



Registration of a Charge

Company Name: **ESME LOANS LIMITED**

Company Number: **10411077**



Received for filing in Electronic Format on the: **21/12/2021**

XAJSMU0Q

Details of Charge

Date of creation: **17/12/2021**

Charge code: **1041 1077 0002**

Persons entitled: **ASSET LINK CAPITAL (NO.7) LIMITED**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **CMS CAMERON MCKENNA NABARRO OLSWANG LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 10411077

Charge code: 1041 1077 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 17th December 2021 and created by ESME LOANS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 21st December 2021 .

Given at Companies House, Cardiff on 22nd December 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**

EXECUTION VERSION

ACCOUNT CHARGE

DATED ¹⁷____ DECEMBER 2021

BETWEEN

ESME LOANS LIMITED
(as Chargor)

and

ASSET LINK CAPITAL (No.7) LIMITED
(as Chargee)

ALLEN & OVERY

Allen & Overy LLP

0011173-0001861 UKO1: 2006590833.2

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THIS DEED is dated 17 December 2021 and made BETWEEN:

- (1) ESME LOANS LIMITED (registered number 10411077) and whose address is at 250 Bishopsgate, London EC2M 4AA (the **Chargor**); and
- (2) ASSET LINK CAPITAL (No. 7) LIMITED (the **Chargee**) whose registered office is at The Peak, 2nd Floor, 5 Wilton Road, London SW1V 1AN.

BACKGROUND:

- (A) The **Chargor** enters into this Deed in connection with the Loan Sale Agreement (as defined below).

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

Account means the account in the name of the **Chargor** with the Account Bank at National Westminster Bank Plc, Sort Code [REDACTED], Account Number [REDACTED] and includes any other account which is a successor to the account on any renumbering or re-designation of accounts.

Account Bank means National Westminster Bank Plc.

Act means the Law of Property Act 1925.

Charged Debt means the debt owed by the Account Bank to the **Chargor** represented by the Credit Balance and all rights and interests in connection therewith.

Credit Balance means the credit balance from time to time on the Account, including all interest from time to time accrued or accruing on that balance.

Loan Sale Agreement means the loan sale agreement to be entered into on or about the date of this Agreement pursuant to which the **Chargor** will agree to sell, *inter alia*, certain loan assets to the **Chargee**.

Party means a party to this Deed.

Secured Liabilities means all amounts due from the **Chargor** to the **Chargee** pursuant to the Loan Sale Agreement for breach of Clauses 11.1 (Seller Warranties) and 8.1 (Migration and Legal Transfer) of the Loan Sale Agreement and for the purposes of this Deed, no such amount and no Secured Liabilities shall be due until either (i) a settlement is reached between the **Chargee** and **Chargor** as to the amount due pursuant to the Loan Sale Agreement for breach of Clause 11.1 or Clause 8.1 (as applicable) of the Loan Sale Agreement; or (ii) a judgment for payment of such amount is issued by an English court and either is not capable of being the subject of an appeal or has not been the subject to an appeal within one month of the judgment being issued.

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

Security Period means the period beginning on the date of this Deed and ending on the earlier of (a) the first anniversary of the Effective Migration Date and (b) 31 December 2022.

1.2 Construction

- (a) Capitalised terms defined in the Loan Sale Agreement have the same meaning in this Deed unless expressly defined in this Deed.
- (b) The provisions of clause 1.2 of the Loan Sale Agreement apply to this Deed as though they were set out in full in this Deed, except that references to the Loan Sale Agreement shall be construed as references to this Deed.
- (c) Unless a contrary indication appears, any reference in this Deed to:
 - (i) any **rights** in respect of an asset includes:
 - (A) all amounts and proceeds paid or payable;
 - (B) all rights to make any demand or claim; and
 - (C) all powers, remedies, causes of action, security, guarantees and indemnities,
 in each case, in respect of or derived from that asset;
 - (ii) the term **this Security** means any Security created by this Deed; and
 - (iii) an agreement, instrument or other document **to which it is a party** includes any agreement, instrument or other document issued in the relevant person's favour or of which it otherwise has the benefit (in whole or in part).

1.3 Third party rights

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.

2. CREATION OF SECURITY

2.1 The Chargor hereby assigns absolutely by way of first-ranking security and charges by way of a first-ranking fixed charge in favour of the Chargee, as continuing security for the Secured Liabilities, all of its present and future rights, title, benefit and interest in respect of the Account and the Charged Debt.

2.2 All the security created under this Deed:

- (a) is created in favour of the Chargee;
- (b) is security for the payment, discharge and performance of all the Secured Liabilities; and
- (c) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

3. CONTINUING SECURITY

- 3.1 This Security is a continuing security and shall extend to the ultimate balance of the Secured Liabilities, regardless of any intermediate payment or discharge in whole or in part of the Secured Liabilities.
- 3.2 The Security hereby given to the Chargee shall be in addition to and shall not be affected by any other security interests, collateral or other rights now or hereafter held by the Chargee for all or any of the Secured Liabilities owed to the Chargee.
- 3.3 So that the Chargee may claim against or prove in any liquidation of the Chargor for the full amount then owing by it to the Chargee, it may, acting reasonably, hold in a non-interest bearing suspense account, until all Secured Liabilities have been paid and discharged in full, any moneys received, recovered or realised from or on account of the Secured Liabilities without being under any intermediate obligation to apply the same or any part thereof in or towards the discharge of the said amount.
- 3.4 The Parties agree that this Deed and the obligations under it shall not be affected by any act, omission or thing which, but for this Clause 4.4, would reduce, release or prejudice this Deed or any of the obligations hereunder.

4. RESTRICTIONS ON DEALINGS

Except with the prior written consent of the Chargee, the Chargor undertakes that it shall not:

- (a) create, permit to subsist, agree to create or attempt to create any Security or any third party interest over or in respect of the Security Assets; or
- (b) enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, licence, transfer, assign or otherwise dispose of any of its rights in respect of the Security Assets.

5. REPRESENTATIONS AND UNDERTAKINGS

5.1 The Chargor represents and warrants to the Chargee on the date of this Deed that:

- (a) it has the power to grant Security in respect of the Security Assets and has taken all necessary action to authorised the granting of that Security;
- (b) it is the sole legal and beneficial owner of the Security Assets;
- (c) the Security Assets are free from any Security and any other rights or interests in favour of third parties; and
- (d) this Deed creates the Security it purports to create and is not liable to be avoided or otherwise set aside on its liquidation or administration or otherwise.

5.2 The Chargor shall:

- (a) take all necessary action to ensure that the Account is operated in accordance with the terms of this Deed; and

- (b) make a filing (and the Chargee may make such a filing on the Chargor's behalf) in respect of this Deed with Companies House in accordance with Section 859A of the Companies Act 2006, in so far as the Security created by this Deed is registrable under that Act.

6. POWER OF ATTORNEY

The Chargor hereby by way of security irrevocably appoints and constitutes the Chargee the attorney of the Chargor on its behalf and in the name of the Chargor to do all acts and execute all documents which the Chargor is obliged to do under this Deed but has failed to do in relation to the Security Assets or in connection with any of the matters provided for in this Deed, including without limitation the execution of any transfer or other assurance or any instructions whatsoever in respect of the Security Assets, or to exercise any of the rights conferred on the Chargee in relation to the Security Assets under this Deed.

7. CREDIT BALANCE

7.1 Withdrawals

The Chargor may not withdraw or transfer any part of any Credit Balance from the Account during the Security Period without the prior written consent of the Chargee save that, and notwithstanding any other provision of this Deed, the Chargor may withdraw any part of the Credit Balance from the Account at any time without the prior written consent of the Chargee if that amount is:

- (a) interest accrued on the Account; or
- (b) to be used exclusively to discharge any claim made by the Chargee (or any successor or assign of any of its rights to bring claims under the Loan Sale Agreement) under the Loan Sale Agreement, provided that such amounts are paid directly to the Chargee (or any such successor or assign) or any Affiliate of the Chargee, to a UK bank account designated in writing by the Chargee (or any such successor or assign) or any Affiliate of the Chargee.

7.2 Notices of charge

The Chargor shall:

- (a) promptly following its entry into this Deed (and in any event by the end of the next Business Day), serve a notice of charge, substantially in the form of Part 1 of Schedule 1 (Forms of notice for Account) on the Account Bank; and
- (b) use its reasonable endeavours to ensure that the Account Bank acknowledges the notice, substantially in the form of Part 2 of Schedule 1 (Forms of notice for Account), and on receipt shall provide the Chargee with a copy of such an acknowledgement.

7.3 Change of Account Bank

- (a) The Account Bank may be changed to another bank or financial institution if the Chargee so agrees.
- (b) A change of Account Bank will only be effective when the Chargor and the new Account Bank have delivered a notice and acknowledgement substantially in the form set out in Schedule 1 (Forms of notice for Account).
- (c) If there is a change of Account Bank, the amount (if any) standing to the credit of the Account maintained with the old Account Bank shall be transferred to the corresponding

Account maintained with the new Account Bank immediately upon the appointment taking effect.

8. ENFORCEMENT OF SECURITY

8.1 Enforcement

- (a) This Security shall become immediately enforceable if the Secured Liabilities become due during the Security Period (an “Enforcement Event”).
- (b) On or after an Enforcement Event, the Chargee shall be entitled immediately to put into force and exercise all the powers and remedies provided to it pursuant to this Deed or possessed by it according to law as mortgagee of the Security Assets as and when it may see fit for the sole purpose of discharging the Secured Liabilities which became due to the Chargee during the Security Period and remain due, and in particular but without limitation:
 - (i) to take over or institute all such proceedings in connection with the Security Assets as the Chargee in its absolute discretion thinks fit;
 - (ii) to sell, charge, liquidate, or otherwise deal with all or any of the Security Assets in any manner permitted by law;
 - (iii) to collect, recover or compromise and to give a good discharge for any moneys payable to the Chargor in respect of any of the Security Assets;
 - (iv) to enforce all or any part of the Security created in favour of the Chargee by this Deed and to take possession of or dispose of all or any of the Security Assets in each case at such times as it sees fit, including by way of appointment of a receiver;
 - (v) to apply and or appropriate some or all of the Security Assets in discharge of the Secured Liabilities which became due to the Chargee during the Security Period and remain due and to issue directions to the Account Bank for the transfer out of the Account to the Chargee any amount then owing to the Chargee by the Chargor in respect of such Secured Liabilities, as certified by the Chargee to the Account Bank; and/or
 - (vi) to perform or cause to be performed all acts and things requisite or desirable according to the law of the country in which the Security Assets or any of them are situate for the purpose of giving effect to the exercise of any of the said powers, authorities and discretions.
- (c) The foregoing rights and powers of the Chargee shall be in addition and without prejudice to all statutory rights and powers of the Chargee under the Act or otherwise but so that:
 - (i) Section 103 of the Act shall not apply to this Deed;
 - (ii) any receiver appointed shall be agent of the Chargor but the Chargee alone shall be responsible for his acts, defaults and remuneration; and
 - (iii) the Chargee shall not be liable to account as mortgagee in possession.

8.2 Protection of third parties

No person dealing with the Chargee or its agents need enquire:

- (a) whether the Secured Liabilities have become payable;
- (b) whether any power which the Chargee is purporting to exercise has become exercisable or is being properly exercised;
- (c) how any money paid to the Chargee is to be applied.

8.3 Financial collateral

- (a) To the extent that the Security Assets constitute "financial collateral" and this Deed and the obligations of the Chargor under this Deed constitute a "security financial collateral arrangement" (in each case, for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003), the Chargee may after this Security has become enforceable and with immediate effect, appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Liabilities, in such manner as the Chargee may determine.
- (b) Where any financial collateral is appropriated:
 - (i) if it is cash, its value will be the amount standing to the credit of the relevant account on the date of appropriation plus any accrued but uncredited interest; or
 - (ii) in any other case, its value will be such amount as the Chargee reasonably determines having taken into account advice obtained by it from an independent adviser, investment bank or accountancy firm of national standing selected by it.

9. APPLICATION OF PROCEEDS

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

- (a) in or towards payment of the Secured Liabilities; and
- (b) in payment of the surplus (if any) to the Chargor or other person entitled to it.

10. CHANGES TO THE PARTIES

Neither Party shall be entitled to transfer or assign the benefit of this Deed to anyone other than to an Affiliate of the relevant Party.

11. FURTHER ASSURANCE

- 11.1** The Chargor (at its own cost) will during the Security Period following demand in writing by the Chargee execute and deliver (in such form as the Chargee may reasonably require) such deeds, documents, agreements and instruments and will otherwise do and concur in all such other acts and things as the Chargee may reasonably require for perfecting, preserving, realising or protecting the rights created (or intended to be created) by this Deed or the exercise of any rights of the Chargee under this Deed or vesting in the Chargee the full benefit of any rights and benefits to be granted to the Chargee under this Deed.

12. MISCELLANEOUS

12.1 No liability

The Chargee shall not be liable for any loss of any kind resulting from the exercise of its rights under this Deed to require the Account Bank to account to it for the Charged Debt.

12.2 Waiver

No failure or delay by the Chargee in exercising any right or remedy under this Deed shall operate as a waiver, and no single or partial exercise shall prevent further exercise, of any other right or remedy.

12.3 Variation

This Deed may not be released, discharged, supplemented, amended, varied or modified in any manner except by an instrument in writing signed by a duly authorised officer or representative of each of the Parties.

12.4 Counterparts

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

13. RELEASE

On the first Business Day after the end of the Security Period, the Chargee shall, at the request of the Chargor, enter into a release of the Security created by this Deed, including the Security in respect of the Account and the Charged Debt. The Chargee shall execute and deliver (in such form as the Chargor may reasonably require) a deed of release to that effect, the deed to be drafted and provided by the Chargor.

14. GOVERNING LAW

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law and any dispute or matter arising under this Deed shall be referred to the exclusive jurisdiction of the Courts of England.

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

SCHEDULE 1**FORMS OF NOTICE FOR ACCOUNT****PART 1****NOTICE TO ACCOUNT BANK**

To: [Account Bank] (the **Account Bank**)

Copy: Asset Link Capital (No.7) Limited (the **Chargee**)

From: Esme Loans Limited (the **Chargor**)

Dated: [●] 2021

**Security Agreement dated [●] 2021 between Esme Loans Limited
and Asset Link Capital (No.7) Limited (the Security Agreement)**

This notice relates to the following account (the **Account**):

Account holder:	
Branch of Account Bank:	
Account Number:	

The Chargor has charged (by way of first fixed charge) in favour of the Chargee all its rights in respect of the Account, any amount standing to the credit of that account and the debt represented by that account.

The Chargor irrevocably instructs and authorises you to:

- (a) disclose to the Chargee on its request any information relating to the Account requested from the Account Bank by the Chargee; and
- (b) if the Chargee first certifies to you in writing (with a copy to us) prior to the end of the Security Period (as defined in the Security Agreement) that the Secured Liabilities are due (as defined in the Security Agreement), the amount so due (the **Relevant Amount**) and that it will use all the Relevant Amount to discharge the Secured Liabilities upon receipt, pay or release the Relevant Amount (to the extent standing to the credit of the Account) to the Chargee in accordance with the written instructions of the Chargee.

The Chargor further irrevocably instructs you not to combine the amount standing to the credit of the Account with any other amounts standing to the credit of any other account, in the name of the Chargor or otherwise, or to set-off the amounts standing the credit of the Account against any amounts owing to you from the Chargor.

The Chargor is not permitted to withdraw any amount from the Account during the Security Period without the prior written consent of the Chargee other than:

- (a) any interest accrued on the Account; and

- (b) any amount used to discharge any Secured Liabilities provided that the Chargor certifies to you in writing (with a copy to the Chargee) that such amount will be paid directly to the Chargee or as otherwise permitted by the Security Agreement.

The Chargor is permitted to withdraw from the Account without the prior written consent of the Chargee any amounts referred to in paragraphs (a) or (b) above.

The Chargor acknowledges that the Account Bank may comply with the instructions in this letter without any further permission from the Chargor or enquiry by the Account Bank.

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

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

Please confirm the agreement of the Account Bank to the above by signing the attached acknowledgement and returning it to the Chargee at The Peak, 5 Wilton Road, London, United Kingdom, SW1V 1AN (marked for the attention of the Managing Director) with a copy to us.

Yours faithfully

.....
(Authorised signatory)

Esme Loans Limited

PART 2

ACKNOWLEDGEMENT OF ACCOUNT BANK

To: Asset Link Capital (No.7) Limited (the Chargee)

Copy: Esme Loans Limited (the Chargor)

From: [Account Bank] (the Account Bank)

Dated: [●] 2021

Security Agreement dated [●] 2021 between Esme Loans Limited and Asset Link Capital (No.7) Limited (the Security Agreement)

We confirm receipt from the Chargor of a notice dated [●] 2021 (the Notice) of a charge upon the terms of the Security Agreement over all the rights of the Chargor to its account with us (Account holder: [], Branch of Account Bank: [], Account no. []) (the Account), any amount standing to the credit of that account and the debt represented by that account.

The Account Bank confirms that it:

- (a) accepts the instructions contained in the Notice and agrees to comply with the Notice;
- (b) has not received notice of the interest of any third party in the Account; and
- (c) has neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of the Account.

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

Yours faithfully

.....
(Authorised signatory)
[Account Bank]

By countersigning this acknowledgment the Chargee agrees to the Account Bank paying all accrued interest on the Account to the Chargor in accordance with its normal business terms.

Yours faithfully

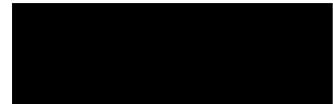
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(Authorised signatory)
Asset Link Capital (No.7) Limited

SIGNATORIES

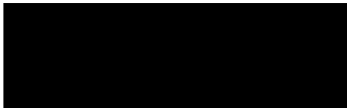
The Chargor

Executed as a deed by
ESME LOANS LIMITED
acting by two directors

)
)
)



Director

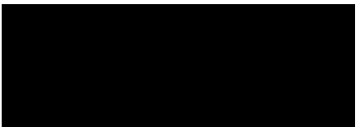


Director


The Chargee

Executed as a deed by
ASSET LINK CAPITAL (NO.7) LIMITED
acting by two directors

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Director



Director