



Registration of a Charge

Company Name: **TAHDAH VERIFIED LIMITED**

Company Number: **09296151**



XBZVN08H

Received for filing in Electronic Format on the: **23/03/2023**

Details of Charge

Date of creation: **20/03/2023**

Charge code: **0929 6151 0002**

Persons entitled: **ALLIANCE FUND MANAGERS NOMINEES LIMITED**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **DANIEL HAYHURST**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9296151

Charge code: 0929 6151 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 20th March 2023 and created by TAHDAAH VERIFIED LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 23rd March 2023 .

Given at Companies House, Cardiff on 27th March 2023

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



Companies House



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

DATED 20 March 2023

PATHFINDER SYSTEMS LTD

and

TAHDAH VERIFIED LIMITED

and

ALLIANCE FUND MANAGERS NOMINEES LIMITED

COMPOSITE GUARANTEE AND
DEBENTURE

Brabners

Horton House, Exchange Flags, Liverpool, L2 3YL
Tel: 0151 600 3000
www.brabners.com

Ref: AOM.DHA.34285.45

CONTENTS

1. Definitions and Interpretation	2
2. Covenant to Pay	6
3. Guarantee and Indemnity	6
4. Grant of Security by the Obligors	7
5. Liability of the Obligors and Noteholder's Protections	9
6. Representations and Warranties	10
7. General Covenants	11
8. Investments Covenants	13
9. Equipment Covenants	15
10. Intellectual Property Covenants	15
11. Powers of the Noteholder	16
12. When Security Becomes Enforceable	17
13. Enforcement of Security	17
14. Receiver	20
15. Powers of Receiver	20
16. Delegation	23
17. Application of Proceeds	23
18. Payments	24
19. Costs and Indemnity	25
20. Further Assurance	26
21. Power of Attorney	26
22. Release	26
23. Assignment and Transfer	26
24. Exclusion of Set-off	27
25. Amendments, Waivers and Consents	27
26. Partial Invalidity	27
27. Counterparts	27
28. Third Party Rights	27
29. Further Provisions	28
30. Notices	28
31. Governing Law and Jurisdiction	28

THIS DEED is dated 20 March 2023

BETWEEN:

- (1) **PATHFINDER SYSTEMS LTD** incorporated and registered in England and Wales with company number 09658775 whose registered office is at 16 Trinity Square, Llandudno, Wales, LL30 2RB (**Issuer**).
- (2) **TAHDAH VERIFIED LIMITED** incorporated and registered in England and Wales with company number 09296151 whose registered office is at 16 Trinity Square, Llandudno, Wales, LL30 2RB (**Subsidiary**).
- (3) **ALLIANCE FUND MANAGERS NOMINEES LIMITED** incorporated and registered in England and Wales with company number 04277713 whose registered office is at Suite 6c, The Plaza, 100 Old Hall Street, Liverpool, England, L3 9QJ (**Noteholder**).

RECITALS:

- (A) The Issuer has constituted the Loan Notes, to rank as secured obligations of the Issuer pursuant to the security granted under this deed.
- (B) The Noteholder, as nominee for Merseyside Loan and Equity Fund LLP, has agreed to subscribe for Loan Notes.
- (C) The Subsidiary is a wholly owned subsidiary of the Issuer and has agreed to guarantee the Issuer's obligations in respect of the Loan Notes.
- (D) Under this deed, the Issuer and the Subsidiary provide security to the Noteholder in respect of the obligations and liabilities due in respect of the Loan Notes.
- (E) AFM holds the legal title to the Loan Notes and the rights under this deed as nominee on behalf of Merseyside Loan and Equity Fund LLP (**MLEF**).

IT IS AGREED THAT:

1. Definitions and Interpretation

1.1 Definitions

The following definitions apply in this deed:

Administrator	an administrator appointed to manage the affairs, business and property of the Obligors pursuant to clause 11.7.
Book Debts	all present and future book and other debts, and monetary claims due or owing to the Obligors, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Obligors in relation to any of them.
Business Day	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.
CA 2006	the Companies Act 2006.
Charged Property	any freehold, leasehold or commonhold property the subject of the security constituted by this deed and references to " Charged Property " shall include references to the whole or any part of it.

Control	has the meaning given in section 1124 of the Corporation Tax Act 2010, and controls, controlled and the expression change of Control shall be interpreted accordingly.
Delegate	any person appointed by the Noteholder or any Receiver pursuant to clause 16 and any person appointed as attorney of the Noteholder or any Receiver or Delegate.
Equipment	all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property owned by the Obligors or in which it has an interest, including any part of it and all spare parts, replacements, modifications and additions.
Event of Default	has the meaning given in the Loan Note Instrument.
Financial Collateral	has the meaning given to that expression in the Financial Collateral Regulations.
Financial Collateral Regulations	the Financial Collateral Arrangements (No 2) Regulations 2003 (SI 2003/3226).
Group	in relation to a company, that company, any subsidiary undertaking or any parent undertaking from time to time of that company, and any subsidiary undertaking from time to time of a parent undertaking of that company. Each company in a Group is a member of the Group .
Insurance Policy	each contract and policy of insurance effected or maintained by the Obligors from time to time in respect of its assets or business (including, without limitation, any contract or policy of insurance relating to the Charged Properties or the Equipment).
Intellectual Property	the Obligors' present and future patents, utility models, rights to inventions, copyright and neighbouring and related rights, moral rights, trade marks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets) and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.
Investments	all certificated shares, stock, debentures, bonds or other securities or investments (whether or not marketable) from time to time legally or beneficially owned by or on behalf of the Obligor.
Loan Notes	means the £500,000 secured convertible loan notes 2026 constituted by the Loan Note Instrument.
Loan Note Instrument	means the instrument constituting the Loan Notes, executed by the Issuer on or about the date of this deed.
LPA 1925	the Law of Property Act 1925.

Obligors	means the Issuer and the Subsidiary or any one of them.
Obligors' Group	means the Obligors and each member of their respective Groups.
Receiver	a receiver, receiver and manager or administrative receiver appointed by the Noteholder under clause 14.
Rights	any security or other right or benefit whether arising by set-off, counterclaim, subrogation, indemnity, proof in liquidation or otherwise and whether from contribution or otherwise.
Secured Assets	all the assets, property and undertaking of the Obligors which are, or are expressed to be, subject to the Security created by, or pursuant to, this deed (and references to the Secured Assets shall include references to any part of them).
Secured Liabilities	all present and future obligations and liabilities of the Issuer to the Noteholder, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, under or in connection with the Loan Notes or this deed (including, without limitation, those arising under clause 29), together with all interest (including, without limitation, default interest) accruing in respect of those obligations or liabilities.
Security Financial Collateral Arrangement	has the meaning given to that expression in the Financial Collateral Regulations.
Security	any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.
Security Period	the period starting on the date of this deed and ending on the date on which the Noteholder is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.
VAT	value added tax or any equivalent tax chargeable in the UK or elsewhere.

1.2 Interpretation

In this deed:

- 1.2.1 clause, Schedule and paragraph headings shall not affect the interpretation of this deed;
- 1.2.2 a **person** includes an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality);
- 1.2.3 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- 1.2.4 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;

- 1.2.5 a reference to a party shall include that party's successors, permitted assigns and permitted transferees and this deed shall be binding on, and enure to the benefit of, the parties to this deed and their respective personal representatives, successors, permitted assigns and permitted transferees;
- 1.2.6 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- 1.2.7 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- 1.2.8 a reference to **writing** or **written** includes email but not fax;
- 1.2.9 an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- 1.2.10 a reference to **this deed** (or any provision of it) or to any other agreement or document referred to in this deed is a reference to this deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this deed) from time to time;
- 1.2.11 unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this deed;
- 1.2.12 any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- 1.2.13 a reference to an **amendment** includes a novation, supplement or variation (and **amend** and **amended** shall be construed accordingly);
- 1.2.14 a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- 1.2.15 a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration or resolution;
- 1.2.16 a reference to **continuing** in relation to an Event of Default means an Event of Default that has not been remedied or waived;
- 1.2.17 a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it;
- 1.2.18 a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation; and
- 1.2.19 a reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the CA 2006 and a company shall be treated, for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), as a member of another company even if its shares in that other company are registered in the name of:
 - 1.2.19.1 another person (or its nominee), by way of security or in connection with the taking of security; or
 - 1.2.19.2 its nominee.

1.3 Clawback

If the Noteholder consider that an amount paid by the Obligors in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Obligors or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this deed.

1.4 Nature of Security Over Real Property

A reference in this deed to a charge or mortgage of or over any Charged Property includes:

- 1.4.1 all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) and fixed plant and machinery that are situated on or form part of that Charged Property at any time;
- 1.4.2 the proceeds of the sale of any part of that Charged Property and any other monies paid or payable in respect of or in connection with that Charged Property;
- 1.4.3 the benefit of any covenants for title given, or entered into, by any predecessor in title of an Obligor in respect of that Charged Property, and any monies paid or payable in respect of those covenants; and
- 1.4.4 all rights under any licence, agreement for sale or agreement for lease in respect of that Charged Property.

1.5 Nature of Security Over Investments or Shares

A reference in this deed to any share, stock, debenture or other security or investment includes:

- 1.5.1 any dividend, interest or other distribution paid or payable in respect of that share, stock, debenture or other security or investment;
- 1.5.2 any right, money, shares or property accruing, offered or issued at any time in relation to that share, stock, debenture or other security or investment by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise.

1.6 Law of Property (Miscellaneous Provisions) Act 1989

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Loan Note Instrument and the Loan Notes are incorporated into this deed.

1.7 Schedules

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

2. Covenant to Pay

The Issuer covenants that it will pay and discharge the Secured Liabilities to the Noteholder as and when the same are due.

3. Guarantee and Indemnity

- 3.1 The Subsidiary irrevocably and unconditionally guarantees to the Noteholder the punctual performance by the Issuer of the Secured Liabilities and undertakes with the Noteholder that whenever the Issuer does not pay any of the Secured Liabilities, it shall immediately upon demand pay such Secured Liabilities as if it was the principal obligor.

- 3.2 The Subsidiary, as principal obligor and as a separate and independent obligation and liability from its obligations and liabilities under clause 3.1, agrees to indemnify the Noteholder and keep the Noteholder indemnified in full and on demand from and against all and any losses, costs, claims, liabilities, damages, demands, and expenses suffered or incurred by the Noteholder arising out of, or in connection with, the Secured Liabilities not being recoverable for any reason or any failure of the Issuer to perform or discharge any of its obligations or liabilities in respect of the Secured Liabilities.

4. Grant of Security by the Obligors

4.1 Legal Mortgage

As a continuing security for the payment and discharge of the Secured Liabilities, the each Obligor with full title guarantee charges to the Noteholder, by way of a first legal mortgage, all estates or interests in any freehold, leasehold or commonhold property now owned by it.

4.2 Fixed Charges

As a continuing security for the payment and discharge of the Secured Liabilities, each Obligor with full title guarantee charges to the Noteholder by way of a first fixed charge:

- 4.2.1 all its present and future estates or interests in, or over, any freehold, leasehold or commonhold property (other than any such property effectively mortgaged under clause 4.1);
- 4.2.2 the benefit of all other contracts, guarantees, appointments and warranties relating to each Charged Property and other documents to which the Obligor is a party or which are in its favour or of which it has the benefit relating to any letting, development, sale, purchase, use or the operation of any Charged Property or otherwise relating to any Charged Property (including, in each case, but without limitation, the right to demand and receive all monies whatever payable to or for its benefit under or arising from any of them, all remedies provided for in any of them or available at law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests and benefits whatever accruing to or for its benefit arising from any of them);
- 4.2.3 all licences, consents and authorisations (statutory or otherwise) held or required in connection with its business or the use of any Secured Asset, and all rights in connection with them;
- 4.2.4 all its present and future goodwill;
- 4.2.5 all its uncalled capital;
- 4.2.6 all the Equipment;
- 4.2.7 all the Intellectual Property;
- 4.2.8 all the Book Debts;
- 4.2.9 all the Investments;
- 4.2.10 all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person, together with all other rights and benefits accruing to or arising in connection with each account (including, but not limited to, entitlements to interest);
- 4.2.11 all its rights in respect of each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy; and

4.2.12 all its rights in respect of all other agreements, instruments and rights relating to the Secured Assets.

4.3 Floating Charge

As a continuing security for the payment and discharge of the Secured Liabilities, each Obligor with full title guarantee charges to the Noteholder, by way of first floating charge, all its undertaking, property, assets and rights not otherwise effectively mortgaged, charged or assigned under clause 4.1 or clause 4.2.

4.4 Qualifying Floating Charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charges created by clause 4.3.

4.5 Automatic Crystallisation of Floating Charge

The floating charge created by clause 4.3 shall automatically and immediately (without notice) convert into fixed charges over the assets subject to the floating charge if:

4.5.1 a Obligor:

4.5.1.1 creates, or attempts to create, without the prior written consent of the Noteholder, Security or a trust in favour of another person over all or any part of the Secured Assets (except as expressly permitted by the terms of this deed); or

4.5.1.2 disposes, or attempts to dispose, of all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains uncrystallised);

4.5.2 any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets;

4.5.3 a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of a Obligor; or

4.5.4 an application is made to court, or an order is made, for the appointment of an administrator, or a notice of intention to appoint an administrator is given or an administrator is appointed

4.6 Crystallisation of Floating Charge by Notice

Except as provided in clause 4.7, the Noteholder may, in its sole discretion, by written notice to a Obligor, convert the floating charge created under this deed into a fixed charge as regards any part of the Secured Assets specified by the Noteholder in that notice if:

4.6.1 an Event of Default is continuing; or

4.6.2 the Noteholder considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

4.7 Part A1 Moratorium

4.7.1 Subject to clause 4.7.2 below, the floating charge created by clause 4.3 may not be converted into a fixed charge solely by reason of obtaining a moratorium (or anything done with a view to obtaining a moratorium) under Part A1 of the Insolvency Act 1986.

4.7.2 Paragraph 4.7.1 above does not apply to any floating charge referred to in section A52(4) of Part A1 of the Insolvency Act 1986.

4.8 Assets Acquired after any Floating Charge has Crystallised

Any asset acquired by an Obligor after any crystallisation of the floating charge created under this deed that, but for that crystallisation, would be subject to a floating charge under this deed, shall (unless the Noteholder confirms otherwise to relevant Obligor in writing) be charged to the Noteholder by way of first fixed charge.

5. Liability of the Obligors and Noteholder's Protections

5.1 Liability not discharged

The Obligors' liability under this deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or otherwise adversely affected by:

- 5.1.1 any intermediate payment, settlement of account or discharge in whole or in part of the Secured Liabilities;
- 5.1.2 any variation, extension, discharge, compromise, dealing with, exchange or renewal of any right or remedy which the Noteholder may now or after the date of this deed have from or against the Obligors or any other person in connection with the Secured Liabilities;
- 5.1.3 any act or omission by the Noteholder or any other person in taking up, perfecting or enforcing any Security, indemnity, or guarantee from or against the Obligors or any other person;
- 5.1.4 any termination, amendment, variation, novation, replacement or supplement of or to any of the Secured Liabilities;
- 5.1.5 any grant of time, indulgence, waiver or concession to the Obligors or any other person;
- 5.1.6 the insolvency, bankruptcy, liquidation, administration or winding up or any incapacity, limitation, disability, discharge by operation of law or change in the constitution, name or style of the Obligors or any other person;
- 5.1.7 any invalidity, illegality, unenforceability, irregularity or frustration of any actual or purported obligation of, or Security held from, the Obligors or any other person in connection with the Secured Liabilities;
- 5.1.8 any claim or enforcement of payment from the Obligors or any other person;
- 5.1.9 any other act or omission which would not have discharged or affected the liability of the Obligors had it been a principal debtor; or
- 5.1.10 anything done or omitted by any person which, but for this provision, might operate to exonerate or discharge the Obligors or otherwise reduce or extinguish its liability under this deed.

5.2 Immediate recourse

The Obligors waive any right they may have to require the Noteholder:

- 5.2.1 to take any action or obtain judgment in any court against any other person;

5.2.2 to make or file any claim in a bankruptcy, liquidation, administration or insolvency of any other person; or

5.2.3 to make demand, enforce or seek to enforce any claim, right or remedy against any other person,

before taking steps to enforce any of its rights or remedies under this deed.

5.3 Non-competition

The Obligors each warrant to the Noteholder that it has not taken or received, and shall not take, exercise or receive the benefit of any Rights from or against another Obligor, its liquidator, an administrator, co-guarantor or any other person in connection with any liability of, or payment by, a Obligor under this deed but:

5.3.1 if any of the Rights is taken, exercised or received by an Obligor, those Rights and all monies at any time received or held in respect of those Rights shall be held by the Obligor on trust for the Noteholder for application in or towards the discharge of the Secured Liabilities under this deed; and

5.3.2 on demand by the Noteholder, the relevant Obligor shall promptly transfer, assign or pay to the Noteholder all other Rights and all monies from time to time held on trust by the relevant Obligor under this clause 5.3.

6. Representations and Warranties

6.1 Times for Making Representations and Warranties

The Obligors make the representations and warranties set out in this clause 5.1 to the Noteholder on the date of this deed on a several basis and the representations and warranties so given are deemed to be repeated on each day of the Security Period with reference to the facts and circumstances existing at the time of repetition.

6.2 Ownership of Secured Assets

The Obligors are the sole legal and beneficial owners of, and have good, valid and marketable title to, the Secured Assets.

6.3 No Security

The Secured Assets are free from any Security other than the Security created by this deed.

6.4 No Adverse Claims

The Obligors have not received, or acknowledged notice of, any adverse claim by any person in respect of the Secured Assets or any interest in them.

6.5 No Adverse Covenants

There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever that materially and adversely affect the Secured Assets.

6.6 No Breach of Laws

There is no breach of any law or regulation that materially and adversely affects the Secured Assets.

6.7 No Interference in Enjoyment

No facility necessary for the enjoyment and use of the Secured Assets is subject to terms entitling any person to terminate or curtail its use.

6.8 No Overriding Interests

Nothing has arisen, has been created or is subsisting, that would be an overriding interest in any Charged Property.

6.9 Avoidance of Security

No Security expressed to be created under this deed is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Obligors or otherwise.

6.10 No Prohibitions or Breaches

There is no prohibition on assignment in any Insurance Policy and the entry into this deed by the Obligors does not, and will not, constitute a breach of any Insurance Policy or any other policy, agreement, document, instrument or obligation binding on the Obligors or their assets.

6.11 Enforceable Security

This deed constitutes and will constitute the legal, valid, binding and enforceable obligations of the Obligors, and is, and will continue to be, effective security over all and every part of the Secured Assets in accordance with its terms.

6.12 Investments

6.12.1 The Investments are fully paid and are not subject to any option to purchase or similar rights.

6.12.2 No constitutional document of an issuer of an Investment, nor any other agreement:

6.12.2.1 restricts or inhibits any transfer of the Investments on creation or enforcement of the security constituted by this deed; or

6.12.2.2 contains any rights of pre-emption in relation to the Investments.

6.12.3 The Obligors have complied with all notices relating to all or any of the Investments received by it pursuant to sections 790D and 790E of the Companies Act 2006.

6.12.4 No warning notice has been issued under paragraph 1(2) of Schedule 1B of the Companies Act 2006, and no restrictions notice has been issued under paragraph 1(3) of Schedule 1B of the Companies Act 2006, in respect of all or any of the Investments.

7. General Covenants

7.1 Negative Pledge and Disposal Restrictions

The Obligors shall not at any time, except with the prior written consent of the Noteholder:

7.1.1 create, purport to create or permit to subsist any Security on, or in relation to, any Secured Asset other than any Security created by this deed;

7.1.2 sell, assign, transfer, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Secured Assets (except, in the ordinary course of business, Secured Assets that are only subject to an uncrystallised floating charge); or

- 7.1.3 create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party.

7.2 Preservation of Secured Assets

The Obligors shall not do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Noteholder, or materially diminish the value of any of the Secured Assets or the effectiveness of the security created by this deed.

7.3 Compliance With Laws and Regulations

- 7.3.1 The Obligors shall not, without the Noteholder's prior written consent, use or permit the Secured Assets to be used in any way contrary to law.

- 7.3.2 The Obligors shall:

- 7.3.2.1 comply with the requirements of any law or regulation relating to or affecting the Secured Assets or the use of it or any part of them;
 - 7.3.2.2 obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Secured Assets or their use or that are necessary to preserve, maintain or renew any Secured Asset; and
 - 7.3.2.3 promptly effect any maintenance, modifications, alterations or repairs that are required by any law or regulation to be effected on or in connection with the Secured Assets.

7.4 Enforcement of Rights

The Obligors shall use their best endeavours to:

- 7.4.1 procure the prompt observance and performance by each counterparty to any agreement or arrangement with the Obligor forming part of the Secured Assets (including each insurer in respect of an Insurance Policy) of the covenants and other obligations imposed on that counterparty; and
- 7.4.2 enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets as the Noteholder may require from time to time.

7.5 Notice of Misrepresentation and Breaches

The Obligors shall, promptly on becoming aware of any of the same, notify the Noteholder in writing of:

- 7.5.1 any representation or warranty set out in this deed that is incorrect or misleading in any material respect when made or deemed to be repeated; and
- 7.5.2 any breach of any covenant set out in this deed.

7.6 Proceeds from Insurance Policies

All monies payable under any insurance policy maintained by the at any time (whether or not the security constituted by this deed has become enforceable) shall be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received or, after the security constituted by this deed has become enforceable and if the Noteholder so directs, in or towards discharge or reduction of the Secured Liabilities.

7.7 Information

The Obligors shall:

- 7.7.1 give the Noteholder such information concerning the location, condition, use and operation of the Secured Assets as the Noteholder may require;
- 7.7.2 permit any persons designated by the Noteholder and any Receiver to enter on its premises and inspect and examine any Secured Asset, and the records relating to that Secured Asset, at all reasonable times and on reasonable prior notice; and
- 7.7.3 promptly notify the Noteholder in writing of any action, claim, notice or demand made by or against it in connection with all or any part of a Secured Asset or of any fact, matter or circumstance which may, with the passage of time, give rise to such an action, claim, notice or demand, together with, in each case, the Obligor's proposals for settling, liquidating, compounding or contesting any such action, claim, notice or demand and shall, subject to the Noteholder's prior approval, implement those proposals at its own expense.

8. Investments Covenants

8.1 Deposit of Title Documents

8.1.1 The Obligors shall:

- 8.1.1.1 on the execution of this deed, deposit with the Noteholder, or as the Noteholder may direct, all stock or share certificates and other documents of title or evidence of ownership relating to any Investments owned by the Obligors at that time; and
- 8.1.1.2 on the purchase or acquisition by it of Investments after the date of this deed, deposit with the Noteholder, or as the Noteholder may direct, all stock or share certificates and other documents of title or evidence of ownership relating to those Investments.

8.1.2 At the same time as depositing documents with the Noteholder, or as the Noteholder may direct, in accordance with clause 8.1.1, the Obligors shall also deposit with the Noteholder, or as the Noteholder may direct:

- 8.1.2.1 all stock transfer forms relating to the relevant Investments duly completed and executed by or on behalf of the Obligors, but with the name of the transferees, the consideration and the date left blank; and
- 8.1.2.2 any other documents (in each case duly completed and executed by or on behalf of the Obligors) that the Noteholder may request to enable it or any of its nominees, or any purchaser or transferee, to be registered as the owner of, or otherwise obtain a legal title to, or to perfect its security interest in any of the relevant Investments,

so that the Noteholder may, at any time and without notice to the Obligors, complete and present those stock transfer forms and other documents to the issuer of the Investments for registration.

8.2 Pre-emption Rights and Restrictions on Transfer

The Obligors shall:

- 8.2.1 obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of an issuer of any Investments, for the transfer of the Investments to the Noteholder or its nominee, or to a purchaser on enforcement of the security constituted by this deed; and

- 8.2.2 procure the amendment of the share transfer provisions (including, but not limited to, deletion of any pre-emption provisions) under the articles of association, other constitutional document or otherwise of each issuer of the Investments in any manner that the Noteholder may require in order to permit the transfer of the Investments to the Noteholder or its nominee, or to a purchaser on enforcement of the security constituted by this deed.

8.3 Dividends and Voting Rights After Enforcement

After the security constituted by this deed has become enforceable:

- 8.3.1 all dividends and other distributions paid in respect of the Investments and received by the Obligors shall be held by the Obligors on trust for the Noteholder or, if received by the Noteholder, may be applied by the Noteholder in accordance with clause 17.1; and
- 8.3.2 all voting and other rights and powers attaching to the Investments may be exercised by, or at the direction of, the Noteholder and the Obligors shall, and shall procure that its nominees shall, comply with any directions the Noteholder may give, in its absolute discretion, concerning the exercise of those rights and powers.

8.4 Calls on Investments

Notwithstanding the security created by this deed, the Obligors shall promptly pay all calls, instalments and other payments that may be or become due and payable in respect of all or any of the Investments. The Obligors acknowledges that the Noteholder shall not be under any liability in respect of any such calls, instalments or other payments.

8.5 No Alteration of Constitutional Documents or Rights Attaching to Investments

The Obligors shall not, without the prior written consent of the Noteholder, amend, or agree to the amendment of:

- 8.5.1 the memorandum or articles of association, or any other constitutional documents, of any issuer of the Investments that is not a public company; or
- 8.5.2 the rights or liabilities attaching to, or conferred by, all or any of the Investments.

8.6 Preservation of Investments

The Obligors shall ensure (as far as they are able to by the exercise of all voting rights, powers of control and other means available to it) that any issuer of any of the Investments (that is not a public company) shall not:

- 8.6.1 consolidate or subdivide any of the Investments, or re-organise, exchange, repay or reduce its share capital in any way;
- 8.6.2 issue any new shares or stock; or
- 8.6.3 refuse to register any transfer of any of the Investments that may be lodged with it for registration by, or on behalf of, the Noteholder or the Obligors in accordance with this deed.

8.7 Investments Information

The Obligors shall, promptly following receipt, send to the Noteholder copies of any notice, circular, report, accounts and any other document received by it that relates to the Investments.

8.8 Compliance With Requests for Information

The Obligors shall promptly send a copy to the Noteholder of, and comply with, all requests for information which is within its knowledge and which are made under any law or regulation or any similar provision in any articles of association or other constitutional document, or by any listing or other authority, relating to any of the Investments. If it fails to do so, the Noteholder may elect to provide such information as it may have on behalf of the Obligors.

9. Equipment Covenants

9.1 Maintenance of Equipment

The Obligors shall:

- 9.1.1 maintain the Equipment in good and serviceable condition (except for expected fair wear and tear) in compliance with all relevant manuals, handbooks, manufacturer's instructions and recommendations and maintenance or servicing schedules;
- 9.1.2 at its own expense, renew and replace any parts of the Equipment when they become obsolete, worn out or damaged with parts of a similar quality and of equal or greater value; and
- 9.1.3 not permit any Equipment to be:
 - 9.1.3.1 used or handled other than by properly qualified and trained persons; or
 - 9.1.3.2 overloaded or used for any purpose for which it is not designed or reasonably suitable.

9.2 Notice of Charge

- 9.2.1 The Obligors shall, if so requested by the Noteholder, affix to and maintain on each item of Equipment in a conspicuous place, a clearly legible identification plate containing the following wording:

"NOTICE OF CHARGE

This [DESCRIBE ITEM] and all additions to it [and ancillary equipment] are subject to a fixed charge dated [DATE] in favour of [NOTEHOLDER]."

- 9.2.2 The Obligors shall not, and shall not permit any person to, conceal, obscure, alter or remove any plate affixed in accordance with clause 9.2.1.

10. Intellectual Property Covenants

10.1 Preservation of Rights

The Obligors shall take all necessary action to safeguard and maintain present and future rights in, or relating to, the Intellectual Property including (without limitation) by observing all covenants and stipulations relating to those rights, and by paying all applicable renewal fees, licence fees and other outgoings.

10.2 Registration of Intellectual Property

The Obligors shall use all reasonable efforts to register applications for the registration of any Intellectual Property, and shall keep the Noteholder informed of all matters relating to each such registration.

10.3 Maintenance of Intellectual Property

The Obligors shall not permit any Intellectual Property to be abandoned, cancelled or to lapse.

11. Powers of the Noteholder

11.1 Power to Remedy

- 11.1.1 The Noteholder shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Obligors of any of their obligations contained in this deed.
- 11.1.2 The Obligors irrevocably authorise the Noteholder and its agents to do all things that are necessary or desirable for that purpose.
- 11.1.3 The Obligors shall reimburse the Noteholder, on a full indemnity basis, for any monies the Noteholder expends in remedying a breach by the Obligors of their obligations contained in this deed, and such monies shall carry interest in accordance with clause 19.1.

11.2 Exercise of Rights

- 11.2.1 The rights of the Noteholder under clause 11.1 are without prejudice to any other rights of the Noteholder under this deed.
- 11.2.2 The exercise of any rights of the Noteholder under this deed shall not make the Noteholder liable to account as a mortgagee in possession.

11.3 Power to Dispose of Chattels

- 11.3.1 At any time after the security constituted by this deed has become enforceable, the Noteholder or any Receiver may, as agent for the relevant Obligor, dispose of any chattels or produce found on any Charged Property.
- 11.3.2 Without prejudice to any obligation to account for the proceeds of any disposal made under clause 11.3.1, the Obligors shall indemnify the Noteholder and any Receiver against any liability arising from any disposal made under clause 11.3.1.

11.4 Noteholder have Receiver's Powers

To the extent permitted by law, any right, power or discretion conferred by this deed (either expressly or impliedly) or by law on a Receiver may, after the security constituted by this deed has become enforceable, be exercised by the Noteholder in relation to any of the Secured Assets whether or not it has taken possession of any Secured Assets and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

11.5 Conversion of Currency

- 11.5.1 For the purpose of, or pending the discharge of, any of the Secured Liabilities, the Noteholder may convert any monies received, recovered or realised by it under this deed (including the proceeds of any previous conversion under this clause 11.5) from their existing currencies of denomination into any other currencies of denomination that the Noteholder may think fit.
- 11.5.2 Any such conversion shall be effected at Lloyds Bank's then prevailing spot selling rate of exchange for such other currency against the existing currency.
- 11.5.3 Each reference in this clause 11.5 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

11.6 Indulgence

The Noteholder may, at their discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this deed (whether or not any such person is jointly liable with the Obligors) in respect of any of the Secured Liabilities, or of any other security for them without prejudice either to this deed or to the liability of the Obligors for the Secured Liabilities.

11.7 Appointment of an Administrator

11.7.1 The Noteholder may, without notice to the Obligors, appoint any one or more persons to be an Administrator of the Obligors pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this deed becomes enforceable.

11.7.2 Any appointment under this clause 11.7 shall:

11.7.2.1 be in writing signed by a duly authorised signatory of the Noteholder; and

11.7.2.2 take effect in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.

11.7.3 The Noteholder may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this clause 11.7 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

12. When Security Becomes Enforceable

12.1 Security Becomes Enforceable on Event of Default

The security constituted by this deed shall become immediately enforceable if an Event of Default occurs.

12.2 Discretion

After the security constituted by this deed has become enforceable, the Noteholder may, in their absolute discretion, enforce all or any part of that security at the times, in the manner and on the terms it thinks fit, and take possession of and hold or dispose of all or any part of the Secured Assets.

13. Enforcement of Security

13.1 General

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

13.1.2 The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this deed) shall be immediately exercisable at any time after the security constituted by this deed has become enforceable under clause 12.1.

13.1.3 Section 103 of the LPA 1925 does not apply to the security constituted by this deed.

13.2 Extension of Statutory Powers of Leasing

The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the Noteholder and any Receiver, at any time after the security constituted by this deed has become enforceable, whether in its own name or in that of the Obligors, to:

13.2.1 grant a lease or agreement for lease;

13.2.2 accept surrenders of leases; or

13.2.3 grant any option in respect of the whole or any part of the Secured Assets with whatever rights relating to other parts of it,

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

13.3 Access on Enforcement

13.3.1 At any time after the Noteholder have demanded payment of the Secured Liabilities or if the Obligors default in the performance of its obligations under this deed or the Loan Notes, the Obligors will allow the Noteholder or its Receiver, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Secured Asset and for that purpose to enter on any premises where a Secured Asset is situated (or where the Noteholder or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to the Obligors for, or by any reason of, that entry.

13.3.2 At all times, the Obligors must use its best endeavours to allow the Noteholder or its Receiver access to any premises for the purpose of clause 13.3.1 (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

13.4 Redemption of Prior Security

13.4.1 At any time after the security constituted by this deed has become enforceable, the Noteholder may:

13.4.1.1 redeem any prior Security over any Secured Asset;

13.4.1.2 procure the transfer of that Security to itself; and

13.4.1.3 settle and pass the accounts of the holder of any prior Security (and any accounts so settled and passed shall, in the absence of any manifest error, be conclusive and binding on the Obligors).

13.4.2 The Obligors shall pay to the Noteholder immediately on demand all principal, interest, costs, charges and expenses of, and incidental to, any such redemption or transfer, and such amounts shall be secured by this deed as part of the Secured Liabilities.

13.5 Protection of Third Parties

No purchaser, mortgagee or other person dealing with the Noteholder, any Receiver or any Delegate shall be concerned to enquire:

13.5.1 whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;

13.5.2 whether any power the Noteholder, a Receiver or Delegate is purporting to exercise has become exercisable or is being properly exercised; or

13.5.3 how any money paid to the Noteholder, any Receiver or any Delegate is to be applied.

13.6 Privileges

Each Receiver and the Noteholder are entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers.

13.7 Exclusion of Liability

Neither the Noteholder, nor any Receiver or Delegate, shall be liable to the Obligors or any other person:

13.7.1 (by reason of entering into possession of a Secured Asset, or for any other reason) to account as mortgagee in possession in respect of all or any of the Secured Assets;

13.7.2 for any loss on realisation, or for any act, default or omission for which a mortgagee in possession might be liable; or

13.7.3 for any expense, loss or liability:

13.7.3.1 relating to the enforcement of, or any failure to enforce or delay in enforcing, any security constituted by or pursuant to this deed;

13.7.3.2 relating to an exercise of rights, or by any failure to exercise or delay in exercising, rights under this deed; or

13.7.3.3 arising in any other way in connection with this deed,

except that this does not exempt the Noteholder or any Receiver or Delegate from liability for losses caused by the gross negligence, fraud or wilful misconduct of the Noteholder or the relevant Receiver or Delegate.

13.8 Conclusive Discharge to Purchasers

The receipt of the Noteholder, or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Secured Assets or in making any acquisition in the exercise of their respective powers, the Noteholder, and every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it thinks fit.

13.9 Right of Appropriation

13.9.1 To the extent that:

13.9.1.1 the Secured Assets constitute Financial Collateral; and

13.9.1.2 this deed and the obligations of the Obligors under it constitute a Security Financial Collateral Arrangement,

the Noteholder shall have the right, at any time after the security constituted by this deed has become enforceable, to appropriate all or any of those Secured Assets in or towards the payment or discharge of the Secured Liabilities in any order that the Noteholder may, in its absolute discretion, determine.

13.9.2 The value of any Secured Assets appropriated in accordance with this clause shall be:

13.9.2.1 in the case of cash, the amount standing to the credit of each of the Obligor's accounts with any bank, financial institution or other person, together with any accrued but unpaid interest, at the time the right of appropriation is exercised; and

13.9.2.2 in the case of Investments, the market price of those Investments at the time the right of appropriation is exercised determined by the Noteholder

by reference to a recognised market index or by any other method that the Noteholder may select (including independent valuation).

- 13.9.3 The Obligors agree that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

14. Receiver

14.1 Appointment

- 14.1.1 At any time after the security constituted by this deed has become enforceable, or at the request of the Obligors, the Noteholder may, without further notice, appoint by way of deed, or otherwise in writing, any one or more persons to be a Receiver of all or any part of the Secured Assets.

- 14.1.2 The Noteholder may not appoint a Receiver solely as a result of the obtaining of a moratorium (or as a result of anything done with a view to obtaining a moratorium) under Part A1 of the Insolvency Act 1986 other than in respect of a floating charge referred to in section A52(4) of Part A1 of the Insolvency Act 1986.

14.2 Removal

The Noteholder may, without further notice (subject to section 45 of the Insolvency Act 1986 in the case of an administrative receiver), from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

14.3 Remuneration

The Noteholder may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925, and the remuneration of the Receiver shall be a debt secured by this deed, to the extent not otherwise discharged.

14.4 Power of Appointment Additional to Statutory Powers

The power to appoint a Receiver conferred by this deed shall be in addition to all statutory and other powers of the Noteholder under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

14.5 Power of Appointment Exercisable Despite Prior Appointments

The power to appoint a Receiver (whether conferred by this deed or by statute) shall be, and remain, exercisable by the Noteholder despite any prior appointment in respect of all or any part of the Secured Assets.

14.6 Agent of the Obligors

Any Receiver appointed by the Noteholder under this deed shall be the agent of the Obligors and the Obligors shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each Receiver shall continue until the Obligors (or any of them) goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Noteholder.

15. Powers of Receiver

15.1 General

- 15.1.1 Any Receiver appointed by the Noteholder under this deed shall, in addition to the powers conferred on it by statute, have the rights, powers and discretions set out in clause 15.2 to clause 15.22.
- 15.1.2 A Receiver has all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the LPA 1925, and shall have those rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986 whether it is an administrative receiver or not.
- 15.1.3 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing it states otherwise) exercise all of the powers conferred on a Receiver under this deed individually and to the exclusion of any other Receiver.
- 15.1.4 Any exercise by a Receiver of any of the powers given by clause 15 may be on behalf of the Obligors, the directors of the Obligors (in the case of the power contained in clause 15.15) or itself.

15.2 Repair and Develop Charged Properties

A Receiver may undertake or complete any works of repair, alteration, building or development on the Charged Properties and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

15.3 Grant or Accept Surrenders of Leases

A Receiver may grant, or accept, surrenders of any leases or tenancies affecting any Secured Asset on any terms, and subject to any conditions, that it thinks fit.

15.4 Employ Personnel and Advisers

- 15.4.1 A Receiver may provide services and employ or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that it thinks fit.
- 15.4.2 A Receiver may discharge any such person or any such person appointed by the Obligors.

15.5 Make and Revoke VAT Options to Tax

A Receiver may make, exercise or revoke any VAT option to tax as it thinks fit.

15.6 Remuneration

A Receiver may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by it) that the Noteholder may prescribe or agree with it.

15.7 Possession

A Receiver may take immediate possession of, get in and realise any Secured Asset.

15.8 Dispose of Secured Assets

A Receiver may sell, exchange, convert into money and realise all or any of the Secured Assets in respect of which it is appointed in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as it thinks fit. Any sale may be for any consideration that the Receiver thinks fit and a Receiver may promote, or concur in promoting, a company to purchase the Secured Assets to be sold.

15.9 Sever Fixtures and Fittings

A Receiver may sever and sell separately any fixtures or fittings from any Charged Property without the consent of the Obligors.

15.10 Sell Book Debts

A Receiver may sell and assign all or any of the Book Debts in respect of which it is appointed in any manner, and generally on any terms and conditions, that it thinks fit.

15.11 Valid Receipts

A Receiver may give a valid receipt for all monies and execute all assurances and things that may be proper or desirable for realising any of the Secured Assets.

15.12 Make Settlements

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

15.13 Legal Action

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Secured Assets as it thinks fit.

15.14 Improve the Equipment

A Receiver may make substitutions of, or improvements to, the Equipment as it may think expedient.

15.15 Make Calls on Obligors Members

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

15.16 Insure

A Receiver may, if it thinks fit, but without prejudice to the indemnity in clause 18, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Obligors under this deed.

15.17 Subsidiaries

A Receiver may form a subsidiary of the Obligors and transfer to that subsidiary any Secured Asset.

15.18 Borrow

A Receiver may, for whatever purpose it thinks fit, raise and borrow money either unsecured or on the security of all or any of the Secured Assets in respect of which it is appointed on any terms that it thinks fit (including, if the Noteholder consents, terms under which that security ranks in priority to this deed).

15.19 Redeem Prior Security

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

15.20 Delegation

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

15.21 Absolute Beneficial Owner

A Receiver may, in relation to any of the Secured Assets, exercise all powers, authorisations and rights it would be capable of exercising as, and do all those acts and things, an absolute beneficial owner could exercise or do, in the ownership and management of the Secured Assets or any part of the Secured Assets.

15.22 Incidental Powers

A Receiver may do any other acts and things that it:

15.22.1 may consider desirable or necessary for realising any of the Secured Assets;

15.22.2 may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this deed or law; or

15.22.3 lawfully may or can do as agent for the Obligors.

16. Delegation

16.1 Delegation

The Noteholder or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this deed (including the power of attorney granted under clause 21.1).

16.2 Terms

The Noteholder and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that it thinks fit.

16.3 Liability

Neither the Noteholder nor any Receiver shall be in any way liable or responsible to the Obligors for any loss or liability of any nature arising from any act, default, omission or misconduct on the part of any Delegate.

17. Application of Proceeds

17.1 Order of Application of Proceeds

All monies received or recovered by the Noteholder, a Receiver or a Delegate under this deed or in connection with the realisation or enforcement of all or part of the security constituted by this deed (other than sums received under any Insurance Policy), shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority (but without prejudice to the Noteholder's right to recover any shortfall from the Obligors):

17.1.1 in or towards payment of all costs, liabilities, charges and expenses incurred by or on behalf of the Noteholder (and any Receiver, Delegate, attorney or agent appointed by

it) under or in connection with this deed, and of all remuneration due to any Receiver under or in connection with this deed;

17.1.2 in or towards payment of the Secured Liabilities in any order and manner that the Noteholder determines; and

17.1.3 in payment of the surplus (if any) to the Obligors or other person entitled to it.

17.2 Appropriation

Neither the Noteholder, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

17.3 Suspense Account

All monies received by the Noteholder, a Receiver or a Delegate under this deed (other than sums received under any Insurance Policy that are not going to be applied in or towards discharge of the Secured Liabilities):

17.3.1 may, at the discretion of the Noteholder, Receiver or Delegate, be credited to a suspense account;

17.3.2 shall bear interest, if any, at the rate agreed in writing between the Noteholder and Obligors; and

17.3.3 may be held in that account for so long as the Noteholder, Receiver or Delegate thinks fit.

18. Payments

18.1 Manner of Payments

The Obligors shall make all payments to the Noteholder under this deed in accordance with the Loan Note Instrument.

18.2 Business Days

If any payment becomes due on a day that is not a Business Day, the due date of such payment will be extended to the next succeeding Business Day, or, if that Business Day falls in the following calendar month, such due date shall be the immediately preceding Business Day.

18.3 Payments in Full

All payments made by the Obligors under this deed shall be made in full, without set-off, counterclaim or condition, and free and clear of, and without any deduction or withholding, provided that, if the Obligor is required by law or regulation to make such deduction or withholding, it shall:

18.3.1 ensure that the deduction or withholding does not exceed the minimum amount legally required;

18.3.2 pay to the relevant taxation or other authorities, as appropriate, the full amount of the deduction or withholding;

18.3.3 give to the Noteholder, within the period for payment permitted by the relevant law, either:

- 18.3.3.1 an official receipt of the relevant taxation authorities concerned on payment to them of amounts so deducted or withheld; or
- 18.3.3.2 if the taxation authorities concerned do not issue receipts on payments to them of amounts so deducted or withheld, a certificate of deduction or equivalent evidence of the relevant deduction or withholding; and
- 18.3.4 pay to the Noteholder such additional amount as is necessary to ensure that the net full amount received by the Noteholder after the required deduction or withholding is equal to the amount that the Noteholder would have received had no such deduction or withholding been made.

19. Costs and Indemnity

19.1 Costs

The Obligors shall, promptly on demand, pay to, or reimburse, the Noteholder and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Noteholder, any Receiver or any Delegate in connection with:

- 19.1.1 the Secured Assets;
- 19.1.2 taking, holding, protecting, perfecting, preserving or enforcing any of the Noteholder's, a Receiver's or a Delegate's rights under this deed;
- 19.1.3 any amendment, extension, waiver, consent or suspension of rights (or any proposal for any of these) under or in connection with this deed;
- 19.1.4 any release of any security constituted by this deed; or
- 19.1.5 taking proceedings for, or recovering, any of the Secured Liabilities,

together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost, charge, expense, tax or liability arose until full discharge of that cost, charge, expense, tax or liability (whether before or after judgment) at the rate and in the manner specified in the Loan Note Instrument.

19.2 Indemnity

- 19.2.1 The Obligors shall, promptly on demand, indemnify the Noteholder, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:
 - 19.2.1.1 the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this deed or by law in respect of the Secured Assets;
 - 19.2.1.2 taking, holding, protecting, perfecting, preserving, releasing or enforcing the security constituted by this deed; or
 - 19.2.1.3 any default or delay by the Obligors in performing any of their obligations under this deed.

19.2.2 Any past or present employee or agent may enforce the terms of this clause 19.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

20. Further Assurance

20.1 Further Assurance

The Obligors shall promptly, at their own expense, take whatever action the Noteholder or any Receiver may reasonably require for:

20.1.1 creating, perfecting or protecting the security created or intended to be created by this deed;

20.1.2 facilitating the realisation of any Secured Asset; or

20.1.3 facilitating the exercise of any right, power, authority or discretion exercisable by the Noteholder or any Receiver in respect of any Secured Asset,

including, without limitation the execution of any mortgage, transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Secured Assets (whether to the Noteholder or to its nominee) and the giving of any notice, order or direction and the making of any filing or registration which, in any such case, the Noteholder may consider necessary or desirable.

21. Power of Attorney

21.1 Appointment of Attorneys

By way of security, the Obligors irrevocably appoint the Noteholder, every Receiver and every Delegate separately to be the attorney of the Obligors and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things that:

21.1.1 the Obligors are required to execute and do under this deed; or

21.1.2 any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this deed or by law on the Noteholder, any Receiver or any Delegate.

21.2 Ratification of Acts of Attorneys

The Obligors ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 21.1.

22. Release

22.1 Subject to clause 29.3, at the end of the Security Period, the Noteholder shall, at the request and cost of the Obligors, take whatever action is necessary to release the Secured Assets from the security constituted by this deed.

23. Assignment and Transfer

No party shall assign any of its rights, or transfer any of its rights or obligations under this deed, or enter into any transaction which would result in any of those rights or obligations passing to another person save that the Noteholder may assign any of its rights under this deed to MLEF.

24. Exclusion of Set-off

All payments made under this deed shall be made in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

25. Amendments, Waivers and Consents

25.1 Amendments

No amendment of this deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

25.2 Waivers and Consents

25.2.1 A waiver of any right or remedy under this deed or by law, or any consent given under this deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any subsequent right or remedy. It only applies to the circumstances in relation to which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.

25.2.2 A failure by the Noteholder to exercise, or delay by them in exercising any right or remedy provided under this deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this deed. No single or partial exercise of any right or remedy provided under this deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this deed by the Noteholder shall be effective unless it is in writing.

25.3 Rights and Remedies

The rights and remedies provided under this deed are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

26. Partial Invalidity

If, at any time, any provision of this deed is or becomes invalid, illegal 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.

27. Counterparts

27.1 This deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.

27.2 No counterpart shall be effective until each party has executed and delivered at least one counterpart.

28. Third Party Rights

28.1 Except as expressly provided elsewhere in this deed, a person who is not a party to this deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this deed.

28.2 MLEF may rely on and enforce any of the Noteholder's rights under this deed.

28.3 Notwithstanding any term of this deed, the consent of any person who is not a party to this deed is not required to rescind or vary this deed at any time.

29. Further Provisions

29.1 Independent Security

The security constituted by this deed shall be in addition to, and independent of, any other security or guarantee that the Noteholder may hold for any of the Secured Liabilities at any time. No prior security held by the Noteholder over the whole or any part of the Secured Assets shall merge in the security created by this deed.

29.2 Continuing Security

The security constituted by this deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Noteholder discharges this deed in writing.

29.3 Discharge Conditional

Any release, discharge or settlement between the Obligors and the Noteholder shall be conditional on no payment or security received by the Noteholder in respect of the Secured Liabilities being avoided, reduced, set aside or ordered to be refunded under any law relating to insolvency, bankruptcy, winding-up, administration, receivership or for any other reason. Despite any such release, discharge or settlement:

29.3.1 the Noteholder or its nominee may retain this deed and the security created by or under it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Noteholder deems necessary to provide the Noteholder with security against any such avoidance, reduction or order for refund; and

29.3.2 the Noteholder may recover the value or amount of such security or payment from the Obligors subsequently as if the release, discharge or settlement had not occurred.

29.4 Certificates

Any certification or determination by the Noteholder of any rate or amount under this deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

29.5 Consolidation

The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this deed.

30. Notices

Clause 15 of the Loan Note Instrument shall apply to the giving of notices in under this deed.

31. Governing Law and Jurisdiction

31.1 Governing Law

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

31.2 Jurisdiction

Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this deed or its subject matter or formation.

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

Execution Pages

Executed as a DEED by
PATHFINDER SYSTEMS
LTD

acting by a director in the
presence of:

) Signature: *Neil Rylance*
)
) Print Name: Neil Rylance

Witness Signature: *Lliwen Ann Jones*
Lliwen Ann Jones (Mar 17, 2023 16:24 GMT)
Witness Name: Lliwen Ann Jones
Witness Address: 29 Talychae
Tregarth
Gwynedd LL57 4AE
Witness Occupation: Police Officer

Executed as a DEED by
TAHDAH VERIFIED LIMITED

acting by a director in the
presence of:

) Signature: *Neil Rylance*
)
) Print Name: Neil Rylance

Witness Signature: *Lliwen Ann Jones*
Lliwen Ann Jones (Mar 17, 2023 16:24 GMT)
Witness Name: Lliwen Ann Jones
Witness Address: 29 Talychae
Tregarth
Gwynedd LL57 4AE
Witness Occupation: Police Officer

Executed as a DEED by
**ALLIANCE FUND
MANAGERS NOMINEES
LIMITED**

)
) Signature: ..*Marion Savill*.....
)
)
) Print Name: Marlon Savill.....

acting by its authorised
signatory in the presence of:

Witness Signature: ..*Malcolm Ardron*.....

Witness Name: Malcolm Ardron.....

Witness Address: ..50 Mill Lane.....
Chester CH2 1BT
.....

Witness Occupation: Co.Director.....