



**Registration of a Charge**

Company name: **ICONIC LABS PLC**

Company number: **10197256**



X9HQJZKY

Received for Electronic Filing: **13/11/2020**

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**Details of Charge**

Date of creation: **12/11/2020**

Charge code: **1019 7256 0001**

Persons entitled: **SHARD MERCHANT CAPITAL LIMITED**

Brief description: **A FIRST LEGAL MORTGAGE OVER ALL PROPERTY OF THE CHARGOR AND A FIXED CHARGE IN RESPECT OF: ALL PROPERTY, TANGIBLE ASSETS (AND ALL CONTRACTS RELATING TO THE SAME), INVESTMENTS, INSURANCES, COLLECTION ACCOUNTS; MONIES STANDING TO THE CREDIT OF THE CHARGOR; INTELLECTUAL PROPERTY, LICENCES, RECEIVABLES, GOODWILL, UNCALLED CAPITAL IN RESPECT OF THE THE COMPANY, AND THE CHARGED SHARES, IN EACH CASE AS MORE PARTICULARLY DESCRIBED IN THE DEBENTURE ATTACHED HERETO.**

**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: **HILL DICKINSON LLP**



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

Company number: 10197256

Charge code: 1019 7256 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 12th November 2020 and created by ICONIC LABS PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 13th November 2020 .

Given at Companies House, Cardiff on 16th November 2020

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

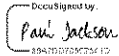


**Companies House**



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

Certified to be a true copy of the original  
Hill Dickinson LLP  
The Broadgate Tower  
20 Primrose Street  
London, EC2A 2EW

Signed:   
Date: 13.11.2020

Dated 12 November 2020

## DEBENTURE

between

(1) Iconic Labs Plc (as Chargor)

and

(2) Shard Merchant Capital Limited (as Chargee)

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**THIS DEBENTURE** is made on 12 November 2020

**BETWEEN:**

- (1) **ICONIC LABS PLC**, a company incorporated in England and Wales with company number 10197256 whose registered office is at 27-28 Eastcastle Street, London, United Kingdom, W1W 8DH (the **Chargor**); and
- (2) **SHARD MERCHANT CAPITAL LIMITED**, a company incorporated in England and Wales with company number 10070619 whose registered office is at 23rd Floor 20 Fenchurch Street, London, EC3M 3BY (the **Chargee**)

**BACKGROUND**

- (A) The Chargee has agreed to make available to the Chargor certain credit facilities pursuant to the terms of the Investment Agreement.
- (D) It is a condition precedent of the Chargee entering into the Investment Agreement that the Chargor enters into this Debenture.

**IT IS AGREED** as follows:

**1 DEFINITIONS AND INTERPRETATION**

- 1.1 Words and expressions have the following meanings unless the context otherwise requires:

<b>Act</b>	the Law of Property Act 1925;
<b>Charged Assets</b>	all property and assets from time to time charged by or pursuant to this Debenture;
<b>Charged Shares</b>	all shares held by the Chargor in each of its subsidiaries together with all other stocks, shares, debentures, bonds, warrants, coupons or other securities and Investments owned by the Chargor;
<b>Chargor Guarantee</b>	means the guarantee entered into between the Chargor and the Chargee on 12 November 2020;
<b>Collections Accounts</b>	has the meaning ascribed to that term in clause 10.1.2;
<b>Debtor</b>	any person who is liable (whether as principal debtor or as surety and whether actually or

	contingently) to discharge or pay a Receivable;
<b>Encumbrance</b>	a mortgage, charge, pledge, lien, hypothecation or other encumbrance or security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;
<b>Enforcement Event</b>	means any event that permits the Chargee to demand payment from a Chargor in accordance with the terms of the Chargor Guarantee or the Investment Agreement;
<b>Finance Documents</b>	the Investment Agreement and this Debenture;
<b>Insurances</b>	any policies of insurance in which the Chargor has an interest from time to time;
<b>Intellectual Property</b>	any and all intellectual property rights including (but not limited to) know how, patents, trade marks, service marks, designs, business names, copyrights, confidential information, computer software and all other intellectual property rights existing throughout the world from time to time and any interest (including by way of licence) in any of the foregoing (in each case, whether registered or not and including all applications, extensions and renewals for the same);
<b>Investments</b>	shares, certificates of deposit, debentures and other investments as defined in part II of schedule II to the Financial Services and Markets Act 2000;
<b>Investment Agreement</b>	investment agreement entered into on or around the date of this Debenture in respect of a £1,000,000 loan facility to be made available to the Chargor by the Chargee (the " <b>Investment Agreement</b> ");
<b>Permitted Encumbrance</b>	(i) liens and rights of set-off securing obligations which are not overdue beyond their standard payment dates, arising by operation of law in the

ordinary and usual course of trading;

- (ii) any Encumbrance arising out of title retention provisions in a supplier's standard conditions of supply of goods acquired in the ordinary and usual course of trading; or
- (iii) any Encumbrance granted in terms of the Finance Documents, as permitted pursuant to the Investment Agreement or with the prior written approval of the Chargee.

**Planning Acts**

the Town and Country Planning Acts 1990 and the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991, the Planning and Compulsory Purchase Act 2004 and any regulations made pursuant thereto;

**Receivables**

- (i) all present and future book and other debts, rentals, royalties, fees, VAT and monetary claims and all other amounts recoverable or receivable by the Chargor from other persons or due or owing to the Chargor (whether actual or contingent and whether arising under contract or in any other manner whatsoever);
- (ii) the benefit of all rights and remedies relating to any of the foregoing including, without limitation, claims for damages and other remedies for non-payment of the same, all entitlements to interest, negotiable instruments, guarantees, indemnities, Encumbrances, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights; and
- (iii) all proceeds of any of the foregoing;



<b>Receiver</b>	any receiver, receiver and manager, administrator or administrative receiver appointed by the Chargee under this Debenture;
<b>Related Rights</b>	in relation to any Investments or Charged Shares, means all dividends, distributions and other income paid or payable on the relevant Investment or Charged Shares (as the case may be), together with (a) all shares or other property derived from the relevant Investment or Charged Shares (as the case may be) and (b) all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to the relevant Investment or Charged Shares (whether by way of conversion, redemption, bonus, preference, option or otherwise);
<b>Secured Obligations</b>	all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or as principal debtor, guarantor, surety or in any other capacity whatsoever or as the equivalent obligor under the laws of any other jurisdiction) of the Chargor to the Chargee under any of the Finance Documents <b>provided</b> that no obligation or liability shall be included in this definition of <b>Secured Obligations</b> to the extent that, if it were so included, this Debenture (or any part of it) would constitute unlawful financial assistance within the meaning of sections 678 to 680 of the Companies Act 2006;
<b>Security Shares</b>	the Charged Shares and the Related Rights accruing to all or any of the Charged Shares;
<b>Short Leasehold Property</b>	a leasehold property held by the Chargor now or in the future under a lease granted at a rack rate and/or which has an unexpired term of 7 years or less at the date of this Debenture (or in the case of future acquired leasehold property, at the date of acquisition of such property by the relevant Chargor);
<b>Spot Rate of Exchange</b>	on a particular day, the spot rate of exchange of

the Chargee, for the purchase of the relevant currency in the London foreign exchange market with Sterling at or about 10.00am (London time) on such day; and

**Taxes**

any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

1.2 Unless otherwise defined in this Debenture, any capitalised term shall have the meaning given to it in the Investment Agreement.

1.3 In this Debenture a reference to:

1.3.1 a statutory provision includes a reference to the statutory provision as replaced, modified or re-enacted from time to time before or after the date of this Debenture and any subordinate legislation made under the statutory provision before or after the date of this Debenture;

1.3.2 a person includes a reference to an individual, body corporate, association, government, state, agency of state or any undertaking (whether or not having a legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists);

1.3.3 a party means a party to this agreement and any such reference, or a reference to the **Chargor**, the **Chargee** , includes its permitted assignees and/or the successors in title to substantially the whole of its undertaking;

1.3.4 this Debenture includes its schedules;

1.3.5 a sub-clause in a clause, or to a paragraph in a schedule, are to a sub-clause of that clause or a paragraph of that schedule;

1.3.6 a clause, paragraph or schedule, unless the context otherwise requires, is a reference to a clause or paragraph of, or schedule to, this agreement;

1.3.7 includes and including shall mean including without limitation;

1.3.8 this Debenture, any provision of this Debenture, this security, any Finance Document or any other document are to this Debenture, that provision, this security, such Finance Document or such other document as in force for the time being and as amended from time to time in

accordance with the terms of this Debenture, that Finance Document or that other document or with the agreement of the relevant parties;

- 1.4 The contents table and headings in this agreement are for convenience only and do not affect its interpretation.
- 1.5 Words importing the singular include the plural and vice versa and words importing a gender include every gender.
- 1.6 Section 61 of the Act shall govern the construction of this Debenture.
- 1.7 The terms of the other Finance Documents, and of any side letters between the parties thereto in relation to any of such documents are incorporated in this Debenture to the extent required to ensure that any disposition of the Charged Assets contained in this Debenture is a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- 1.8 The Chargee shall hold the benefit of the covenants contained in this Debenture and all its rights and claims hereunder.
- 1.9 The obligations of any person being **enforceable** and **binding** shall be construed subject to the principle that equitable remedies are available at the discretion of the courts, the limitation on enforcement by laws relating to the insolvency, liquidation, administration and other laws affecting the rights of creditors, the time barring of claims, defences of set-off and counterclaim (save as expressly excluded in this Debenture) and that which the courts hold to be matters of public policy.
- 1.10 References to the **euro** shall be construed as a reference to the single currency of participating member states of the European Union.
- 1.11 **£** and **sterling** denotes lawful currency of the United Kingdom.

## 2 COVENANT TO PAY

The Chargor covenants with the Chargee that it will pay or discharge on demand the Secured Obligations when the same fall due and payable in accordance with their terms.

## 3 FIXED AND FLOATING CHARGES

### 3.1 Fixed charges

As a continuing security for the payment of the Secured Obligations, the Chargor hereby, with full title guarantee, charges, and agrees to charge, in favour of the Chargee the following assets which are at any time owned by the Chargor or which it is from time to time interested:

- 3.1.1 by way of first legal mortgage all the freehold and leasehold property (if any) vested in or charged to the Chargor including, without limitation, any property specified in Schedule 1, together with all buildings and fixtures (including trade fixtures) at any time thereon but excluding any Short Leasehold Property;
- 3.1.2 by way of first fixed charge all other interests (not being charged by clause 3.1.1) in any freehold or leasehold property vested in or charged to the Chargor, the buildings and fixtures (including trade fixtures) at any time thereon, all proceeds of sale derived therefrom and the benefit of all covenants given in respect thereof and all licences to enter upon or use land and the benefit of all other agreements relating to land but excluding any Short Leasehold Property;
- 3.1.3 by way of first fixed charge all plant, machinery, computers, vehicles, office and other equipment and the benefit of all contracts, licences and warranties relating to the same;
- 3.1.4 by way of first fixed charge all Investments, together with all Related Rights from time to time accruing thereto;
- 3.1.5 by way of first fixed charge all rights and interests of the Chargor in, and claims under, the Insurances and all proceeds thereof held by, or written in favour of, the Chargor or in which the Chargor is otherwise interested;
- 3.1.6 by way of first fixed charge all its right, title, interest and benefit in and to the Collections Accounts, all monies standing to the credit of the Collections Accounts, all interest accrued on monies standing to the credit of the Collections Accounts and all rights of the Chargor to repayment of any of the foregoing;
- 3.1.7 by way of first fixed charge all monies standing to the credit of the Chargor from time to time on any and all accounts with any bank, financial institution, or other person;
- 3.1.8 by way of first fixed charge all Intellectual Property;
- 3.1.9 by way of first fixed charge the benefit of all licences, consents, agreements and authorisations held or utilised by the Chargor in connection with its business or the use of any of its assets;
- 3.1.10 to the extent not effectively assigned under clause 3.2 (*Assignment*), by way of first fixed charge all Receivables;
- 3.1.11 by way of first fixed charge all the goodwill and uncalled capital of the Chargor; and

3.1.12 by way of first fixed charge all the Charged Shares together with all the Related Rights from time to time accruing thereto.

### 3.2 Assignment

As a continuing security for the payment of the Secured Obligations, the Chargor hereby, with full title guarantee, assigns and agrees to assign absolutely (subject to a proviso for reassignment on redemption) in favour of the Chargee all the rights, title, interest and benefit of the Chargor in and to the Receivables.

### 3.3 Floating charge

As further continuing security for the payment of the Secured Obligations, the Chargor hereby charges with full title guarantee in favour of the Chargee by way of first floating charge all its assets and undertaking whatsoever and wheresoever situated both present and future not effectively charged by way of first fixed mortgage or charge pursuant to the provisions of clause 3.1 (*Fixed Charges*), including, without prejudice to the generality of the foregoing, heritable property and all other property and assets in Scotland.

### 3.4 Qualifying floating charge

Paragraph 14 of schedule B1 to the Insolvency Act 1986 applies to any floating charge created by or pursuant to this Debenture (and each such floating charge is a qualifying floating charge for the purposes of the Insolvency Act 1986).

### 3.5 Leasehold interests containing prohibition on charging

3.5.1 Until the relevant consent shall have been obtained, there shall be excluded from the charges created by clause 3.1 (*Fixed Charges*) (and the further assurance provisions set out in clause 6.1 (*Negative Pledge*)) any leasehold property held by the Chargor under a lease and any other property where the freehold is not owned where the terms of such lease or other arrangement either preclude absolutely the Chargor from creating any charge over its leasehold or other interest in such property, or require the consent of any third party prior to the creation of such charge and such consent shall not have been previously obtained (each an **Excluded Property**);

3.5.2 With regard to each Excluded Property, the Chargor hereby undertakes within 14 days of the date hereof to make application for the consent of the third party from whom consent is required and, in respect of each lease which provides that the relevant third party will not unreasonably withhold its consent (each such Excluded Property in respect of which a relevant third party may not unreasonably withhold its consent to the creation of security, hereinafter referred to as a **Relevant Property**) to

use all reasonable endeavours to obtain such consent as soon as possible and to keep the Chargee informed of the progress of its negotiations with such third parties; and

- 3.5.3 Forthwith upon receipt of any such third party consent, the relevant Excluded Property shall thereupon be charged to the Chargee pursuant to the terms of clause 3.1 (*Fixed Charges*) (or, as the case may be, clause 6.1 (*Negative Pledge*)). If required by the Chargee in respect of any Excluded Property, at any time following receipt of such consent or, in respect of any Relevant Property, the earlier of, the date of such receipt or the date falling 60 days after the date hereof, the Chargor will execute a legal mortgage in favour of, and in such form as is required by, the Chargee, subject only to the same containing terms and conditions which are no more onerous than those contained herein.

3.6 Intellectual property interests containing prohibition on charging

- 3.6.1 Until the relevant consent shall have been obtained, there shall be excluded from the charges created by clause 3.1 (*Fixed Charges*) (and the further assurance provisions set out in clause 6.1 (*Negative Pledge*)) any Intellectual Property in which the Chargor has an interest pursuant to any licence or other agreement, the terms of which either preclude the Chargor from creating any security over its interest in such Intellectual Property, or require the consent of any third party prior to the creation of such charge and such consent shall not have been previously obtained (each an **Excluded Intellectual Property Right**);
- 3.6.2 With regard to each Excluded Intellectual Property Right, the Chargor hereby undertakes within 14 days of the date hereof to make application for the consent of the third party from whom consent is required (where the identity of the relevant third party is known to the Chargor) to the creation of the charges contained in clause 3.1 (*Fixed Charges*) (and the further assurance provisions set out in clause 6.1 (*Negative Pledge*)) and, in respect of any licence or agreement which provides that the relevant third party will not unreasonably withhold its consent (each such Excluded Intellectual Property Right in respect of which a relevant third party may not unreasonably withhold its consent to the creation of security, hereinafter referred to as a **Relevant Intellectual Property Right**), to use reasonable endeavours to obtain such consent as soon as possible and to keep the Chargee informed of the progress of its negotiations with such third parties; and
- 3.6.3 Forthwith upon receipt of any such third party consent, the relevant Excluded Intellectual Property Right shall thereupon be charged to the Chargee pursuant to the terms of clause 3.1 (*Fixed Charges*) or (as the

case may be) clause 6.1 (*Negative Pledge*). If required by the Chargee in respect of any Excluded Intellectual Property Right, at any time following receipt of such consent or, in respect of any Relevant Intellectual Property Right, the earlier of the date of such receipt or the date falling 60 days after the date hereof, the Chargor will execute security in favour of, and in such form as is required by, the Chargee, subject only to the same containing terms and conditions no more onerous than those contained herein.

## 4 **CONVERSION OF FLOATING CHARGE**

### 4.1 Conversion of floating charge

The Chargee may by written notice to the Chargor convert the floating charge created by this Debenture into a fixed charge as regards all or any of the Chargor's assets specified in the notice if:

- 4.1.1 an Enforcement Event has occurred and is continuing; or
- 4.1.2 the Chargee in its reasonable opinion considers those assets specified in the notice to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

### 4.2 Automatic conversion of floating charge

The floating charge created by the Chargor under this Debenture shall (in addition to the circumstances in which the same will occur under general law) automatically be converted into a fixed charge in relation to any of the Charged Assets subject to the floating charge created by clause 3.3 (*Floating Charge*) (a **Floating Charge Asset**) if the Chargor creates an Encumbrance (other than a Permitted Encumbrance) on or over the relevant Floating Charge Asset without the prior consent in writing of the Chargee or if any third party levies or takes any formal steps to levy any distress, execution, attachment or other legal process against any such Floating Charge Asset.

### 4.3 No waiver

The giving by the Chargee of a notice pursuant to clause 4.1 (*Conversion of floating charge*) in relation to any class of assets of the Chargor shall not be construed as a waiver or abandonment of the rights of the Chargee to serve similar notices in respect of any other class of assets or of any of the other rights of the Chargee.

## **5 CONTINUING SECURITY**

- 5.1 This Debenture shall be in addition to, and without prejudice to and shall not merge with, any other right, remedy, guarantee, mortgage or other security which the Chargee may at any time hold for any of the Secured Obligations and this Debenture may be enforced against the Chargor without the Chargee first having recourse to any other right, remedy, guarantee, mortgage or other security held or available to it.
- 5.2 This Debenture shall remain in full force and effect as a continuing security until the Chargee shall have certified in writing that the Secured Obligations have been discharged in full.

## **6 NEGATIVE PLEDGE**

The Chargor covenants with the Chargee that, during the continuance of the security created by this Debenture, it shall not without the prior written consent of the Chargee:

- 6.1 create or permit to subsist any Encumbrance (other than a Permitted Encumbrance) upon any of the Charged Assets; and
- 6.2 sell, transfer, lease, lend or otherwise dispose of, whether by a single transaction or a number of transactions and whether related or not, the whole or any part of the Charged Assets save as permitted pursuant to the Investment Agreement.

## **7 FURTHER ASSURANCE**

- 7.1 The Chargor will, whenever requested by the Chargee (acting reasonably) and at its own expense, promptly execute such deeds or documents and take any action required by the Chargee to perfect and protect the security created (or intended to be created) by this Debenture or to facilitate the realisation thereof or otherwise to enforce the same or exercise any of the rights of the Chargee hereunder. In particular, but without limitation, the Chargor will:
- 7.1.1 execute a valid legal mortgage in such form as the Chargee shall reasonably require of any freehold or leasehold property now or in the future belonging to the Chargor which is not hereby effectively charged by way of legal mortgage;
- 7.1.2 execute a legal assignment in such form as the Chargee may reasonably require over all or any of the Receivables and give notice of such assignment to the relevant Debtors;
- 7.1.3 execute a valid fixed charge in such form as the Chargee may reasonably require over any asset the subject of the floating charge hereunder; and



- 7.1.4 otherwise execute all transfers, assignments, conveyances and assurances whatsoever and give all notices, orders, instructions and directions whatsoever which the Chargee may think expedient.
- 7.2 Any security document required to be executed by the Chargor pursuant to clause 7.1 (*Further assurance*) will be prepared at the cost of the Chargor and will contain terms and conditions which are no more onerous than those contained herein.
- 7.3 The Chargor as registered proprietor hereby appoints the Chargee as its agent to apply for the particulars of this Debenture and of the interest of the Chargee in the Intellectual Property and any other or future trade marks or trade mark applications registered or to be registered in the United Kingdom in the name of the Chargor to be made on the Register of Trade Marks under section 25(1) of the Trade Marks Act 1994 and the Chargor hereby agrees to execute all documents and forms required to enable such particulars to be entered on the Register of Trade Marks.

## 8 REPRESENTATIONS AND WARRANTIES

8.1 The Chargor represents and warrants to the Chargee that:

8.1.1 Incorporation

it is a limited company duly organised, validly existing and registered under relevant laws of the jurisdiction in which it is incorporated and has the power and all necessary governmental and other consents, approvals, licences and authorities to own its property and assets and carry on its business;

8.1.2 Authority

it is empowered to enter into and perform its obligations contained in this Debenture and has taken all necessary action to authorise the execution, delivery and performance of this Debenture, to create the security to be constituted hereby and to observe and perform its obligations hereunder;

8.1.3 Obligations binding

subject to the Legal Reservations this Debenture as executed and delivered constitutes and will constitute its legal, valid and binding obligations;

8.1.4 No contravention

neither the execution and delivery nor the performance of its obligations under and compliance with the provisions of this Debenture, nor the creation of the security constituted by it, does or will contravene, conflict

with or breach any provisions of any law, regulation or statute to which it is subject, or any agreement, undertaking or other instrument in respect of, or binding on the Chargor or on any of its assets, or any provision of its memorandum and articles of association, or, as the case may be, other constitutional documentation;

8.1.5     Property

Schedule 1 identifies all freehold and leasehold properties (excluding Short Leasehold Property) beneficially owned by the Chargor as at the date of this Debenture; and

8.1.6     Charged Shares

it is the legal and beneficial owner of the Charged Shares.

8.2     Matters represented

Each of the representations and warranties in clauses 8.1 (*Incorporation*) to 8.1.6 (*Charged shares*) (inclusive) will be correct and complied with in all material respects at all times during the continuance of this security.

9     **COVENANTS OF THE CHARGOR**

The Chargor hereby covenants with the Chargee that it will:

9.1     Insurance

9.1.1     effect and maintain insurances at its own expense in respect of all its material assets and business with reputable insurers . Such insurances shall:

9.1.1.1     provide cover against all risks which are normally and prudently insured against by other companies owning or possessing similar assets and carrying on similar businesses;

9.1.1.2     be in such amounts as would in the circumstances be prudent for such companies; and

9.1.1.3     have the interest of the Chargee noted on the policies with effect from the date of this Debenture;

9.1.2     promptly pay all premiums relating to its insurances;

9.1.3     supply to the Chargee on written request copies of each policy of insurance which is required to be maintained in accordance with this

clause 9.1 (*Insurance*) together with the current premium receipts relating to it;

9.1.4 use reasonable endeavours to ensure that its insurances are on such terms and contain such clauses that the relevant insurer will inform the Chargee:

9.1.4.1 of any cancellation, alteration, termination or expiry of any such insurances at least 30 days before it is due to take effect;

9.1.4.2 of any default in the payment of any premium or failure to renew the insurances at least 30 days before the renewal date; and

9.1.4.3 of any act, omission or event of which the insurer has knowledge which may make any insurances void, voidable or unenforceable (in whole or in part);

and that the insurer agrees that the insurances effected shall not be invalidated or prejudiced so far as the Chargee is concerned by any breach of the insuring conditions or other act or omission unknown by or beyond the control of the Chargee or any tenant, lessee or licensee of any of the Charged Assets;

9.1.5 not do or knowingly permit to be done or omit to do anything which may render any insurance void, voidable or unenforceable (in whole or in part) and will not terminate any insurance policy;

## 9.2 Maintenance

keep all buildings and erections forming part of the Charged Assets in a good state of repair, and keep all plant, machinery, fixtures, fittings and other effects for the time being owned by it in good working order and condition;

## 9.3 Outgoings

duly and punctually pay all rates, rents, taxes, and other outgoing due by it in respect of the Charged Assets (or any of them);

## 9.4 Inspection

permit the Chargee or its designated representatives to have, on reasonable notice and at reasonable times, access during normal office hours to its accounts and accounting records and to any books and records relating to the Charged Assets, to inspect and take extracts from the same and make photocopies thereof and the

Chargor shall provide, at its cost and expense, such clerical and other assistance as the Chargee may reasonably request with regard thereto;

9.5 Comply with statutes

in relation to the Charged Assets, comply with all obligations under any present or future statute, regulation, order and instrument or under any bye-laws, regulations or requirements of any competent authority or other approvals, licences or consents and, if requested by the Chargee in writing, produce to the Chargee, within 14 days of receipt of the same, every material notice, order or proposal given or made in relation to the Charged Assets by any competent authority and either comply with the same or make such objections and representations against the same as the Chargee (acting reasonably) may require or approve;

9.6 Comply with covenants

observe and perform all material covenants and stipulations from time to time affecting any part of the Charged Assets, or the manner of use or the enjoyment of the same and shall not, except with the prior written consent of the Chargee, enter into any onerous or restrictive obligations affecting any part thereof;

9.7 Licences

not, except with the prior written consent of the Chargee (such consent not to be unreasonably withheld), confer on any person any right or licence to occupy any land or buildings forming part of the Charged Assets or any licence to assign or sub-let any part of the Charged Assets;

9.8 Planning Acts

carry out any development within the meaning of the Planning Acts in or upon the Charged Assets or any part thereof without first obtaining such permissions as may be required under or by virtue of the Planning Acts and, in the case of development involving a substantial change in the structure or a change of use of the Charged Assets or any part thereof, without first obtaining the written consent of the Chargee;

9.9 Deposit of documents

at the request of the Chargee in writing, deposit with the Chargee all deeds and documents of title relating to the Charged Assets;

9.10 Intellectual Property

9.10.1 observe and comply with all material obligations and laws to which it is subject in its capacity as registered proprietor, beneficial owner, user, licensor or licensee of its Intellectual Property or any part thereof;

- 9.10.2 do all acts as are necessary to maintain, protect and safeguard its Intellectual Property and not discontinue the use of any of its Intellectual Property, nor knowingly allow it to be used in such a way that it is put at risk by becoming generic or by being identified as disreputable in any material way;
- 9.10.3 duly register in such register(s), or with such authorities as may be available for the purpose, and in such name(s) as may be required by the law and practice of the place of registration, such of its Intellectual Property required for the Chargor's business and operations and all assignments, licences and mortgages thereof as may be capable of registration in such place(s);
- 9.10.4 pay all fees necessary to maintain, protect and safeguard its Intellectual Property and the registrations required to be made under sub-clause 9.10.2 prior to the latest time provided for payment thereof;
- 9.10.5 take all such reasonable steps, including the commencement of legal proceedings, as may be necessary to safeguard and maintain the validity, reputation, integrity, registration or subsistence of its Intellectual Property required for the Chargor's business;
- 9.10.6 not change the specification referred to in any of its registration of any Intellectual Property or permit any disclaimer, condition, restriction, memorandum or other thing to be entered on the registration of any of the trade marks comprised within such Intellectual Property, the effect of which will be to adversely affect the value of such trade marks;
- 9.10.7 not assign, sever, dispose of, or otherwise part with control of its Intellectual Property, or create or permit to subsist any Encumbrance thereon (other than a Permitted Encumbrance), or grant any licence to any person to use the same in any manner which will materially and adversely affect the value of such Intellectual Property;
- 9.10.8 maintain a comprehensive, detailed and up-to-date centralised record of all its Intellectual Property (including details of agents engaged in relation to registrations thereof); and
- 9.10.9 as and when reasonably requested by the Chargee, promptly provide the Chargee with a copy of the record described in sub-clause 9.10.7) and/or a written summary of all its Intellectual Property created or acquired since the date of this Debenture or the date of the last notification, in accordance with the provisions of this sub-clause 9.10.8;

9.11 Property acquisitions

9.11.1 Notification

notify the Chargee promptly upon the acquisition by the Chargor of any freehold or leasehold property; and

9.11.2 Security

on written demand made to the Chargor by the Chargee, execute and deliver to the Chargee any legal mortgage or, in the case of property situated in Scotland, a standard security, in favour of the Chargee of any freehold or leasehold property which becomes vested in it after the date of this Debenture and all fixtures and fittings thereon to secure the payment or discharge of the Secured Obligations, such legal mortgage or standard security to be in such form as the Chargee may reasonably require. Any security document required to be executed by the Chargor pursuant to this sub-clause 9.11.2 will be prepared at the cost of the Chargor and will contain terms and conditions that are no more onerous than those contained herein. In the case of any leasehold property in relation to which the consent of the landlord in whom the reversion of that lease is vested is required in order for the Chargor to perform any of its obligations under this sub-clause 9.11.2, the Chargor shall not be required to perform that particular obligation unless and until it has obtained the landlord's consent (which it shall use its reasonable endeavours to do); and

9.12 Charged Shares

at all times comply with the provisions of Schedule 2 in respect of the Charged Shares;

9.13 The Land Registry

in respect of any freehold or leasehold land (excluding any Short Leasehold Property) which it may hereafter acquire and which is registered land (or unregistered land subject to compulsory first registration), apply to the Chief Land Registrar for the registration of a Restriction against the registered titles in the following terms:

"Except under an order of the Registrar no disposition by the proprietor of the land is to be registered without the consent of the proprietor for the time being of the charge dated 200[●] in favour of Shard Merchant Capital Limited (as Chargee);

9.14 Chargee may insure

if default shall at any time be made by the Chargor in effecting or keeping up the insurances referred to in clause 9.1 (*Insurance*), or in producing any such policy or

receipt to the Chargee on demand, the Chargee may take out or renew such policies of insurance in any sum which the Chargee may reasonably think expedient and all monies expended by the Chargee in respect thereof shall be deemed to be properly paid by the Chargee, and shall be reimbursed by the Chargor on demand and shall bear interest at a rate determined and calculated in accordance with clause 4 of the Chargor Guarantee (*Interest*) of the Finance Documents and shall be payable at the time and in the manner specified in that clause from the date of payment until the date of reimbursement. This Debenture shall be a security for the reimbursement to the Chargee of such monies together with such interest as aforesaid;

#### 9.15 Application of monies

all claims and monies received or receivable under any such insurances shall (subject to the rights of any claims of any lessor or landlord of any part of the Charged Assets) be applied, in repairing, replacing, restoring or rebuilding the property damaged or destroyed or, if required by the Investment Agreement, in permanent reduction of the Secured Obligations in such order as the Chargee sees fit.

### 10 **RECEIVABLES**

#### 10.1 Dealings with and realisation of Receivables

The Chargor will:

- 10.1.1 without prejudice to clause 6 *Negative Pledge*) but in addition to the restrictions in that clause, not, without the prior written consent of the Chargee, sell, assign, charge, factor or discount or in any other manner deal with any of the Receivables;
- 10.1.2 following the occurrence of an Enforcement Event, collect all Receivables in the ordinary course of trading as agent for the Chargee and immediately upon receipt pay all monies which it may receive in respect of the Receivables into such specially designated account(s) with the Chargee or such other account(s) with such other bank as the Chargee may from time to time direct (such account(s) together with all additions to or renewals or replacements thereof (in whatever currency) being the "**Collections Accounts**") and pending such payment, hold all monies so received upon trust for the Chargee; and
- 10.1.3 where any Collections Account is not maintained with the Chargee deliver to the bank with which the relevant Collections Account is maintained a notice of assignment; and

10.1.4 following the occurrence of an Enforcement Event deal with the Receivables (both collected and uncollected) in accordance with any directions given in writing from time to time by the Chargee and, in default of and subject to such directions, in accordance with this Debenture.

## 10.2 Collections Accounts

The Chargor may withdraw (or direct any transfer of) all or any part of the monies in the Collections Accounts for its general working capital purposes until notified otherwise by the Chargee. Immediately on receipt of such written notification following the occurrence of an Enforcement Event and thereafter, the Chargor will not attempt or be entitled to withdraw (or direct any transfer of) all or any part of the monies in the Collections Accounts without the prior consent of the Chargee and the Chargee shall be entitled in its absolute discretion to refuse to permit any such withdrawal or transfer. If there shall from time to time be any credit balance on any other account of the Chargor with the Chargee into which proceeds of Receivables are paid or transferred, the Chargee shall be entitled in its absolute discretion to refuse to permit such credit balance to be utilised or withdrawn by the Chargor (whether in whole or in part) for so long as any of the Secured Obligations are outstanding.

## 10.3 Particulars of Receivables

The Chargor will deliver to the Chargee such information as to the amount and nature of its Receivables as the Chargee may from time to time reasonably require, taking into account the requirements of the Finance Documents.

# 11 **ENFORCEMENT OF SECURITY**

11.1 The security constituted by this Debenture shall become immediately enforceable upon the occurrence of an Enforcement Event which is continuing and the power of sale and other powers conferred by section 101 of the Act, as varied or amended by this Debenture, shall be immediately exercisable upon and at any time after the occurrence of any Enforcement Event which is continuing. After the security constituted by this Debenture has become enforceable, the Chargee may in its absolute discretion enforce all or any part of this security in such manner as it sees fit.

11.2 For the purposes of all powers implied by statute, the Secured Obligations shall be deemed to have become due and payable on the date of this Debenture and sections 93 and 103 of the Act shall not apply to this security. The statutory powers of leasing conferred on the Chargee shall be extended so as to authorise the Chargee to lease, make agreements for leases, accept surrenders of leases and grant options as the Chargee shall think fit and without the need to comply with any of the provisions of sections 99 and 100 of the Act.



## 12 APPOINTMENT AND POWERS OF RECEIVER

- 12.1 At any time after this security becomes enforceable, or if so requested by the Chargor by written notice at any time, the Chargee may:
- 12.1.1 without further notice appoint any person (or persons) to be a Receiver of all or any part of the Charged Assets and/or of the income thereof; and/or
  - 12.1.2 appoint or apply for the appointment of any person who is appropriately qualified as administrator of the Chargor.
- 12.2 The Chargee may remove from time to time any Receiver appointed by it (subject to the provisions of section 45 of the Insolvency Act 1986 in the case of an administrative receivership) and, whenever it may deem appropriate, appoint a new Receiver in the place of any Receiver whose appointment has terminated for whatever reason.
- 12.3 If at any time and by virtue of any such appointment there is more than one Receiver of all or any part of the Charged Assets and/or the income thereof, such persons shall have power to act individually (unless the contrary shall be stated in the deed(s) or other instrument(s) appointing them).
- 12.4 Any Receiver shall (in addition to the powers conferred by the Act and schedule 1 of the Insolvency Act 1986 or any other statute from time to time in force) have the following powers:
- 12.4.1 to take possession of, collect and get in all or any part of the Charged Assets and/or income in respect of which he was appointed;
  - 12.4.2 to manage the Charged Assets and the business of the Chargor;
  - 12.4.3 to redeem any security and to borrow or raise any money and secure the payment of any money in priority to the Secured Obligations for the purpose of the exercise of his powers and/or defraying any costs or liabilities incurred by him in such exercise;
  - 12.4.4 to alter, improve, develop, complete, construct, modify, refurbish or repair any building or land and to complete or undertake or concur in the completion or undertaking (with or without modification) of any project in which the Chargor is concerned or interested prior to his appointment, being a project for the alteration, improvement, development, completion, construction, modification, refurbishment or repair of any building or land;

- 12.4.5 to sell or concur in selling, leasing or otherwise disposing of all or any part of the Charged Assets in respect of which he was appointed without the need to observe the restriction imposed by section 103 of the Act;
  - 12.4.6 to carry out any sale, lease or other disposal of all or any part of the Charged Assets by conveying, transferring, assigning or leasing the same in the name of the Chargor and, for that purpose, to enter into covenants and other contractual obligations in the name of, and so as to bind, the Chargor;
  - 12.4.7 to take any such proceedings, in the name of the Chargor or otherwise, as he shall think fit in respect of the Charged Assets and/or income in respect of which he was appointed, including proceedings for recovery of rent or other monies in arrears at the date of his appointment;
  - 12.4.8 to enter into or make any such agreement, arrangement or compromise as he shall think fit;
  - 12.4.9 to insure, and renew any insurances in respect of, the Charged Assets as he shall think fit, or as the Chargee shall direct;
  - 12.4.10 to appoint and employ such managers, officers and workmen and engage such professional advisers as he shall think fit, including, without prejudice to the generality of the foregoing power, to employ his partners and firm;
  - 12.4.11 to operate any rent review clause in respect of any property in respect of which he was appointed or any part thereof and to apply for any new or extended lease; and
  - 12.4.12 to do all such other things as may seem to him to be incidental or conducive to any other power vested in him in the realisation of this security.
- 12.5 In making any sale or other disposal in the exercise of their respective powers, the Receiver or the Chargee may accept, as and by way of consideration for such sale or other disposal, cash, shares, loan capital or other obligations, including, without limitation, consideration fluctuating according to or dependent upon profit or turnover and consideration the amount whereof is to be determined by a third party. Any such consideration may be receivable in a lump sum or by instalments and upon receipt by the Receiver, shall *ipso facto* be and become charged with the payment of the Secured Obligations. Any contract for any such sale or other disposal by the Receiver or the Chargee may contain conditions excluding or restricting the personal liability of the Receiver and the Chargee.

- 12.6 Any Receiver appointed hereunder shall be the agent of the Chargor and (subject to the provisions of the Insolvency Act 1986) the Chargor shall be solely responsible for his acts and defaults and for his remuneration.
- 12.7 Any Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and the Chargee (or failing such agreement to be fixed by the Chargee).
- 12.8 Only monies actually paid by a Receiver to the Chargee in satisfaction or discharge of the Secured Obligations shall be capable of being applied by the Chargee in satisfaction thereof.
- 12.9 Neither the Chargee nor any Receiver shall be liable in respect of all or any part of the Charged Assets or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers, unless such loss or damage is caused by its or his gross negligence or wilful default.
- 12.10 Without prejudice to the generality of clause 12.8, entry into possession of the Charged Assets shall not render the Chargee or the Receiver liable to account as mortgagee in possession and if and whenever the Chargee enters into possession of the Charged Assets, it shall be entitled to any time at its discretion to go out of such possession.
- 12.11 All or any of the powers which are conferred by this Debenture on a Receiver may be exercised by the Chargee without first appointing a Receiver or notwithstanding the appointment of any Receiver.

### **13 APPLICATION OF PROCEEDS**

- 13.1 All monies received by the Chargee or any Receiver appointed under this Debenture shall (subject to the rights and claims of any person having a security ranking in priority to the security constituted by this Debenture) be applied in the following order:
- 13.1.1 in payment of the costs, charges and expenses of and incidental to the appointment of the Receiver and the payment of his remuneration;
- 13.1.2 in payment and discharge of any liabilities incurred by the Receiver on the behalf of the Chargor in the exercise of any of the powers of the Receiver;
- 13.1.3 in providing for the matters (other than the remuneration of the Receiver) specified in the first three paragraphs of Section 109(8) of the Act;
- 13.1.4 in or towards the satisfaction of the Secured Obligations; and

13.1.5 any surplus shall be paid to the Chargor or other person entitled to it.

13.2 The provisions of clause 13.1 (*Application of proceeds*) shall take effect as and by way of variation and extension to the provisions of Section 109 of the Act, which provisions as so varied and extended shall be deemed incorporated in this Debenture.

#### **14 POWER OF ATTORNEY**

The Chargor, by way of security, irrevocably appoints the Chargee and every Receiver of the Charged Assets (or any part thereof) appointed hereunder and any person nominated for the purpose by the Chargee or any Receiver (in writing under hand signed by an officer of the Chargee or any Receiver) severally as its attorney (with full power of substitution and delegation) in its name and on its behalf and as its act and deed to sign or execute (using the company seal where appropriate) any deed, document, agreement and instrument required under the terms of this Debenture and, following the occurrence of an Enforcement Event and for as long as the same is continuing, to do all such acts or things as may be required by the Chargee or any Receiver hereunder or in the exercise of any of their powers, and The Chargor hereby covenants with the Chargee to ratify and confirm all acts or things made, done or executed by such attorney as aforesaid.

#### **15 PROTECTION OF THIRD PARTIES**

No purchaser from or other person dealing with the Chargee or with any Receiver shall be obliged or concerned to enquire whether the right of the Chargee to appoint a Receiver or the right of the Chargee or any Receiver to exercise any of the powers conferred by this Debenture in relation to the Charged Assets or any part thereof have arisen or become exercisable by the Chargee or by any such Receiver, nor be concerned with notice to the contrary, nor with the propriety of the exercise or purported exercise of any such powers and the title of such a purchaser and the position of such a person shall not be impeachable by reference to any of those matters.

#### **16 NOTICE OF SUBSEQUENT ENCUMBRANCE**

If the Chargee receives notice (whether actual or otherwise) of any subsequent Encumbrance, other than a Permitted Encumbrance, affecting any part of the Charged Assets and/or the proceeds of sale thereof, it may open a new account or accounts for the Chargor in its books and if it does not do so then, as from the time of receipt of such notice by the Chargee, all payments made by the Chargor to the Chargee shall be treated as having been credited to the new account of the Chargor and not as having been applied in reduction of the Secured Obligations.

#### **17 CONSOLIDATION OF ACCOUNTS AND SET OFF**

17.1 The Chargee shall be entitled without notice to the Chargor (both before and after demand):

- 17.1.1 to combine or consolidate all or any sums of money now or hereafter standing to the credit of the then existing accounts (including each of the Collections Accounts) of the Chargor with the Chargee with the liabilities to the Chargee of the Chargor; and
- 17.1.2 to set-off or transfer any sum or sums standing to the credit of any one or more of such accounts (including each of the Collections Accounts) in or towards satisfaction of any of the liabilities of the Chargor to the Chargee on any other account or in any other respect.

The liabilities referred to in this clause 17.1 (*Consolidation of accounts and set-off*) may be actual, contingent, primary, collateral, several or joint liabilities, and the accounts, sums and liabilities referred to in this clause 17.1 (*Consolidation of accounts and set-off*) may be denominated in any currency.

- 17.2 If the amounts concerned are expressed in a different currency then the Chargee may exercise all such rights and is authorised to effect any necessary conversions at the Spot Rate of Exchange.
- 17.3 If the relevant obligation or liability is unliquidated or unascertained the Chargee may set-off the amount it estimates (in good faith) will be the final amount of such obligation or liability once it becomes liquidated or ascertained.

## 18 CURRENCY AND THE EURO<sup>18</sup>.

- 18.1 All monies received or held by the Chargee or any Receiver under this Debenture may be converted from their existing currency into such other currency as the Chargee considers necessary or desirable to cover the obligations and liabilities comprised in the Secured Obligations in that other currency at the Spot Rate of Exchange.
- 18.2 No payment to the Chargee (whether under any judgment or court order or in the liquidation or dissolution of the Chargor or otherwise) shall discharge the obligation or liability of the Chargor in respect of which it was made, unless and until the Chargee shall have received payment in full in the currency in which the obligation or liability was incurred and, to the extent that the amount of any such payment shall on actual conversion into such currency fall short of such obligation or liability expressed in that currency, the Chargee shall have a further separate cause of action against the Chargor and shall be entitled to enforce the security constituted by this Debenture to recover the amount of the shortfall.
- 18.3 If Sterling is, or is to be replaced by the euro, the Chargee may notify the Chargor of any amendments to this Debenture which the Chargee considers necessary to reflect that replacement and to put the Chargee in the same position, so far as possible, that it would have been in if no such replacement had occurred. Upon

such notification this Debenture shall be deemed to be amended in accordance with such notification.

## **19 APPROPRIATION AND SUSPENSE ACCOUNT**

- 19.1 Subject to clause 19.2, the Chargee may apply all payments received for the Secured Obligations to reduce any part of those liabilities as it thinks fit.
- 19.2 All monies received, recovered or realised by the Chargee under this Debenture may at the discretion of the Chargee be credited to any suspense account for so long as the Chargee determines (with interest accruing thereon at such rate, if any, as the Chargee may determine for the account of the Chargor) without the Chargee having any obligation to apply the same or any part thereof in or towards the discharge of any of the Secured Obligations.

## **20 PAYMENTS**

- 20.1 Subject to clause 20.2, all payments to be made by the Chargor in respect of this Debenture shall be made in immediately available funds to the credit of such account as the Chargee may designate. All such payments shall be made free and clear of, and without any deduction for, or on account of, any set-off or counterclaim or, except to the extent compelled by law, any deduction on account of any Taxes.
- 20.2 If the Chargor is compelled by law to withhold or deduct any Taxes from any sum payable hereunder to the Chargee, the sum so payable by the Chargor shall be increased so as to result in the receipt by the Chargee of a net amount equal to the full amount expressed to be payable hereunder.

## **21 COSTS AND EXPENSES**

- 21.1 The Chargor shall reimburse the Chargee and any Receiver in respect of all reasonable expenses, including, without limitation, reasonable legal, valuation, accountancy and consultancy fees (and any value added or similar tax thereon) incurred by the Chargee in connection with:
- 21.1.1 the negotiation, preparation, execution and completion of this Debenture, or any of the documents referred to herein; and
- 21.1.2 any actual or proposed amendment or extension of, or any waiver or consent under, this Debenture.
- 21.2 The Chargor shall reimburse the Chargee and any Receiver for all costs and expenses, including, without limitation, legal fees (and any value added or similar tax thereon) incurred in connection with the enforcement or preservation of any of their respective rights under this Debenture, or any of the documents referred to herein.

- 21.3 The amounts payable under clauses 21.1 and 21.2 (*Costs and expenses*) shall carry interest at a rate determined and calculated in accordance with clause 5 of the Chargor Guarantee (payable at the time and in the manner specified in that clause (as well after as before any judgment) from the dates on which they were paid, incurred or charged by the Chargee or the Receiver (as the case may be) and shall form part of the Secured Obligations and accordingly be secured on the Charged Assets under the charges contained in this Debenture. All such interest shall be compounded at the end of such period or periods as the Chargee may select.
- 21.4 The Chargor shall pay all present and future stamp, registration and similar taxes or charges which may be payable, or determined to be payable, in connection with the execution, delivery, performance or enforcement of this Debenture or any judgment given in connection therewith and shall indemnify the Chargee and the Receiver against any and all liabilities, including, without limitation, penalties with respect to, or resulting from, its delay or omission to pay any such stamp, registration and similar taxes or charges.

## 22 **ASSIGNMENT**

The Chargee may assign or transfer all or any part of its rights under this Debenture provided such assignment or transfer is conjunction with an assignment or transfer of all or part of the Investment Agreement in accordance with and subject to the provisions of the Investment Agreement.

## 23 **THIRD PARTY RIGHTS**

A person who is not a party to this Debenture shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Debenture. This clause does not affect any right or remedy of any person which exists, or is available, otherwise than pursuant to that Act.

## 24 **NOTICES**

The provisions of clause 20 (*Notices*) of the Investment Agreement shall be deemed to be incorporated into this Debenture, *mutatis mutandis*, as if the same were set out in full herein. Notices to the Chargor will be the same as for the notices to the Company (as defined therein).

## 25 **GENERAL**

- 25.1 A variation of this Debenture is valid only if it is in writing and signed by or on behalf of each party. Any breach of this Debenture may be waived before or after it occurs only if the Chargee so agrees in writing. A waiver given or consent granted by the Chargee under this Debenture will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

- 25.2 Any failure or delay by the Chargee in exercising a right or remedy provided by this Debenture or by law does not constitute a waiver of that (or any other) right or remedy. No single or partial exercise by the Chargee of a right or remedy provided by this agreement or by law prevents the further exercise of that (or any other) right or remedy by the Chargee.
- 25.3 The Chargee's rights and remedies contained in this Debenture are cumulative and not exclusive of any rights or remedies provided by law.
- 25.4 Each provision of this Debenture is severable and distinct from the others. If any provision is or at any time becomes to any extent or in any circumstances invalid, illegal or unenforceable for any reason, it shall to that extent or in those circumstances be deemed not to form part of this Debenture but (except to that extent or in those circumstances in the case of that provision) the validity, legality and enforceability of that and all other provisions of this Debenture shall not be affected or impaired and shall remain valid and enforceable.
- 25.5 If any provision of this Debenture is found to be illegal, invalid or unenforceable in accordance with clause 25.4 but would be legal, valid or enforceable if some part of the provision were deleted, the provision in question shall apply with such modification(s) as may be necessary to make it legal, valid or enforceable.
- 25.6 This Debenture may be executed in any number of counterparts each of which when executed and delivered is an original but all the counterparts together shall constitute the same document.

## 26 **GOVERNING LAW**

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

## 27 **JURISDICTION**

- 27.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Debenture (including a dispute relating to the existence, validity or termination of this Debenture or any non-contractual obligation arising out of or in connection with this Debenture) (a "**Dispute**").
- 27.2 The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.

**IN WITNESS** whereof the Chargor has duly executed this Debenture as a deed and it is hereby delivered on the day and year first before written



**SCHEDULE 1 - DETAILS OF CHARGED LAND**

## **SCHEDULE 2 - SPECIAL PROVISIONS RELATING TO THE SECURITY SHARES**

- 1 The Chargor shall, by way of security for the Secured Obligations, in respect of all Charged Shares which are in certificated form:
  - 1.1 promptly deliver to the Chargee (or as it shall direct) all certificates and other documents of title to such Charged Shares together with instruments of transfer executed in blank in respect of such Charged Shares and left undated; and
  - 1.2 promptly on receipt of any certificate and other documents of title to any further or other Charged Shares deliver them to the Chargee together with instruments of transfer executed in blank and left undated.
- 2 The Chargee may, at any time following the occurrence of an Enforcement Event which is continuing, complete the instruments of transfer on behalf of the Chargor in favour of itself or such other person as it shall select.
- 3 Until an Enforcement Event occurs and is continuing:
  - 3.1 the Chargor will be entitled to receive and retain all dividends, distributions and other monies paid on or derived from the Charged Shares; and
  - 3.2 the Chargor will be entitled to exercise all voting and other rights and powers attaching to the Charged Shares, **provided** that it will not exercise any such voting rights or powers in a manner prejudicial to the interests of the Chargee under this Debenture including, without limitation, to have the effect of changing the terms of the Charged Shares (or any class of them or any Related Rights).
- 4 At any time when any Charged Shares are registered in the name of the Chargee or its nominee, the Chargee will not be under any duty to ensure that any dividends, distributions or other monies payable in respect of those Charged Shares are duly and promptly paid or received by it or its nominee or to verify that the correct amounts are paid or received 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 or in substitution for, any of those Charged Shares.
- 5 It is expressly agreed that, notwithstanding anything to the contrary contained in this Deed, the Chargor shall remain liable to observe and perform all of the conditions and obligations assumed by it in respect of the Security Shares.

**Execution Pages**

**The Chargor**

**EXECUTED and DELIVERED**

)



as a **DEED** for and on behalf of

)

.....

**ICONIC LABS PLC**

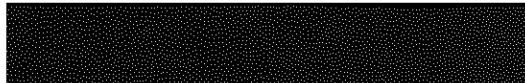
)

Director

)

in the presence of:

Signature of witness:

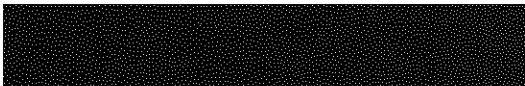


Name of witness:

MATTHEW VINCENT

.....

Address of witness:

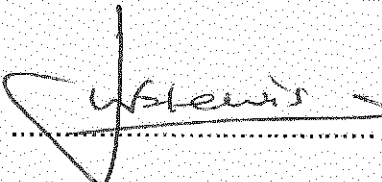


**The Chargee**

**EXECUTED and DELIVERED**

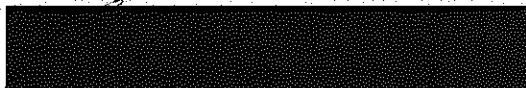
as a **DEED** for and on behalf of

**SHARD MERCHANT CAPITAL LIMITED**

  
.....  
Director

in the presence of:

Signature of witness:



Name of witness:

.....  
CANDICE JANE GLENDALE

Address of witness:

