

MR01
Particulars of a charge



Companies House

671038/23



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A fee is payable with this form
Please see 'How to pay' on the last page

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument.

☒ **What this form is NOT for**
You may not use this form to
register a charge where there is no
instrument. Use form MR08

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

This form must be delivered to the Registrar for registration with
21 days beginning with the day after the date of creation of the charge.
If delivered outside of the 21 days it will be rejected unless it is accompanied by a
court order extending the time for delivery.

☒ You must enclose a certified copy of the instrument with this form. This
must be scanned and placed on the public record. Do not send the original.



L61F1T5E

LD7

03/03/2017

#91

COMPANIES HOUSE

FRIDAY

1 Company details

Company number 1 0 6 2 8 1 3 5 ✓

Company name in full AF HOLDCO LIMITED ✓

For official use

Filing in this form

Please complete in typescript or in
bold black capitals.

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 0 2 0 3 2 0 1 7 ✓

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name ALCHEMY SPECIAL OPPORTUNITIES LLP ✓

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

MR01

Particulars of a charge

4

Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument.

Brief description

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"

Please limit the description to the available space.

5

Other charge or fixed security

Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box.

☒ Yes

☐ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box.

☒ Yes Continue

☐ No Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☒ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box.

☒ Yes

☐ No

8

Trustee statement ^①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge.

☐

^① This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here

Signature

Signature

X

Macfarlanes LLP

X

This form must be signed by a person with an interest in the charge.

**Presenter information**

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **TIMOTHY WHITE**

Company name **MACFARLANES LLP**

Address **20 CURSITOR STREET**

Post town **LONDON**

County/Region

Postcode **E C 4 A 1 L T**

Country

DX **138 CHANCERY LANE**

Telephone **0207 849 2796**

**Certificate**

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have included a certified copy of the instrument with this form.
- ☐ You have entered the date on which the charge was created.
- ☐ You have shown the names of persons entitled to the charge.
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8.
- ☐ You have given a description in Section 4, if appropriate.
- ☐ You have signed the form.
- ☐ You have enclosed the correct fee.
- ☐ Please do not send the original instrument, it must be a certified copy.

**Important information**

Please note that all information on this form will appear on the public record.

**How to pay**

A fee of £23 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House.'

**Where to send**

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below:

For companies registered in England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

For companies registered in Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

For companies registered in Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1

**Further information**

For further information, please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

DX



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 10628135

Charge code: 1062 8135 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 2nd March 2017 and created by AF HOLDCO LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 3rd March 2017.

Given at Companies House, Cardiff on 9th March 2017



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Date 2 March 2017

AF HOLDCO LIMITED
as Chargor

ALCHEMY SPECIAL OPPORTUNITIES LLP
as Security Agent

SECURITY AGREEMENT

SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G
COMPANIES ACT 2006, THIS COPY INSTRUMENT IS
CERTIFIED TO BE A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.

Macfarlanes LLP

MACFARLANES LLP
20 CURSITOR STREET
LONDON EC4A 1LT

DATE: 03.03 2017

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DATE

2 March 2017

PARTIES

- 1 **AF HOLDCO LIMITED**, a company incorporated in England and Wales with registration number 10628135 whose registered office is at 35 Ballards Lane, London, United Kingdom, N3 1XW (the "**Chargor**"); and
- 2 **ALCHEMY SPECIAL OPPORTUNITIES LLP** as agent and trustee for the Secured Parties (as defined in the Master Facilities Agreement (defined below)) (the "**Security Agent**")

BACKGROUND

- A The Chargor is entering into this deed in connection with the Finance Documents.
- B The Security Agent and the Chargor intend this document to take effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows.

1 **Definitions and interpretation**

1.1 **Definitions**

Unless otherwise provided in this deed, terms defined in the Master Facilities Agreement shall have the same meaning where used in this deed.

In addition, in this deed, unless the context otherwise requires, the following words shall have the following meanings.

Accounts: all accounts (including any Designated Accounts), and all moneys from time to time standing to the credit (including any interest thereon) of such accounts and all rights in relation thereto, with any bank, financial institution or other person in any jurisdiction now or at any time hereafter (and from time to time) owned, operated or held by the Chargor or in which the Chargor has an interest;

Administrator: a person appointed in accordance with Sched B1 Insolvency Act 1986 to manage the Chargor's affairs, business and property;

Assigned Agreements: the Framework Agreement, any Downstream Loan Agreement and all other agreements in which the Chargor has an interest,

Charged Assets: all the assets for the time being subject to the Security created by this deed (and references to the Charged Assets include references to any part of them);

Debts: all book and other debts, of any kind whatsoever now or at any time hereafter (and from time to time) due, owing or payable to the Chargor or in which the Chargor has an interest and the proceeds of the same, including the benefit of any judgement or order to pay a sum of money, and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to the same;

Declared Default: an Event of Default which has resulted in the Agent exercising any of its rights under clause 19.14 (*Acceleration*) of the Master Facilities Agreement;

Designated Accounts: each Bank Account, including the accounts so detailed in schedule 2 (*Accounts*);

Downstream Loan Agreement: any loan agreement between the Chargor and a Guarantor,

Equipment: all equipment, plant, machinery, tools, vehicles, furniture and other tangible moveable property now or at any time hereafter (and from time to time) owned by the Chargor, and any part thereof, together with the benefit of all contracts and warranties relating to the same,

Floating Charge Assets: all the assets for the time being subject to the floating charge created by this deed (and references to the Floating Charge Assets include references to any part of it),

Goodwill: all goodwill now or at any time hereafter (and from time to time) of or in the Chargor;

Insolvency Event: the occurrence of any of the events or circumstances set out in clauses 19.5 (*Insolvency*) to 19.8 (*Insolvency equivalence*) (inclusive) of the Master Facilities Agreement,

Insurance Policies: all contracts and policies of insurance or assurance and all moneys payable under or pursuant to such policies, now or at any time hereafter (and from time to time) taken out by or on behalf of the Chargor or (to the extent of its interest) in which the Chargor has an interest excluding, in each case, contracts and policies of insurance or assurance which relate to liabilities to third parties;

Intellectual Property: all interests in respect of any patent (including supplementary protection certificates), trade mark, service mark, trade name, registered design, design right, copyright, know-how, utility model, topographical or similar right, moral right, invention, confidential information, trade secret, database right, right in passing off and any other right in intellectual property subsisting anywhere in the world in any of the foregoing whether registered or unregistered and in each case, any registrations, extensions, renewals or applications of or for the same, now or at any time hereafter (and from time to time) owned or held by the Chargor or (to the extent of its interest) in which the Chargor has an interest,

LPA: the Law of Property Act 1925;

Master Facilities Agreement: the master facilities agreement dated on or around the date of this deed and made between, amongst others, the Security Agent and the Chargor;

Properties: all estates or interests in any freehold and leasehold properties (whether registered or unregistered) and all commonhold or other immoveable properties now or at any time hereafter (and from time to time) owned by the Chargor (including the properties which are briefly described in schedule 1 (*Properties currently owned*));

Property Interests: all interests in or over the Properties and all rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to the Properties, in each case, now or at any time hereafter (and from time to time) owned or held by the Chargor;

Receiver: a person appointed by the Security Agent to be a receiver or receiver and manager or (if permitted by law) an administrative receiver of all or any part of the Charged Assets of the Chargor;

Restrictions Notice: a "restrictions notice" as defined in paragraph 1(2) of Schedule 1B of the Companies Act 2006;

Secured Liabilities: all present and future liabilities and obligations at any time due, owing or incurred by each Transaction Obligor to any Secured Party under or in connection with the Finance Documents, both actual and contingent and whether incurred solely or jointly, as principal or surety and/or in any other capacity;

Securities: all stocks, shares, loan capital, securities, bonds and investments of any kind whatsoever (whether or not marketable) now or at any time hereafter (and from time to time) owned by the Chargor, or in which the Chargor has an interest, together with all allotments

offered or arising in respect thereof or incidental thereto and all stocks, shares, loan capital, securities, bonds, investments, rights, income, money or property accruing, deriving, offered or paid from time to time by way of dividend, distribution, interest, exchange, capital reorganisation, conversion, redemption, bonus, rights, preference, option or otherwise in respect thereof;

Securities Issuer: the issuer of any Securities;

Security Period: the period starting on the date of this deed and ending on the date on which the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full;

Uncalled Capital: all the uncalled capital now or at any time hereafter (and from time to time) of the Chargor; and

Warning Notice: a "warning notice" as defined in paragraph 1(2) of Schedule 1B of the Companies Act 2006.

1.2 Construction

1.2.1 Unless otherwise provided in this deed, the provisions of clauses 1 2 (*Construction*) and 1 3 (*Other references*) of the Master Facilities Agreement apply to this deed as though they were set out in full in this deed, *mutatis mutandis*.

1.2.2 In this deed (unless the context requires otherwise) any reference to

1.2.2.1 the Chargor, each Transaction Obligor, each Secured Party, any Securities Issuer, any Administrator or Receiver or any other person shall be construed so as to include their successors in title, permitted assigns, permitted transferees to, or of, its rights and/or obligations under the Finance Documents and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Finance Documents and in the case of any Administrator or Receiver lawful substitutes and/or replacements;

1 2.2.2 a Finance Document or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended (however fundamentally, including any amendment providing for any increase in the amount of any facility or other liability) from time to time with the agreement of the relevant parties and (where such consent is, by the terms of any Finance Document or the relevant document, required to be obtained as a condition to such amendment being permitted) the prior consent of the Security Agent;

1.2.2.3 "assets" includes present and future properties, revenues and rights of every description,

1.2.2.4 the Security constituted by this deed becoming "enforceable" shall mean that the Security created under this deed has become enforceable under clause 13.1 (*Enforcement events*);

1.2.2.5 "owned" includes having legal or equitable title to or a right to have legal or equitable title transferred;

1.2.2.6 "law" includes the common law, any statute, bye-law, regulation or instrument and any kind of subordinate legislation, and any order, requirement, code of practice,

circular, guidance note, licence, consent or permission made or given pursuant to any of the foregoing;

1.2.2.7 a provision of law is a reference to that provision as amended or re-enacted from time to time;

1.2.2.8 a time of day is a reference to London time;

1.2.2.9 any gender includes a reference to the other genders;

1.2.2.10 the singular includes a reference to the plural and vice versa, and

1.2.2.11 a clause or schedule is to a clause or schedule (as the case may be) of or to this deed.

1.2.3 Clause and schedule headings are for ease of reference only.

1.3 Nature of security over real property

A reference in this deed to any freehold, leasehold or commonhold property includes:

1.3.1 all buildings and fixtures (including trade and tenant's fixtures) which are at any time situated on that property;

1.3.2 the proceeds of sale of any part of that property, and

1.3.3 the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property or any monies paid or payable in respect of those covenants.

1.4 Secured Liabilities

References in this deed to the Secured Liabilities shall be construed in relation to the Finance Documents so as to include (i) any increase or reduction in any amount made available thereunder and/or any alteration and/or addition to the purposes for which any such amount, or increased or reduced amount, may be used, (ii) any ancillary facilities provided in substitution for or in addition to the facilities originally made available thereunder, (iii) any rescheduling of the indebtedness incurred thereunder whether in isolation or in connection with any of the foregoing and (iv) any combination of any of the foregoing

2 Covenant to pay; Further advances

2.1 Covenant to pay

The Chargor hereby covenants with the Security Agent (as trustee for the Secured Parties) that it will on demand pay and discharge all Secured Liabilities owing or incurred from or by it to the Secured Parties when the same become due in accordance with the terms of the Finance Documents, whether by acceleration or otherwise, together with interest to the date of payment at such rates and upon such terms as may from time to time be agreed, commission, fees, enforcement expenses and other charges and all legal and other costs, charges and expenses, on a full and unqualified indemnity basis, which may be incurred by the Secured Parties in relation to any such Secured Liabilities or generally in respect of the Chargor.

2.2 Potential invalidity

Neither the covenant to pay in clause 2.1 (*Covenant to pay*) nor the Security constituted by this deed shall extend to or include any liability or sum which would, but for this clause, cause such covenant or Security to be unlawful under any applicable law.

2.3 Further advances

This deed secures further advances made under or pursuant to the terms of the Finance Documents and the Lenders are, subject to and upon the terms and conditions of the Finance Documents, under an obligation to make further advances.

2.4 Nature of Security

If the Chargor is prohibited from creating Security over any of its assets (including, for the avoidance of doubt, its rights under any document) or any Security by way of assignment without obtaining the consent of a third party:

- 2.4.1 the Chargor must notify the Security Agent promptly upon it becoming aware of such prohibition or restriction,
- 2.4.2 any fixed charge or assignment created by this deed shall not take effect as regards the relevant asset until such consent is obtained or the prohibition removed, at which time that asset shall immediately become subject to such charge or assignment;
- 2.4.3 if applicable, the Security created by this deed will secure all amounts which that Chargor may receive, or has received, under that document but exclude the document itself, including, but not limited to, all damages, compensation, remuneration, profit, proceeds, rent or income derived therefrom; and
- 2.4.4 unless the Security Agent otherwise requires, that Chargor must use its best endeavours to promptly obtain the consent of such third party to that asset being secured under this deed of the removal of the prohibition on the asset being secured under this deed.

3 Grant of security

3.1 Fixed security

As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee hereby:

- 3.1.1 grants to the Security Agent (as trustee for the Secured Parties), a charge by way of legal mortgage over all its Properties which are listed in schedule 1 (*Properties currently owned*),
- 3.1.2 charges to the Security Agent (as trustee for the Secured Parties), by way of first fixed charge, all its:
 - 3.1.2.1 Properties acquired by it after the date of this deed,
 - 3.1.2.2 Property Interests,
 - 3.1.2.3 Equipment;
 - 3.1.2.4 Securities;
 - 3.1.2.5 Intellectual Property,
 - 3.1.2.6 Insurance Policies (save for any Insurance Policy which is the subject of an effective assignment under clause 3.1.3 below);
 - 3.1.2.7 Debts;
 - 3.1.2.8 Accounts;

- 3.1.2.9 Rental Income (save for any Rental Income which is the subject of an effective assignment under clause 3.1.4 below);
- 3.1.2.10 Goodwill and Uncalled Capital; and
- 3.1.2.11 rights, title and interest to any agreement, licence, consent or authorisation relating to its business at any time not otherwise mortgaged, charged or assigned pursuant to clauses 3.1.1 to 3.1.5 inclusive;
- 3.1.3 assigns to the Security Agent (as trustee for the Secured Parties) absolutely, subject to a proviso for reassignment on redemption, all of its right, title and interest in and to the Insurance Policies,
- 3.1.4 assigns to the Security Agent (as trustee for the Secured Parties) absolutely, subject to a proviso for reassignment on redemption, all of its right, title and interest in and to:
 - 3.1.4.1 the Rental Income; and
 - 3.1.4.2 any guarantee of Rental Income contained in or relating to any Property; and
- 3.1.5 assigns to the Security Agent (as trustee for the Secured Parties) absolutely, subject to a proviso for reassignment on redemption, the benefit of the Assigned Agreements to which it is a party or an addressee and any claims arising under any of the same, and the benefit of any guarantee or security for the performance of the Assigned Agreements.
- 3.2 **Floating security**
 - 3.2.1 **Floating charge**

As a continuing security for the payment or discharge of the Secured Liabilities, the Chargor with full title guarantee hereby charges to the Security Agent (as trustee for the Secured Parties), by way of first floating charge, all of its undertaking and assets at any time not effectively mortgaged, charged or assigned pursuant to clauses 3.1.1 to 3.1.5 inclusive above.
 - 3.2.2 **Qualifying floating charge**

Sched B1 para 14 Insolvency Act 1986 (as inserted by s.248 of, and Sched 16 Enterprise Act 2002) applies to the floating charge created by this deed.
 - 3.2.3 **Automatic conversion of floating charge**

Notwithstanding anything express or implied in this deed, and without prejudice to any law which may have similar effect, if,

 - 3.2.3.1 a Declared Default has occurred, or
 - 3.2.3.2 the Chargor creates or attempts to create any Security (other than as permitted under the Master Facilities Agreement) or any trust in favour of another person over any Floating Charge Asset, or
 - 3.2.3.3 the Chargor disposes or attempts to dispose of any Floating Charge Asset other than as permitted under the Master Facilities Agreement or in the ordinary course of its trading; or
 - 3.2.3.4 an Insolvency Event has occurred,

the floating charge created by this deed will automatically and immediately (without notice) be converted into a fixed charge over all the Floating Charge Assets or, in the case of clauses 3.2.3.2 and 3.2.3.3 above, over the relevant Floating Charge Asset.

3.2.4 Conversion of floating charge by notice

Notwithstanding anything express or implied in this deed, if,

3.2.4.1 an Event of Default has occurred and is continuing; or

3.2.4.2 the Security Agent considers (in its sole discretion) that any Floating Charge Assets are in jeopardy,

the Security Agent may at any time thereafter, by notice to the Chargor, convert the floating charge created by this deed with immediate effect into a fixed charge over all or any of the Floating Charge Assets of the Chargor specified in such notice (but without prejudice to the Security Agent's rights to serve a notice in respect of any other Floating Charge Assets and any other rights of the Security Agent whatsoever).

3.2.5 Assets acquired after any floating charge conversion

Any asset acquired by the Chargor after any conversion of the floating charge created under this deed, in accordance with clauses 3.2.3 or 3.2.4 above which but for such conversion would be subject to a floating charge shall, (unless the Security Agent confirms in writing to the contrary) be charged to the Security Agent (as trustee for the Secured Parties) by way of first fixed charge.

3.2.6 Reconversion of fixed charge assets into floating charge assets

The Security Agent may at any time after any conversion of the floating charge created under this deed over any Charged Assets into a fixed charge in accordance with clauses 3.2.3 (*Automatic conversion of floating charge*) or 3.2.4 (*Conversion of floating charge by notice*) reconvert such fixed charge into a floating charge by notice to the Chargor.

3.3 Title documents

The Chargor shall on the execution of this deed (or, if later, the date of acquisition of the relevant Charged Assets) deposit with the Security Agent (and the Security Agent shall during the continuance of this security be entitled to hold)

3.3.1 all deeds and documents of title relating to the Charged Assets,

3.3.2 all insurance policies relating to any of the Charged Assets to which policies the Security Agent is entitled to possession; and

3.3.3 all certificates relating to the Securities and such instruments of transfer in blank and other documents as the Security Agent may from time to time require,

and the Chargor shall hold on trust for the Security Agent all such deeds and documents not for the time being so deposited.

3.4 Security notices

3.4.1 The Chargor shall immediately upon the execution of this deed or, in the case of any Insurance Policy taken out, any Assigned Agreement entered into or any Account opened, in each case by the Chargor after its execution of this

deed, on the date (as applicable) on which such Insurance Policy is taken out, such Assigned Agreement is entered into or such Account is opened);

3.4.1.1 give notice substantially in the form set out in part 1 of schedule 3 (*Form of notice to insurers*) to the relevant insurers of the assignment pursuant to clause 3.1.3 (*Fixed security*) of its rights and interest in and under the Insurance Policies and use its reasonable endeavours to procure that each addressee of such notice will promptly provide an acknowledgement to the Security Agent in the form set out in part 2 of schedule 3 (*Form of acknowledgement from insurers*);

3.4.1.2 give notice substantially in the form set out in part 1 of schedule 4 (*Form of notice to counterparties of Assigned Agreements*) to the other parties to the Assigned Agreements to which it is a party (including, without limitation, the tenants under each Lease Document) of the assignment pursuant to clause 3.1.5 (*Fixed security*) of its rights and interest in and under the Assigned Agreements and:

(i) (other than in respect of the Framework Agreement and each Downstream Loan Agreement) use its reasonable endeavours to procure that each addressee of such notice will promptly provide an acknowledgement to the Security Agent in the form set out in part 2 of schedule 4 (*Form of acknowledgement from counterparties to Assigned Agreements*); and

(ii) in respect of the Framework Agreement and each Downstream Loan Agreement, procure that each addressee of such notice will promptly provide an acknowledgement to the Security Agent in the form set out in part 2 of schedule 4 (*Form of acknowledgement from counterparties to Assigned Agreements*); and

3.4.1.3 give notice substantially in the form set out in part 1 of schedule 5 (*Form of notice of charge to third party bank*) to any bank, financial institution or other person of its charging to the Security Agent pursuant to clause 3.1.2.8 of its rights and interests under such accounts and use its reasonable endeavours to procure that each addressee of such notice will promptly provide an acknowledgement to the Security Agent in the form set out in part 2 of schedule 5 (*Form of acknowledgement from third party bank*).

4 Restrictions on dealing

4.1 Negative pledge and restriction on disposal

The Chargor hereby covenants with the Security Agent that it will not at any time except in accordance with the terms of the Master Facilities Agreement or with the prior consent of the Security Agent:

4.1.1 create or purport to create or permit to subsist any Security on or in relation to the Charged Assets, or

4.1.2 enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer, surrender, share occupation of, part with possession or otherwise dispose of or cease to exercise control of all, or part of, any interest in, or the equity of redemption of, any Charged Assets.

4 2 Other obligations

The Chargor hereby covenants with the Security Agent that it will at all times (except in accordance with the terms of the Master Facilities Agreement or with the consent of the Security Agent):

4.2.1 observe and perform all material obligations and/or restrictions affecting the Charged Assets or any part thereof whether contained in or arising under its Constitutional Documents or any lease, letting or other agreement, undertaking or arrangements to which it is party or by which the Chargor or any of the Charged Assets are reasonably likely to be affected, and

4.2.2 not to do or cause to be done anything which is reasonably likely to materially depreciate, jeopardise or otherwise prejudice the value to the Secured Parties of the Security constituted by this deed.

4 3 Land Registry restriction

4.3.1 In respect of any Property registered at the Land Registry the Chargor hereby consents to the entry of the following restriction on the register of its title to such Property.

"No disposition of the registered estate by the propnetor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [] in favour of Alchemy Special Opportunities LLP referred to in the charges register or, if appropriate, signed on such proprietor's behalf by its conveyancer".

4.3.2 The Chargor authorises the Security Agent to make any application which it deems appropriate for the designation of this deed or any other Finance Document as an exempt information document under rule 136 Land Registration Rules 2003 and will use its best endeavours to assist with any such application made by or on behalf of the Security Agent. The Chargor will notify the Security Agent in writing as soon as it receives notice of any person's application under rule 137 Land Registration Rules 2003 for the disclosure of this deed or any other Finance Document, following its designation as an exempt information document and will not make any application under rule 138 Land Registration Rules 2003 for the removal of the designation of any such document as an exempt information document.

5 Debts and Accounts

5.1 Preservation of debts

The Chargor shall not, except in accordance with the terms of the Master Facilities Agreement, sell, factor, discount, release, exchange, compound, set-off, grant time or indulgence in respect of, or in any other manner deal with, all or any of the Debts save as hereinafter expressly provided.

5.2 Realising debts

The Chargor shall:

5.2.1 as agent for the Security Agent, collect in and realise all Debts, pay the proceeds into the Designated Accounts forthwith upon receipt and, pending that payment, hold those proceeds in trust for the Security Agent; and

5.2.2 after the Security constituted by this deed has become enforceable, if called upon so to do by the Security Agent, execute a legal assignment of the Debts to the Security Agent (as trustee for the Secured Parties) in such terms as the

Security Agent may require and give notice thereof to the debtors from whom the Debts are due, owing or incurred;

5.3 Accounts

- 5.3.1 All Designated Accounts must be maintained with a bank or banks approved by the Security Agent and in accordance with the Master Facilities Agreement.
- 5.3.2 The Security Agent has sole signing rights on each Designated Account.
- 5.3.3 No Account may be overdrawn at any time.
- 5.3.4 The Chargor shall not open or procure the opening of any Account unless permitted under the Master Facilities Agreement or with the prior written consent of the Security Agent (acting reasonably)

5.4 Withdrawals

- 5.4.1 Except in accordance with the terms of the Master Facilities Agreement or with the prior consent of the Security Agent, the Chargor may not withdraw any amounts from time to time standing to the credit of the Designated Accounts.
- 5.4.2 After the security constituted by this deed has become enforceable, the Chargor shall comply with any notice served by the Security Agent on it prohibiting it from withdrawing all or any monies from time to time standing to the credit of any of its Accounts except with the prior consent of the Security Agent.

6 Properties

The Chargor hereby covenants with the Security Agent that it will (if it acquires (or enters into any contract to acquire) any freehold or leasehold property or any interest therein, whether registered or unregistered):

- 6.1.1 inform the Security Agent promptly of such acquisition;
- 6.1.2 immediately on request by the Security Agent and at the reasonable cost of the Chargor, execute and deliver to the Security Agent a legal mortgage in favour of the Security Agent of that property in such form as the Security Agent (acting reasonably) may require (or such other Security in the jurisdiction where such property is located as the Security Agent (acting reasonably) may require); and
- 6.1.3 comply with all registration requirements resulting from the acquisition of such property and the creation of Security over such property pursuant to this deed and the legal mortgage (or other Security) referred to above.

7 Equipment

The Chargor hereby covenants with the Security Agent as follows:

7.1 Maintenance of equipment

to maintain the Equipment in good and serviceable condition (fair wear and tear excepted) and not to permit the same to be used or handled other than by persons properly qualified and trained or to be overloaded or to be used for any purpose for which the Equipment is not designed or reasonably suitable;

7.2 Payment of equipment taxes

promptly to pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Equipment and as soon as reasonably practicable following a reasonable demand produce evidence thereof to the Security Agent,

7.3 Equipment information

to give the Security Agent such information concerning the location, condition, use and operation of the Equipment as the Security Agent may require and upon receipt of reasonable notice to permit any persons designated by the Security Agent at all reasonable times to inspect and examine the Equipment and the records maintained in connection therewith;

7.4 Equipment insurance

at the expense of the Chargor, procure that the Equipment shall be covered and kept covered by insurance of a kind satisfactory to the Security Agent (acting reasonably) with insurers approved by the Security Agent (such approval not to be unreasonably withheld) for full comprehensive insurance cover, which shall include, but not be limited to, fire, theft and accident, in an amount agreed with the Security Agent, and shall if the Security Agent so requires procure that the interest of the Security Agent is noted upon all such policies of insurance or at the option of the Security Agent that such policies are issued in the joint names of the Security Agent and the Chargor. The Chargor shall, with respect to third party liabilities, maintain insurance in such amount and on such terms as is usual for users of the equipment of the same type as the Equipment.

8 Securities

8.1 Registration of Securities

The Security Agent may at any time when the security constituted by this deed is enforceable cause any or all of the Securities to be registered in the name of the Security Agent or its nominee. The Chargor agrees promptly to execute and deliver to the Security Agent all such transfers and other documents and do all such things as may be necessary or desirable to achieve such registration.

8.2 Additional registration obligations

The Chargor hereby:

8.2.1 grants and agrees to procure as necessary, all consents, waivers, approvals and permissions which are necessary, under the articles of association of any Securities Issuer or otherwise, for the transfer of the Securities to the Security Agent or its nominee or to a purchaser upon enforcement of this deed; and

8.2.2 agrees to procure the amendment of the share transfer provisions of each Securities Issuer's articles of association in such manner as the Security Agent may require in order to permit such a transfer.

8.3 Dividends and voting rights prior to enforcement

Until the security constituted by this deed becomes enforceable:

8.3.1 all dividends and other distributions paid in respect of the Securities shall be applied in accordance with (and subject to) the Master Facilities Agreement, and

8.3.2 the Chargor may exercise all voting and other rights and powers attaching to the Securities and exercisable by the Chargor provided that the exercise of such voting and other rights and powers would not (i) prejudice the Security

Agent's security under this deed or the value of the Securities or (ii) contravene any Transaction Document.

8.4 Dividends and voting rights post enforcement

After the security constituted by this deed has become enforceable:

- 8.4.1 all dividends and other distributions paid in respect of the Securities and received by the Chargor shall be held on trust for the Security Agent (as trustee for the Secured Parties) and forthwith paid over to the Security Agent or, if received by the Security Agent or its nominee, shall be retained by the Security Agent, and
- 8.4.2 the Security Agent may exercise or direct the exercise (or refrain from exercising or directing the exercise) of all voting and other rights and powers attaching to the Securities as the Security Agent may in its absolute discretion think fit and the Chargor shall, and shall procure that its nominees shall, comply with any such directions from the Security Agent concerning the exercise of such rights and powers.

8.5 Warning Notice or Restrictions Notice

- 8.5.1 The Chargor represents and warrants to the Security Agent that no Warning Notice or Restrictions Notice has been issued to it in respect of all or any part of the Securities and remains in effect.
- 8.5.2 The Chargor shall comply with any notice served on it in respect of all or any part of the Securities pursuant to part 21A of the Companies Act 2006 within the timeframe specified in that notice and shall deliver a copy of any such notice to the Security Agent promptly upon receipt.

8.6 Additional undertakings

The Chargor further undertakes to the Security Agent that it shall:

- 8.6.1 duly and promptly pay all calls, instalments and other moneys which may be payable from time to time in respect of the Securities, it being acknowledged by the Chargor that the Security Agent shall be under no liability whatsoever in respect of any such calls, instalments or other moneys;
- 8.6.2 not without the Security Agent's prior consent or unless permitted under the Master Facilities Agreement amend, or agree to the amendment of, the memorandum or articles of association of any Securities Issuer or the rights or liabilities attaching to any of the Securities;
- 8.6.3 ensure (insofar as it is able by the exercise of all voting rights, powers of control and other means available to it to do so) that no Securities Issuer will.
 - 8.6.3.1 consolidate or sub-divide any of its Securities or reduce or re-organise its share capital in any way (other than as permitted under the Master Facilities Agreement),
 - 8.6.3.2 issue any new shares or stock (other than as permitted under the Master Facilities Agreement); or
 - 8.6.3.3 refuse to register any transfer of any of its Securities which may be lodged for registration by or on behalf of the Security Agent or the Chargor in accordance with this deed; and
- 8.6.4 promptly give notice of this deed to any custodian of any Securities in any form which the Security Agent may reasonably require and use its reasonable

endeavours to ensure that the custodian acknowledges that notice in any form which the Security Agent may reasonably require.

9 Assigned Agreements

The Chargor shall at all times remain liable to perform all the obligations assumed by it under the Assigned Agreements and no Secured Party (in its capacity as a Secured Party) shall assume any obligation of any kind whatsoever under the Assigned Contracts and no Secured Party shall be under any liability whatsoever in the event of any failure by the Chargor to perform its obligations under the Assigned Agreements and the Chargor shall at all times indemnify the Security Agent from and against any demands, claims, costs or expenses arising out of or in relation to the Assigned Agreements or any failure by the Chargor.

10 Uncalled Capital

The Chargor further covenants with the Security Agent that it will not call up, or receive in advance of calls, any Uncalled Capital and it will apply all proceeds of any Uncalled Capital, immediately on receipt, towards the discharge of the Secured Liabilities.

11 Representations and warranties

11.1 Representations and warranties

The Chargor represents and warrants to the Security Agent as follows:

- 11.1.1 it is the sole legal and beneficial owner of the Charged Assets;
- 11.1.2 the Charged Assets are free from all Security (except as permitted under the terms of the Finance Documents);
- 11.1.3 it has not received or acknowledged notice of any adverse claim by any person in respect of the Charged Assets or any interest in them;
- 11.1.4 there is no breach of any law or regulation which materially adversely affects the Charged Assets;
- 11.1.5 there are no covenants, agreements, reservations, conditions, interests, rights or other matters whatever which materially and adversely affect the Charged Assets;
- 11.1.6 no facility necessary for the enjoyment and use of the Charged Assets is subject to terms entitling any person to terminate or curtail its use;
- 11.1.7 nothing has arisen or has been created or is subsisting which would be an overriding interest in any Property;
- 11.1.8 there is no prohibition on assignment in any insurances, agreements or authorisations referred to in clause 3.1.3 to 3.1.5 (*Fixed security*), or the relevant clauses of them as the case may be, and the Chargor entering into this deed will not constitute a breach of any such insurances, agreements or authorisations; and
- 11.1.9 this deed creates the Security it purports to create and is not liable to be amended or otherwise set aside on its liquidation or otherwise.

11.2 Repetition

The representations and warranties set out in clause 11.1 (*Representations and warranties*) are made on the date of this deed and are deemed to be repeated by the Chargor (by reference to the facts and circumstances then existing) on the date of each New Facility

Request, on the date of each Utilisation Request, on the date of each Utilisation and on each Quarter Date.

11.3 Notice of breach

The Chargor will promptly upon becoming aware of the same give the Security Agent notice in writing of any breach of any representation or warranty set out in clause 11.1 (*Representations and warranties*).

12 Power to remedy

12.1 If the Chargor is at any time in breach of any of its obligations contained in this deed, the Security Agent shall be entitled (but shall not be bound) to remedy such breach and the Chargor hereby irrevocably authorises the Security Agent and its agents to do all things necessary in connection therewith.

12.2 The rights of the Security Agent contained in this clause 12 are without prejudice to any other rights of the Security Agent hereunder and the exercise by the Security Agent of its rights under this clause shall not make the Security Agent liable to account as a mortgagee in possession.

13 Enforcement

13.1 Enforcement events

The security constituted by this deed shall become immediately enforceable if a Declared Default occurs.

13.2 Statutory power of sale

The statutory power of sale shall arise on and be exercisable at any time after the execution of this deed (and the Secured Liabilities shall be deemed to have become due and payable for that purpose), provided that the Security Agent shall not exercise such power of sale until the security constituted by this deed has become enforceable.

13.3 Extension of statutory powers

13.3.1 Any restriction imposed by law on the power of sale (including under s.103 LPA) or on the right of a mortgagee to consolidate mortgages (including under s.93 LPA) does not apply to the security constituted by this deed and the Security Agent or any Receiver shall have the right to consolidate all or any of the security constituted by this deed with any other Security in existence at any time and to make any applications to the Land Registry in support of the same.

13.3.2 Any powers of leasing conferred on the Security Agent or any Receiver by law are extended so as to authorise the Security Agent or any Receiver to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent or Receiver may think fit and without the need to comply with any restrictions conferred by law (including under ss.99 or 100 LPA)

13.4 No obligation to enquire

No person dealing with the Security Agent, any Administrator or any Receiver appointed hereunder, or its agents or brokers, shall be concerned to enquire:

13.4.1 whether the security constituted by this deed has become enforceable;

13.4.2 whether any power exercised or purported to be exercised has become exercisable;

13.4.3 whether any money remains due under the Finance Documents;

- 13.4.4 as to the necessity or expediency of the stipulations and conditions subject to which any sale of any Charged Assets shall be made, or otherwise as to the propriety or regularity of any sale of any of the Charged Assets, or
- 13.4.5 how any money paid to the Security Agent, Administrator or Receiver, or its agents or brokers is to be applied.

13.5 No liability as mortgagee in possession

None of the Security Agent, any Administrator or any Receiver shall be liable:

- 13.5.1 to account as mortgagee in possession in respect of all or any of the Charged Assets; or
- 13.5.2 for any loss upon realisation of, or for any neglect or default of any nature whatsoever in connection with, all or any of the Charged Assets for which a mortgagee in possession might as such be liable.

13.6 Power to dispose of chattels

After the security constituted by this deed has become enforceable, the Security Agent, any Administrator or any Receiver may dispose of any chattels or produce found on any Property as agent for the Chargor and, without prejudice to any obligation to account for the proceeds of any sale of such chattels or produce the Security Agent, the Administrator or the Receiver shall be indemnified by the Chargor against any liability arising from such disposal.

13.7 Redemption of prior Security

At any time after the security constituted by this deed shall have become enforceable the Security Agent may:

- 13.7.1 redeem any prior Security;
- 13.7.2 procure the transfer thereof to itself, and/or
- 13.7.3 settle and pass the accounts of the prior encumbrancer and any account so settled and passed shall be conclusive and binding on the Chargor and all monies paid by the Security Agent to the prior encumbrancer in accordance with such accounts shall as from such payment be due from the Chargor to the Security Agent on current account and shall bear interest and be secured as part of the Secured Liabilities.

14 Administrator and Receiver

14.1 Appointment of Administrator or Receiver

At any time after:

- (a) the security constituted by this deed becomes enforceable;
- (b) any corporate action or any other steps are taken or legal proceedings started by or in respect of any Transaction Obligor with a view to the appointment of an Administrator; or
- (c) at the request of the Chargor,

the Security Agent may without further notice, under seal or by writing under hand of a duly authorised officer of the Security Agent:

- 14.1.1 appoint any person or persons to be an Administrator of the Chargor; or

- 14.1.2 appoint any person or persons to be a Receiver of all or any part of the Charged Assets of the Chargor; and
- 14.1.3 (subject to s.45 Insolvency Act 1986) from time to time remove any person appointed to be Receiver and appoint another in his place.

14.2 More than one appointment

Where more than one person is appointed Administrator or Receiver, they will have power to act separately (unless the appointment by the Security Agent specifies to the contrary).

14.3 Additional powers

- 14.3.1 The powers of appointing an Administrator or a Receiver conferred by this deed shall be in addition to all statutory and other powers of the Security Agent under the Insolvency Act 1986 and the LPA or otherwise and shall be exercisable without the restrictions contained in s.109 LPA or otherwise.
- 14.3.2 The power to appoint an Administrator or a Receiver (whether conferred by this deed or by statute) shall be and remain exercisable by the Security Agent notwithstanding any prior appointment in respect of all or any part of the Charged Assets.

14.4 Agent of the Chargor

- 14.4.1 Any Administrator or Receiver shall be the agent of the Chargor and the Chargor shall be solely responsible for his acts and remuneration as well as for any defaults committed by him.
- 14.4.2 No Secured Party will incur any liability (either to the Chargor or to any other person) by reason of the appointment of an Administrator or Receiver.

14.5 Powers of Administrator and Receiver

A Receiver shall have (and shall be entitled to exercise), in relation to the Charged Assets over which he is appointed, and an Administrator shall have in addition to the powers he enjoys under Sched B1 Insolvency Act 1986, the following powers (as the same may be varied or extended by the provisions of this deed):

- 14.5.1 (in respect of a Receiver) all of the powers of an administrative receiver set out in Sched 1 Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- 14.5.2 all of the powers conferred from time to time on receivers, mortgagors and mortgagees in possession by the LPA,
- 14.5.3 all of the powers and rights of a legal and beneficial owner and the power to do or omit to do anything which the Chargor itself could do or omit to do; and
- 14.5.4 the power to do all things which, in the opinion of the Administrator or Receiver (as appropriate) are incidental to any of the powers, functions, authorities or discretions conferred or vested in the Administrator or Receiver pursuant to this deed or upon receivers by statute or law generally (including the bringing or defending of proceedings in the name of, or on behalf of, the Chargor; the collection and/or realisation of Charged Assets in such manner and on such terms as the Administrator or Receiver sees fit, and the execution of documents in the name of the Chargor (whether under hand, or by way of deed or by utilisation of the company seal of the Chargor)).

15 Amounts received

15.1 Application of proceeds

The Receiver shall apply all monies received by him (other than insurance monies):

- 15.1.1 first in paying all rents, taxes, duties, rates and outgoings affecting any Charged Assets,
- 15.1.2 secondly in paying all costs, charges and expenses of and incidental to his appointment and the exercise of his powers and all outgoings paid by him,
- 15.1.3 thirdly in paying his remuneration (as agreed between him and the Security Agent);
- 15.1.4 fourthly in or towards discharge of the Secured Liabilities in such order and manner as provided for in the Finance Documents or the Security Agent shall determine; and
- 15.1.5 finally in paying any surplus to the Chargor or any other person entitled to it.

15.2 Section 109(8) Law of Property Act 1925

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

15.3 Currencies of denomination

For the purpose of or pending the discharge of any of the Secured Liabilities the Security Agent may convert any monies received, recovered or realised by the Security Agent under this deed from their existing denominations and/or currencies of denomination into such other denominations and/or currencies of denomination as the Security Agent may think fit and any such conversion shall be effected at the Security Agent's then prevailing spot selling rate of exchange.

15.4 Suspense account

All monies received recovered or realised by the Security Agent under this deed may at the discretion of the Security Agent be credited to any interest bearing suspense or impersonal account and may be held in such account for so long as the Security Agent thinks fit pending the application from time to time (as the Security Agent shall be entitled to do as it may think fit) of such monies and accrued interest thereon (if any) in or towards the discharge of any of the Secured Liabilities, unless and until such monies are sufficient in amount to discharge the Secured Liabilities in full.

15.5 New accounts

If the Security Agent receives notice of any subsequent charge or other interest affecting all or part of the Charged Assets, the Security Agent may open a new account or accounts for the Chargor in its books and (without prejudice to the Security Agent's right to combine accounts) no money paid to the credit of the Chargor in any such new account will be appropriated towards or have the effect of discharging any part of the Secured Liabilities. If the Security Agent does not open a new account or accounts immediately on receipt of such notice then unless the Security Agent gives express notice to the contrary to the Chargor as from the time of receipt of such notice by the Security Agent all payments made by the Chargor to the Security Agent in the absence of any express appropriation by the Chargor to the contrary shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Liabilities.

15.6 Security Agent's set-off rights

If the Security Agent shall have more than one account for the Chargor in its books the Security Agent may at any time after the security constituted by this deed has become enforceable or the Security Agent has received notice of any subsequent charge or other interest affecting all or any part of the Charged Assets and without prior notice forthwith transfer all or any part of the balance standing to the credit of any such account to any other such account which may be in debit but the Security Agent shall notify the Chargor of the transfer having been made.

16 Power of attorney and delegation

16.1 Power of attorney

The Chargor hereby by way of security irrevocably appoints the Security Agent and (jointly and severally) each and every Administrator or Receiver of this deed to be the attorney of the Chargor and in its name and on its behalf and as its act and deed or otherwise and at any time while an Event of Default is continuing to sign, execute, seal, deliver, complete any blanks in and otherwise perfect any deed, transfer, assurance, agreement, instrument or act which such Administrator or Receiver or the Security Agent may consider expedient in the exercise of any of his or its powers or in respect of the Chargor's obligations under this deed. The power of attorney hereby granted is to secure the performance of obligations owed to the donees within the meaning of the Powers of Attorney Act 1971.

16.2 Ratification

The Chargor ratifies and confirms and agrees to ratify and confirm:

16.2.1 all transactions entered into by the Security Agent and/or any Administrator or Receiver in the proper exercise of its or their powers in accordance with this deed; and

16.2.2 all transactions entered into by the Security Agent and/or any Administrator or Receiver in signing, sealing, delivering and otherwise perfecting any assignment, mortgage, charge, security, document or other act.

16.3 The Security Agent and any Administrator or Receiver shall have full power to delegate the powers, authorities and discretions conferred on it or him by this deed (including the power of attorney), on such terms and conditions as it or he shall see fit which shall not preclude exercise of these powers, authorities or discretions by it or him or any revocation of the delegation or subsequent delegation.

17 Protection of security and further assurance

17.1 Independent security

This deed shall be in addition to and independent of every other security or guarantee that the Security Agent or any other Secured Party may at any time hold for any of the Secured Liabilities. No prior security held by the Security Agent or any other Secured Party over the whole or any part of the Charged Assets shall merge in the security created by this deed

17.2 Continuing security

This deed shall remain in full force and effect as a continuing security for the Secured Liabilities, notwithstanding any settlement of account or intermediate payment or discharge in whole or in part

17.3 No waivers; rights cumulative

No failure to exercise, nor delay in exercising, on the part of the Security Agent or any other Secured Party, any right or remedy under this deed shall operate as a waiver, nor shall any

single or partial exercise of any right or remedy preclude any further or other exercise, or the exercise of any other right or remedy. The rights and remedies of the Security Agent and each Secured Party provided in this deed are cumulative and not exclusive of any rights or remedies provided by law.

17.4 No Chargor set-off

The Chargor waives any right of set-off it may have now or at any time in the future in respect of the Secured Liabilities (including sums payable by the Chargor under this deed).

17.5 Further assurance

17.5.1 The Chargor shall, promptly upon request by the Security Agent or any Receiver or Administrator, at its own expense, take whatever action the Security Agent or a Receiver or Administrator may require for.

17.5.1.1 creating, perfecting or protecting any security intended to be created by or pursuant to this deed;

17.5.1.2 facilitating the realisation of any Charged Asset; or

17.5.1.3 exercising any right, power or discretion conferred on the Security Agent, or any Receiver or any Administrator or any of their respective delegates or sub-delegates in respect of any Charged Asset or provided by or pursuant to the Finance Documents or by law.

17.5.2 This includes.

17.5.2.1 the re-execution of this deed;

17.5.2.2 the execution of any legal mortgage, charge, transfer, conveyance, assignment or assurance of any property, whether to the Security Agent or to its nominee; and

17.5.2.3 the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Security Agent (or the Receiver or Administrator, as appropriate) may think expedient.

18 Costs and indemnity

18.1 The provisions of clause 13 (*Costs and expenses*) of the Master Facilities Agreement are incorporated into this deed as if set out in full *mutatis mutandis*.

18.2 The Chargor hereby agrees to indemnify and hold harmless the Security Agent, any Administrator and any Receiver from and against all actions, claims, expenses, demands and liabilities, whether arising out of contract or in tort or in any other way, which may at any time be incurred by him or by any manager, agent, officer, servant or workman for whose debt, default or miscarriage he may be answerable for anything done or omitted to be done in the exercise or purported exercise of his powers pursuant to this deed.

19 Miscellaneous

19.1 Benefit of Deed

The benefit of this deed will be held by the Security Agent on and subject to the terms of the Master Facilities Agreement on trust for the benefit of itself and the other Secured Parties without preference or priority amongst themselves as security for the Secured Liabilities, except as provided under the Master Facilities Agreement.

19.2 Certificates conclusive

A certificate or determination by the Security Agent as to any amount or rate under this deed shall be conclusive evidence of that amount or rate in the absence of any manifest error.

19.3 Notice of assignment

This deed constitutes notice in writing to the Chargor of any charge or assignment of a debt owed by the Chargor to any other member of the Group and contained in any other Finance Document.

19.4 Financial collateral

19.4.1 To the extent that the Charged 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 (SI 2003 No. 3226)), the Security Agent shall have the right after the Security constituted by this deed has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Liabilities.

19.4.2 For the purpose of clause 19.4.1, the value of the financial collateral appropriated shall be such amount as the Security Agent reasonably determines having taken into account advice obtained by it from an independent investment or accountancy firm of national standing selected by it.

19.5 Severability

If any provision of this deed is or becomes invalid or unenforceable, the validity and enforceability of the remaining provisions shall not be affected or impaired thereby

19.6 Section 2(1) Law of Property (Miscellaneous Provisions) Act 1989

The terms of the Finance Documents and of any side letters between any parties in relation to the Finance Documents are incorporated in this deed to the extent required to ensure that any purported disposition of Charged Assets contained in this deed is a valid disposition in accordance with s.2(1) Law of Property (Miscellaneous Provisions) Act 1989.

19.7 Third party rights

Save as expressly provided to the contrary in a Finance Document, a third party (being any person other than the Chargor and the Secured Parties and their successors and permitted assigns) 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. Notwithstanding any term of any Finance Document, the consent of such third party is not required to rescind or vary this deed at any time.

19.8 Trustee Act 2000

The Chargor and the Security Agent agree that the Security Agent shall not be subject to the duty of care imposed on the trustees by the Trustee Act 2000

20 Demands and notices

Any demand, notice, consent or communication to be made or given by or to the Chargor or the Security Agent under or in connection with this deed shall be made and delivered as provided in clause 29 (Notices) of the Master Facilities Agreement. Any demand on the Chargor shall be validly made whether or not it contains an accurate statement of the amount of the Secured Liabilities.

21 Assignment and transfer

21.1 Assignment by Security Agent

The Security Agent may at any time without the consent of the Chargor, assign or transfer the whole or any part of its rights under this deed to any person to which it can transfer its rights in accordance with the terms of the Finance Documents.

21.2 Assignment by Chargor

The Chargor may not assign any of its rights or transfer any of its obligations under this deed or enter into any transaction which would result in any of these rights or obligations passing to another person.

22 Release of Security

22.1 Release

Subject to clause 22.3 (*Discharge conditional*), upon the expiry of the Security Period (but not otherwise) the Security Agent shall, at the request and cost of the Chargor, take whatever action is necessary to release the Charged Assets from the Security constituted by this deed.

22.2 Avoidance of payments and reinstatement

If any payment by a Transaction Obligor or any discharge given by a Secured Party (whether in respect of the obligations of any Transaction Obligor or any security for those obligations or otherwise) is (a) capable of being avoided or reduced (in the reasonable opinion of the Security Agent) or (b) avoided or reduced in each case as a result of insolvency or any similar event, then:

22.2.1 the liability of each Transaction Obligor will continue as if the payment, discharge, avoidance or reduction had not occurred;

22.2.2 each Secured Party will be entitled to recover the value or amount of that security or payment from each Transaction Obligor, as if the payment, discharge, avoidance or reduction had not occurred; and

22.2.3 the Security Agent shall be entitled to enforce this deed subsequently as if such payment, discharge, avoidance or reduction had not occurred.

22.3 Discharge conditional

Any release, discharge or settlement between the Chargor and the Security Agent or any other Secured Party shall be deemed conditional upon no payment or security received by the Security Agent or such other Secured Party in respect of the Secured Liabilities being avoided or reduced or ordered to be refunded pursuant to any provision of any enactment relating to insolvency, bankruptcy, winding-up, administration or receivership and, notwithstanding any such release, discharge or settlement:

22.3.1 the Security Agent or its nominee shall be at liberty to retain this deed and the Security created by or pursuant to this deed, including all certificates and documents relating to the Charged Assets or any part thereof, for such period as the Security Agent shall deem necessary to provide the Security Agent with security against any such avoidance or reduction or order for refund; and

22.3.2 the Security Agent shall be entitled to recover the value or amount of such security or payment from the Chargor subsequently as if such settlement, discharge or release had not occurred and the Chargor agrees with the Security Agent accordingly and charges the Charged Assets and the proceeds of sale thereof with any liability under this clause, whether actual or contingent.

22.4 Refinancing

Clauses 22.2 (*Avoidance of payments and reinstatement*) and 22.3 (*Discharge conditional*) shall not apply where the Secured Liabilities have been repaid and discharged in full following an arm's length bona fide refinancing entered into by the Borrower (at a time when an insolvency or any similar event has not occurred in respect of the Borrower) with a third party bank or financial institution.

23 Governing law

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

24 Enforcement

24.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this deed (including a dispute relating to the existence, validity or termination of this deed or any non-contractual obligation arising out of or in connection with this deed) (a "**Dispute**").

24.2 The parties to this deed agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party to this deed will argue to the contrary.

24.3 This clause 24 is for the benefit of the Security Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

25 Counterparts

This deed may be executed in counterparts, all of which when taken together shall be deemed to constitute one and the same instrument.

In Witness whereof this deed has been executed by the Chargor and is intended to be and is hereby delivered as a deed the day and year first above written and has been signed on behalf of the Security Agent.

SCHEDULE 1

Properties currently owned

Part A: Registered Land

None as at the date of this deed

Part B: Unregistered Land

None as at the date of this deed

SCHEDULE 3

PART 1

Form of notice to insurers

From: AF Holdco Limited (the "Company")

To: [insurer]

Date.

Dear Sirs

We refer to the [describe policy and its number] (the "Policy").

We hereby give notice that, pursuant to a security agreement dated [] (the "Security Agreement"), we have assigned to Alchemy Special Opportunities LLP as trustee for the Secured Parties (as defined therein) (the "Security Agent") all our right, title, interest and benefit in and to the Policy.

We irrevocably authorise and instruct you from time to time:

- (a) to disclose to the Security Agent without any reference to or further authority from us (and without any enquiry by you as to the justification for each disclosure), such information relating to the Policy as the Security Agent may at any time and from time to time request;
- (b) to hold all sums from time to time due and payable by you to us under the Policy to the order of the Security Agent;
- (c) to pay or release all or any part of the sums from time to time due and payable by you to us under the Policy only in accordance with the written instructions given to you by the Security Agent from time to time;
- (d) to comply with any written notice or instructions in any way relating to, or purporting to relate to, the Policy, the sums payable to us from time to time under the Policy or the debts represented thereby which you receive at any time from the Security Agent without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction; and
- (e) to send copies of all notices and other information given or received under the Policy to the Security Agent.

We are not permitted to receive from you, otherwise than through the Security Agent, any amount in respect of or on account of the sums payable to us from time to time under the Policy or to agree any amendment or supplement to, or waive any obligation under, the Policy without the prior written consent of the Security Agent.

This notice may only be revoked or amended with the prior written consent of the Security Agent

Please confirm by completing the enclosed acknowledgement and returning it to the Security Agent (with a copy to us) that:

- (a) you accept the instructions and authorisations contained in this notice,

- (b) you have not, at the date this notice is returned to the Security Agent, received any notice that any third party has or will have any right or interest in, or has made, or will be making any claim or demand or taking any action in respect of, the rights of the Company under or in respect of the Policy and you will notify the Security Agent promptly if you should do so in future;
- (c) you will pay or release all or part of the amounts from time to time due and payable by you under the Policy in accordance with the written instructions given to you by the Security Agent from time to time;
- (d) you will not exercise any right to terminate, cancel, vary or waive the Policies or take any action to amend or supplement the Policies without first giving 14 days' written notice to the Security Agent; and
- (e) that the Security Agent's interest as mortgagee is noted on the Policy.

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

Yours faithfully

.....
for and on behalf of
AF Holdco Limited

PART 2

Form of acknowledgement from insurers

From: [insurer]

To: Alchemy Special Opportunities LLP (the "Security Agent")

Date:

Dear Sirs

We acknowledge receipt of a notice dated [] (the "Notice") and addressed to us by AF Holdco Limited (the "Company") regarding the Policy (as defined in the Notice).

- (a) we accept the instructions and authorisations contained in this notice,
- (b) we have not, at the date of this acknowledgement, received any notice that any third party has or will have any right or interest in, or has made, or will be making any claim or demand or taking any action in respect of, the rights of the Company under or in respect of the Policy and we will notify the Security Agent promptly if you should do so in future;
- (c) we will pay or release all or part of the amounts from time to time due and payable by us under the Policy in accordance with the written instructions given to us by the Security Agent from time to time,
- (d) we will not exercise any right to terminate, cancel, vary or waive the Policies or take any action to amend or supplement the Policies without first giving 14 days' written notice to the Security Agent;
- (e) the Security Agent's interest as first priority mortgagee is noted on the Policy, and
- (f) we will provide you with all information in connection with the Policy which we would ordinarily provide to the Company and we will notify you of any renewals, variations or cancellations of the Policy made, threatened or pending.

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

Yours faithfully

[insurer]

SCHEDULE 4

PART 1

Form of notice to counterparties of Assigned Agreements

From: AF Holdco Limited

To: [counterparty]/[tenant]¹

Date:

Dear Sirs

We refer to the [describe relevant Assigned Agreement] [(the "Agreement")]/[(the "Lease")]

We hereby notify you that pursuant to a security agreement dated [] (the "Security Agreement") we have assigned to Alchemy Special Opportunities LLP as trustee for the Secured Parties (as defined therein) (the "Security Agent") absolutely (subject to a proviso for reassignment on redemption) all our right, title, interest and benefit in and to the [Agreement]/[Lease].

[We irrevocably instruct and authorise you to pay any rent payable by you under the Lease to our account with [] at [], account number [], sort code [] (the "Account").]²

We further notify you that:

- (a) we may not agree to amend, modify or terminate the [Agreement]/[Lease] without the prior written consent of the Security Agent;
- (b) subject to paragraph (a) above you may continue to deal with us in relation to the [Agreement]/[Lease] until you receive written notice to the contrary from the Security Agent. Thereafter we will cease to have any right to deal with you in relation to the [Agreement]/[Lease] and therefore from that time you should deal only with the Security Agent;
- (c) you are authorised to disclose information in relation to the [Agreement]/[Lease] to the Security Agent on request;
- (d) [you must pay all monies to which we are entitled under the Agreement direct to the Security Agent (and not to us) unless the Security Agent otherwise agrees in writing;]³ and
- (e) the provisions of this notice may only be revoked with the written consent of the Security Agent.

Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to us) by way of confirmation that:

- (i) you agree to the terms set out in this notice and to act in accordance with its provisions; and
- (ii) you have not received notice that we have assigned our rights under the [Agreement]/[Lease] to a third party or created any other interest (whether by way of security or otherwise) in the [Agreement]/[Lease] in favour of a third party.

¹ Amend references to "tenant" and "Lease" throughout this schedule if assigning the benefit of a Lease.

² Only relevant in a notice to a tenant.

³ This is not relevant in a notice to a tenant.

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

Yours faithfully

.....
for and on behalf of
AF Holdco Limited

PART 2

Form of acknowledgement from counterparties of Assigned Agreements

From: [counterparty]/[tenant]
To: Alchemy Special Opportunities LLP
Copy to: AF Holdco Limited
Date:

We hereby acknowledge receipt of the notice dated [], a copy of which is attached to the acknowledgment (the "**Notice**") and confirm the matters set out in paragraphs (i) and (ii) of the Notice.

[We also confirm that we must pay all monies payable by us under the Lease into the Account (as defined in the Notice) and will continue to do so until we receive your written instructions to the contrary.]⁴

.....
for and on behalf of
[counterparty]/[tenant]

⁴ Only relevant if assigning the benefit of a Lease.

SCHEDULE 5

PART 1

Form of notice of charge to third party bank

To. [name and address of third party bank]

Attention: []

Date:

Dear Sirs

We hereby give you notice that by a security agreement dated [] 20[] (the "**Security Agreement**") [(a copy of which is attached)] we have charged to Alchemy Special Opportunities LLP as trustee for the Secured Parties (as defined therein) (the "**Security Agent**") all our right, title and interest in and to all sums of money which are now or may from time to time in the future be held in the following accounts in our name with you together with all interest credited thereto and the debts represented by those sums.

[] (together the "**Accounts**")

We hereby irrevocably instruct and authorise you.

- 1 to credit to each Account all interest from time to time earned on the sums of money held in that Account;
- 2 to disclose to the Security Agent, without any reference to or further authority from us and without any liability or inquiry by you as to the justification for such disclosure, such information relating to the Accounts and the sums in each Account as the Security Agent may, at any time and from time to time, request you to disclose to it;
- 3 to hold all sums from time to time standing to the credit of each Account in our name with you to the order of the Security Agent;
- 4 to pay or release all or any part of the sums from time to time standing to the credit of each Account in our name with you in accordance with the written instructions of the Security Agent at any time and from time to time, and
- 5 to comply with the terms of any written notice or instructions in any way relating to the Accounts or the sums standing to the credit of any Account from time to time which you may receive at any time from the Security Agent without any reference to or further authority from us and without any liability or inquiry by you as to the justification for or validity of such notice or instructions.

[Please note we are not permitted to withdraw any amount from the Accounts without the prior written consent of the Security Agent.]⁵

OR

[By counter-signing this notice, the Security Agent confirms that we may make withdrawals from the Accounts until such time as the Security Agent shall notify you in writing that their permission is

⁵ Use for blocked accounts

withdrawn, whereupon we will not be permitted to withdraw any amounts from any Account without the prior written consent of the Security Agent.]⁶

These instructions cannot be revoked or varied without the prior written consent of the Security Agent.

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

Please confirm your acceptance of the above instructions by returning the attached acknowledgement to the Security Agent with a copy to ourselves.

Yours faithfully

By,
for and on behalf of
AF Holdco Limited

⁶ Use for unblocked accounts

PART 2

Form of acknowledgement from third party bank

To:

Alchemy Special Opportunities LLP
21 Palmer Street, London, SW1H 0AD

Date.

Dear Sirs

We confirm receipt of a notice dated [] (the "**Notice**") from AF Holdco Limited (the "**Company**") of a charge, upon the terms of a Security Agreement dated [] 20[], over all the Company's right, title and interest in and to all sums of money which are now or may from time to time in the future be held in the following accounts with us in the name of the Company together with interest relating thereto:

[] (together the "**Accounts**")

We confirm that:

- 1 we accept the instructions and authorisations contained in the Notice and undertake to comply with its terms;
- 2 we have not received notice of the interest of any third party in any Account or in the sums of money held in any Account or the debts represented by those sums and we will notify you promptly should we receive notice of any third party interest;
- 3 [we have not claimed or exercised, nor will we claim or exercise, any Security or right of set-off or combination or counterclaim or other right in respect of any Account, the sums of money held in any Account or the debts represented by those sums;]
- 4 we will not permit any amount to be withdrawn from any Account except against the signature of one of your authorised signatories,

OR

- 5 [until you notify us in writing that withdrawals are prohibited, the Company may make withdrawals from the Accounts; upon receipt of such notice we will not permit any amount to be withdrawn from any Account except against the signature of one of your authorised signatories;]⁷ and
- 6 we will not seek to modify, vary or amend the terms upon which sums are deposited in the Accounts without your prior written consent.

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

⁷ Use for unblocked accounts

SIGNATORIES (TO SECURITY AGREEMENT)

The Chargor

EXECUTED as a DEED and)
DELIVERED by)
AF HOLDCO LIMITED)
acting by)

.....
Director

in the presence of.

Signature:

Name:

Address:

Occupation:

The Security Agent

SIGNED by ALEX LEICESTER)
for and on behalf of)
ALCHEMY SPECIAL OPPORTUNITIES LLP)

.....
Title: PARTNER