the Security Agent and its nominee or nominees may sell all or any of the Subsidiary Shares, Investments or Related Rights of the Chargors (or any of them) in any manner permitted by law and on such terms as the Security Agent shall in its absolute discretion determine
- (d) If any Chargor receives any dividends, distributions or other monies in respect of its Subsidiary Shares, Investments and Related Rights at a time when the Security Agent has made a request under clause 14 8(a) or taken any steps to enforce the Security created by or under this Deed under clause 14 2, the relevant Chargor shall immediately pay such sums received directly to the Security Agent for application in accordance with clause 17 (Application of monies) and shall hold all such sums on trust for the Security Agent pending payment of them to such account as the Security Agent shall direct

15 Receiver

15 1 Appointment of Receiver

- (a)
 - (i) At any time after any Security created by or under this Deed is enforceable, the Security Agent may appoint a Receiver to all or any part of the Charged Property in accordance with clause 14 2(c) (Acts of enforcement)
 - (ii) At any time, if so requested in writing by any Chargor, without further notice, the Security Agent may appoint a Receiver to all or any part of the Charged Property as if the Security Agent had become entitled under the Law of Property, Act 1925 to exercise the power of sale conferred under the Law of Property Act 1925

- (b) Any Receiver appointed under this Deed shall be the agent of the relevant Chargor and that Chargor shall be solely responsible for his acts or defaults and for his remuneration and liable on any contracts or engagements made or entered into by him and in no circumstances whatsoever shall the Security Agent be in any way responsible for any misconduct, negligence or default of the Receiver
- (c) Where a Chargor is an eligible company within the meaning of paragraphs 2 to 4 (inclusive) of Schedule A1 to the Insolvency Act 1986
 - (i) obtaining a moratorium, or
 - (ii) anything done with a view to obtaining a moratorium including any preliminary decision or investigation in terms of paragraph 43 of Schedule A1 to the Insolvency Act 1986,

shall not be grounds for appointment of a Receiver

15 2 Removal

The Security Agent may by written notice remove from time to time any Receiver appointed by it (subject to the provisions of section 45 of the Insolvency Act 1986 in the case of an administrative receiver) and, whenever it may deem appropriate, appoint a new Receiver in the place of any Receiver whose appointment has terminated

15 3 Powers of Receiver

(a) General

- (i) In addition to those conferred by the Law of Property Act 1925 on any Receiver appointed under that Act, each Receiver has, and is entitled to exercise, all of the rights, powers and discretions set out in this clause 15 3
- (ii) If there is more than one Receiver holding office at the same time, unless the document appointing him states otherwise, each Receiver may exercise all of the powers conferred on a Receiver under this Deed or under the Insolvency Act 1986 individually and to the exclusion of any other Receivers
- (iii) A Receiver of a Chargor has all the rights, powers and discretions of an administrative receiver under the Insolvency Act 1986
- (iv) A Receiver may, in the name of any Chargor
 - (A) do all other acts and things which he may consider expedient for realising any Charged Property, and
 - (B) exercise in relation to any Charged Property all the powers, authorities and things which he would be capable of exercising if he were its absolute beneficial owner

(b) Borrow money

A Receiver may raise and borrow money (either unsecured or on the security of any Charged Property, either in priority to the security constituted by this Deed or otherwise) on any terms and for whatever purpose which he thinks fit No person

lending that money need enquire as to the propriety or purpose of the exercise of that power or to check the application of any money so raised or borrowed

(c) Carry on business

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

(d) Compromise

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

(e) Delegation

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

(f) Employees

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

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

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

(g) Leases

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

(h) Legal actions

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

(i) Possession

A Receiver may take immediate possession of, get in and collect any Charged Property

(j) Protection of assets

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

- (i) make and effect all repairs and insurances and do all other acts which the relevant Chargor might do in the ordinary conduct of its business be they for the protection or for the improvement of the Charged Property,
- (ii) commence and/or complete any building operations on the Secured Property or other Charged Property, and
- (iii) apply for and maintain any planning permission, building regulation approval or any other permission, consent or licence

(k) **Receipts**

A Receiver may give valid receipts for all monies and execute all assurances and things which may be expedient for realising any Charged Property

(l) **Sale of assets**

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

(m) **Subsidiaries**

A Receiver may form a Subsidiary of the relevant Chargor and transfer to that Subsidiary any Charged Property

(n) **Deal with Charged Property**

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

(o) **Voting rights**

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

(p) **Security**

A Receiver may redeem any prior Security and settle and pass the accounts of the person entitled to the prior Security so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on that Chargor and the money so paid shall be deemed to be an expense properly incurred by the Receiver

(q) **Acquire land**

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

(r) **Development**

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

(s) **Landlord's obligations**

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

(t) **Uncalled capital**

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

(u) **Incidental matters**

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

15 4 Remuneration

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

16 Delegation

16 1 The Security Agent and any Receiver may delegate by power of attorney or in any other manner all or any of the powers, authorities and discretions which are for the time being exercisable by the Security Agent and the Receiver (as appropriate) under this Deed to any person or persons as it shall think fit Any such delegation may be made upon such terms and conditions (including the power to sub-delegate) as the Security Agent and Receiver (as appropriate) may think fit

- 16 2 The Security Agent and any Receiver will not be liable or responsible to any Chargor or any other person for any losses, liabilities or expenses arising from any act, default, omission or misconduct on the part of any delegate

17 Application of monies

- 17 1 Sections 109(6) and (8) (Appointment, powers, remuneration and duties of receiver) of the Law of Property Act 1925 shall not apply to a Receiver appointed under this Deed

- 17 2 All monies received by the Security Agent or any Receiver under this Deed shall be applied towards the discharge of the Secured Obligations *pari passu* as between the A Loan Note Holders and the B Loan Note Holders

- 17 3 The Security Agent and any Receiver may place any money received, recovered or realised pursuant to this Deed in an interest bearing suspense account and it may retain the same for such period as it considers expedient without having any obligation to apply the same or any part of it in or towards discharge of the Secured Obligations

18 Remedies and waivers

- 18 1 No failure to exercise, nor any delay in exercising, on the part of the Security Agent or any Receiver, any right or remedy under this Deed shall operate as a waiver, 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

- 18 2 A waiver given or consent granted by the Security Agent under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given

19 Protection of third parties

- 19 1 No person (including a purchaser) dealing with the Security Agent or a Receiver or its or his agents has an obligation to enquire of the Security Agent, Receiver or others

- (a) whether the Secured Obligations have become payable,
- (b) whether any power purported to be exercised has become exercisable,
- (c) whether any Secured Obligations or other monies remain outstanding,
- (d) how any monies paid to the Security Agent or to the Receiver shall be applied, or
- (e) the status, propriety or validity of the acts of the Receiver or Security Agent

- 19 2 The receipt of the Security Agent or any Receiver shall be an absolute and a conclusive discharge to a purchaser and shall relieve him of any obligation to see to the application of any monies paid to or by the direction of the Security Agent or any Receiver

- 19 3 In clauses 19 1 and 19 2, **purchaser** includes any person acquiring, for money or monies worth, any lease of, or Security over, or any other interest or right whatsoever in relation to, the Charged Property or any of them

20 Additional security

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

21 Settlements conditional

21 1 If the Security Agent (acting reasonably) believes that any amount paid by a Chargor or any other person in respect of the Secured Obligations is capable of being avoided or set aside for any reason, then for the purposes of this Deed, such amount shall not be considered to have been paid

21 2 Any settlement, discharge or release between a Chargor and any Finance Party shall be conditional upon no Security or payment to or for that Finance Party by that Chargor or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any law relating to bankruptcy, insolvency or liquidation or otherwise

22 Subsequent Security

If the Security Agent or any Finance Party receives notice of any other subsequent Security or other interest affecting all or any of the Charged Property it may open a new account or accounts for the relevant Chargor in its books. If it does not do so then, unless it gives express written notice to the contrary to the relevant Chargor, as from the time of receipt of such notice by the Security Agent, all payments made by that Chargor to the Security Agent or to any other Finance Party shall be treated as having been credited to a new account of that Chargor and not as having been applied in reduction of the Secured Obligations

23 Set-off

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

24 Notices

Any communication under this Deed or any other Security created by or under this Deed, shall be made and given in accordance with the terms of clause 21 (Notices) of the Intercreditor Agreement

25 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

26 Assignment

Each Finance Party may assign or otherwise transfer all or any part of its rights under this Deed or any Security created by or under it in accordance with the terms of the Loan Note Documents and the Intercreditor Agreement

27 Releases

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

- (a) its rights arising under this Deed,
- (b) the Charged Property from the Security created by and under this Deed,

and return all documents or deeds of title delivered to it under this Deed

28 Certificates and determinations

Any certificate or determination by a Secured Party or the Security Agent specifying the amount of any Secured Obligation due from the Chargors (including details of any relevant calculation thereof) is, in the absence of manifest error, conclusive evidence against the Chargors of the matters to which it relates

29 Indemnity

Chargors' Indemnity

- (a) Each Chargor shall promptly indemnify the Security Agent and every Receiver and Delegate (each an **Indemnified Person**) against any cost, loss or liability together with any associated VAT incurred by any of them as a result of
 - (i) the taking, holding, protection or enforcement of this Deed,
 - (ii) the exercise of any of the rights, powers, discretions and remedies vested in the Security Agent and each Receiver and Delegate by this Deed or by law, and
 - (iii) any default by any Chargor in the performance of any of the obligations expressed to be assumed by it in this Deed
- (b) Each Chargor shall indemnify the Security Agent against any and all costs, losses, liabilities or expenses together with any associated VAT incurred by the Security Agent arising (directly or indirectly) out of or in connection with
 - (i) any breach or potential breach of or liability (whether civil and/or criminal) under any Environmental Law,
 - (ii) any responsibility on the part of the Security Agent in respect of any clean-up, repair or other corrective action, or
 - (iii) the business or any real property of any Chargor
- (c) The Security Agent may indemnify itself out in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this clause and shall have a lien on this Deed and the proceeds of the enforcement of this Deed for all monies payable to it

30 Exclusion of liability

30 1 No liability

Neither the Security Agent nor any Receiver shall be liable in respect of all or any part of the Secured Assets or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers unless such loss or damage is caused by its gross negligence or wilful acts of default and recklessness

30 2 Officers and agents

No Chargor may take proceedings against any officer, employee or agent of the Security Agent in respect of any claim it might have against the Security Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to this Deed and any officer, employee or agent of the Security Agent may rely on this clause

31 Fees, costs and expenses

31 1 Transaction expenses

The Company shall promptly on demand pay the Finance Parties the amount of all costs, fees and expenses (including legal fees) together with any associated VAT incurred by it in connection with the negotiation, preparation, printing, execution and perfection of this Deed

31 2 Amendment costs

If a Chargor requests an amendment, waiver or consent of this Deed, the Company shall, within 3 Business Days of demand, reimburse the Finance Parties for the amount of all costs and expenses (including legal fees) together with any associated VAT reasonably incurred by the Finance Parties in responding to, evaluating, negotiating or complying with the request or requirement

31 3 Enforcement and preservation costs

The Company shall, within 3 Business Days of demand, pay to the Finance Parties the amount of all costs, fees and expenses (including legal fees) together with any associated VAT incurred by the Finance Parties in connection with the enforcement of or the preservation of any rights under this Deed and any proceedings instituted by or against the Finance Parties as a consequence of taking or holding the Security created or expressed to be created in favour of the Finance Parties under this Deed or enforcing these rights

31 4 Interest on late payments

- (a) If any Chargor fails to pay any amount payable by it under this Deed on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at the annual percentage rate equal to the aggregate of 1 per cent and the highest rate of interest applicable to the Secured Obligations. Any interest accruing under this clause 31 4 shall be immediately payable by the relevant Chargor on demand by the Finance Parties
- (b) Default interest (if unpaid) arising on Unpaid Sums will be compounded with the overdue amount at the end of each calendar month but will remain immediately due and payable

32 Counterparts

This Deed or any Loan Note Document entered into under or in connection with this Deed may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Deed or any such Loan Note Document entered into under or in connection with this Deed by e-mail attachment or telecopy shall be an effective mode of delivery.

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 of English courts

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) **(Dispute)**
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This clause 34 is for the benefit of the Security Agent. As a result, the Security Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

34.2 Service of process

- (a) The Civil Procedure Rules will not apply to any letter or other communication notifying a claim or serving legal proceedings under or in connection with this Deed.
- (b) Any letter or other communication notifying a claim or serving legal proceedings under or in connection with this Deed may not be made by way of fax and must be made pursuant to clause 24 (Notices) and/or, as applicable, clause 34.2(c).
- (c) Without prejudice to any other mode of service allowed under this Deed, each Chargor (other than a Chargor incorporated in England and Wales)
 - (i) irrevocably appoints the Parent as its agent for service of process in relation to any proceedings before the English courts in connection with this Deed (and the Parent by its execution of this Deed, accepts that appointment), and
 - (ii) agrees that failure by an agent for service of process to notify the relevant Chargor of the process will not invalidate the proceedings concerned.
- (d) 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 Parent (on behalf of all the Chargors) must immediately (and in any event within 14 days of such event taking place) appoint another agent on terms acceptable to the Security Agent. Failing this, the Security Agent may appoint another agent for this purpose.

- (e) The Parent expressly agrees and consents to the provisions of this clause 34 and clause 33 (Governing law)

This Deed has been entered into as a deed on the date given at the beginning of this Deed

Schedule 1

The Chargors

Name	Jurisdiction of incorporation	Registered number
Project Salt Bidco Limited	England and Wales	9155980
Foundation 9 Entertainment Europe Limited	England and Wales	6328045
Cirrus Development Limited	England and Wales	9075593
Sumo Digital Limited	England and Wales	4703224

Schedule 2

Properties

Registered Land

Chargor	Country and district (or address or description and London borough)	Title number
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Unregistered Land

Schedule 3

Subsidiary Shares

Chargor	Name and registered number of Subsidiary	Number and class of shares
Project Salt Topco Limited (company number 9155970)	Project Salt Bidco Limited (company number 9155980)	10,342 ordinary shares of £0 01
Project Salt Bidco Limited (company number 9155980)	Foundation 9 Entertainment Europe Limited (company number 6328045)	300 ordinary shares of £1 00
Foundation 9 Entertainment Europe Limited (company number 6328045)	Cirrus Development Limited (company number 9075593)	1 ordinary share of £1 00
Foundation 9 Entertainment Europe Limited (company number 6328045)	Minstral Entertainment Limited (company number 6533356)	1 ordinary share of £1
Foundation 9 Entertainment Europe Limited (company number 6328045)	Sumo Digital Limited (company number 4703224)	8,000 A ordinary shares of £1 00 and 20,000 B ordinary shares of £0 01

Schedule 4

Relevant Agreements

Part 1 - Form of notice of assignment

To ♦

Dated ♦

Dear Sirs

The agreement described in the attached schedule (Agreement)

We hereby notify you that we have assigned to ♦ (**Security Agent**) as security trustee for itself and certain other persons and entities all our right, title and interest in and to the Agreement

We hereby irrevocably and unconditionally authorise and instruct you [upon receipt of a notice from the Security Agent]

1 without notice or reference to, or further authority from us and without enquiring as to the justification or the validity of those instructions, to comply only with any instructions from time to time received by you from the Security Agent relating to the Agreement and any rights under or in connection with the Agreement, and

2 to pay all sums payable by you under the Agreement directly to the Security Agent at

Bank ♦
Account number ♦
Sort code ♦

or such other account as the Security Agent may specify from time to time

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

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

Yours faithfully

for and on behalf of
♦ **Limited**

Schedule

Date	Parties	Description
♦	♦	♦

[Attach form of acknowledgment]

Part 2 - Form of acknowledgement

To [name of Security Agent]
[address]

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

Dated ♦

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

- (a) there has been no amendment, waiver or release of any rights or interests in the Agreement since the date of the Agreement,
- (b) we will not agree to any amendment, waiver or release of any provision of the Agreement without the prior written consent of the Security Agent,
- (c) we shall act in accordance with the Notice,
- (d) as at the date of this acknowledgement we have not received any notice of assignment or charge of the Chargor's interest in the Agreement in favour of any other person,
- (e) as at the date of this acknowledgement, we are not aware of any breach by the Chargor of the terms of the Agreement, and
- (f) we do not have and have not claimed or exercised any right or claim against the Chargor or exercised or attempted to exercise any right of set-off, counterclaim or other right relating to the Agreement

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

For and on behalf of
♦

Schedule 5

Relevant Policies

Part 1 - Form of notice of assignment

To [insurer]

Dated ♦

Dear Sirs

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

We hereby notify you that we have assigned to ♦ (Security Agent) as security trustee for itself and certain other persons and entities all our right, title and interest in and to the Relevant Policies

We hereby irrevocably and unconditionally authorise and instruct you [upon receipt of a notice from the Security Agent]

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

Bank ♦
Account number ♦
Sort code ♦

or such other account as the Security Agent may specify from time to time

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

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

Yours faithfully

for and on behalf of
♦ Limited

Schedule

Date of policy	Insured	Policy type	Policy number
♦	♦	♦	♦

[Attach form of acknowledgment]

Part 2 - Form of acknowledgement

To [name of Security Agent]
[address]

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

Dated ♦

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

- (a) there has been no amendment, waiver or release of any rights or interests in any Relevant Policy since the date of such policy,
- (b) we have noted the Security Agent's interest as mortgagee and first loss payee on each Relevant Policy,
- (c) we will not agree to any amendment, waiver or release of any provision of any Relevant Policy without the prior written consent of the Security Agent,
- (d) we shall act in accordance with the Notice,
- (e) as at the date of this acknowledgement we have not received any notice of assignment or charge of the Chargor's interest in any Relevant Policy or the proceeds of any Relevant Policy in favour of any other person, and
- (f) we do not have and have not claimed or exercised any right or claim against the Chargor or exercised or attempted to exercise any right of set-off, counterclaim or other right relating to any Relevant Policy

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

For and on behalf of
[insurance company]

Schedule 6

Accounts

Part 1 - Form of notice of charge

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

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

We hereby notify you that we have charged by way of first fixed charge to ♦ **(Security Agent)** as security trustee for itself and certain other persons and entities all our right, title and interest in and to the monies from time to time standing to the credit of the Account

We hereby irrevocably and unconditionally authorise and instruct you

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

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

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

(whichever occurs first)

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

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

Yours faithfully

for and on behalf of ♦ Limited

Countersigned for and on behalf of
the Security Agent

[Attach form of acknowledgment]

Part 2 - Form of acknowledgement

To [name of Security Agent]
[address]

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

Dated ♦

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

We confirm that

- (a) we shall act in accordance with the Notice,
- (b) as at the date of this acknowledgement we have not received any notice of assignment or charge or other security over the Chargor's interest in the Account in favour of any other person, and
- (c) we will not exercise any right of combination of accounts, set-off or lien over any monies standing to the credit of the Account.

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

For and on behalf of
[account holding institution]

Schedule 7

Form of Security Deed of Accession

This Deed is made on ♦

Between

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

Whereas

- (A) This Deed is supplemental to a debenture dated ♦ between, inter alia, the Parent, the Chargors and the Security Agent (**Debenture**)
- (B) The Acceding Chargor has also entered into an Accession Deed to the Intercreditor Agreement on or about the date of this Security Deed of Accession

It is agreed

1 Definitions and interpretation

1.1 Definitions

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

1.2 Interpretation

Clauses 1.2 (Interpretation), 1.4 (Third party rights), 1.5 (Administration), 1.6 (Incorporated terms), 1.7 (Intercreditor Agreement) and 1.8 (Chargors' Agent) of the Debenture are incorporated in this Deed as if they were set out in full in this Deed, but so that references in those clauses to **this Deed** shall be construed as references to this Security Deed of Accession

2 Accession of Acceding Chargor

2.1 Accession

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

2 2 Covenant to pay

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

2 3 Charging provisions

All security created by a Chargor under clauses 2 4 to 2 7 inclusive is

- (a) a continuing security for the payment and discharge of the Secured Obligations,
- (b) granted with full title guarantee,
- (c) granted in respect of all the right, title and interest (if any), present and future of the Acceding Chargor in and to the relevant Charged Property, and
- (d) in favour of the Security Agent as security trustee for the Secured Parties

2 4 First legal mortgages

The Acceding Chargor charges by way of first legal mortgage the properties described in schedule 1 (Properties) to this Deed and, in each case, all Premises and Fixtures on each of the Properties

2 5 Assignments

- (a) The Acceding Chargor assigns
 - (i) the agreements described in schedule 4 (Relevant Agreements) to this Deed, and
 - (ii) its Relevant Policies
- (b) The Acceding Chargor shall remain liable to perform all its obligations under the Relevant Agreements, and the Relevant Policies

2 6 First fixed charges

The Acceding Chargor charges by way of first fixed charge

- (a) all interests and estate in any freehold, leasehold or commonhold property now or subsequently owned by it (other than any freehold, leasehold or commonhold property effectively charged by way of legal mortgage under clause 2 4, and in each case, the Premises and Fixtures on each such property,
- (b) the proceeds of sale of its Secured Property and all licences to enter on or use any Secured Property,
- (c) the benefit of all other agreements, instruments and rights relating to its Secured Property,
- (d) all plant, machinery, vehicles, computers, office and other equipment, all furniture, furnishings, equipment and tools and any removals or replacement of them, (together

Chattels) present and future and the benefit of all contracts, licences, warranties, maintenance contracts relating to them and any renewals and replacements of them,

- (e) the Subsidiary Shares together with all Related Rights,
- (f) the Investments together with all Related Rights,
- (g) all book and other debts due to the Acceding Chargor and their proceeds (both collected and uncollected) (together **Debts**) and all rights, guarantees, security or other collateral in respect of the Debts or any of them) and the benefit of any judgment or order to pay a sum of money and all rights to enforce the Debts (or any of them),
- (h) all monies from time to time standing to the credit of each Blocked Account,
- (i) all monies from time to time standing to the credit of each account held by the Acceding Chargor with any bank, building society, financial institution or other person other than any Blocked Account (each an **Account**),
- (j) all its Intellectual Property,
- (k) all its goodwill and uncalled capital,
- (l) the benefit of all Authorisations held or utilised by it in connection with its business or the use of any of its assets and the right to recover and receive compensation payable in respect of any of them,
- (m) to the extent that any assignment in clause 2 5 is ineffective as an assignment, the assets referred to in that clause

2 7 Floating charge

The Acceding Chargor charges by way of first floating charge all its assets and undertaking wherever located both present and future other than any assets effectively charged by way of legal mortgage or fixed charge or assigned under clauses 2 4, 2 5 or 2 6

2 8 Qualifying floating charge

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

3 Consent of existing charging companies

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

4 Security power of attorney

The Acceding Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any of their delegates or sub-delegates to be its attorney to take any action which the Acceding Chargor is obliged to take under this Deed or the Debenture The Acceding Chargor ratifies and confirms whatever any attorney does or prompts to do pursuant to its appointment under this clause 4

5 Notices

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

Address ♦

Facsimile ♦

Attention ♦

6 Counterparts

This Deed 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

7 Governing law and jurisdiction

Clause 33 (Governing law) of the Debenture shall be incorporated in this Deed as if set out here in full but so that references to the Debenture shall be construed as references to this Deed

This Deed has been entered into as a deed on the date given at the beginning of this Deed

Schedule 1

Properties

Schedule 2

Subsidiary Shares

Schedule 3

Relevant Agreements

SIGNATURES TO THE SECURITY DEED OF ACCESSION

Parent

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

Signature of witness

Name

Address

Acceding Chargor

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

Signature of witness

Name

Address

Security Agent

Executed as a deed)
by ♦)
as duly authorised attorney)
for and on behalf of ♦)
in the presence of)

Witness

Signature

Name

Address

SIGNATURES TO THE DEBENTURE

Parent

Executed as a deed by
Project Salt Topco Limited
acting by a director in the presence of

)
)
) Director

[Redacted Signature]

Signature of witness

Name *S. Siddons*

Address *Addleshaw Goddard LLP,
Sovereign House, Sovereign Street, Leeds,
LS1 1HQ.*

Chargors

Executed as a deed by
Project Salt Bidco Limited
acting by a director in the presence of

)
)
) Director

[Redacted Signature]

Signature of witness

Name *S. Siddons*

Address *Addleshaw Goddard LLP,
Sovereign House, Sovereign Street, Leeds,
LS1 1HQ.*

Executed as a deed by
Foundation 9 Entertainment Europe Limited
acting by a director in the presence of

)
)
) Director

[Redacted Signature]

Signature of witness

Name *B. Paisley*

Address *Addleshaw Goddard LLP,
Sovereign House, Sovereign Street,
Leeds, LS1 1HQ.*

Executed as a deed by
Cirrus Development Limited
acting by a director in the presence of

)
)
) Director



Signature of witness

Name *R. Draisey*

Address *Addleshaw Goddard LLP,
Sovereign House, Sovereign Street,
Leeds, LS1 1HQ.*

Executed as a deed by
Sumo Digital Limited
acting by a director in the presence of

)
)
) Director



Signature of witness

Name *R. Draisey*

Address *Addleshaw Goddard LLP,
Sovereign House, Sovereign Street,
Leeds, LS1 1HQ.*

Security Agent

Executed as a deed by **NorthEdge Capital**)
LLP acting by its duly authorised signatory in)
the presence of)



Signature of witness

Name

R Draney

Address

Addles Lane Goddard Wh,
Sovereign Manor, Sovereign Street,
Leeds LS1 1HQ.