



**Registration of a Charge**

Company name: **SHARKS HOLDINGS LIMITED**

Company number: **10149796**



XA1GIU0J

Received for Electronic Filing: **31/03/2021**

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**Details of Charge**

Date of creation: **30/03/2021**

Charge code: **1014 9796 0003**

Persons entitled: **ORANGE UK HOLDINGS LIMITED**

Brief description:

**Contains fixed charge(s).**

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

**Contains negative pledge.**

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**Authentication of Form**

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

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**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:

**BEYOND CORPORATE**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 10149796

Charge code: 1014 9796 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 30th March 2021 and created by SHARKS HOLDINGS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 31st March 2021 .

Given at Companies House, Cardiff on 3rd April 2021

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



**Companies House**



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

Date: 30 March 2021

**THE COMPANIES listed in Schedule 1**

as Chargors

**Orange UK Holdings Limited**

as Security Agent

**Debenture**

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THIS DEBENTURE is made the 30<sup>th</sup> day of March 2021

**BETWEEN:**

- (1) **THE COMPANIES** listed in Schedule 1 (each a "**Chargor**", together the "**Chargors**"); and
- (2) **ORANGE UK HOLDINGS LIMITED** as agent and security trustee for itself and each of the Finance Parties (the "**Security Agent**").

**IT IS AGREED** as follows:

**1. Definitions and interpretation**

**1.1 Definitions**

In this Deed:

"**Account**" means any account opened by a Chargor;

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

"**Act**" means the Law of Property Act 1925;

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

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

"**Borrower**" means Manchester Sale Rugby Club Limited (being one of the Chargors);

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

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

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

"**Event of Default**" means any Event of Default as defined in the Loan Agreement;

"**Finance Document**" has the meaning ascribed thereto in the Loan Agreement;

"**Finance Parties**" means the Lenders and the Security Agent;

"**Group**" means the Borrower and any Subsidiary;

"**Group Shares**" means, in relation to a Chargor, the shares in any member of the Group owned legally or beneficially by that Chargor or held by the Security Agent or any nominee on its behalf (including the shares identified in respect of that Chargor in Part 2 of Schedule 2 (*Security Assets*) (if any);

**"Intellectual Property"** means (i) any patents, trade marks, service marks, logos, trade names, domain names, copyrights (including rights in computer software), database rights, semi-conductor topography rights, utility models, rights in designs, rights in get-up, rights in inventions, rights in know-how and confidential information, moral rights and other intellectual property rights and interests (which may now or in the future subsist), in each case whether registered or unregistered, and all rights or forms of protection having equivalent or similar effect anywhere in the world, and (ii) the benefit of all applications for, and all rights to use, any of those things (which may now or in the future subsist), and "registered" includes registrations and applications for registration;

**"Insurance Policy"** means, in relation to a Chargor, any contract or policy of insurance of any kind (other than in relation to third party liabilities or similar claims) in which that Chargor has an interest from time to time and all rights related to any such policy;

**"Investments"** means, in relation to a Chargor:

- (a) any stock, share, debenture, loan stock, security, bond, warrant, coupon, interest in any investment fund and any other investment (whether or not marketable) whether held directly by or to the order of that Chargor or by any trustee, nominee, fiduciary, investment manager or depository or clearance system on its behalf (including, but not limited to, the Group Shares and the shares identified in respect of that Chargor in Part 6 of Schedule 2);
- (b) all allotments, accretions, offers, options, rights, bonuses, benefits and advantages, whether by way of conversion, redemption, preference, option or otherwise which at any time accrue to or are offered or arise in respect of any such investments mentioned in paragraph (a) above; and
- (c) all rights that Chargor has against any trustee, nominee, fiduciary, investment manager, depository or clearance system in respect of any such investments mentioned in paragraphs (a) or (b) above;

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

**"Loan Agreement"** means the loan agreement dated on or around the date of this Deed between the Security Agent and Gerard Mason (1) the Borrower (2) and the Security Agent (3);

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

- (a) the business or financial condition of any Chargor;
- (b) the ability of any Chargor to perform its obligations under any Finance Document;
- (c) the validity or enforceability of any Finance Document; or
- (d) any right or remedy of the Security Agent in respect of any Finance Document;

**"Material Contract"** means:

- (a) the agreements (if any) specified in Part 1 of Schedule 2 (*Security Assets*);



- (b) any agreement to which a Chargor is a party (other than the Finance Documents) the breach, non-performance, cancellation, failure to renew or changes to the terms of which could reasonably be expected to have a Material Adverse Effect; and
- (c) any agreement or instrument entered into by a Chargor which has a projected annual revenue of more than 5 per cent. of the annual revenue of that Chargor shown by its most recently delivered annual financial statements;

**"Real Property"** means freehold, leasehold or other immoveable property and any buildings, erections, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of such property and easements or other rights servicing that property (including, but not limited to, the property described in Part 4 of Schedule 2 (*Security Assets*));

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

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

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

**"Rental Income"** means, in relation to a Chargor, all present and future amounts payable to or for the benefit of that Chargor under or in connection with any Lease or any other letting of Real Property forming part of the Security Assets;

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

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

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

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

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

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

## 1.1 Construction

- (a) In this Deed, unless a contrary indication appears, any reference to:
  - (i) **"assets"** includes present and future properties, revenues and rights of every description and includes the proceeds of sale of any such asset;
  - (ii) a Finance Document or any other agreement or document is a reference to that Finance Document or other agreement or document as it may have been, or may from time to time be, amended, varied, supplemented or novated;
  - (iii) a party to this Deed shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
  - (iv) a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
  - (v) a provision of law includes that provision as amended, re-enacted or replaced from time to time and includes any subordinate legislation;
  - (vi) **"Real Property"**, the **"Security Assets"**, and any other asset or assets or the **"Secured Obligations"** includes a reference to any part of them or it;
  - (vii) a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
  - (viii) **"this Security"** means any Security created or constituted by this Deed; and
  - (ix) words in the singular include the plural and vice versa and words in one gender include any other gender.
- (b) Headings in this Deed are for ease of reference only.
- (c) Any covenant or undertaking by a Chargor under this Deed is given to or made in favour of the Security Agent and remains in force during the Security Period.
- (d) An Event of Default is **"continuing"** if it has not been remedied or waived.
- (e) It is intended that this document take effect as a deed notwithstanding the fact that (if executed by the Security Agent) the Security Agent may only execute this document under hand.
- (f) The terms of the other Finance Documents and of any side letter between the parties to this Deed are incorporated in this Deed to the extent required to ensure that any purported disposition of or purported agreement to dispose of any Real Property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (g) This Deed is a Finance Document.
- (h) Unless expressly defined in this Deed or a contrary indication appears, words and expressions defined in the Loan Agreement have the same meanings when used in this Deed.

- (i) The fact that the details of any assets in the Schedules are incorrect or incomplete shall not affect the validity or enforceability of this Deed in respect of the assets of each Chargor.

## **1.2 Trustee Act 1925 and Trustee Act 2000**

- (a) Section 1 of the Trustee Act 2000 shall not apply to any function of the Security Agent. Where there is any inconsistency between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this Deed, the provisions of this Deed shall, to the extent allowed by law, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Deed shall constitute a restriction or exclusion for the purposes of the Trustee Act 2000.
- (b) For the avoidance of doubt:
  - (i) the Security Agent may retain or invest in securities payable to bearer without appointing a person to act as a custodian; and
  - (ii) sections 22 and 23 of the Trustee Act 2000 shall not apply to this Deed.

## **1.3 Third party rights**

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

## **2. Undertaking to pay**

### **2.1 Undertaking to pay**

Each Chargor, as primary obligor and not merely as surety, undertakes with the Security Agent to pay the Secured Obligations on demand on the date(s) on which such Secured Obligations are expressed to become due and in the manner provided for in the relevant Finance Document.

### **2.2 Amount secured**

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

## **3. Provisions relating to Security**

### **3.1 Nature of Security created**

- (a) All the Security created under this Deed is created:
  - (i) with full title guarantee as a continuing security for the payment, discharge and performance of the Secured Obligations;
  - (ii) in favour of the Security Agent; and

- (iii) (except in the case of assets which are the subject of a legal mortgage under this Deed) over all present and future assets of the kind described which are owned by each Chargor and, to the extent it does not own those assets, shall extend to any right, title or interest which it may have in them.

- (b) The Security Agent holds the benefit of this Deed on trust for the Finance Parties.

### **3.2 Consents**

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

## **4. Fixed Security**

### **4.1 Real Property**

- (a) Each Chargor charges:
  - (i) by way of first legal mortgage the Real Property vested in it on the date of this Deed;
  - (ii) by way of first fixed charge any right, title or interest in Real Property (to the extent not the subject of a mortgage under paragraph (i) above).
- (b) Each Chargor assigns absolutely, subject to the provisions of Clause 28 (*Release and recourse*):
  - (i) all Rental Income;
  - (ii) all rights under any licence, agreement for sale or agreement for lease or other use of its Real Property or under any agreement to purchase Real Property (in each case present or future);
  - (iii) all rights, powers, benefits, claims, contracts, warranties, remedies, covenants for title, security, guarantees or indemnities (present or future) in respect of any of its Real Property or any Rental Income;

- (iv) the proceeds of sale of any of its Real Property; and
- (v) any other moneys paid or payable in respect of its Real Property.

#### **4.2 Equipment**

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

#### **4.3 Investments**

- (a) Each Chargor charges by way of first legal mortgage all its rights, title or interest in the Group Shares and any other shares forming part of the Investments belonging to it on the date of this Deed and, in each case all Dividends in respect of the Group Shares or other Investments.
- (b) Each Chargor charges by way of first fixed charge all its rights, title or interest in the Investments (to the extent not the subject of an effective mortgage under paragraph (a) above).

#### **4.4 Intellectual Property**

Each Chargor charges by way of first fixed charge all its rights, title or interest in Intellectual Property (including the Intellectual Property described in Part 3 of Schedule 2 (*Security Assets*));

#### **4.5 Receivables**

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

#### **4.6 Accounts**

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

#### **4.7 Goodwill**

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

#### **4.8 Uncalled capital**

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

#### **4.9 Authorisations**

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

#### **4.10 Insurances**

Each Chargor assigns absolutely, subject to the provisions of Clause 28 (*Release and recourse*), all its rights, title or interest in the Insurance Policies and the proceeds of such policies.

#### **4.11 Contracts**

Each Chargor assigns absolutely, subject to the provisions of Clause 28 (*Release and recourse*), all its rights, title or interest in:

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

#### **4.12 Pension funds**

Each Chargor charges by way of first fixed charge any beneficial interest, claim or entitlement of that Chargor in any pension fund.

### **5. Floating Security**

#### **5.1 Floating charge**

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

#### **5.2 Conversion**

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

- (a) an Event of Default has occurred;
- (b) the Security Agent considers such assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy or to be at risk of becoming subject to any Security (other than this Security); or
- (c) the Security Agent considers it is necessary in order to protect the value of the Security Asset or the priority of this Security.

#### **5.3 Moratorium under Insolvency Act**

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

#### **5.4 Qualifying floating charge**

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

## **5.5 Automatic conversion**

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

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

## **5.6 Reconversion to floating charge**

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

## **6. Restrictions on dealing**

No Chargor shall:

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

except as expressly permitted to do so under the Credit Agreement.

## **7. Representations**

Each Chargor makes the representations and warranties set out in this Clause to the Security Agent.

### **7.1 Nature of Security**

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

### **7.2 Security Assets**

- (a) It is the sole legal and beneficial owner of, and absolutely entitled to, the assets it purports to mortgage, charge or assign under this Deed (save, where relevant, in respect of the legal ownership of any of its Investments registered in the name of its

nominee or custodian or in the name of the Security Agent (or its nominee) pursuant to this Deed).

- (b) Such assets are free from any Security (except as created by this Deed in favour of the Lender or as permitted by the Finance Documents) and it has not granted any option or other right in favour of a third party or otherwise encumbered any such assets.
- (c) As at the date of this Deed, Schedule 2 (*Security Assets*) identifies:
  - (i) all of the Real Property, Group Shares, Material Contracts and Accounts in which it has any interest (whether direct or indirect); and
  - (ii) all of the Intellectual Property in which it has any interest that it considers (acting reasonably) is required to conduct its business or any part of it.

### **7.3 Investments**

- (a) Its Investments are duly authorised, validly issued, freely transferable and fully paid.
- (b) The terms and conditions of its Investments do not restrict or otherwise limit its right to transfer or charge them other than any restriction permitted under the Finance Documents.
- (c) It has not nominated any person to enjoy or exercise any rights relating to the Investments pursuant to Part 9 of the Companies Act 2006 or otherwise.
- (d) The Investments described in Part 2 of Schedule 2 (*Security Assets*) constitute all of the Group Shares and no person has or is entitled to any conditional or unconditional option, warrant or other right to subscribe for, purchase or otherwise acquire any issued or unissued shares, or any interest in shares, in the capital of any of its Subsidiaries.

### **7.4 Intellectual Property**

- (a) All Intellectual Property owned by it which is material to its business is identified in Part 3 of Schedule 2 (*Security Assets*).
- (b) It is not aware of any infringement or threatened infringement of its Intellectual Property.

### **7.5 Material Contracts**

- (a) Each Material Contract to which it is a party has been duly executed and delivered by the parties to it, is in full force and effect and enforceable in accordance with its terms except to the extent its enforceability may be limited by applicable bankruptcy, insolvency, reorganisation, moratorium or similar laws generally affecting the rights of creditors and by equitable principles.
- (b) There is no prohibition on assignment in any Material Contract to which it is a party and the entry into and performance by it of this Deed does not conflict with any term of any such Material Contract.

### **7.6 Repetition**



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

**8. General undertakings**

**8.1 Covenant to perform**

Each Chargor shall at all times observe and perform the obligations, terms and conditions on its part of the Finance Documents.

**8.2 Carry on business**

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

**8.3 Laws**

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

**8.4 Not to jeopardise this Security**

No Chargor shall do or cause or permit to be done anything which may depreciate, jeopardise or otherwise prejudice the Security Assets or their value to the Security Agent.

**8.5 Maintenance**

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

**8.6 Accounting records**

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

**8.7 Information**

Each Chargor shall promptly:

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

## **8.8 Documents**

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

## **8.9 Events of Default**

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

## **8.10 Accuracy of information**

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

## **9. Real Property**

### **9.1 Land Registry**

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

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [date] in favour of [ • ] (as trustee for the Finance Parties referred to in that charge) referred to in the Charges Register [or [their conveyancer or specify appropriate details]]."
  - (ii) to enter any obligation to make further advances on the relevant register of title.
- (b) Each Chargor certifies to the Land Registry that this Security does not contravene any of the provisions of its memorandum or articles of association or other constitutive documents.

### **9.2 Acquisitions of Real Property**

Each Chargor shall:

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

### **9.3 Outgoings**

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

### **9.4 Repair**

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

### **9.5 Alterations**

No Chargor shall make any structural or material alteration or addition to, erect, demolish or pull down, or change the use of, any of its Real Property or building or structure on its Real Property, or permit any such thing to be done..

### **9.6 Compliance with leases**

Each Chargor shall:

- (a) observe and perform all the terms on its part contained in any Lease comprised within its Real Property and enforce the due observance and performance of all obligations of all other parties to such Lease;
- (b) not do or knowingly permit to be done any act as a result of which any such Lease may become liable to forfeiture or otherwise be determined;

- (c) not accelerate or defer payment of any moneys due or waive or vary any obligation under the terms of any Lease or other property agreement comprised within its Real Property; and
- (d) comply with any rent review procedures in Leases comprised within its Real Property.

#### **9.7 Compliance with covenants**

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

#### **9.8 Compliance with applicable laws and regulations**

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

#### **9.9 Notices**

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

### **10. Receivables**

#### **10.1 Restriction on dealing**

No Chargor shall charge, factor, discount, assign or otherwise deal with any of the Receivables save as permitted by Clause 10.2 (*Collection and payment*) and shall not subordinate, release or waive its rights in respect of any of the Receivables.

#### **10.2 Collection and payment**

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

#### **10.3 Exercise of rights on Event of Default**

On and after the occurrence of an Event of Default:

- (a) no Chargor shall be entitled to withdraw or otherwise transfer the proceeds of collection or realisation of any receivables standing to the credit of any Account without the prior written consent of the Security Agent; and
- (b) each Chargor shall give written notice of this Security to the debtors in respect of any Receivable in such form as the Security Agent may require.

## **11. Accounts**

### **11.1 Notices**

Each Chargor shall, no later than five Business Days after the date of this Deed or, in relation to any Account opened after the date of this Deed, no later than five Business Days after the date of opening of such account, give notice to each Account Bank substantially in the form set out in Schedule 3 (*Notice to Account Bank*) and shall procure that the Account Bank delivers to the Security Agent a duly completed acknowledgement of such notice.

### **11.2 Other undertakings**

- (a) Prior to the occurrence of an Event of Default, Each Chargor shall (subject to the terms of the Loan Agreement) be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account.
- (b) Each Chargor shall promptly deliver to the Security Agent details of any Account maintained by it (unless such details are set out in Part 5 of Schedule 2 (*Security Assets*)).
- (c) No Chargor shall, without the Security Agent's prior written consent, permit or agree to any variation of the rights attaching to any Account or close any Account.

### **11.3 Exercise of rights on Event of Default**

On and after the occurrence of an Event of Default:

- (a) no Chargor shall be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account except with the prior written consent of the Security Agent; and
- (b) the Security Agent shall be entitled without notice to withdraw, apply, transfer or set off any or all of the credit balances from time to time on any Account in or towards payment or other satisfaction of all or part of the Secured Obligations in accordance with Clause 22 (*Application of proceeds*).

## **12. Investments**

### **12.1 Documents of title relating to Investments**

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

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

### **12.2 Voting powers**

- (a) Prior to the occurrence of a Voting Event:
  - (i) each Chargor may continue to exercise the voting rights, powers and other rights in respect of its Investments (subject to paragraph (b) below); and
  - (ii) if the Investments of a Chargor have been registered in the name of the Security Agent (or its nominee), the Security Agent (or its nominee) shall exercise the voting rights, powers and other rights in respect of such Investments in such manner as that Chargor may direct in writing from time to time.
- (b) No Chargor shall exercise any of its voting rights, powers and other rights in respect of its Investments (or direct the Security Agent (or its nominee) to exercise such voting rights, powers and other rights) in any manner which varies the rights attaching to or conferred by the Investments in any way which could reasonably be expected to adversely affect the interests of the Finance Parties or which could reasonably be expected to prejudice the value of or the ability of the Security Agent to realise this Security in respect of such Investments.
- (c) Before the occurrence of a Voting Event, voting power (for the purposes of section 435(10) of the Insolvency Act 1986) in respect of its Investments shall remain with each Chargor and shall not pass to the Security Agent.
- (d) In this Clause 12 "**Voting Event**" in relation to a particular Investment means service of a notice by the Security Agent (either specifying that Investment or generally in relation to all or a designated class of Investments) on the relevant Chargor on or following an Event of Default specifying that control over voting rights are to pass to the Security Agent.

### 12.3 Other undertakings

- (a) Prior to the occurrence of an Event of Default, each Chargor shall be entitled to receive and retain all Dividends paid or payable in relation to its Investments.
- (b) On and after the occurrence of an Event of Default, all Dividends in respect of any of its Investments will be payable to the Security Agent and may be applied by the Security Agent in reduction of the Secured Obligations whether or not any such Investment is registered in the name of the Security Agent or its nominee or in the name of any Chargor or its nominee.
- (c) No Chargor shall nominate any person, other than the Security Agent (or its nominee), to enjoy or exercise any right relating to any of the Investments whether pursuant to Part 9 of the Companies Act 2006 or otherwise.
- (d) At any time when any Investments of a Chargor have been registered in the name of the Security Agent (or its nominee), the Security Agent (or its nominee) will not be under any duty to ensure that any Dividends or other monies payable in respect of such Investments are duly and promptly paid or received by it (or its nominee), or to verify that the correct amounts are paid or received by it (or its nominee), or to take any action in connection with the taking up of any (or any offer of any) stocks, shares, rights, monies or other property paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus, rights, preference, option, warrant or otherwise on or in respect of such Investments.

- (e) Prior to the occurrence of an Event of Default, the Security Agent shall use its reasonable endeavours to forward to the relevant Chargor all material notices, correspondence and other communication it receives in relation to the Investments.
- (f) Each Chargor shall indemnify the Security Agent (or its nominee) against any loss or liability incurred by the Security Agent (or its nominee) as a consequence of the Security Agent (or its nominee) acting at the direction of a Chargor in respect of its Investments.
- (g) Each Chargor shall pay when due all calls or other payments that may be or become due in respect of any of its Investments. In the case of a default by a Chargor in such payment, the Security Agent may make such payment on behalf of that Chargor in which case any sums paid by the Security Agent shall be reimbursed (together with interest at the rate applicable under Clause 2.3 (*Interest*) for the period from and including the date incurred up to and excluding the date reimbursed) by that Chargor to the Security Agent on demand.

#### **12.4 Exercise of rights on Voting Event**

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

#### **12.5 Clearance systems**

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

#### **12.6 Custodian arrangements**

Each Chargor shall:

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

### **13. Insurance**

#### **13.1 Cover**

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

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

#### **13.2 Notice of assignment**

Each Chargor shall within five Business Days after the date of this Deed or in relation to any Insurance Policy entered into after the date of this Deed, no later than five Business Days after the date of entry into of such Insurance Policy give notice of assignment to each insurer in the form set out in Schedule 5 (*Notice of Insurance Assignment*) or such other form as the Security Agent may approve and shall use all its reasonable endeavours to procure the prompt delivery to the Security Agent of a duly completed acknowledgement of such notice.

#### **13.3 Other undertakings**

- (a) Each Chargor will promptly pay all premiums and take all reasonable and practicable steps to preserve and enforce its rights and remedies under or in respect of each of its Insurance Policies.
- (b) Each Chargor will not amend, waive or terminate any term of any of its Insurance Policies unless permitted by the Credit Agreement.
- (c) Each Chargor shall supply to the Security Agent on request copies of each of its Insurance Policy together with the current applicable premium receipts.

#### **13.4 Policy endorsements**

Each Chargor shall procure that each of its Insurance Policy contains:

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



connection with any fraud or criminal offence committed by any of those persons in respect of the Real Property or any such insurance.

### **13.5 Proceeds**

All money received under any Insurance Policy shall be applied:

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

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

### **13.6 Leasehold property**

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

## **14. Contracts**

### **14.1 Performance**

- (a) Each Chargor shall duly and promptly perform its obligations and enforce and diligently pursue its rights under each Material Contract.
- (b) Prior to the occurrence of an Event of Default, each Chargor shall remain entitled to exercise its rights and remedies under or in respect of the Material Contracts.
- (c) Each Chargor shall take all reasonable and practicable steps to preserve and enforce its rights and remedies under or in respect of Material Contracts.
- (d) Each Chargor shall give notice to the Security Agent forthwith in writing of any breach of any Material Contract to which it is a party or right of rescission or termination arising under any such Material Contract together (where such breach is by Each Chargor) with its proposals for causing any breach to be remedied and, subject to the Security Agent's approval of such proposals, forthwith implement them at the relevant Chargor's expense to the satisfaction of the Security Agent.

### **14.2 No amendments**

No Chargor shall without the prior written consent of the Security Agent:

- (a) amend or waive (or agree to amend or waive) any provision of, or rescind or terminate, any Material Contract;
- (b) exercise any discretion to give consent to any action to be taken by any other party to any Material Contract; or
- (c) do anything which might jeopardise the enforceability of any Material Contract.

### **14.3 Copies**

Each Chargor shall supply to the Security Agent on request copies of each Material Contract to which it is a party and any other information and documentation relating to any Material Contract.

#### **14.4 No restrictions on assignment**

Each Chargor will use all reasonable endeavours to ensure that no Material Contract which it enters into after the date of this Deed shall contain restrictions which would cause it to be excluded from the charges or assignments contained in Clauses 4 (*Fixed Security*) or 5 (*Floating Security*).

#### **14.5 Notice to third parties**

- (a) In this Clause "**Relevant Material Contract**" means each of the agreements (if any) specified in Part 1 of Schedule 2 (*Security Assets*) that does not prohibit such agreement being assigned to the Security Agent pursuant to this Deed.
- (b) Each Chargor shall, in respect of each Relevant Material Contract to which it is a party:
  - (i) immediately serve notice of assignment, substantially in the form of Schedule 4 (*Notice to Counterparty*) on each counterparty to the Relevant Material Contract; and
  - (ii) use all reasonable endeavours to procure that such counterparty promptly delivers to the Security Agent a duly completed acknowledgement of such notice.
- (c) Each Chargor shall, in respect of each Material Contract to which it is a party which is not a Relevant Material Contract, if consent is given under Clause 3.2 (*Consents*), upon receipt of that consent:
  - (i) immediately serve notice of assignment, substantially in the form of Schedule 4 (*Notice to Counterparty*) on each counterparty to the Material Contract; and
  - (ii) use all reasonable endeavours to procure that the counterparty promptly delivers to the Security Agent a duly completed acknowledgement of such notice.

#### **14.6 Exercise of rights on Event of Default**

On and after the occurrence of an Event of Default, the Security Agent may exercise (without any further consent or authority on the part of the relevant Chargor and irrespective of any direction given by that Chargor) that Chargor's rights and remedies (including direction of any payments to the Security Agent) under or in respect of any Material Contract.

### **15. Intellectual Property**

#### **15.1 Preservation**

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

#### **15.2 Infringements**

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

**15.3 Registrations**

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

**15.4 Use of Intellectual Property**

No Chargor shall use or permit its Intellectual Property to be used in a way or take any step or omit to take any step in respect of its Intellectual Property which may materially and adversely affect the existence or value of its Intellectual Property or imperil its right to use its Intellectual Property.

**15.5 Fees**

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

**15.6 Not abandon Intellectual Property**

No Chargor shall abandon, cancel or allow any of its Intellectual Property to become void, lapse or to become vulnerable to attack for non-use or otherwise.

**15.7 Detect infringements**

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

**15.8 Notification of new Intellectual Property**

Each Chargor shall promptly notify the Lender of the creation or acquisition by it of any new Intellectual Property.

**15.9 Further assurance**

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

**15.10 Other undertakings**

Each Chargor shall promptly provide details to the Security Agent of any Intellectual Property that each Chargor considers (acting reasonably) is required to conduct its business or any part of it unless such details are set out in Part 3 of Schedule 2 (*Security Assets*).

**16. Power to remedy**

**16.1 Security Agent's powers**

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

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

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

**16.2 Reimbursement of expenses**

Each Chargor shall reimburse the Security Agent on demand for all reasonable and documented costs and expenses incurred by the Security Agent in anything done pursuant to the powers contained in Clause 16.1 (*Security Agent's powers*) together with interest from the date of payment by the Security Agent until the reimbursement calculated in accordance with Clause 2.3 (*Interest*).

**17. When Security becomes enforceable**

**17.1 Timing**

This Security shall become immediately enforceable if:

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

**17.2 Enforcement**

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

**18. Enforcement of Security**

**18.1 Security Agent's powers**

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

- (a) exercise the power of sale and all other rights, powers and discretions conferred on mortgagees by section 101 of the Act as varied or extended by this Deed;
- (b) appoint one or more qualified persons as an Administrator of any Chargor (to act together or independently of any others so appointed) in accordance with schedule B1 to the Insolvency Act 1986, and for this purpose "qualified person" means a person who, under the Insolvency Act 1986, is qualified to act as an administrator of any company with respect to which he is appointed;
- (c) subject to section 72A of and paragraph 43 of schedule A1 to the Insolvency Act 1986, appoint one or more persons as a Receiver of all or any part of the Security Assets;
- (d) exercise all the rights, powers and discretions conferred on a Receiver by this Deed, the Act, the Insolvency Act 1986 or otherwise by law, without first appointing a Receiver or notwithstanding the appointment of a Receiver;
- (e) by notice to any Chargor end that Chargor's right to possession of all or any of its Real Property and enter into possession of all or such part of such Real Property;
- (f) exercise all other powers conferred on mortgagees or receivers by law;
- (g) to the extent that this Deed constitutes a "security financial collateral arrangement" as defined in the Regulations, without notice to the relevant Chargor, appropriate any Security Asset which constitutes "financial collateral" as defined in the Regulations in or towards satisfaction of the Secured Obligations and for this purpose the value of the financial collateral so appropriated shall be:
  - (i) in the case of cash, the amount standing to the credit of each relevant account together with any accrued but unposted interest at the time the right of appropriation is exercised;
  - (ii) in the case of any Investment, the market price of such Investment at the time the right of appropriation is exercised determined by the Security Agent in a commercially reasonable manner (including by reference to a public index or independent valuation or other procedure selected by the Security Agent acting reasonably); and
  - (iii) in the case of any other Security Asset, such amount as the Security Agent determines having taken into account advice obtained by it from an independent investment or accounting firm of national standing selected by it.

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

## **18.2 Consideration on a disposal**

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

## **18.3 Leasing**

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

#### **18.4 Protection of third parties**

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

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

#### **18.5 Redemption of prior mortgages**

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

#### **18.6 Cash cover**

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

#### **18.7 Receipts**

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

#### **18.8 General**

- (a) For the purposes of all rights, powers and discretions implied by statute or arising by law, the Secured Obligations are deemed to have become due and payable on the date of this Deed.
- (b) The power of sale and all other powers conferred on mortgagees by section 101 of the Act as varied or extended by this Deed shall arise on the execution of this Deed by each Chargor.

- (c) Section 103 of the Act (restricting the power of sale) and section 93 of the Act (restricting the right of consolidation) do not apply to this Security.
- (d) The power to appoint a Receiver pursuant to Clause 18.1 (*Security Agent's powers*) is in addition to the power to appoint a Receiver under section 101 of the Act. Section 109(1) of the Act does not apply to this Deed.

## **19. Receiver**

### **19.1 Appointment**

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

### **19.2 Extension of appointment**

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

### **19.3 Removal**

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

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

### **19.4 Remuneration**

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

### **19.5 Payments to the Security Agent**

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

### **19.6 Agent of Chargor**

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

### **19.7 Receivers of the same assets**

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

## **20. Powers of Receiver**

### **20.1 General powers**

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

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

### **20.2 Possession**

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

### **20.3 Comply with undertakings**

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

### **20.4 Carry on business**

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

### **20.5 Building operations**

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

### **20.6 Repairs**

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

### **20.7 Borrow money**

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

### **20.8 Subsidiaries**



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

#### **20.9 Leasehold property**

If the Real Property subject to any of this Security is leasehold a Receiver may vary the terms of or surrender the lease and/or take a new lease of such Real Property on such terms as he may think fit. Any such new lease shall automatically be charged to the Security Agent on the terms of this Deed so far as applicable, but a Receiver shall if requested by the Security Agent execute a formal legal charge over such new lease in favour of the Security Agent in such form as the Security Agent may require.

#### **20.10 Power of sale**

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

#### **20.11 Leases**

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

#### **20.12 Transfers and other disposals**

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

#### **20.13 Legal actions**

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

#### **20.14 Obligations in relation to the Security Assets**

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

#### **20.15 Settle disputes**

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

#### **20.16 Insurance**

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

**20.17 Employees**

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

**20.18 Prior Security**

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

**20.19 Act in Chargor's name**

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

**20.20 VAT**

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

**20.21 Credit and guarantees**

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

**20.22 Other acts**

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

**20.23 Other powers**

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

**21. Exclusion of liability**

**21.1 No obligation to recover**

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

**21.2 No liability as mortgagee in possession**

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

### **21.3 Possession**

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

### **21.4 Losses on enforcement**

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

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

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

## **22. Application of proceeds**

### **22.1 Order of application**

Subject to any claims having priority to this Security all money recovered by the Security Agent or any Receiver as a result of the enforcement of this Deed or otherwise by reason of this Security will be applied as provided in the Loan Agreement.

### **22.2 Contingent or future liabilities**

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

### **22.3 Insurance moneys**

Any insurance moneys received by a Receiver deriving from any Insurance Policy which form part of the Security Assets shall be applied in accordance with Clause 13.5 (*Proceeds*) and section 109(8) of the Act shall not apply.

## **23. Expenses and payments**

### **23.1 Enforcement and preservation costs**

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

the preservation of any rights under, this Deed by the Security Agent or any Receiver shall be paid by each Chargor to the Security Agent on demand and in accordance with the provisions of Clause 8 of the Loan Agreement.

#### **23.2 Indemnity**

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

#### **23.3 Stamp taxes**

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

#### **23.4 VAT**

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

### **24. Delegation of powers by Security Agent or Receiver**

#### **24.1 Delegation**

The Security Agent and (to the fullest extent permitted by law) any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed. Any such delegation may be made upon the terms (including power to sub-delegate) and subject to any conditions or regulations which the Security Agent or Receiver (as the case may be) may think fit.

#### **24.2 No liability for delegates**

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

#### **24.3 Construction of this Deed**

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

xxx

## **25. Further assurance**

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

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

## **26. Power of attorney**

### **26.1 Grant of power of attorney**

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

### **26.2 Ratification**

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

### **26.3 Appropriation**

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

## **27. Non-release provisions**

### **27.1 Waiver of defences**

The obligations and liabilities of any Chargor under this Deed and this Security will not be affected by an act, omission or thing (whether or not known to it or the Security Agent) which, but for this Clause, would reduce, release or prejudice any of such obligations and liabilities or Security including:

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

## **27.2 Immediate recourse**

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

## **27.3 Appropriations**

During the Security Period the Security Agent may:

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

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

#### **27.4 Deferral of each Chargor's rights**

Until the expiry of the Security Period and unless the Security Agent otherwise directs, no Chargor will exercise any rights which it may have by reason of the enforcement of this Deed to:

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

#### **27.5 Turnover**

If any Chargor receives any benefit, payment or distribution in relation to the rights referred to in Clause 27.4 (*Deferral of each Chargor's rights*) it shall hold that benefit, payment or distribution on trust for the Security Agent and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in or towards discharge of the Secured Obligations.

### **28. Release and recourse**

#### **28.1 Release of Security Assets**

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

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

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

## **28.2 Releases conditional**

Any settlement, release or discharge under this Deed between the Security Agent and any Chargor will be conditional upon no security or payment to the Security Agent by that Chargor or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to bankruptcy, winding-up, administration or insolvency for the time being in force, and if such condition is not satisfied, the Security Agent will be entitled to recover from the relevant Chargor on demand the value of such security or the amount of any such payment as if such settlement, release or discharge had not occurred and/or to enforce this Security to the full extent of the Secured Obligations. The Security Agent may concede or compromise any claim that any payment, security or disposition is liable to avoidance, refund or reduction.

## **29. Benefit of this Deed**

### **29.1 Assignment by the Security Agent**

- (a) The Security Agent may at any time assign or transfer all or any part of its rights, and/or obligations under this Deed without the consent of each Chargor to any successor appointed in accordance with the Finance Documents.
- (b) Each Chargor:
  - (i) agrees to enter into any documents specified by the Security Agent to be necessary or desirable to give effect to such assignment or transfer; and
  - (ii) authorises the Security Agent to execute on its behalf any such document the Security Agent considers necessary or desirable in relation to the creation, perfection or maintenance of this Security and any assignment or transfer contemplated by such provisions.

### **29.2 No assignment by Each Chargor**

No Chargor may assign or transfer all or any part of its rights and/or obligations under this Deed.

### **29.3 Disclosure of information**

The Security Agent may disclose to:

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

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



#### **29.4 Change in name or constitution**

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

#### **30. Notices**

##### **30.1 Communications in writing**

Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by fax or letter or by email.

##### **30.2 Addresses**

- (a) Subject to paragraph (b) below, the initial administrative details of the parties to this Deed for any notice, communication or document to be made or delivered under or in connection with this Deed are contained in the Loan Agreement but a party to this Deed may amend its own details in accordance with the Loan Agreement.
- (b) A notice, communication or document by the Security Agent shall also be effective if sent to or left at any Chargor's registered office or the address or email address of each Chargor last known to the Security Agent.

##### **30.3 Delivery**

Any communication or document made or delivered by the Security Agent to any Chargor under or in connection with this Deed will only be effective:

- (a) if by way of fax, when transmitted, where the original fax transmission report shows that the transmission has been successful and that the recipient number had been dialled correctly; or
- (b) if by way of letter, when it has been left at the relevant address or two Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address; or
- (c) if by email, when a delivery receipt or other confirmation report is received from the recipient's server and the original transmission has been properly addressed.

##### **30.4 English language**

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

#### **31. Miscellaneous**

##### **31.1 Continuing security**

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

### **31.2 Additional Security**

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

### **31.3 New accounts**

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

### **31.4 No deduction or withholding**

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

### **31.5 Set-off**

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

### **31.6 Remedies**

No failure to exercise, nor any delay in exercising, on the part of the Security Agent, any right or remedy under this Deed, shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.

### **31.7 Waivers**

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

### **31.8 Partial invalidity**

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the

remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

### **31.9 Amendments**

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

### **31.10 Certificates and determinations**

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

### **31.11 Accounts**

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

### **31.12 Currency**

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

### **31.13 Currency indemnity**

- (a) If any sum due from any Chargor under this Deed (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:
  - (i) making or filing a claim or proof against each Chargor; or
  - (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

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

Currency and (B) the rate or rates of exchange available to the Security Agent at the time of its receipt of that Sum.

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

#### **31.14 Counterparts**

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

#### **32. Governing law**

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

#### **33. Enforcement**

##### **33.1 Jurisdiction**

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or any non-contractual obligations arising out of or in connection with this Deed) (a "**Dispute**").
- (b) The Security Agent and each Chargor agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly neither of them will argue to the contrary.
- (c) This Clause 33.1 is for the benefit of the Security Agent only. As a result, the Security Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

**EXECUTED** as a deed and delivered by each Chargor and signed on behalf of the Security Agent on the date stated at the beginning of this document.

**Schedule 1**

Chargors

Name	Registered Number
Sharks Holdings Limited	10149796
Manchester Sale Rugby Club Limited	03333690

## Schedule 2

## Security Assets

## Part 1 – Material Contracts

Date	Description	Parties
------	-------------	---------

Part 2 – Group Shares	Chargor

### 3- Intellectual Property

Patent/Trademark Registered Design/Application Number	Country	Proprietor
UK000002198689	UK	Manchester Rugby Club Limited

## 4 – Real Property

Registered Land

Country and District (or London Borough)	Address or Description	Title No.
N/A	N/A	N/A

## 5- Accounts

## Part 6 – Investments

### Schedule 3

Notice to Account Bank

To: *[Account Bank]*

*[Date]*

Dear Sirs

**Debenture dated [ • ] (the "Debenture") between *[insert name of Chargor]* and [ • ] (the "Security Agent")**

1. This letter constitutes notice to you that under the Debenture we have charged by way of first fixed charge in favour of the Security Agent all our rights, title and interest in all sums of money which may now or in the future be held with you for our account in the accounts identified in the schedule to this notice and to any other accounts from time to time maintained with you by us (the "**Accounts**") together with all interest from time to time earned on such sums and the debts represented by such sums and interest.
2. With effect from the date of your receipt of this notice:
  - (a) subject to paragraph (e) below, all sums from time to time standing to the credit of the Accounts should be held to the order of the Security Agent;
  - (b) subject to paragraph (e) below, such sums may only be paid or released in accordance with the written instructions of the Security Agent at any time;
  - (c) the terms and conditions relating to the Accounts designated as "Blocked" may not be amended, varied or waived without the prior written consent of the Security Agent;
  - (d) we are not permitted to withdraw any amount from the Accounts designated as "Blocked" in the schedule to this notice without the prior written consent of the Security Agent; and
  - (e) we are permitted to withdraw or transfer amounts from the Accounts designated as "Not blocked" in the schedule to this notice until such time as the Security Agent provides written notification to you that such permission is withdrawn (and the Security Agent may withdraw or modify this permission in its absolute discretion at any time).
3. You are authorised and instructed, without requiring further approval from us:
  - (a) to pay all monies received by you for the Accounts to (and only to) the credit of the Accounts;
  - (b) to provide the Security Agent with such information relating to the Accounts as it may from time to time request; and
  - (c) to comply with the terms of any written notice or instructions in any way relating to, or purporting to relate to, the Security Agreement, the sums standing to the credit of the Accounts from time to time or the debts represented by them which you receive at any

time from the Security Agent without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction.

4. These instructions may not be revoked without the prior written consent of the Security Agent.
5. Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to us) to confirm (by way of undertaking in favour of the Security Agent) that:
  - (a) you agree to the terms of this notice and to act in accordance with its provisions;
  - (b) you have not received notice of the interest of any third party in the accounts; and
  - (c) you have not and will not claim, exercise or enforce any security interest, right of set-off, counterclaim or similar right in respect of the Accounts or the debts represented by them without the prior written consent of the Security Agent.
6. This notice and any non-contractual obligations arising out of or in relation to this notice shall be governed by, and interpreted in accordance with, English law.

Yours faithfully

.....  
for and on behalf of  
[   •   ] as Chargor

.....  
for and on behalf of  
[   •   ] as Security Agent



SCHEDULE

Account Number	Sort Code	Status
[•]	[•]	[Blocked/not blocked]

[On acknowledgement copy]

To: [Security Agent]

[Address]

Copy to: [ • ]

We acknowledge receipt of the above notice and agree to and confirm the matters set out in it.

.....

for and on behalf of  
[Account Bank]

Date: [ • ]

#### Schedule 4

Notice to Counterparty

[On the letterhead of Each Chargor]

To: [Contract Party]

Copy to: [ • ] as Security Agent

[Date]

Dear Sirs

**Debenture (the "Debenture")** dated [ • ] between [insert name of Chargor] and [ • ] (the "Security Agent")

1. This letter constitutes notice to you that under the we have assigned to the Security Agent all our rights, title and interest in respect of [insert details of contract] (the "**Contract**") as security for certain obligations owed by us to the Security Agent.
2. We will remain liable under the Contract to perform all obligations imposed on us under the Contract and none of the Security Agent, its agents, any receiver, administrator or any other person will at any time be under any obligation or liability to you under or in respect of the Contract.
3. We will remain entitled to exercise all of our rights under the Contract and you should continue to give notices under the Contract to us, until such time as the Security Agent provides written notification to the contrary. After such written notification, all rights in respect of the Contract (including the right to direct payments of amounts due under it to another account) will be exercisable by the Security Agent and notices under the Contract should be given to the Security Agent or as it directs.
4. You are authorised and instructed (without requiring further approval from us) to provide the Security Agent with such information relating to the Contract as it may from time to time request;
5. These instructions may not be revoked without the prior written consent of the Security Agent.
6. Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to us) to confirm (by way of undertaking in favour of the Security Agent) that:
  - (a) you agree to the terms of this notice and to act in accordance with its provisions;
  - (b) [you have not and will not claim, exercise or enforce any right of set-off, counterclaim or similar right in respect of the Contract without the consent of the Security Agent;]
  - (c) you have not received notice of the interest of any third party in the Contract; and
  - (d) you will notify the Security Agent of any breach by us of the terms of the Contract and will allow the Security Agent to remedy that breach.
7. This notice and any non-contractual obligations arising out of or in relation to this notice shall be governed by, and interpreted in accordance with, English law.

Yours faithfully,

.....

for and on behalf of

[   •   ] as Chargor

.....

for and on behalf of

[   •   ] as Security Agent

[On acknowledgement copy]

To: [Security Agent]

[Address]

Copy to: [ • ]

We acknowledge receipt of the above notice and agree to and confirm the matters set out in it.

.....

for and on behalf of

[Counterparty to relevant Material Contract]

Date: [ • ]

## Schedule 5

### Notice of Insurance Assignment

To: [insert name of insurance company]

[Date]

Dear Sirs,

Re: [identify the relevant insurance policy(ies)] (the "Policies")

**Debenture (the "Debenture") dated [ • ] between [insert name of Chargor] and [ • ] (the "Security Agent")**

1. This letter constitutes notice to you that under the Debenture we have assigned to the Security Agent all our rights, title and interest in and to the insurance policies identified in the schedule to this letter and to any other insurance policies taken out with you by us or on our behalf or under which we have a right to a claim (other than in relation to third party liabilities) (the "**Insurance Policies**").
2. We will remain liable under the Insurance Policies to perform all obligations imposed on us under the Insurance Policies and none of the Security Agent, its agents, any receiver, administrator or any other person will at any time be under any obligation or liability to you under or in respect of the Insurance Policies.
3. We will remain entitled to exercise all of our rights under the Insurance Policies and you should continue to give notices under the Insurance Policies to us, until such time as the Security Agent provides written notification to the contrary. After such written notification:
  - (a) all amounts payable under the Insurance Policies should be paid to the Security Agent or as it directs; and
  - (b) all rights in respect of the Insurance Policies will be exercisable by the Security Agent and notices under the Insurance Policies should be given to the Security Agent or as it directs.
4. You are authorised and instructed (without requiring further approval from us) to provide the Security Agent with such information relating to the Insurance Policies as it may from time to time request.
5. These instructions may not be revoked without the prior written consent of the Security Agent.
6. Please note the interest of the Security Agent on the Insurance Policies and show the Security Agent as loss payee and first priority assignee.
7. Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to us) to confirm (by way of undertaking in favour of the Security Agent) that:
  - (a) you agree to the terms of this notice and to act in accordance with its provisions;
  - (b) you have not received notice of the interest of any third party in any of the Insurance Policies;

- (c) [in the case of insurance of real property] the Insurance Policies [have the Security Agent named as composite insured in respect of its own separate insurance interest under each of the insurances]/[are in the joint names of the Security Agent and ourselves] [and with the Security Agent as loss payee];
  - (d) the Insurance Policies shall not be vitiated or avoided as against the Security Agent in the event or as a result of any misrepresentation, act or neglect or failure to make disclosure on our part or in any circumstances beyond the control of us or the Security Agent;
  - (e) the Insurance Policies shall not be invalidated or otherwise cancelled or allowed to lapse so far as the Security Agent is concerned by failure to pay any premium due or otherwise cancelled unless you have first given to the Security Agent not less than 30 days' written notice;
  - (f) you have not and will not claim, exercise or enforce any right of set-off, counterclaim or similar right in respect of the Insurance Policies without the consent of the Security Agent;
  - (g) you will notify the Security Agent of any breach by us of the terms of any Insurance Policy and will allow the Security Agent to remedy that breach; and
  - (h) the Security Agent shall not in any circumstances be liable for the premium in relation to the Insurance Policies (but may elect to pay it).
8. This notice and any non-contractual obligations arising out of or in relation to this notice shall be governed by, and interpreted in accordance with, English law.

Yours faithfully

.....  
for and on behalf of  
[ • ] as Chargor

.....  
for and on behalf of  
[ • ] as Security Agent

**Schedule**

*[Details of Insurance Policies to be inserted]*



[On acknowledgement copy]

To: [Security Agent]

[Address]

Copy to: [ • ]

We acknowledge receipt of the above notice and agree to and confirm the matters set out in it.

.....

for and on behalf of

[Insurer]

Date: [ • ]

**SIGNATORIES**

(To Debenture)

**The Chargors**

**EXECUTED** as a **DEED** by **SHARKS HOLDINGS LIMITED**  
acting by a director in the presence of:

Signature of witness .....

Dawn Young

Print name .....

Address .....

Signature of director

**EXECUTED** as a **DEED** by **MANCHESTER SALE RUGBY CLUB LIMITED** acting by a director in the presence of:

Signature of witness .....

Print name ..... Angeliki Kotsidou

Address .....

Signature of director

BEYOND CORPORATE LIMITED  
SOLICITORS  
2nd FLOOR  
COMMERCIAL WHARF  
6 COMMERCIAL STREET  
MANCHESTER  
M15 4PZ

**The Security Agent**

**EXECUTED** as a **DEED** by **ORANGE UK HOLDINGS LIMITED**  
acting by a director in the presence of:

Signature of witness .....

Print name ..... Dawn Young

Address .....

.....  
Signature of director