



Registration of a Charge

Company Name: **HANOVER HOUSE LIMITED**

Company Number: **09793074**



Received for filing in Electronic Format on the: **25/10/2022**

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Details of Charge

Date of creation: **21/10/2022**

Charge code: **0979 3074 0002**

Persons entitled: **NYKREDIT REALKREDIT A/S AS SECURITY TRUSTEE**

Brief description: **297 OXFORD STREET AND 15 HANOVER SQUARE, LONDON HELD UNDER TITLE NUMBER 121975. 14, 14A AND 15A HANOVER SQUARE, 3 TO 17 ODD HAREWOOD PLACE AND 293A, 293 AND 295 OXFORD STREET, LONDON HELD UNDER TITLE NUMBER 47522**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by:

CMS CAMERON MCKENNA NABARRO OLSWANG LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9793074

Charge code: 0979 3074 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 21st October 2022 and created by HANOVER HOUSE LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 25th October 2022 .

Given at Companies House, Cardiff on 27th October 2022

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**

Execution Version

DATE: 21 October 2022

DEBENTURE

Between

HANOVER HOUSE LIMITED AS CHARGOR

and

NYKREDIT REALKREDIT A/S AS SECURITY TRUSTEE

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THIS DEED is dated on 21 October 2022 and is made

BETWEEN:

- (1) HANOVER HOUSE LIMITED, registered in England and Wales with company number 09793074, whose registered address is situate at Unit A, 10 Fashion Street, London, United Kingdom, E1 6PX (the “Chargor”); and
- (2) NYKREDIT REALKREDIT A/S (the “Security Trustee”) as security trustee for the Secured Parties (as defined below).

BACKGROUND:

- (A) It is intended that this document takes effect as a deed of the Chargor notwithstanding the fact that the Security Trustee may only execute this document under hand.
- (B) The Board of Directors of the Chargor is satisfied that the giving of the guarantee and security contained or provided for in this Deed is in the interests of the Chargor and has passed a resolution to that effect.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

Definitions

1.1 In this Deed the following terms have the following meanings:

“Account”: each bank account of the Chargor with any bank or financial institution (including, without limitation, any rent deposit given to secure liabilities in relation to land and any relevant or similar sum arising out of a construction contract or any other contract) and, in each case, any cheque, bill, note, negotiable instrument or other document representing the same.

“Act”: the Law of Property Act 1925.

“Agreement for Lease”: an agreement to grant an Occupational Lease for all or part of the Mortgaged Property.

“Authorisation”: an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

“Continuing Representations”: each of the representations set out in clauses 10.1 to 10.10 and 10.12 to 10.28.

“Default Rate”: 4% per annum above the Security Trustee’s base rate from time to time.

“Delegate”: any delegate, agent, attorney or co-trustee appointed by the Security Trustee.

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

- (a) air (including, without limitation, air within natural or man-made structures, whether above or below ground);
- (b) water (including, without limitation, territorial, coastal and inland waters, water under or within land and water in drains and sewers); and
- (c) land (including, without limitation, land under water);

“Environmental Claim”: any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law.

“Environmental Law”: any applicable law or regulation which relates to:

- (a) the pollution or protection of the Environment;
- (b) the conditions of the workplace; or
- (c) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including, without limitation, any waste.

“Environmental Permits”: any permit and other Authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of the Chargor conducted on or from the properties owned or used by the Chargor.

“Expenses”: means all costs (including legal fees), charges, expenses and damages sustained or incurred by the Security Trustee or any Receiver or Delegate at any time in connection with the Charged Property or the Secured Liabilities or in taking, holding or perfecting this Deed or in protecting, preserving, defending or enforcing the security constituted by this Deed or in exercising any rights, powers or remedies provided by or pursuant to this Deed (including any right or power to make payments on behalf of the Chargor under the terms of this Deed) or by law in each case on a full indemnity basis.

“Finance Party”: Nykredit Realkredit A/S and Nykredit Bank A/S (each in any role they hold in any document, agreement or arrangement with the Parent and/or the Chargor other than Nykredit Realkredit A/S’s role as Security Trustee).

“Insurance”: means all of the contracts and policies of insurance or assurance from time to time taken out by or for the benefit of the Chargor or in which the Chargor from time to time has an interest, together with all bonuses and other moneys, benefits and advantages that may become payable or accrue under them or under any substituted policy.

“Investments”:

- (a) all shares owned by the Chargor or held by any nominee or trustee on the Chargor’s behalf; and
- (b) all other shares, stocks, debentures, bonds or other securities or investments owned by the Chargor or held by any nominee or trustee on its behalf.

“Lease Document”:

- (a) an Agreement for Lease;
- (b) an Occupational Lease; or
- (c) any other document designated as such by the Security Trustee and the Chargor.

“Legal Reservations”:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under the Limitation Acts, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;

- (c) the limitation of the enforcement of the terms of leases of real property by laws of general application to those leases;
- (d) similar principles, rights and remedies under the laws of any Relevant Jurisdiction; and
- (e) any other matters which are set out as qualifications or reservations as to matters of law of general application in any legal opinions supplied to the Security Trustee in connection with this Deed.

“Limitation Acts”: the Limitation Act 1980 and the Foreign Limitation Periods Act 1984.

“Material Adverse Effect”: a material adverse effect on:

- (a) the business, operations, property, condition (financial or otherwise) or prospects of the Chargor; or
- (b) the ability of the Chargor to perform its obligations under this Deed; or
- (c) the validity or enforceability of, or the effectiveness or ranking of any Security granted or purported to be granted pursuant to this Deed; or
- (d) the rights or remedies of the Security Trustee under this Deed.

“Mortgaged Property”: all freehold or leasehold property included in the definition of Security Asset.

“Occupational Lease”: any lease or licence or other right of occupation or right to receive rent to which the Mortgaged Property may at any time be subject and includes any guarantee of a tenant’s obligations under the same.

“Original Jurisdiction”: in relation to the Chargor, the jurisdiction under whose laws the Chargor is incorporated as at the date of this Deed.

“Parent”: AAA United A/S (a company incorporated in Denmark with registered number 32563872).

“Party”: a party to this Deed.

“Perfection Requirements”: the making or the procuring of filings, stampings, registrations, notarisations, endorsements, translations and/or notifications of this Deed (and/or any Security created under it) necessary for the validity, enforceability (as against the Chargor or any relevant third party) and/or perfection of this Deed.

“Premises”: means all buildings and erections from time to time situated on or forming part of any Mortgaged Property.

“Property Report”: in respect of any Mortgaged Property, any certificate of or report on title supplied to the Security Trustee on or before the date of this Deed.

“Qualifying Lease”: means any Lease Document relating to an Occupational Lease which:

- (a) has an annual principal rent of less than £500,000 (ignoring for this purpose any rent-free period or reduced rent periods, if applicable);
- (b) has a term of 15 years or less;
- (c) is concluded in substantially the same form as any Occupational Lease currently in place in respect of the Mortgaged Property;
- (d) is concluded on an arm’s length basis with a third-party lessee at a market rent and not at a premium;

- (e) no event of default or default (howsoever described) has occurred and is continuing under any loan or finance agreement which the Chargor and / or the Parent is a party to; and
- (f) a copy of which has been provided to the Security Trustee promptly following its completion.

“Receiver”: a receiver or receiver and manager or administrative receiver, in each case appointed under this Deed.

“Relevant Contract”:

- (a) an appointment of any managing agent appointed by the Chargor in respect of any Mortgaged Property;
- (b) an appointment of any asset manager appointed by the Chargor in respect of any Mortgaged Property; and
- (c) any other document designated as such by the Security Trustee and the Chargor.

“Relevant Jurisdiction”: in relation to the Chargor:

- (a) its Original Jurisdiction;
- (b) any jurisdiction where any asset subject to or intended to be subject to the Transaction Security to be created by it is situated;
- (c) any jurisdiction where it conducts its business; and
- (d) the jurisdiction whose laws govern the perfection of this Deed;

“Rental Income”: the aggregate of all amounts paid or payable to or for the account of the Chargor in connection with the letting, licence or grant of other rights of use or occupation of any part of any Mortgaged Property, including each of the following amounts:

- (a) rent, licence fees and equivalent amounts paid or payable;
- (b) any sum received from any deposit held as security for performance of a tenant’s obligations;
- (c) a sum equal to any apportionment of rent allowed in favour of the Chargor;
- (d) any other moneys paid or payable in respect of occupation and/or usage of the Mortgaged Property and any fixture and fitting on any Mortgaged Property including any fixture or fitting on any Mortgaged Property for display or advertisement, on licence or otherwise;
- (e) any sum paid or payable under any policy of insurance in respect of loss of rent or interest on rent;
- (f) any sum paid or payable, or the value of any consideration given, for the grant, surrender, amendment, supplement, waiver, extension or release of any Lease Document;
- (g) any sum paid or payable in respect of a breach of covenant or dilapidations under any Lease Document;
- (h) any sum paid or payable by or distribution received or receivable from any guarantor of any occupational tenant under any Lease Document;
- (i) any Tenant Contributions; and

- (j) any interest paid or payable on, and any damages, compensation or settlement paid or payable in respect of, any sum referred to above less any related fees and expenses incurred (which have not been reimbursed by another person) by the Chargor.

“Secured Liabilities”: all present and future indebtedness, moneys, obligations and liabilities of the Chargor and/or the Parent to any Secured Party, in whatever currency denominated, whether actual or contingent, whether owed jointly or severally or as principal or as surety or in some other capacity and whether or not the Secured Party was an original party to the relevant transaction and in whatever name or style, including all interest, discount, commission and fees for which the Chargor may be or become liable to any Secured Party, together with all Expenses, except for any obligation which, if it were so included, would result in this Deed contravening section 678 or 679 of the Companies Act 2006.

“Security”: a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“Security Asset”: any asset of any of the Chargor which is, or is expressed to be, subject to any Security created by this Deed.

“Secured Party”: the Security Trustee, a Finance Party, a Receiver or any Delegate.

“Security Period”: the period beginning on the date of this Deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

“Subordinated Debt”: all sums of whatsoever kind due and to become due to the Chargor whether of principal or interest, present, future, actual or contingent and whether as principal or as surety and howsoever arising and a reference to the “Subordinated Debt” includes a reference to all or any part of the Subordinated Debt and shall include without limitation any right of contribution or claim in respect thereof arising in respect of the Chargor.

“Tenant Contributions”: any amount paid or payable to the Chargor by any tenant under a Lease Document or any other occupier of a Mortgaged Property, by way of:

- (a) contribution to:
 - (i) ground rent;
 - (ii) insurance premia;
 - (iii) the cost of an insurance valuation;
 - (iv) a service or other charge in respect of the Chargor’s costs in connection with any management, repair, maintenance or similar obligation or in providing services to a tenant of, or with respect to, a Mortgaged Property; or
 - (v) a reserve or sinking fund; or
- (b) VAT.

“VAT”:

- (a) any value added tax imposed by the Value Added Tax Act 1994;
- (b) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (c) any other tax of a similar nature, whether imposed in the United Kingdom or a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraphs (a) and (b) above, or imposed elsewhere.

Construction

- 1.2 Any reference in this Deed to:
 - 1.2.1 the “Security Trustee”, the “Chargor” or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
 - 1.2.2 “assets” includes present and future properties, revenues and rights of every description;
 - 1.2.3 “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;
 - 1.2.4 a “person” includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
 - 1.2.5 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; and
 - 1.2.6 a provision of law is a reference to that provision as amended or re-enacted.
- 1.3 Clause and schedule headings are for ease of reference only.
- 1.4 Any reference in this Deed to a mortgage, charge or assignment of any asset shall be construed so as to include:
 - 1.4.1 the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that asset and all other rights, benefits, claims, contracts, warranties, remedies, security or indemnities in respect of that asset;
 - 1.4.2 the proceeds of sale of any part of that asset and any other moneys paid or payable in respect of or in connection with that asset; and
 - 1.4.3 in respect of any Mortgaged Property, all Premises and all fixtures and fittings (including trade fixtures and fittings and tenants’ fixtures and fittings) from time to time in or on that Mortgaged Property.
- 1.5 Any reference in this Deed to “this Deed” shall be deemed to be a reference to this Deed as a whole and not limited to the particular clause, schedule or provision in which the relevant reference appears and to this Deed as amended, novated, assigned, supplemented, extended, substituted or restated from time to time and any reference in this Deed to a “clause” or a “schedule” is, unless otherwise provided, a reference to a clause or a schedule of this Deed.
- 1.6 Unless the context otherwise requires, words denoting the singular number only shall include the plural and vice versa.
- 1.7 Where any provision of this Deed is stated to include one or more things, that shall be by way of example or for the avoidance of doubt only and shall not limit the generality of that provision.
- 1.8 Any change in the constitution of the Security Trustee or its absorption of or amalgamation with any other person or the acquisition of all or part of its undertaking by any other person shall not in any way prejudice or affect its rights under this Deed.
- 1.9 Unless a contrary indication appears, a reference in this Deed to:
 - 1.9.1 any agreement, instrument or other document shall be construed as a reference to that agreement, instrument or document as the same may have been, or may from time to

time be, restated, varied, amended, supplemented, substituted, novated or assigned, whether or not as a result of any of the same:

- (a) there is an increase or decrease in any facility made available under that agreement, instrument or document or an increase or decrease in the period for which any facility is available or in which it is repayable;
- (b) any additional, further or substituted facility to or for such facility is provided;
- (c) any rate of interest, commission or fees or relevant purpose is changed;
- (d) the identity of the parties is changed;
- (e) the identity of the providers of any security is changed;
- (f) there is an increased or additional liability on the part of any person; or
- (g) a new agreement is effectively created or deemed to be created.

1.9.2 any “**rights**” in respect of an asset includes:

- (a) all amounts and proceeds paid or payable;
 - (b) all rights to make any demand or claim; and
 - (c) all powers, remedies, causes of action, security, guarantees and indemnities,
- in each case in respect of or derived from that asset;

1.9.3 any “**share**”, “**stock**”, “**debenture**”, “**bond**” or “**other security**” or “**investment**” includes:

- (a) any dividend, interest or other distribution paid or payable;
- (b) any right, money or property accruing or offered at any time by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise,

in each case in respect of that share, stock, debenture, bond or other security or investment; and

1.9.4 the term “**this Security**” means any Security created by this Deed.

- 1.10 Any covenant of the Chargor under this Deed (other than a payment obligation which has been discharged) remains in force during the Security Period.
- 1.11 The terms of any other agreement or instrument between any Parties in relation to this Deed are incorporated in this Deed to the extent required to ensure that any purported disposition, or any agreement for the disposition, of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- 1.12 If the Security Trustee considers that an amount paid to a Secured Party under an agreement, instrument or document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- 1.13 Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of any disposal of that Security Asset.

Third party rights

- 1.14 Unless expressly provided to the contrary in this Deed, a person who is not a Party has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this Deed.
- 1.15 Notwithstanding any term of this Deed, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.
- 1.16 Any Receiver may enforce and enjoy the benefit of any clause which expressly confers rights on it, subject to clause 1.15 above and the provisions of the Third Parties Act.

2. COVENANT TO PAY AND GUARANTEE

Covenant to Pay

- 2.1 The Chargor covenants with the Security Trustee (as trustee for the Secured Parties) that it will pay and discharge the Secured Liabilities in the manner agreed between the Secured Parties and the Borrower and/or the Chargor from time to time.

Guarantee and Indemnity

- 2.2 The Chargor irrevocably and unconditionally:
 - 2.2.1 guarantees to the Security Trustee (as trustee for each Secured Party) punctual payment, performance and discharge by the Parent of the Secured Liabilities;
 - 2.2.2 undertakes with the Security Trustee (as trustee for each Secured Party) that whenever the Parent does not pay any amount or perform or discharge any obligation in respect of the Secured Liabilities when due, the Chargor shall immediately on demand pay that amount or perform or discharge that obligation as if it was the principal obligor; and
 - 2.2.3 agrees with the Security Trustee (as trustee for each Secured Party) that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, the Chargor will, as an independent and primary obligation, indemnify the Security Trustee (as trustee for each Secured Party) immediately on demand against any cost, loss or liability the Security Trustee (as trustee for each Secured Party) incurs as a result of the Parent not paying any amount or performing or discharging any obligation which would, but for such unenforceability, invalidity or illegality, have been payable by it or otherwise due from it in respect of the Secured Liabilities on the date when it would have been due. The amount payable by the Chargor under this indemnity will not exceed the amount it would have had to pay under this Clause 2.2 if the amount claimed had been recoverable on the basis of a guarantee.

Interest

- 2.3 The Chargor covenants with the Security Trustee to pay interest on any amounts due under clause 2.1 from day to day until full discharge (whether before or after judgment, liquidation, winding-up or administration of any person) at such rate as may from time to time be fixed by the Security Trustee and, if not so fixed, at the Default Rate, on the basis that all such interest will be payable upon such days in each year as the Security Trustee shall from time to time fix and will be compounded with rests on such days in each year in the event of it not being so paid but without prejudice to the right of the Security Trustee to require payment of such interest on demand at any time and provided that, in the case of any expense, such interest shall accrue and be payable as from the date on which the relevant expense arose without the necessity for any demand being made for payment.

3. CREATION OF SECURITY

3.1 All the security created under this Deed:

- 3.1.1 is created in favour of the Security Trustee (as trustee for the Secured Parties);
- 3.1.2 is created over present and future assets of the Chargor;
- 3.1.3 is security for the payment of all the Secured Liabilities; and
- 3.1.4 is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

3.2 The Security Trustee holds the benefit of this Deed and this Security on trust for the Secured Parties.

Land

3.3 The Chargor charges:

- 3.3.1 by way of a first legal mortgage all estates or interests in any freehold or leasehold property now owned by it; this includes the real property specified in Schedule 1 (*Real Property*); and
- 3.3.2 (to the extent that they are not the subject of a mortgage under clause 3.3.1 above) by way of a first fixed charge all estates or interests in any freehold or leasehold property now or subsequently owned by it.

3.4 A reference in this clause 3.4 to a mortgage or charge of any freehold or leasehold property includes:

- 3.4.1 all buildings, fixtures, fittings and fixed plant and machinery on that property; and
- 3.4.2 the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

Investments

3.5 The Chargor charges by way of a first fixed charge its interest in all its Investments.

Plant and machinery

3.6 To the extent that they are not the subject of a mortgage or a first fixed charge under clauses 3.3 to 3.3.2 (*Land*), the Chargor charges by way of a first fixed charge all plant and machinery owned by the Chargor and its interest in any plant or machinery in its possession.

Credit balances

3.7 The Chargor charges by way of a first fixed charge all of its rights in respect of any account it has with any person, any amount standing to the credit of any such account and debt represented by it.

Book debts etc.

3.8 The Chargor charges by way of a first fixed charge:

- 3.8.1 all of its Subordinated Debt;
- 3.8.2 all of its book and other debts;
- 3.8.3 all other moneys due and owing to it; and

3.8.4 the benefit of all rights in relation to any item under clauses 3.8.1 and 3.8.3 above.

Insurances

- 3.9 The Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights under any contract or policy of insurance taken out by it or on its behalf or in which it has an interest.

Other contracts

- 3.10 The Chargor charges by way of a first fixed charge all of its rights:
- 3.10.1 under each Lease Document;
 - 3.10.2 in respect of all Rental Income;
 - 3.10.3 under any guarantee of Rental Income contained in or relating to any Lease Document;
 - 3.10.4 under all collateral warranties, all contracts, guarantees, appointments, warranties and other documents to which it is a party or in its favour or of which it has the benefit relating to any letting, development, sale, purchase or the operation of any Mortgaged Property or Premises;
 - 3.10.5 under any other document, agreement or instrument to which it is a party, which has been given in its favour or of which it has the benefit except to the extent that it is subject to any fixed security created under any other term of this clause 3;
 - 3.10.6 under each Relevant Contract; and
 - 3.10.7 under any document, agreement or instrument to which it any nominee or trustee is party in respect of an Investment.

Miscellaneous

- 3.11 The Chargor charges by way of first fixed charge:
- 3.11.1 its goodwill;
 - 3.11.2 the benefit of any Authorisation (statutory or otherwise) held in connection with its use of any Security Asset;
 - 3.11.3 the right to recover and receive compensation which may be payable to it in respect of any Authorisation referred to in clause 3.11.2 above;
 - 3.11.4 its uncalled capital; and
 - 3.11.5 the benefit of all rights in relation to any item under clauses 3.11.1 to 3.11.4 above.

Floating charge

- 3.12 The Chargor charges by way of a first floating charge all its assets not otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, fixed charge or assignment under this clause 3.
- 3.13 Except as provided below, the Security Trustee may by notice to the Chargor convert the floating charge created by clause 3.12 above into a fixed charge as regards any of the Chargor's assets specified in that notice if:
- 3.13.1 the Security constituted by this Deed becomes enforceable; or

- 3.13.2 the Security Trustee 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.
- 3.14 Subject to clause 3.17, the floating charge created by clause 3.12 above may not be converted into a fixed charge solely by reason of:
- 3.14.1 the obtaining of a moratorium; or
- 3.14.2 anything done with a view to obtaining a moratorium, under Part A1 of the Insolvency Act 1986.
- 3.15 Clause 3.14 does not apply if this Deed is an instrument referred to in subsection (4) of section A52 of Part A1 of the Insolvency Act 1986.
- 3.16 The floating charge created by clause 3.12 above will (in addition to the circumstances when this may occur under the general law) automatically convert into a fixed charge over all of the Chargor's assets if an administrator is appointed or the Security Trustee receives notice of an intention to appoint an administrator in respect of the Chargor.
- 3.17 The floating charge created by clause 3.12 above is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

4. RESTRICTIONS ON DEALINGS

Security

- 4.1 Except as expressly agreed between the Security Trustee and the Chargor, the Chargor may not create or permit to subsist any Security on any Security Asset.

Disposals

- 4.2 Except as expressly agreed between the Security Trustee and the Chargor, the Chargor may not enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to dispose of all or any part of any Security Asset.

5. LAND

Notices to tenants

- 5.1 The Chargor must:
- 5.1.1 serve a notice of this Security, substantially in the form of Part 1 of Schedule 2 (*Forms of Letter for Occupational Tenants*), on each tenant of the Mortgaged Property of the Chargor, such notice to be served:
- (a) on the date of this Deed for all tenants in place on that date; and
- (b) for any new tenant, promptly upon such tenant entering into a Lease Document; and
- 5.1.2 use reasonable endeavours to ensure that each such tenant acknowledges that notice, substantially in the form of Part 2 of Schedule 2 (*Forms of Letter for Occupational Tenants*).

Acquisitions

- 5.2 If the Chargor acquires any freehold or leasehold property in England and Wales after the date of this Deed it must:
- 5.2.1 notify the Security Trustee immediately;
 - 5.2.2 immediately on request by the Security Trustee and at the cost of the Chargor, execute and deliver to the Security Trustee a legal mortgage over that property in favour of the Security Trustee in any form which the Security Trustee may require;
 - 5.2.3 if the title to that freehold or leasehold property is registered at the Land Registry or required to be so registered, give the Land Registry written notice of this Security; and
 - 5.2.4 if applicable, ensure that this Security is correctly noted against that title in the title register at the Land Registry.

The Land Registry

- 5.3 The Chargor consents to a restriction in the following terms being entered into on the Register of Title relating to any Mortgaged Property registered at the Land Registry:

“No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [●] in favour of Nykredit Realkredit A/S referred to in the charges register or their conveyancer. (Standard Form P)”.

Deposit of title deeds

- 5.4 The Chargor must immediately:
- 5.4.1 deposit with the Security Trustee all deeds and documents necessary to show good and marketable title to any property referred to in clause 5.2 (*Acquisitions*) (the “Title Documents”);
 - 5.4.2 procure that the Title Documents are held at HM Land Registry to the order of the Security Trustee; or
 - 5.4.3 procure that the Title Documents are held to the order of the Security Trustee by a firm of solicitors approved by the Security Trustee for that purpose.

6. INVESTMENTS

Deposit

- 6.1 The Chargor must immediately:
- 6.1.1 deposit with the Security Trustee, or as the Security Trustee may direct, all certificates and other documents of title or evidence of ownership in relation to its Investments; and
 - 6.1.2 execute and deliver to the Security Trustee all share transfers and other documents which may be requested by the Security Trustee in order to enable the Security Trustee or its nominees to be registered as the owner of or otherwise obtain a legal title to its Investments.

Calls

- 6.2 The Chargor must pay all calls or other payments due and payable in respect of any of its Investments.

- 6.3 If the Chargor fails to do so, the Security Trustee may pay the calls or other payments in respect of any of its Investments on behalf of the Chargor. The Chargor must immediately on request reimburse the Security Trustee for any payment made by the Security Trustee under this clause 6.3 (*Calls*).

Other obligations in respect of Investments

- 6.4 The Chargor must promptly send a copy to the Security Trustee 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 contained in any articles of association or other constitutional document, or by any listing or other authority, relating to any of its Investments. If the Chargor fails to do so, the Security Trustee may elect to provide such information as it may have on behalf of the Chargor.
- 6.5 The Chargor must comply with all other conditions and obligations assumed by it in respect of any of its Investments.
- 6.6 The Security Trustee is not obliged to:
- 6.6.1 perform any obligation of the Chargor;
 - 6.6.2 make any payment;
 - 6.6.3 make any enquiry as to the nature or sufficiency of any payment received by it or any Chargor; or
 - 6.6.4 present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Deed,

in respect of any of its Investments.

Voting rights

- 6.7 Before this Security becomes enforceable:
- 6.7.1 the voting rights, powers and other rights in respect of the Chargor's Investments will be exercised:
 - (a) by the Chargor; or
 - (b) if exercisable by the Security Trustee, in any manner which the Chargor may direct the Security Trustee in writing; and
 - 6.7.2 all dividends, distributions or other income paid or payable in relation to any of its Investments must be paid into such account as the Security Trustee may nominate from time to time.
- 6.8 The Chargor must indemnify the Security Trustee against any loss or liability incurred by the Security Trustee as a consequence of the Security Trustee acting in respect of any of its Investments as permitted by this Deed on the direction of the Chargor.
- 6.9 Subject to clause 6.10 below, after this Security has become enforceable, the Security Trustee may exercise (in the name of the Chargor and without any further consent or authority on the part of the Chargor) any voting rights and any powers or rights which may be exercised by the legal or beneficial owner of any Investment, any person who is the holder of any Investment or otherwise.
- 6.10 The Security Trustee shall not be entitled to exercise any voting rights or any other rights or powers under clause 6.9 above if, and to the extent that, from time to time:

- (a) a notifiable acquisition would, as a consequence, take place under section 6 of the National Security and Investment Act 2021 (the “Act”) and any regulations made under the Act; and:
- (b) either:
 - (i) the Secretary of State has not approved that notifiable acquisition in accordance with the Act; or
 - (ii) the Secretary of State has so approved that notifiable acquisition but there would, as a consequence, be a breach of the provisions of a final order made in relation to that notifiable acquisition under the Act.

7. ACCOUNTS

General

- 7.1 In this clause 7 “Account Bank” means a person with whom an Account is maintained.

Book debts and receipts

- 7.2 The Chargor must get in and realise its:

7.2.1 Rental Income and other amounts due from tenants or any other occupiers of the Mortgaged Property; and

7.2.2 book and other debts and other moneys due and owing to it,

in the ordinary course of its business and hold the proceeds of the getting in and realisation (until payment into an Account if required in accordance with clause 7.3 below) on trust for the Security Trustee.

- 7.3 The Chargor must, except to the extent that the Security Trustee otherwise agrees, pay all the proceeds of the getting in and realisation into an Account as agreed from time to time between the Security Trustee and the Chargor.

Notices of charge

- 7.4 The Chargor must:

7.4.1 immediately serve a notice of this Security, substantially in the form of Part 1 of Schedule 3 (*Forms of Letter for Account Bank*), on each Account Bank; and

7.4.2 use reasonable endeavours to ensure that each Account Bank acknowledges the notice, substantially in the form of Part 2 of Schedule 3 (*Forms of Letter for Account Bank*).

8. INSURANCES

- 8.1 The Chargor must:

8.1.1 immediately serve a notice of this Security, substantially in the form of Part 1 of Schedule 5 (*Forms of Letter for Insurers*), on each counterparty to an Insurance; and

8.1.2 use reasonable endeavours to ensure that such counterparty acknowledges that notice, substantially in the form of Part 2 of Schedule 5 (*Forms of Letter for Insurers*).

9. OTHER CONTRACTS

9.1 The Chargor must, at the request of the Security Trustee:

9.1.1 immediately serve a notice of this Security, substantially in the form of Part 1 of Schedule 6 (*Forms of Letter for Other Contracts*), on each counterparty to a contract listed in clause 3.10 (*Other contracts*); and

9.1.2 use reasonable endeavours to ensure that each such party acknowledges that notice, substantially in the form of Part 2 of Schedule 6 (*Forms of Letter for Other Contracts*).

10. REPRESENTATIONS

The Chargor makes the representations and warranties set out in this clause 10 to each Secured Party on the date of this Deed.

Status

10.1 It is a limited liability corporation, duly incorporated and validly existing under the law of its Original Jurisdiction.

10.2 It has the power to own its assets and carry on its business as it is being conducted.

Binding Obligations

10.3 The obligations expressed to be assumed by it in this Deed are, subject to the Legal Reservations, legal, valid, binding and enforceable obligations.

Non-Conflict with Other Obligations

10.4 The entry into and performance by it of, and the transactions contemplated by, this Deed and the granting of the Security under this Deed do not and will not conflict with:

10.4.1 any law or regulation applicable to it;

10.4.2 its constitutional documents; or

10.4.3 any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.

Power and Authority

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

10.6 No limit on its powers will be exceeded as a result of the grant of security contemplated by this Deed.

Validity and Admissibility in Evidence

10.7 All Authorisations required or desirable:

10.7.1 to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Deed; and

10.7.2 to make this Deed admissible in evidence in its Relevant Jurisdictions, have been obtained or effected and are in full force and effect.

10.8 All Authorisations necessary for the conduct of the business, trade and ordinary activities of the Chargor have been obtained or effected and are in full force and effect.

Governing Law and Enforcement

- 10.9 Subject to the Legal Reservations, the choice of the governing law of this Deed will be recognised and enforced in its Relevant Jurisdictions.
- 10.10 Subject to the Legal Reservations, any judgment obtained in relation to this Deed in the jurisdiction of the governing law of this Deed will be recognised and enforced in its Relevant Jurisdictions.

No Filing or Stamp Taxes

- 10.11 Under the laws of its Relevant Jurisdiction, it is not necessary that this Deed be registered, filed, recorded, notarised or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to this Deed or the transactions contemplated by this Deed, except:
- 10.11.1 registration of particulars of this Deed at Companies House under the Companies Act 2006 and payment of associated fees; and
- 10.11.2 registration of this Deed at the Land Registry or the Land Charges Register in England and Wales and payment of associated fees,

which registrations, filings will be made promptly after the date of this Deed.

No Material Adverse Effect

- 10.12 No event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or a termination event (however described) under any agreement or instrument which is binding on it or to which any of its assets are subject which has or is reasonably likely to have a Material Adverse Effect.

Information

- 10.13 All information supplied by it or on its behalf to any Secured Party was true and accurate as at the date it was provided or as at any date at which it was stated to be given.
- 10.14 Any financial projections contained in the information referred to in clause 10.13 above have been prepared as at their date on the basis of recent historical information and on the basis of reasonable assumptions.
- 10.15 It has not omitted to supply any information which, if disclosed, would make the information referred to in clause 10.13 above untrue or misleading in any respect.

Pari Passu Ranking

- 10.16 Its payment obligations under this Deed rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

No Proceedings

- 10.17 No litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency which, if adversely determined, are reasonably likely to have a Material Adverse Effect have (to the best of its knowledge and belief (having made due and careful enquiry)) been started or threatened against it.

- 10.18 No judgment or order of a court, arbitral body or agency which is reasonably likely to have a Material Adverse Effect has (to the best of its knowledge and belief (having made due and careful enquiry)) been made against it.

Title to Property

- 10.19 The Chargor will, from the date of this Deed:

10.19.1 be the legal and beneficial owner of the Mortgaged Property; and

10.19.2 have good and marketable title to the Mortgaged Property,

in each case free from Security (other than those created by or pursuant to the Security Documents) and restrictions and onerous covenants (other than those set out in the Property Report in relation to that Mortgaged Property).

- 10.20 From the date of this Deed except as disclosed in the Property Report relating to a Mortgaged Property:

10.20.1 no breach of any law, regulation or covenant is outstanding which adversely affects or might reasonably be expected to adversely affect the value, saleability or use of that Mortgaged Property;

10.20.2 there is no covenant, agreement, stipulation, reservation, condition, interest, right, easement or other matter whatsoever adversely affecting that Mortgaged Property;

10.20.3 nothing has arisen or has been created or is outstanding which would be an overriding interest, or an unregistered interest which overrides first registration or a registered disposition, over that Mortgaged Property;

10.20.4 all facilities necessary for the enjoyment and use of that Mortgaged Property (including those necessary for the carrying on of its business at that Mortgaged Property) are enjoyed by that Mortgaged Property;

10.20.5 none of the facilities referred to in clause 10.20.4 above are enjoyed on terms:

(a) entitling any person to terminate or curtail its use of that Mortgaged Property; or

(b) which conflict with or restrict its use of that Mortgaged Property;

10.20.6 the Chargor has not received any notice of any adverse claim by any person in respect of the ownership of that Mortgaged Property or any interest in it which might reasonably be expected to be determined in favour of that person, nor has any acknowledgement been given to any such person in respect of that Mortgaged Property; and

10.20.7 the Property is held by the Chargor free from any lease or licence (other than those entered into as permitted by this Deed).

- 10.21 All deeds and documents necessary to show good and marketable title to the Chargor's interests in a Mortgaged Property will from the date of this Deed be:

10.21.1 in possession of the Security Trustee;

10.21.2 held at HM Land Registry to the order of the Security Trustee; or

10.21.3 held to the order of the Security Trustee by a firm of solicitors approved by the Security Trustee for that purpose.

Information for Property Reports

- 10.22 The information supplied by it or on its behalf to the lawyers who prepared any Property Report for the purpose of that Property Report was true and accurate as at the date of the Property Report or (if appropriate) as at the date (if any) at which it is stated to be given.
- 10.23 The information referred to in clause 10.22 above was at the date it was expressed to be given complete and did not omit any information which, if disclosed would make that information untrue or misleading in any material respect.
- 10.24 As at the date of this Deed, nothing has occurred since the date of any information referred to in clause 10.22 above which, if disclosed, would make that information untrue or misleading in any material respect.

No Other Business

- 10.25 The Chargor has not traded or carried on any business since the date of its incorporation except for:
- 10.25.1 the ownership and management of its interests in the Mortgaged Property; and
- 10.25.2 the ownership of its investments.
- 10.26 The Chargor:
- 10.26.1 has not, and never has had, any employees; and
- 10.26.2 has no obligation in respect of any retirement benefit or occupational pension scheme.

Centre of Main Interests and Establishments

- 10.27 For the purposes of Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (recast) (the “Regulation”), its centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in England and Wales and it has no “establishment” (as that term is used in Article 2(10) of the Regulations) in any other jurisdiction.

Ranking of Security

- 10.28 Subject to the Legal Reservations and Perfection Requirements, the security conferred by this Deed constitutes a first priority security interest of the type described, over the assets referred to, in this Deed and those assets are not subject to any prior or *pari passu* Security.

Continuing Representations

- 10.29 The Continuing Representations are deemed to be made by the Chargor by reference to the facts and circumstances then existing from time to time throughout the continuance of this Deed.

11. UNDERTAKINGS

Title

- 11.1 The Chargor must exercise its rights and comply in all respects with any covenant, stipulation or obligation (restrictive or otherwise) at any time affecting its Mortgaged Property.
- 11.2 The Chargor may not agree to any amendment, supplement, waiver, surrender or release of any covenant, stipulation or obligation (restrictive or otherwise) at any time affecting its Mortgaged Property without the consent of the Security Trustee (such consent not to be unreasonably withheld or delayed).

- 11.3 The Chargor must promptly take all such steps as may be necessary or desirable to enable the Security created by this Deed to be registered, where appropriate, at HM Land Registry.

Occupational Leases

- 11.4 The Chargor may not without the consent of the Security Trustee:
- 11.4.1 enter into any Agreement for Lease;
 - 11.4.2 other than under an Agreement for Lease, grant or agree to grant any new Occupational Lease;
 - 11.4.3 agree to any amendment, supplement, extension, waiver, surrender or release in respect of any Lease Document;
 - 11.4.4 exercise any right to break, determine or extend any Lease Document;
 - 11.4.5 commence any forfeiture or irritancy proceedings in respect of any Lease Document;
 - 11.4.6 grant any licence or right to use or occupy any part of a Mortgaged Property;
 - 11.4.7 consent to any sublease or assignment of any tenant's interest under any Lease Document;
 - 11.4.8 agree to any change of use under, or (except where required to do so under the terms of the relevant Lease Document) rent review in respect of, any Lease Document; or
 - 11.4.9 serve any notice on any former tenant under any Lease Document (or on any guarantor of that former tenant) which would entitle it to a new lease or tenancy,
- provided that such consent shall not be required where the Lease Document is a Qualifying Lease.

- 11.5 The Chargor must:
- 11.5.1 diligently collect or procure to be collected all Rental Income;
 - 11.5.2 exercise its rights and comply with its obligations under each Lease Document; and
 - 11.5.3 use its reasonable endeavours to ensure that each tenant complies with its obligations under each Lease Document,

in a proper and timely manner.

- 11.6 The Chargor must supply to the Security Trustee a copy of each Lease Document, a copy of each amendment, supplement or extension to a Lease Document and a copy of each document recording any rent review in respect of a Lease Document promptly upon entering into the same.
- 11.7 The Chargor may not grant or agree to grant any Lease Document without including in the alienation covenant a provision for the proposed assignor on any assignment to guarantee the obligations of the proposed assignee until that assignee is released as tenant under the terms of the Landlord and Tenant (Covenants) Act 1995.

Maintenance

- 11.8 The Chargor must ensure that all buildings, plant, machinery, fixtures and fittings on its Mortgaged Property are in, and maintained in:
- 11.8.1 good and substantial repair and condition and, as appropriate, in good working order; and

11.8.2 such repair, condition and, as appropriate, good working order as to enable them to be let in accordance with all applicable laws and regulations.

- 11.9 The Chargor must carry out any energy efficiency improvements necessary, or take any other steps necessary, to ensure that at all times each part of its Mortgaged Property which is designed to be let can be let or can continue to be let without breaching any applicable laws or regulations in respect of minimum levels of energy efficiency for properties.

Development

- 11.10 The Chargor may not:
- 11.10.1 without the consent of the Security Trustee, make or allow to be made any application for planning permission in respect of any part of its Mortgaged Property; or
 - 11.10.2 without the consent of the Security Trustee, carry out, or allow to be carried out, any construction, structural alterations or additions, development or other similar operations in respect of any part of its Mortgaged Property; or
 - 11.10.3 carry out, or allow to be carried out, any demolition or other similar operations in respect of any part of its Mortgaged Property.
- 11.11 Clause 11.10 above shall not apply to:
- 11.11.1 the maintenance of the buildings, plant, machinery, fixtures and fittings in accordance with this Deed;
 - 11.11.2 any alterations or improvements which a tenant is entitled to undertake in accordance with the terms of the relevant Lease Document and in respect of which the Chargor in its capacity as landlord is required to give its consent pursuant to the terms of that Lease Document; or
 - 11.11.3 the carrying out of non-structural improvements or alterations which affect only the interior of any building on a Mortgaged Property.
- 11.12 The Chargor must comply in all respects with all planning laws, permissions, agreements and conditions to which its Mortgaged Property may be subject.

Notices

- 11.13 The Chargor must, within 14 days after the receipt of any application, requirement, order or notice served or given by any public or local or any other authority or any landlord with respect to its Mortgaged Property (or any part of it):
- 11.13.1 deliver a copy to the Security Trustee; and
 - 11.13.2 inform the Security Trustee of the steps taken or proposed to be taken to comply with the relevant requirement, order or notice.

Investigation of Title

- 11.14 The Chargor must grant the Security Trustee or its lawyers on request all facilities within the power of the Chargor to enable the Security Trustee or its lawyers to:
- 11.14.1 carry out investigations of title to any Mortgaged Property; and
 - 11.14.2 make such enquiries in relation to any part of any Mortgaged Property as a prudent mortgagee might carry out.

Power to Remedy

- 11.15 If the Chargor fails to perform any obligations under this Deed affecting its Mortgaged Property, the Chargor must allow the Security Trustee or its agents and contractors:
- 11.15.1 to enter any part of its Mortgaged Property;
 - 11.15.2 to comply with or object to any notice served on the Chargor in respect of its Mortgaged Property; and
 - 11.15.3 to take any action that the Security Trustee may reasonably consider necessary or desirable to prevent or remedy any breach of any such term or to comply with or object to any such notice.
- 11.16 The Chargor must immediately on request by the Security Trustee pay the costs and expenses of the Security Trustee or its agents and contractors incurred in connection with any action taken by it under clause 11.15.
- 11.17 The Security Trustee shall not be obliged to account as mortgagee in possession as a result of any action taken under clause 11.15.

Insurances

- 11.18 The Chargor must ensure that at all times from the date of this Deed the Insurances are maintained in full force and effect, which:
- 11.18.1 insure the Chargor in respect of its interests in each Mortgaged Property and the plant and machinery on each Mortgaged Property (including fixtures and improvements) for their full replacement value (being the total cost of entirely rebuilding, reinstating or replacing the relevant asset if it is completely destroyed, together with all related fees and demolition costs) and to:
 - (a) provide cover against loss or damage by fire, storm, tempest, flood, earthquake, lightning, explosion, impact, aircraft and other aerial devices and articles dropped from them, riot, civil commotion and malicious damage, bursting or overflowing of water tanks, apparatus or pipes and all other normally insurable risks of loss or damage for a property of the type of the Mortgaged Property;
 - (b) provide cover for site clearance, shoring or propping up, professional fees and value added tax together with adequate allowance for inflation;
 - (c) provide cover against acts of terrorism, including any third party liability arising from such acts;
 - (d) provide cover for loss of rent (in respect of a period of not less than three years or, if longer, the minimum period required under the Lease Documents) including provision for any increases in rent during the period of insurance; and
 - 11.18.2 include property owners' public liability and third party liability insurance;
 - 11.18.3 insure such other risks as a prudent company or other person in the same business as the Chargor would insure; and
 - 11.18.4 in each case are in an amount, and in form, and with an insurance company or underwriters, acceptable at all times to the Security Trustee.

- 11.19 Unless the Security Trustee agrees otherwise (acting reasonably), the Chargor must procure that the Security Trustee is named as co-insured in respect of its own separate insurable interest under each of the Insurances (other than public liability and third party liability insurances) but without:
- 11.19.1 any liability on the part of the Security Trustee for any premium in relation to those Insurances (unless the Security Trustee has expressly and specifically requested to be made liable in respect of any unpaid premium in respect of any of those Insurances); or
 - 11.19.2 any obligation on the part of the Security Trustee to make any disclosure to any insurer or any insurance broker in relation to those Insurances unless and until the Security Trustee becomes a mortgagee in possession of any Mortgaged Property, in which circumstance an obligation shall apply on the part of the Security Trustee to make disclosure to any insurer or any insurance broker in relation to the Insurance or Insurances in respect of that Mortgaged Property pursuant to the terms of that Insurance or those Insurances.
- 11.20 Unless the Security Trustee agrees otherwise (acting reasonably), the Chargor must procure that the Insurances comply with the following requirements:
- 11.20.1 each of the Insurances must contain:
 - (a) a non-invalidating and non-vitiating clause under which the Insurances will not be vitiated or avoided as against any insured party as a result of any circumstances beyond the control of that insured party or any misrepresentation, non-disclosure, or breach of any policy term or condition, on the part of any other insured party or any agent of any other insured party;
 - (b) a waiver of the rights of subrogation of the insurer as against the Chargor, each Secured Party and the tenants of each Mortgaged Property other than any such rights arising in connection with any fraud or criminal offence committed by any of those persons in respect of any Mortgaged Property or any Insurance; and
 - (c) a loss payee clause under which the Security Trustee is named as first loss payee in respect of any claim or series of connected claims in excess of GBP50,000.00 (other than in respect of any claim under any public liability and third party liability insurances);
 - 11.20.2 each insurer must give at least 30 days' notice to the Security Trustee if it proposes to:
 - (a) repudiate, rescind or cancel any Insurance;
 - (b) treat any Insurance as avoided in whole or in part;
 - (c) treat any Insurance as expired due to non-payment of premium; or
 - (d) otherwise decline any claim under any Insurance by or on behalf of any insured party,and, in respect of paragraph (c) above, must in the notice give the Security Trustee the opportunity to rectify any such non-payment of premium within the notice period; and
 - 11.20.3 the Chargor must be free to assign or otherwise grant Security over all amounts payable to it under each of its Insurances and all its rights in connection with those amounts in favour of the Security Trustee.

- 11.21 The Chargor must use all reasonable endeavours to ensure that the Security Trustee receives copies of the Insurances, receipts for the payment of premiums for insurance and any information in connection with the Insurances and claims under them which the Security Trustee may reasonably require.
- 11.22 The Chargor must promptly notify the Security Trustee of:
- 11.22.1 the proposed terms of any future renewal of any of the Insurances;
 - 11.22.2 any amendment, supplement, extension, termination, avoidance or cancellation of any of the Insurances made or, to its knowledge, threatened or pending;
 - 11.22.3 any claim, and any actual or threatened refusal of any claim, under any of the Insurances; and
 - 11.22.4 any event or circumstance which has led or may lead to a breach by the Chargor of any term of clauses 11.18 to 11.29.
- 11.23 The Chargor must:
- 11.23.1 comply with the terms of the Insurances;
 - 11.23.2 not do or permit anything to be done which may make void or voidable any of the Insurances; and
 - 11.23.3 comply with all reasonable risk improvement requirements of its insurers.
- 11.24 The Chargor must ensure that:
- 11.24.1 each premium for the Insurances is paid within the period permitted for payment of that premium; and
 - 11.24.2 all other things necessary are done so as to keep each of the Insurances in force.
- 11.25 If the Chargor fail to comply with any term of clauses 11.18 to 11.29, the Security Trustee may, at the expense of the Chargor effect any insurance and generally do such things and take such other action as the Security Trustee may reasonably consider necessary or desirable to prevent or remedy any breach of clauses 11.18 to 11.29.
- 11.26 Except as provided in clauses 11.18 to 11.29 below, the proceeds of any Insurances must, be paid accordance with the Security Trustee's instruction.
- 11.27 To the extent required by the basis of settlement under any Insurances or under any Lease Document, the Chargor must apply moneys received under any Insurances in respect of a Mortgaged Property towards replacing, restoring or reinstating that Mortgaged Property.
- 11.28 The proceeds of any loss of rent insurance will be treated as Rental Income and applied in such manner as the Security Trustee (acting reasonably) requires to have effect as if it were Rental Income received over the period of the loss of rent.
- 11.29 Moneys received under liability policies held by the Chargor which are required by the Chargor to satisfy established liabilities of the Chargor to third parties must be used to satisfy these liabilities.

Environmental Matters

- 11.30 The Chargor must:
- 11.30.1 comply and ensure that any relevant third party complies with all Environmental Law;

11.30.2 obtain, maintain and ensure compliance with all requisite Environmental Permits applicable to it or to a Mortgaged Property; and

11.30.3 implement procedures to monitor compliance with and to prevent liability under any Environmental Law applicable to it or a Mortgaged Property,

where failure to do so has or is reasonably likely to have a Material Adverse Effect or result in any liability for the Security Trustee.

11.31 The Chargor must, promptly upon becoming aware, notify the Security Trustee of:

11.31.1 any Environmental Claim started, or to its knowledge, threatened;

11.31.2 any circumstances reasonably likely to result in an Environmental Claim; or

11.31.3 any suspension, revocation or notification of any Environmental Permit.

11.32 The Chargor must indemnify the Security Trustee against any loss or liability which:

11.32.1 the Security Trustee incurs as a result of any actual or alleged breach of any Environmental Law by any person; and

11.32.2 would not have arisen if this Deed had not been entered into,

unless it is caused by the Security Trustee's gross negligence or wilful misconduct.

12. WHEN SECURITY BECOMES ENFORCEABLE

Time Security becomes enforceable

12.1 This Security will become immediately enforceable upon and at any time after a notice by a Security Trustee demanding payment, performance and/or discharge of any of the Secured Liabilities shall have been served by the Security Trustee on the Chargor.

Discretion

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

Statutory powers

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

13. ENFORCEMENT OF SECURITY

General

13.1 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.

13.2 Section 103 of the Act (restricting the power of sale) and section 93 of the Act (restricting the right of consolidation) do not apply to this Security.

13.3 The statutory powers of leasing conferred on the Security Trustee are extended so as to authorise the Security Trustee to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Trustee may think fit and without the need to comply with any provision of section 99 or section 100 of the Act.

No liability as mortgagee in possession

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

Privileges

- 13.5 The Security Trustee and each Receiver is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that section 103 of the Act does not apply.

Protection of third parties

- 13.6 No person (including a purchaser) dealing with the Security Trustee or a Receiver or its or his/her agents will be concerned to enquire:
- 13.6.1 whether the Secured Liabilities have become payable;
 - 13.6.2 whether any power which the Security Trustee or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
 - 13.6.3 whether any money remains due to the Security Trustee or a Receiver; or
 - 13.6.4 how any money paid to the Security Trustee or to that Receiver is to be applied.

Redemption of prior mortgages

- 13.7 At any time after this Security has become enforceable, the Security Trustee may:
- 13.7.1 redeem any prior Security against any Security Asset; and/or
 - 13.7.2 procure the transfer of that Security to itself; and/or
 - 13.7.3 settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the Chargor.
- 13.8 The Chargor must pay to the Security Trustee, immediately on demand, the costs and expenses incurred by the Security Trustee in connection with any such redemption and/or transfer, including the payment of any principal and / or interest.

Contingencies

- 13.9 If this Security is enforced at a time when no amount is due to the Security Trustee (or a Receiver) but at a time when amounts may or will become due, the Security Trustee (or a Receiver) may pay the proceeds of any recoveries effected by it into a suspense account or other account selected by it.

Financial collateral

- 13.10 To the extent that the Security Assets constitute “financial collateral” and this Deed and the obligations of the Chargor under this Deed constitute a “security financial collateral arrangement” (in each case, for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003), the Security Trustee will have the right after this Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Liabilities.

- 13.11 Where any financial collateral is appropriated:
- 13.11.1 if it is listed or traded on a recognised exchange, its value will be taken as being the value at which it could have been sold on the exchange on the date of appropriation; or
- 13.11.2 in any other case, its value will be such amount as the Security Trustee reasonably determines having taken into account advice obtained by it from an independent commercial property adviser, investment bank or accountancy firm of national standing selected by it.

14. RECEIVER

Appointment of Receiver

- 14.1 Except as provided below, the Security Trustee may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:
- 14.1.1 this Security has become enforceable; or
- 14.1.2 the Chargor so requests to the Security Trustee at any time.
- 14.2 Any appointment under clause 14.1 above may be by deed, under seal or in writing under its hand.
- 14.3 Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the Act) does not apply to this Deed.
- 14.4 The Security Trustee is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or 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 subsection (4) of section A52 of Part A1 of the Insolvency Act 1986.
- 14.5 The Security Trustee may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Security Assets if the Security Trustee is prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

Removal

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

Remuneration

- 14.7 The Security Trustee may fix the remuneration of any Receiver appointed by it and the maximum rate specified in section 109(6) of the Act will not apply.

Agent of the Chargor

- 14.8 A Receiver will be deemed to be the agent of the Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. The Chargor alone is responsible for any contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver.
- 14.9 No Secured Party will incur any liability (either to any Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

Relationship with Security Trustee

- 14.10 To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Security Trustee in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

15. POWERS OF RECEIVER

General

- 15.1 A Receiver has all of the rights, powers and discretions set out below in this clause 15 in addition to those conferred on it by any law. This includes:
- 15.1.1 in the case of an administrative receiver, all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986; and
 - 15.1.2 otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act 1986.
- 15.2 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him/her states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

Possession

- 15.3 A Receiver may take immediate possession of, get in and realise any Security Asset.

Carry on business

- 15.4 A Receiver may carry on any business of the Chargor in any manner he/she thinks fit.

Employees

- 15.5 A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he/she thinks fit.
- 15.6 A Receiver may discharge any person appointed by the Chargor.

Borrow money

- 15.7 A Receiver may raise and borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which he/she thinks fit.

Sale of assets

- 15.8 A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which he/she thinks fit.
- 15.9 The consideration for any such transaction may consist of cash or non-cash consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he/she thinks fit.
- 15.10 Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the Chargor.

Leases

- 15.11 A Receiver may let any Security Asset for any term and at any rent (with or without a premium) which he/she thinks fit and may accept a surrender of any lease or tenancy of any Security Asset on any terms which he/she thinks fit (including the payment of money to a lessee or tenant on a surrender).

Compromise

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

Legal actions

- 15.13 A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which he/she thinks fit.

Receipts

- 15.14 A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Security Asset.

Subsidiaries

- 15.15 A Receiver may form a Subsidiary of the Chargor and transfer to that Subsidiary any Security Asset.

Delegation

- 15.16 A Receiver may delegate his/her powers in accordance with this Deed.

Lending

- 15.17 A Receiver may lend money or advance credit to any person.

Protection of assets

- 15.18 A Receiver may:
- 15.18.1 effect any repair or insurance and do any other act which the Chargor might do in the ordinary conduct of its business to protect or improve any Security Asset;
 - 15.18.2 commence and/or complete any building operation; and
 - 15.18.3 apply for and maintain any planning permission, building regulation approval or any other Authorisation,
- in each case as he/she thinks fit.

Other powers

- 15.19 A Receiver may:
- 15.19.1 do all other acts and things which he/she may consider necessary or desirable for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;
 - 15.19.2 exercise in relation to any Security Asset all the powers, authorities and things which he/she would be capable of exercising if he/she were the absolute beneficial owner of that Security Asset; and

15.19.3 use the name of the Chargor for any of the above purposes.

16. APPLICATION OF PROCEEDS

16.1 All amounts from time to time received or recovered by the Security Trustee or any Receiver pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or part of this Security will be held by the Security Trustee and applied in the following order:

16.1.1 in or towards payment of all costs, losses, liabilities and expenses of and incidental to the appointment of any Receiver or Delegate and the exercise of any of his rights and powers, including his remuneration, and all outgoings paid by him;

16.1.2 in or towards payment of all other expenses;

16.1.3 in or towards payment of all other Secured Liabilities or such part of them as is then due and payable to the Security Trustee in such order as the Security Trustee may select; and

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

16.2 Clause 16.1 (Application of Proceeds) will override any appropriation made by the Chargor.

16.3 This clause 16:

16.3.1 is subject to the payment of any claims having priority over this Security; and

16.3.2 does not prejudice the right of any Secured Party to recover any shortfall from the Chargor.

17. EFFECTIVENESS OF GUARANTEE AND SECURITY

Continuing Guarantee and Security

17.1 The guarantee and security constituted by this Deed shall remain in full force and effect as a continuing guarantee and security for the Secured Liabilities, unless and until discharged by the Secured Parties, and will extend to the ultimate balance of all the Secured Liabilities, regardless of any intermediate payment or discharge in whole or in part.

Cumulative Rights

17.2 The guarantee and security constituted by this Deed and all rights, powers and remedies of the Secured Parties provided by or pursuant to this Deed or by law shall be cumulative and in addition to, and independent of, any other guarantee or Security now or subsequently held by the Secured Parties for the Secured Liabilities or any other obligations or any rights, powers and remedies provided by law. No prior Security held by the Secured Parties over the whole or any part of any Security Asset shall be superseded by, or supersede or merge into, the security constituted by this Deed.

Reinstatement

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

- 17.4 The Security Trustee may concede or compromise any claim that any payment or any discharge is liable to avoidance or restoration.

Waiver of Defences

- 17.5 Neither the obligations of the Chargor under this Deed nor the security constituted by this Deed nor the rights, powers and remedies of the Security Trustee provided by or pursuant to this Deed or by law will be affected by an act, omission, matter or thing which, but for this Clause 17.5, would reduce, release or prejudice any of its obligations under this Deed, any of that security or any of those rights, powers and remedies (without limitation and whether or not known to it or the Security Trustee) including:

- 17.5.1 any time, waiver or consent granted to, or composition with, the Parent or any other person;
- 17.5.2 the release of any person under the terms of any composition or arrangement with any creditor of the Parent or the Chargor;
- 17.5.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, the Parent or any 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;
- 17.5.4 any incapacity or lack of power, authority or legal personality of, or dissolution or change in the members or status of, the Parent or any other person;
- 17.5.5 any variation, amendment, novation, supplement, extension (whether of maturity or otherwise), substitution, restatement (in each case, however fundamental and of whatsoever nature and whether or not more onerous) or replacement of any agreement, account arrangement, transaction or engagement entered into by the Parent with any Secured Party or any other document or Security including without limitation any change in the purpose of, any extension of or any increase in, any facility or the addition of any new facility under any such agreement, account arrangement, transaction or engagement or other document or Security;
- 17.5.6 any unenforceability, illegality or invalidity of any obligation of the Parent or any other person under any agreement, account arrangement, transaction or engagement entered into by the Parent with any Secured Party or any other document or Security;
- 17.5.7 any insolvency or similar proceedings.

Guarantor and Security Intent

- 17.6 Without prejudice to the generality of Clause 17.5 (*Waiver of Defences*), the Chargor expressly confirms that it intends that the guarantee and Security constituted by this Deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any agreement, account arrangement, transaction or engagement entered into by the Parent with any Secured Party and/or any facility or amount made available under any such agreement, account arrangement, transaction or engagement including, without limitation, any of the same which are for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; and/or any other variation or extension of the purposes for

which any such facility or amount might be made available from time to time, together with any fees, costs and/or expenses associated with any of the foregoing.

Immediate Recourse

- 17.7 The Chargor waives any right it may have of first requiring the Security Trustee to proceed against or enforce any other rights or Security or claim payment from any person or file any proof or claim in any insolvency, administration, winding up or liquidation proceedings relating to any person before claiming from it under this Deed. This waiver applies irrespective of any law or any provision of any agreement, account arrangement, transaction or engagement entered into by the Parent with any Secured Party to the contrary.

Appropriations

- 17.8 Until all the Secured Liabilities which may be or become payable by the Chargor under or in connection with this Deed have been irrevocably paid, performed and discharged in full, the Security Trustee may:

17.8.1 without affecting the liability of the Chargor under this Deed:

- (a) refrain from applying or enforcing any other moneys, Security or rights held or received by it in respect of the Secured Liabilities; or
- (b) apply and enforce the same in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and the Chargor shall not be entitled to direct the appropriation of any such moneys, Security or rights or to enjoy the benefit of the same; and/or

17.8.2 hold in a suspense account any moneys received from or on behalf of the Chargor or on account of the Chargor's liability in respect of the Secured Liabilities. Amounts standing to the credit of any such suspense account shall bear interest at a rate considered by the Security Trustee to be a fair market rate.

Deferral of Chargor's Rights

- 17.9 Until the Secured Liabilities, and all amounts which may be or become due and payable in respect of the Secured Liabilities, have been irrevocably paid, performed or discharged in full and unless the Security Trustee otherwise directs, the Chargor shall not exercise any rights which it may have by reason of performance by it of its obligations under this Deed or by reason of any amount being payable, or liability arising under, Clause 2.2 (*Guarantee and Indemnity*) to:

17.9.1 be indemnified by the Parent;

17.9.2 claim any contribution from any other guarantor of the Parent's obligations;

17.9.3 take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties;

17.9.4 bring legal or other proceedings for an order requiring the Parent to make any payment, or perform any obligation, in respect of which the Chargor has given a guarantee, undertaking or indemnity under Clause 2.2 (*Guarantee and Indemnity*);

17.9.5 exercise any right of set-off against the Parent; and/or

17.9.6 claim or prove as a creditor of the Parent or in its estate in competition with the Secured Parties.

- 17.10 The rights of the Secured Parties under Clause 17.9 above shall be free from any right of quasi-retainer or other rule or principle of fund ascertainment either at law or in equity.
- 17.11 If the Chargor receives any benefit, payment or distribution in relation to any rights referred to in Clause 17.9 above, it shall hold that benefit, payment or distribution to the extent necessary to enable all the Secured Liabilities, and all amounts which may be or become due and payable in respect of the Secured Liabilities, to be repaid in full on trust for the Security Trustee and shall promptly pay or transfer the same to the Security Trustee or as the Security Trustee may direct for application in accordance with Clause 16 (*Application of Proceeds*)).

No Security Held by Chargor

- 17.12 The Chargor shall not take or receive any Security from the Parent or any other person in connection with its liability under this Deed. However, if any such Security is so taken or received by the Chargor:
- 17.12.1 it shall be held by the Chargor on trust for the Security Trustee, together with all moneys at any time received or held in respect of such Security, for application in or towards payment and discharge of the Secured Liabilities; and
- 17.12.2 on demand by the Security Trustee, the Chargor shall promptly transfer, assign or pay to the Security Trustee all Security and all moneys from time to time held on trust by the Chargor under this Clause 17.12.

18. EXPENSES AND INDEMNITY

- 18.1 The Chargor must:
- 18.1.1 immediately on demand pay to each Secured Party the amount of all costs and expenses (including legal fees) incurred by that Secured Party in connection with this Deed including any arising from any actual or alleged breach by any person of any law or regulation; and
- 18.1.2 keep each Secured Party indemnified against any failure or delay in paying those costs or expenses.

19. DELEGATION

Power of Attorney

- 19.1 The Security Trustee or any Receiver may, at any time, delegate by power of attorney or otherwise to any person for any period all or any right, power, authority or discretion exercisable by it under this Deed.

Terms

- 19.2 Any such delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Security Trustee or that Receiver (as the case may be) may, in its discretion, think fit in the interests of the Secured Parties.

Liability

- 19.3 Neither the Security Trustee nor any Receiver shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such delegate or sub-delegate.

20. FURTHER ASSURANCES

- 20.1 The Chargor must promptly, at its own expense, take whatever action the Security Trustee or a Receiver may require for:
- 20.1.1 creating, perfecting or protecting any security over any Security Asset; or
 - 20.1.2 facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Security Trustee or any Receiver or any of their respective delegates or sub-delegates in respect of any Security Asset.
- 20.2 The action that may be required under clause 20.1 above includes:
- 20.2.1 the execution of any mortgage, charge, transfer, conveyance, assignment or assurance of any asset, whether to the Security Trustee or to its nominees; or
 - 20.2.2 the giving of any notice, order or direction and the making of any filing or registration, which, in any such case, the Security Trustee may consider necessary or desirable.

21. POWER OF ATTORNEY

- 21.1 The Chargor, by way of security, irrevocably and severally appoints the Security Trustee, each Receiver and any of their respective delegates or sub-delegates to be its attorney with the full power and authority of the Chargor to execute, deliver and perfect all deeds, instruments and other documents in its name and otherwise on its behalf and to do or cause to be done all acts and things, in each case which may be required or which any attorney may in its absolute discretion deem necessary for carrying out any obligation of the Chargor under or pursuant to this Deed or generally for enabling the Security Trustee or any Receiver to exercise the respective powers conferred on them under this Deed or by law. The Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this clause 21.

22. ASSIGNMENT

- 22.1 The Security Trustee may assign, charge or transfer all or any of its rights under this Deed without the consent of the Chargor. The Security Trustee may disclose any information about the Chargor and this Deed as the Security Trustee shall consider appropriate to any actual or proposed direct or indirect successor or to any person to whom information is required to be disclosed by any applicable law or regulation.
- 22.2 The Chargor may not assign, charge or transfer all or any of its rights under this Deed without the prior written consent of the Security Trustee.

23. FEES, COSTS AND EXPENSES

Transaction expenses

- 23.1 The Chargor shall, promptly on demand, pay the Security Trustee the amount of all costs and expenses (including legal fees and together with any applicable VAT) reasonably incurred by the Security Trustee and by any Receiver or Delegate in connection with the negotiation, preparation, printing, execution and perfection of:
- 23.1.1 this Deed and any other documents referred to in this Deed and the Security; and
 - 23.1.2 any other Security Documents executed after the date of this Deed.

Enforcement and preservation costs

- 23.2 The Chargor shall, within three Business Days of demand, pay to the Security Trustee the amount of all costs and expenses (including legal fees and together with any applicable VAT) incurred by it in connection with the enforcement of or the preservation of any rights under any Security Document and the Security and any proceedings instituted by or against the Security Trustee as a consequence of taking or holding the Security or enforcing these rights.

Amendment costs

- 23.3 If the Chargor requests an amendment, waiver or consent, the Chargor shall, within three Business Days of demand, reimburse the Security Trustee for the amount of all costs and expenses (including legal fees and together with any applicable VAT) reasonably incurred by the Security Trustee (and by any Receiver or Delegate) in responding to, evaluating, negotiating or complying with that request or requirement.

Stamp taxes

- 23.4 The Chargor shall pay and, within three Business Days of demand, indemnify the Security Trustee against any cost, loss or liability the Security Trustee incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Security Document.

24. MISCELLANEOUS

Continuing Security

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

Tacking

- 24.2 The Secured Party must perform its obligations under any agreement made between the Chargor and the Finance Parties (including any obligation to make further advances).

New Accounts

- 24.3 If any subsequent charge or other interest affects any Security Asset, a Secured Party may open a new account with the Chargor.
- 24.4 If that Secured Party does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest.
- 24.5 As from that time all payments made to that Secured Party will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability.

Time deposits

- 24.6 Without prejudice to any right of set-off any Secured Party may have under any other Finance Document or otherwise, if any time deposit matures on any account the Chargor has with any Secured Party within the Security Period when:
- 24.6.1 this Security has become enforceable; and
- 24.6.2 no Secured Liability is due and payable,
- that time deposit will automatically be renewed for any further maturity which that Secured Party considers appropriate.

Notice to Chargor

- 24.7 This Deed constitutes notice in writing to the Chargor of any charge or assignment of a debt owed by the Chargor to any Transaction Obligor and contained in any other Security Document.

Waiver of rights

- 24.8 To the extent permitted under applicable law the Chargor waives all rights it may otherwise have to require that the Security be enforced in any particular order or manner or at any particular time or that any amount received or recovered from any person, or by virtue of the enforcement of any of the Security or of any other security interest, which is capable of being applied in or towards discharge of any of the Secured Liabilities is so applied.

No fiduciary duties to Chargor

- 24.9 Nothing in this Deed constitutes the Security Trustee as an agent, trustee or fiduciary of the Chargor.

25. RELEASE

- 25.1 At the end of the Security Period, the Secured Parties must, at the request and cost of the Chargor, take whatever action is necessary to release its Security Assets from this Security.

26. CONTRACTUAL RECOGNITION OF BAIL-IN

- 26.1 Notwithstanding any other term of this Deed or any other agreement, arrangement or understanding between the Parties, each Party acknowledges and accepts that any liability of any Party to any other Party under or in connection with this Deed may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

26.1.1 any Bail-In Action in relation to any such liability, including (without limitation):

- (a) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
- (b) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
- (c) a cancellation of any such liability; and
- (d) a variation of any term of this Deed to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

- 26.2 In this clause the following terms have the following meanings:

“**Article 55 BRRD**”: Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms;

“**Bail-In Action**”: the exercise of any Write-down and Conversion Powers;

“**Bail-In Legislation**”:

- (a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time;
- (b) in relation to the United Kingdom, the UK Bail-In Legislation; and

- (c) in relation to any state other than such an EEA Member Country and the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation.

“EEA Member Country”: any member state of the European Union, Iceland, Liechtenstein and Norway;

“EU Bail-In Legislation Schedule”: the document described as such and published by the Loan Market Association (or any successor person) from time to time;

“Resolution Authority”: any body which has authority to exercise any Write-down and Conversion Powers;

“UK Bail-In Legislation”: Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings);

“Write-down and Conversion Powers”:

- (a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule ;
- (b) in relation to the UK Bail-In Legislation:
 - (i) any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers ; and
- (c) in relation to any other applicable Bail-In Legislation
 - (i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and
 - (ii) any similar or analogous powers under that Bail-In Legislation.

27. GOVERNING LAW

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

28. ENFORCEMENT

Jurisdiction

- 28.1 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 the consequences of its nullity or any non-contractual obligation arising out of or in connection with this Deed) (a “**Dispute**”).
- 28.2 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.

THIS DEED has been executed and delivered as a deed by the Chargor and signed on behalf of the Security Trustee on the date stated at the beginning of this Deed.

SCHEDULE 1
REAL PROPERTY

Name of Chargor	Description of Real Property
Hanover House Limited	297 Oxford Street and 15 Hanover Square, London Held under title number 121975
Hanover House Limited	14, 14a and 15a Hanover Square, 3 to 17 (odd) Harewood Place and 293a, 293 and 295 Oxford Street, London Held under title number 47522

SCHEDULE 2
FORMS OF LETTER FOR OCCUPATIONAL TENANTS

Part 1
Notice to Occupational Tenant

To: [Occupational tenant]

Copy: [Security Trustee]

[Date]

Dear Sirs,

Re: [Property address]

**Security Agreement dated [●] between [Chargor]
and [Security Trustee] (the “Security Agreement”)**

We refer to the lease dated [●] and made between [●] and [●] (the “Lease”).

This letter constitutes notice to you that under the Security Agreement we have charged (by way of first fixed charge) to [Security Trustee] (the “Security Trustee”) all our rights under the Lease.

We confirm that:

1. we will remain liable under the Lease to perform all the obligations assumed by us under the Lease; and
2. none of the Security Trustee, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Lease.

We will also remain entitled to exercise all our rights, powers and discretions under the Lease, and you should continue to give notices under the Lease to us, unless and until you receive notice from the Security Trustee to the contrary stating that the security under the Security Agreement has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and all notices must be given to, the Security Trustee or as it directs.

The instructions in this letter apply until you receive notice from the Security Trustee to the contrary and notwithstanding any previous instructions given by us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Trustee.

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

Please confirm your agreement to the above by signing the attached acknowledgement and returning it to the Security Trustee at [address] with a copy to us.

Yours faithfully,

.....
(Authorised Signatory)

[Chargor]

Part 2
Acknowledgement of Occupational Tenant

To: [Security Trustee]

Attention: [●]

[Date]

Dear Sirs,

Re: [Property address]

**Security Agreement dated [●] between [Chargor]
and [Security Trustee] (the “Security Agreement”)**

We confirm receipt from [Chargor] (the “Chargor”) of a notice dated [●] (the “Notice”) in relation to the Lease (as defined in the Notice).

We confirm that we:

1. accept the instructions contained in the Notice and agree to comply with the Notice;
2. have not received any notice of any prior security over the Lease or that any third party has or will have any right or interest in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Chargor under or in respect of the Lease; and
3. must pay and continue to pay all rent and all other moneys payable by us under the Lease into such account as the Chargor may specify until we receive your written instructions to the contrary.

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

Yours faithfully,

.....
For
[Occupational tenant]

SCHEDULE 3
FORMS OF LETTER FOR ACCOUNT BANK

Part 1
Notice to Account Bank

To: [Account Bank]

Copy: [Security Trustee]

[Date]

Dear Sirs,

**Security Agreement dated [●] between [Chargor]
and [Security Trustee] (the “Security Agreement”)**

This letter constitutes notice to you that under the Security Agreement we have granted a security interest in favour of [Security Trustee] (the “Security Trustee”) all our rights in respect of any account, and any amount standing to the credit of any account, maintained by us with you (the “Accounts”).

We irrevocably instruct and authorise you to:

1. disclose to the Security Trustee any information relating to any Account requested from you by the Security Trustee;
2. comply with the terms of any written notice or instruction relating to any Account received by you from the Security Trustee; and
3. hold all sums standing to the credit of any Account to the order of the Security Trustee.

We are permitted to withdraw any amount from the Accounts for any purpose unless and until you receive a notice from the Security Trustee to the contrary stating that we are no longer permitted to withdraw any amount from the Accounts without its consent. If and from the date on which you receive any such notice, we will not be permitted to withdraw any amount from the Accounts without the prior written consent of the Security Trustee.

We acknowledge that you may comply with the instructions in this letter without any further permission from us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Trustee.

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

Please confirm your agreement to the above by sending the attached acknowledgement to the Security Trustee at [address] with a copy to us.

Yours faithfully,

.....
(Authorised Signatory)
[Chargor]

Part 2
Acknowledgement of Account Bank

To: [Security Trustee]

Copy: [Chargor]

[Date]

Dear Sirs,

**Security Agreement dated [●] between [Chargor]
and [Security Trustee] (the “Security Agreement”)**

We confirm receipt from [Chargor] (the “Chargor”) of a notice dated [●] (the “Notice”) of a charge upon the terms of the Security Agreement over all the rights of the Chargor to any amount standing to the credit of any of the Chargor’s accounts with us (the “Accounts”).

We confirm that we:

1. accept the instructions contained in the Notice and agree to comply with the Notice;
2. have not received notice of any prior security over, or the interest of any third party in, any Account;
3. have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of any Account;
4. following receipt a notice from you stating that we are no longer permitted to withdraw any amount from the Accounts without your consent, we will not permit any amount to be withdrawn from any Account (as defined in the Notice) without your prior written consent; and

The Accounts maintained with us are:

[Specify accounts and account numbers]

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

Yours faithfully,

.....

(Authorised signatory)

[Account Bank]

SCHEDULE 4
FORMS OF LETTER FOR INSURERS

Part 1
Notice to Insurer

To: [Insurer]

Copy: [Security Trustee]

[Date]

Dear Sirs,

**Security Agreement dated [●] between [Chargor]
and [Security Trustee] (the “Security Agreement”)**

This letter constitutes notice to you that under the Security Agreement we have assigned absolutely, subject to a proviso for re-assignment on redemption, to [Security Trustee] (the “**Security Trustee**”) all our rights in respect of [insert details of contract of insurance] and any insurance policy entered into relating to the renewal or supplemental to or in replacement to such insurance policy (the “**Insurance**”).

We confirm that:

1. we will remain liable under the Insurance to perform all the obligations assumed by us under the Insurance; and
2. none of the Security Trustee, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Insurance (unless, and to the extent, otherwise expressly provided for in the Insurance).

We will also remain entitled to exercise all our rights, powers and discretions under the Insurance, and you should continue to give notices and make payments under the Insurance to us (unless, and to the extent, otherwise expressly provided for in the Insurance or in any insurer letter you may have issued to the Security Trustee in respect of the Insurance), unless and until you receive notice from the Security Trustee to the contrary stating that the security under the Security Agreement has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Security Trustee or as it directs (unless, and to the extent, otherwise expressly provided for in the Insurance or in any insurer letter you may have issued to the Security Trustee in respect of the Insurance).

We irrevocably instruct and authorise you to disclose to the Security Trustee any information relating to the Insurance requested from you by the Security Trustee.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Trustee.

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

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Security Trustee at [address] with a copy to us.

Yours faithfully,

.....
(Authorised signatory)
[Chargor]

Part 2
Acknowledgement of Insurer

To: [Security Trustee]

Copy: [Chargor]

[Date]

Dear Sirs,

**Security Agreement dated [●] between [Chargor]
and [Security Trustee] (the “Security Agreement”)**

We confirm receipt from [Chargor] (the “Chargor”) of a notice dated [●] (the “Notice”) of an assignment on the terms of the Security Agreement of all the Chargor’s rights in respect of [insert details of the contract of insurance] and any insurance policy entered into relating to the renewal or supplemental to or in replacement to such insurance policy (the “Insurance”).

We confirm that we:

1. accept the instructions contained in the Notice and agree to comply with the Notice; and
2. will give notices and make payments under the Insurance as directed in the Notice.

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

Yours faithfully,

.....
(Authorised signatory)
[Insurer]

SCHEDULE 5
FORMS OF LETTER FOR OTHER CONTRACTS [AND ASSIGNMENT]

Part 1
Notice to Counterparty

To: [Contract Counterparty]

Copy: [Security Trustee]

[Date]

Dear Sirs,

**Security Agreement dated [●] between [Chargor]
and [Security Trustee] (the “Security Agreement”)**

This letter constitutes notice to you that under the Security Agreement we have [charged by way of a first fixed charge] [assigned absolutely, subject to a proviso for re-assignment on redemption] to [Security Trustee] (the “Security Trustee”) all our rights in respect of [insert details of contract] (the “Contract”).

We confirm that:

1. we will remain liable under the Contract to perform all the obligations assumed by us under the Contract; and
2. none of the Security Trustee, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Contract.

We will also remain entitled to exercise all our rights, powers and discretions under the Contract, and you should continue to give notices and make payments under the Contract to us, unless and until you receive notice from the Security Trustee to the contrary stating that the security under the Security Agreement has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Security Trustee or as it directs.

We irrevocably instruct and authorise you to disclose to the Security Trustee any information relating to the Contract requested from you by the Security Trustee.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Trustee.

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

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Security Trustee at [address] with a copy to us.

Yours faithfully,

.....
(Authorised signatory)
[Chargor]

Part 2
Acknowledgement of Counterparty

To: [Security Trustee]

Copy: [Chargor]

[Date]

Dear Sirs,

**Security Agreement dated [●] between [Chargor]
and [Security Trustee] (the “Security Agreement”)**

We confirm receipt from [Chargor] (the “Chargor”) of a notice dated [●] (the “Notice”) of [fixed charge]/[an assignment]¹ on the terms of the Security Agreement of all the Chargor’s rights in respect of [insert details of the contract] (the “Contract”).

We confirm that we:

1. accept the instructions contained in the Notice and agree to comply with the Notice; and
2. will give notices and make payments under the Contract as directed in the Notice.

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

Yours faithfully,

.....
(Authorised signatory)
[Contract counterparty]

¹ Delete as applicable.

SIGNATORIES

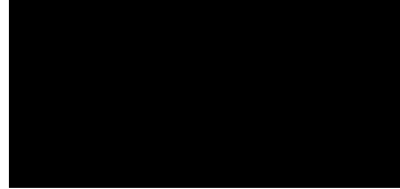
THE CHARGOR

Executed as a deed by

HANOVER HOUSE LIMITED

acting by a director in the presence of:

)
)
)
)



Signature

LISE KAME

Print Name

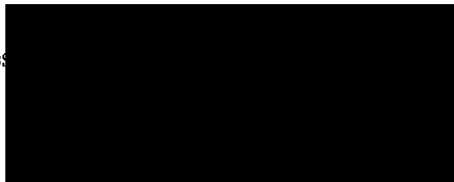
Witness Signat



Witness Name

JOAKIM WITH

Witness Address



THE SECURITY TRUSTEE

EXECUTED as a deed on behalf of **NYKREDIT REALKREDIT A/S**, a company incorporated in Denmark, acting by

Flemming E. Madsen

Senior Account Manager

and

Claus Aaby

First Vice President

who, in accordance with the laws of Denmark, are acting under the authority of the company.

Signature in the name of the company

NYKREDIT REALKREDIT A/S

Signature of Authorised Signatory

Signature of Authorised Signatory

