



Registration of a Charge

Company name: **PMF D1 LTD**

Company number: **10774792**



X6YF0JCP

Received for Electronic Filing: **26/01/2018**

Details of Charge

Date of creation: **10/01/2018**

Charge code: **1077 4792 0001**

Persons entitled: **DFI NOMINEES LIMITED**

Brief description: **FIXED AND FLOATING CHARGE**

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

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 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **BEN LLOYD**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 10774792

Charge code: 1077 4792 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 10th January 2018 and created by PMF D1 LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 26th January 2018 .

Given at Companies House, Cardiff on 30th January 2018

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**

DATED

10 JANUARY 2018

(1) PMF D1 LTD

(2) THE PERSONS LISTED IN SCHEDULE 1

(3) DFI NOMINEES LTD

DEBENTURE

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THIS DEED is dated 10 January 2018 and made

BETWEEN:

- (1) **PMF D1 LTD** a company incorporated in England and Wales having its registered office at 306 Vanilla Factory, 39 Fleet Street, Liverpool, Merseyside L1 4AR (the "Chargor");
- (2) **THE PERSONS LISTED** in Schedule 1 (the "Original Noteholders"); and
- (3) **DFI NOMINEES LIMITED** a company incorporated in England and Wales with registered number 10078124 and having its registered office at 306 Vanilla Street, 39 Fleet Street, Liverpool, Merseyside L1 4AR (the "Security Trustee").

BACKGROUND

The Chargor enters into this deed in connection with the Note Instrument (as defined below).

IT IS AGREED as follows:

1 DEFINITIONS

In this deed the following words and expressions shall have the following meanings:

Account Bank	each bank, financial institution or other person with whom an Account is maintained.
Acceleration Event	the occurrence of any circumstance set out in clause 5.1 (Accelerated Repayment) of the Loan Note Instrument and/or any breach by the Chargor of any of its obligations under this deed.
Accounts	the accounts with any Account Bank at any time owned or operated by the Chargor as renumbered or redesignated from time to time, each replacement account or sub-account relating to any of them, all money from time to time standing to the credit of those accounts and all interest accruing in relation to them and the debt or debts represented thereby.
Administrator	any administrator appointed in respect of the Chargor whether by the Security Trustee, a court or otherwise.

Assigned Contract	each of the contracts described in 0 (Assigned Contracts), all guarantees, warranties and indemnities issued in relation to any Assigned Contract and any other agreement designated in writing as an Assigned Contract by the Chargor and the Security Trustee.
Authorisation	an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.
Business Day	A day (which for these purposes ends at 5.30pm) on which banks are open for commercial business in the City of London other than a Saturday, Sunday or Public Holiday.
Chattels	all plant, machinery, vehicles, tools, computers, equipment, furniture and other chattels and any renewal or replacement of them together with the benefit of all warranties, guarantees, maintenance contracts, consents and licences relating to them.
Discharge Date	the date on which all the Secured Liabilities have been irrevocably discharged in full and no further Secured Liabilities are capable of arising.
Dividend	all dividends and distributions of any kind, interest and any other income received or receivable in relation to any of the Shares.
Finance Documents	the Note Instrument, this deed and any other document designated as such by the Chargor and the Security Trustee.
Finance Party	each of the Security Trustee and each Noteholder.

Insurance Policies

all the contracts and policies of insurance effected or maintained by the Chargor from time to time in respect of its assets or business (including, without limitation, any insurances relating to the Real Properties or the Chattels).

Intellectual Property

- (a) all present and future patents, trade marks, service marks, designs, business and trade names, copyrights, design rights, moral rights, inventions, confidential information, know how, topographical or similar rights and other intellectual property rights and interests whether registered or unregistered;
- (b) the benefit of all applications, licences and rights to use such assets described in paragraph (a) above; and
- (c) claims and all fees, royalties and other rights deriving from the rights and assets described in paragraphs (a) and (b) above.

Investment

the Shares and Dividends.

Lease

any present or future lease, sub-lease, licence, tenancy or other agreement or right to occupy governing the use or occupation of any of the Real Property, whether on a fixed term or periodic basis.

Loan Note Instrument

the instrument constituting the Loan Notes in the agreed form and Note Instrument shall be construed accordingly.

Loan Notes

the £279,950 secured fixed rate loan notes 10 January 2018 of the Chargor constituted by the Loan Note Instrument and Notes shall be construed accordingly.

LPA	the Law of Property Act 1925.
Monetary Claims	all book and other debts and monetary claims of any nature and however arising at any time owing to the Chargor or in which it has an interest together with the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to the same.
Noteholder	each Original Noteholder and its successor in title, its permitted transferee and its permitted assignee.
Notes	the Loan Notes.
Note Instruments	the Loan Note Instrument.
Real Property	<p>(a) any freehold, leasehold or immovable property in which the Chargor has an interest;</p> <p>(b) any buildings, fixtures, fittings (including trade fittings and machinery) and fixed plant and machinery from time to time situated on or forming part of that property;</p> <p>and includes all Related Rights.</p>
Receiver	an administrative receiver, receiver and manager or a receiver, in each case appointed under this deed.
Regulations	the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226).

Related Rights

as regards any Secured Asset, all present and future:

- (a) money and proceeds of any nature paid or payable in relation to the Secured Asset, including sale proceeds and money paid by way of damages, award or judgment made in connection with that Secured Asset; and
- (b) rights and interests of any nature attaching to, deriving from or exercisable as a result of the Chargor's interest in or ownership or operation of the Secured Asset.

Relevant Currency

in relation to each of the Secured Liabilities, the currency in which it is from time to time denominated.

Secured Assets

the rights, interests and assets from time to time subject, or expressed to be subject, to the Security created or expressed to be created by this deed or any document entered into pursuant to or supplemental to this deed.

Secured Liabilities

all present and future obligations and liabilities (whether actual or contingent and whether owed as principal or surety, jointly or severally or in any other capacity whatsoever and whether owed to the original obligee or any other person as a result of any transfer, amalgamation or acquisition including (without limitation) interest, fees, banking charges, commission and sums due in relation to costs and expenses) of any kind and in any currency due, owing or incurred by the Chargor to the Finance Parties under the Finance Documents or on any other account whatsoever.

Security

a mortgage, charge, pledge, lien, assignment by way of security, retention of title provision, trust or flawed asset arrangement (for the purpose of, or which has the effect of, granting security) or other security interest securing any obligation of any person or any other agreement or arrangement in any jurisdiction having a similar effect.

Shares

- (a) all shares, stocks, debentures, bonds, warrants, interests in collective investment schemes and all other securities and investments of any kind whatsoever (whether in certificated or uncertificated form) at any time owned by the Chargor or in which it has an interest;
- (b) shares, stocks, debentures, bonds, warrants, coupons, securities, investments, money or other assets arising by way of conversion, exchange, substitution, rights issue, redemption, bonus, preference, option or otherwise in relation to any of the assets referred to in paragraph (a) above;
- (c) rights to subscribe for, purchase or otherwise acquire any of the assets referred to in paragraph (a) through options, warrants or otherwise; and
- (d) rights relating to any of the assets referred to in paragraph (a) which are deposited with or registered in the name of any depository, custodian, nominee, clearing house or investment manager or similar person whether on a fungible basis or otherwise and including all rights against that person.

Subsidiary

shall have the meaning given to such term in section 1159 of the Companies Act 2006.

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

2 INTERPRETATION

2.1 Unless otherwise defined in this deed, a term defined in the Note Instrument has the same meaning in this deed and any notice given under or in connection with this deed.

2.2 Clauses 1.2 and 1.3 (Interpretation) of the Note Instrument are incorporated in this deed as if set out in full in this deed with all necessary consequential changes and as if references in that clause to **this Instrument** were references to this deed.

2.3 Unless a contrary indication appears, a reference in this deed to:

2.3.1 **Secured Liabilities** is deemed to include a reference to any part of them;

2.3.2 **Secured Assets** includes:

- (a) any part of the Secured Asset;
- (b) any present and future assets of that type; and
- (c) all Related Rights relating to that Secured Asset;

2.3.3 a **Finance Document** or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended, replaced or restated;

2.3.4 the **Chargor** each **Noteholder** the **Security Trustee** or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Security Trustee, any person for the time being appointed as Security Trustee or Security Trustees in accordance with the Finance Documents;

2.3.5 the singular is deemed to include the plural and vice versa; and

2.3.6 a **person** is deemed to include a reference to any individual, firm, company, organisation, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality).

2.4 Any undertaking given by the Chargor under this deed remains in force until the Discharge Date.

2.5 The terms of the other Finance Documents and of any side letters between any parties in relation to any Finance Document (as the case may be) are incorporated in

this deed to the extent required to ensure that any purported disposition of any freehold or leasehold property contained in this deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

3 APPOINTMENT AND DUTIES OF THE SECURITY TRUSTEE

3.1 Appointment

- 3.1.1 Each Finance Party (other than the Security Trustee) appoints the Security Trustee to act as its Security Trustee in connection with the Finance Documents.
- 3.1.2 The Security Trustee accepts the appointment referred to in clause 3.1.1 above and declares that it holds all rights, title and interests in, to and under those Finance Documents to which it is a party and expressed to be a trustee (acting as trustee for the Finance Parties), and all proceeds of the enforcement of such Finance Documents, on trust for the Finance Parties from time to time in accordance with this clause and the other provisions of the Finance Documents. This trust shall remain in force even if the Security Trustee (in whatever capacity) is at any time the sole Finance Party.
- 3.1.3 If the Security Trustee so desires from time to time, it may appoint (and subsequently dismiss) such other persons as it may select as additional trustees under the Finance Documents. Any such additional trustee shall be entitled to and be bound by the other provisions of the Finance Documents (and its powers, authorities, discretions, duties and obligations shall be as determined by the Security Trustee) and references in any Finance Document to the Security Trustee in its capacity as trustee shall include a several reference to each such additional trustee. Whenever there is more than one trustee, all trustees must act jointly. The reasonable remuneration that the Security Trustee may pay to that person, and any costs and expenses (together with any applicable VAT) incurred by that person in performing its functions pursuant to that appointment shall for the purposes of this deed, be treated as costs and expenses incurred by the Security Trustee.
- 3.1.4 Section 1 of the Trustee Act 2000 shall not apply to the duties of the Security Trustee in relation to the trusts constituted by any Finance Document. Where there are any inconsistencies between that Act and the provisions of that Finance Document, the provisions of that Finance Document shall, to the extent allowed by law, prevail and, in the case of any inconsistency with that Act, the provisions of that Finance Document shall constitute a restriction or exclusion for the purposes of that Act.
- 3.1.5 Each of the parties to this deed agrees that the Security Trustee shall have only those duties obligations and responsibilities expressly specified in the

Finance Documents to which the Security Trustee is expressed to be a party (and no others shall be implied).

- 3.1.6 The Security Trustee shall inform the affected Noteholders of the occurrence of any default by the Chargor in the due performance of or compliance with its obligations under any Finance Document of which the Security Trustee has received notice from any other party.

3.2 No independent power

The Finance Parties shall not have any independent power to enforce, or have recourse to, any of the Security or to exercise any rights or powers arising under this deed except through the Security Trustee.

3.3 Receipts for its own account

The Security Trustee shall not be bound to account to any Noteholder for any sum or the profit element of any sum received by it for its own account.

3.4 Business with the Chargor

The Security Trustee may retain any profits or remuneration it may receive under the Finance Documents or in relation to any other business it carries on with the Chargor.

3.5 Rights and discretions of the Security Trustee and any Receiver

- 3.5.1 The Security Trustee may rely on:

- (a) any representation, notice or document believed by it to be genuine, correct and appropriately authorised; and
- (b) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.

- 3.5.2 The Security Trustee may assume (unless it has received notice to the contrary in its capacity as trustee for the Finance Parties) that:

- (a) no default under the Finance Documents has occurred (unless it has actual knowledge of a default arising); and
- (b) any right, power, authority or discretion vested in any party to the Finance Documents or the Noteholders has not been exercised.

- 3.5.3 The Security Trustee may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.

- 3.5.4 The Security Trustee may act in relation to the Finance Documents through its personnel and agents.

- 3.5.5 The Security Trustee and/or any Receiver may on any terms it chooses (including the power to sub-delegate) delegate all of its rights, powers

authorities and discretions under the Finance Documents and shall not be bound to supervise, or be in any way responsible for any loss or liability incurred as a result of any act, default, omission or misconduct by the delegate, save where the Security Trustee or any Receiver has been grossly negligent in making any such delegation.

3.5.6 The Security Trustee may disclose to any other party any information it reasonably believes it has received as trustee under this deed and, unless a Finance Document expressly provides otherwise, it is not obliged to review or check the adequacy, accuracy or completeness of any document it discloses to another party.

3.5.7 Notwithstanding any other provision of any Finance Document to the contrary, the Security Trustee is not obliged to do or omit to do anything if it would or might, in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

3.6 Powers Supplemental

The rights, powers and discretions inferred upon the Security Trustee by this deed shall be supplemental to the Trustee Act 1925 and the Trustees Act 2000 and in addition to any power which may be vested in the Security Trustee by the general law or otherwise.

3.7 Instructions to the Security Trustee

3.7.1 Unless a contrary indication appears in a Finance Document, the Security Trustee shall:

- (a) exercise any right, power, authority or discretion vested in it as Security Trustee in accordance with any instructions given to it by the Noteholders (or, if so instructed by the Noteholders, refrain from exercising any right, power, authority or discretion vested in it as Security Trustee);
- (b) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Noteholders; and
- (c) be entitled to assume that (i) any instructions received by it from the creditors of the Chargor or any group of such creditors are duly given in accordance with the terms of the Finance Documents and (ii) when it has received actual notice of revocation, that those instructions or directions have not been revoked.

3.7.2 Unless a contrary indication appears in a Finance Document, any instructions given by the Noteholders will be binding on all the Finance Parties and shall override any conflicting instructions given by any other party.

- 3.7.3 The Security Trustee may refrain from acting in accordance with the instructions of the Noteholders until it has received such indemnification and/or security as it may require (whether by way of payment in advance or otherwise for any cost, loss or liability (together with any associated VAT) which it may incur in complying with the instructions.
- 3.7.4 In the absence of instructions from the Noteholders the Security Trustee may act (or refrain from taking action) as each considers to be in the best interest of the Noteholders.
- 3.7.5 The Security Trustee is not authorised to act on behalf of a Noteholder (without first obtaining that Noteholder's consent) in any legal or arbitration proceedings relating to any Finance Document.
- 3.7.6 Clauses 3.7.1 and 3.7.5 shall not apply in respect of any provision of the Finance Documents which protects the Security Trustee's own position in its personal capacity as opposed to its role of Security Trustee for the Finance Parties.
- 3.7.7 If giving effect to instructions given by the Noteholders would (in the Security Trustee's opinion) have an effect equivalent to an amendment to a Finance Document, the Security Trustee shall not act in accordance with those instructions unless consent to it so acting is obtained from each party (other than the Security Trustee) whose consent would have been required in respect of that amendment.

3.8 Exclusion of liability

- 3.8.1 Without limiting clause 18 (Liability of the Security Trustee) below, neither the Security Trustee nor Receiver shall be liable including, without limitation for negligence or any other category of liability whatsoever for any exercise or failure to exercise any judgment, discretion or power or any action taken or not taken by it under or in connection with any Finance Document or the Security created by this deed, unless directly caused by its gross negligence or wilful misconduct.
- 3.8.2 No party (other than the Security Trustee) may take any proceedings against any officer, employee or agent of the Security Trustee or Receiver in respect of any claim it might have against the Security Trustee or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Security Trustee or the Receiver, may rely on this clause.

3.9 No responsibility to perfect Security created by this deed

The Security Trustee shall not be liable for any failure to take, or require any steps to be taken, to render the Security created by this deed effective or to protect such Security (or the priority of any such Security) under any applicable laws in any jurisdiction:

3.10 Winding up of trust

If the Discharge Date has occurred, the trusts set out in this deed shall be wound up and the Security Trustee shall release, without recourse or warranty, all of the Security created by this deed and the rights of the Security Trustee under this deed in accordance with clause 24 (Release of Security).

3.11 Noteholders' indemnity to the Security Trustee

Each Noteholder shall (in proportion to its share of the Notes or, if the Notes are then zero, to its share of the Notes immediately before their reduction to zero) indemnify the Security Trustee and any Receiver (each an **Indemnified Party**), within three Business Days of demand, against any cost, loss or liability incurred by the relevant Indemnified Party (otherwise than by reason of the gross negligence or wilful misconduct of that Indemnified Party) in acting as Security Trustee or Receiver under the Finance Documents (unless the relevant Indemnified Party has been reimbursed by the Chargor pursuant to a Finance Document).

3.12 Relationship with the Noteholders

3.12.1 The Security Trustee may treat each person shown in its records as a Noteholder at the opening of business (in the place of the Security Trustee's principal offices as notified to the Finance Parties from time to time) as a Noteholder:

- (a) entitled to or liable for any payment due under any Finance Document on that day; and
- (b) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day unless it has received not less than five Business Days' prior notice from that Noteholder to the contrary.

3.12.2 Each Noteholder shall supply the Security Trustee with any information that the Security Trustee may reasonably specify as being necessary or desirable to enable the Security Trustee to perform its functions as Security Trustee.

3.13 Independent appraisal by the Noteholders

Without affecting the responsibility of the Chargor for information supplied by it or on its behalf in connection with any Finance Document, each Noteholder confirms to the Security Trustee that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of:

3.13.1 all risks arising under or in connection with any Finance Document;

3.13.2 the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and the Security created by this deed;

- 3.13.3 the accuracy, adequacy and/or completeness of any information supplied to it in connection with Finance Documents (including, without limitation, any determination as to the impact of any applicable laws or regulation in respect of the confidentiality, use and disclosure of such information in respect of insider dealing or otherwise);
- 3.13.4 any matters relevant to "know your customer" or other checks required to be carried out by a Noteholder.

4 UNDERTAKING TO PAY

The Chargor covenants with the Finance Parties to pay, discharge and satisfy all the Secured Liabilities when due in accordance with their respective terms (or, if the relevant terms do not specify a time for payment, immediately on demand by the Security Trustee) and to indemnify the Finance Parties against any losses, costs, charges, expenses and liabilities arising from any breach or failure to pay, discharge and satisfy the Secured Liabilities in accordance with their respective terms.

5 SECURITY

5.1 General

5.1.1 All the Security created under this deed:

- (a) is created in favour of the Security Trustee as trustee for the Finance Parties;
- (b) is security for the payment, discharge and performance of all the Secured Liabilities except for any Secured Liabilities which, if secured by this deed, would cause such security to be unlawful or prohibited by any applicable law; and
- (c) is granted with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

5.1.2 If the Chargor assigns its rights under an agreement (or charges those rights by way of first fixed charge) under this deed and the assignment or charge breaches a term of that agreement because a third party's consent has not been obtained:

- (a) the Chargor shall notify the Security Trustee promptly;
- (b) until the consent is obtained, this deed will secure all amounts of any nature which the Chargor may now or in future receive under or in connection with that document but exclude rights under the agreement itself;
- (c) unless the Security Trustee otherwise requires, the Chargor shall use reasonable endeavours to obtain the consent of the relevant

party to rights under that agreement being secured in accordance with this deed; and

- (d) the Chargor shall promptly supply the Security Trustee with a copy of any consent obtained by it.

5.2 Real Property

The Chargor charges:

- 5.2.1 by way of legal mortgage, all the Real Property and all rights under any licence or other agreement or document which gives the Chargor a right to occupy or use the Real Property; and
- 5.2.2 (to the extent that they are not the subject of a mortgage under sub-clause 5.2.1 above) by way of a first fixed charge, all the Real Property and all rights under any licence or other agreement or document which gives the Chargor a right to occupy or use the Real Property.

5.3 Leases

The Chargor assigns absolutely, as security for the Secured Liabilities, subject to reassignment by the Security Trustee in accordance with clause 24 (Release of Security), all its rights in respect of the Leases provided that if any of those rights are not effectively assigned by this sub clause, the assignment shall instead operate as an assignment of all sums, of any nature, which the Chargor may derive from those rights.

5.4 Accounts

The Chargor charges by way of first fixed charge all of its rights and interest in and to the Accounts.

5.5 Monetary Claims

The Chargor charges by way of a first fixed charge all the Monetary Claims.

5.6 Investments

The Chargor charges, by way of a first fixed charge all the Shares and Dividends.

5.7 Chattels

The Chargor charges, by way of a first fixed charge, all of the Chattels owned by it and its interest in any Chattels in its possession and all its present and future goodwill and uncalled capital.

5.8 Assigned Contracts and Insurance Policies

- 5.8.1 The Chargor assigns absolutely, as security for the Secured Liabilities, subject to reassignment by the Security Trustee in accordance with clause

24 (Release of Security), all of its rights in respect of the Assigned Contracts and the Insurance Policies.

- 5.8.2 To the extent that they are not effectively assigned under clause 5.8.1, the Chargor charges by way of a first fixed charge all of its rights described in clause 5.8.1.

5.9 Intellectual Property

The Chargor charges, by way of first fixed charge, all of its rights in its Intellectual Property.

5.10 Floating charge

- 5.10.1 The Chargor charges by way of a floating charge all its assets whatsoever and wheresoever not at any time otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, charge or assignment under clauses 5.2 to 5.9.

- 5.10.2 The floating charge created by this sub-clause will automatically and immediately (without notice) convert into a fixed charge over all the Chargor's assets if:

- (a) an Acceleration Event has occurred;
- (b) the Security Trustee considers any Secured Asset to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or otherwise to be in jeopardy;
- (c) an administrator is appointed in relation to the Chargor or the Security Trustee receives notice of any person's intention to appoint an administrator;
- (d) the members of the Chargor convene to consider a resolution regarding the winding up, dissolution or reorganisation of the Chargor;
- (e) the Chargor is presented with a petition for its compulsory winding up; or
- (f) the Chargor creates or attempts to create without the prior written consent of the Security Trustee a Security or a trust in favour of another person on all or any part of the Secured Assets or disposes or attempts to dispose of all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains uncrystallised).

- 5.10.3 Any asset acquired by the Chargor after any crystallisation of the floating charge created under this deed which, but for that crystallisation, would be subject to a floating charge under this deed, shall (unless the Security

Trustee confirms otherwise to the Chargor in writing) be charged to the Security Trustee by way of first fixed charge.

5.10.4 The floating charge created by this sub-clause may not be converted into a fixed charge solely by reason of:

- (a) the obtaining of a moratorium; or
 - (b) anything done with a view to obtaining a moratorium,
- under the Insolvency Act 2000.

5.10.5 The floating charge created by this sub-clause is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

6 GENERAL REPRESENTATIONS AND WARRANTIES

The Chargor represents and warrants to the Security Trustee that:

6.1 Status

6.1.1 It is a limited liability corporation duly incorporated and validly existing under the law of its jurisdiction of incorporation.

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

6.2 Binding obligations

6.2.1 The obligations expressed to be assumed by it in this deed are legal, valid, binding and enforceable obligations.

6.2.2 Without limiting the generality of clause 6.2.1 above, this deed creates the Security which it purports to create and that Security is valid, effective and not liable to be avoided or set aside on the Chargor's liquidation or administration or otherwise.

6.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, this deed do not and will not conflict with:

6.3.1 any law or regulation applicable to it;

6.3.2 its constitutional documents; or

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

6.4 Power and authority

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

6.4.2 No limit on its powers will be exceeded as a result of creating any Security or giving any indemnity contemplated by this deed.

6.5 Validity and admissibility in evidence

All Authorisations required or desirable:

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

6.5.2 to make this deed admissible in evidence in its jurisdiction of incorporation; and

6.5.3 to enable it to grant the Security constituted, or expressed to be constituted, by this deed and to ensure that such Security has and will have the priority and ranking which it is expressed to have in this deed,

have been obtained or effected and are in full force and effect, save for the making of any appropriate registrations of this deed with the Registrar of Companies.

6.6 Ranking

Subject to the requirements specified at the end of clause 6.5 this deed creates first ranking Security in favour of the Security Trustee.

6.7 Beneficial ownership etc

The Chargor is the sole legal and/or beneficial owner of the Secured Assets free from any claims, third party rights or competing interests.

6.8 No existing Security

Except for the Security constituted by this deed, no Security exists in respect of any of the Secured Assets.

6.9 Repetition

Each of the representations and warranties made by the Chargor in this clause and elsewhere in this deed 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 each day until the Discharge Date.

7 GENERAL UNDERTAKINGS

7.1 Security

The Chargor shall not create or permit to subsist any Security over the Secured Assets other than pursuant to this deed.

7.2 Disposal

The Chargor shall not enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer, assign or otherwise dispose of any of the Secured Assets.

7.3 Other obligations

The Chargor shall comply with all laws and regulations relating to the Secured Assets and with all conditions and obligations assumed by it in any agreement relating to any of the Secured Assets.

7.4 Rights relating to Secured Assets

The Chargor shall not take any action (or permit any action to be taken) which results or could result in any of its rights relating to any Secured Asset being impaired in any material respect.

7.5 Authorisations

The Chargor shall promptly obtain, comply with and do all that is necessary to maintain in full force and effect and supply certified copies to the Security Trustee of any Authorisation required under any law or regulation of its jurisdiction of incorporation to:

7.5.1 enable it to perform its obligations under this deed;

7.5.2 to ensure the legality, validity, enforceability or admissibility in evidence of this deed; and

7.5.3 carry on its business.

7.6 Security not to be prejudiced

The Chargor shall not do, or permit to be done, anything which could prejudice the Security constituted or expressed to be constituted by this deed.

8 REAL PROPERTY

8.1 Acquisitions

8.1.1 If the Chargor acquires any freehold, leasehold or commonhold property after the date of this deed it shall:

(a) notify the Security Trustee immediately;

(b) promptly on request by the Security Trustee and at the cost of the Chargor, execute and deliver to the Security Trustee a legal

mortgage in favour of the Security Trustee, in any form which the Security Trustee may require;

- (c) if the title to that freehold, leasehold or commonhold property is registered at the Land Registry or required to be so registered, give the Land Registry written notice of this deed; and
- (d) if applicable, ensure that details of this deed are correctly noted in the Register of Title against that title at the Land Registry.

8.1.2 If the consent of the landlord in whom the reversion of a lease is vested is required for the Chargor to execute a legal mortgage over it, the Chargor will not be required to perform that obligation unless and until it has obtained the landlord's consent. The Chargor shall immediately request the relevant landlord's consent and shall use its reasonable endeavours to obtain that consent within 14 days of making the request.

8.2 The Land Registry

8.2.1 The Chargor consents to an application being made to the Land Registry to enter the following on the Register of Title relating to any Real Property registered at the Land Registry:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction is to be registered without a written consent signed by the proprietor for the time being of the charge dated [] in favour of [] referred to in the charges register".

8.2.2 The Chargor shall promptly on request by the Security Trustee make all applications to and filings with the Land Registry which are necessary or desirable under the Land Registration Rules 2003 to protect the Security created by or pursuant to this deed.

8.2.3 The Chargor authorises the Security Trustee and/or any solicitors or other agent acting on behalf of the Security Trustee to complete, execute and deliver on the Chargor's behalf (but at the cost of the Chargor) to the Land Registry any form, document or other information requested by the Land Registry with regard to the applications referred to in this clause.

9 ACCOUNTS

9.1 Undertakings

The Chargor shall:

9.1.1 upon the request of the Security Trustee, deliver to the Security Trustee details of each Account maintained by it promptly upon creating that Account and to advise the Security Trustee immediately of any redesignation or change in account details affecting any Account;

- 9.1.2 promptly upon request by the Security Trustee, supply the Security Trustee with copies of all mandate letters, bank statements and other agreements relating to the Accounts; and
- 9.1.3 not permit or agree to any variation of the terms and conditions relating to any Account or close any Accounts without the prior written consent of the Security Trustee.
- 9.2 After the occurrence of an Acceleration Event the Chargor shall not be entitled to make any withdrawals or transfers from any Account without the Security Trustees' prior written consent.
- 9.3 Amounts permitted to be withdrawn or transferred from the Accounts pursuant to this deed shall, upon such withdrawal or transfer, be released from the Security constituted by this deed.
- 9.4 **Notice to Account Banks**

The Chargor shall on the request of the Security Trustee immediately serve a notice of charge in a form acceptable to the Security Trustee on each Account Bank. Any instructions contained in a notice of charge sent by the Chargor pursuant to this clause may not be revoked or amended without the Security Trustee's prior written consent.

10 MONETARY CLAIMS

10.1 Collecting Monetary Claims

The Chargor shall promptly get in and realise all Monetary Claims and pay the proceeds thereof into the relevant designated Account in accordance with the terms of the Finance Documents or as the Security Trustee may otherwise direct in writing and pending that payment will hold those proceeds on trust for the Security Trustee.

10.2 Dealing with Monetary Claims

The Chargor shall not, without the prior written consent of the Security Trustee, assign, factor, discount, release, waive, compound or otherwise deal with any of the Monetary Claims or vary any term relating to a Monetary Claim other than as permitted by the terms of the Finance Documents.

10.3 Assignment

The Chargor shall, at the Security Trustee's request, execute a legal assignment of the Monetary Claims in favour of the Security Trustee on such terms as the Security Trustee may agree and will sign and deliver written notice of that assignment, in a form acceptable to the Security Trustee, to each debtor which owes or may owe a Monetary Claim and will use all reasonable endeavours to procure that the notice is duly acknowledged by the debtors concerned in accordance with the terms of that assignment.

10 INVESTMENTS

10.1 Deposit of Title Documents

The Chargor undertakes to deposit with the Security Trustee or the Security Trustee's nominee:

- 10.1.1 promptly upon its acquisition of any Investment all share certificates and other documents of title relating to that Investment;
- 10.1.2 promptly upon the accrual, offer or issue of any stocks, shares, warrants or other securities in respect of or derived from the Shares or Investments, all share certificates and other documents of title representing each item,

together with pre-stamped stock transfer forms (or other appropriate transfer instruments) signed by the Chargor (or its nominee, where appropriate) as transferor but with details of the transferee, date and consideration left blank, on the basis that the Security Trustee may hold all those certificates, forms and documents until the Discharge Date. The Security Trustee is entitled at any time after the occurrence of an Acceleration Event to complete the stock transfer forms (or other transfer instruments) on behalf of that Chargor in favour of the Security Trustee or its nominee, using the power of attorney contained in clause 19 (Power of Attorney).

10.2 Voting and Dividends

10.2.1 Voting and other rights following an Event of Default

After an Acceleration Event has occurred:

- (a) the Security Trustee will be entitled to exercise or direct the exercise of the voting and other rights attached to any Investment as it sees fit; and
- (b) the Chargor shall comply, or procure compliance with, any directions of the Security Trustee in relation to the exercise of those rights and shall promptly execute and deliver to the Security Trustee all forms of proxy as the Security Trustee may require in connection with the exercise of those rights.

10.3 Dividends

After an Acceleration Event has occurred, all Dividends shall be paid or transferred to the Security Trustee (or to its order) and any Dividends received by the Chargor shall be held by the Chargor on trust for the Security Trustee and immediately paid by it to the Security Trustee or to any nominee designated by the Security Trustee. The Security Trustee will be entitled to apply those Dividends in such manner as it sees fit.

10.4 Acquisition of Shares

The Chargor shall promptly notify the Security Trustee of:

10.4.1 its acquisition of, or agreement to acquire, any Shares; and

10.4.2 the declaration or payment of any Dividend.

11 CHATTELS

11.1 Maintenance

Each Chargor shall:

11.1.1 keep all its Chattels in good repair, working order and condition;

11.1.2 give the Security Trustee such information concerning the location, condition, use and operation of its Chattels as the Security Trustee may require; and

11.1.3 permit any persons designated by the Security Trustee to inspect and examine the Chattels and the records relating to the Chattels at all reasonable times upon reasonable notice.

11.2 Notice of Charge

Each Chargor shall take any action which the Security Trustee may reasonably require to evidence the interest of the Security Trustee in its Chattels; this includes a fixed nameplate on its Chattels in a prominent position stating that:

11.2.1 the Chattel is charged in favour of the Security Trustee; and

11.2.2 the Chattel must not be disposed of without the prior consent of the Security Trustee unless permitted under the Finance Documents.

12 ASSIGNED CONTRACTS AND INSURANCE POLICIES

12.1 Representations and Warranties

The Chargor represents and warrants to each Finance Party that:

12.1.1 each Assigned Contract is in full force and effect and constitutes the Chargor's legal, valid, binding and enforceable obligations;

12.1.2 its execution and performance of the Assigned Contracts does not conflict with any law or regulation applicable to it;

12.1.3 its execution and performance of the Assigned Contracts does not conflict with its constitutional documents or any agreement or instrument binding on it or constitute a default (however described) under any such agreements or instruments;

- 12.1.4 it is not in default, nor, so far as it is aware, is any counterparty to a Assigned Contract in default, under any Assigned Contract; and
- 12.1.5 there is no prohibition on assignment in the Assigned Contracts to which it is a party.

12.2 Notices of assignment

Each Chargor shall:

- 12.2.1 in respect of the Assigned Contracts listed in 0 (Assigned Contracts), immediately upon execution of this deed; and
- 12.2.2 in respect of any other Assigned Contract and the Insurance Policies, promptly at the request of the Security Trustee,

serve a notice, in the form required by the Security Trustee, on each counterparty to each Assigned Contract and use reasonable endeavours to procure that each such counterparty acknowledges that notice. Any instructions contained in a notice sent to a counterparty pursuant to this clause may not be revoked or amended without the Security Trustee's prior written consent.

12.3 Preservation and enforcement of rights

The Chargor shall:

- 12.3.1 promptly exercise its rights and comply with its obligations under each Assigned Contract;
- 12.3.2 not amend or waive any material provision of an Assigned Contract or terminate any Assigned Contract without the prior written consent of the Security Trustee;
- 12.3.3 inform the Security Trustee immediately if it serves notice of default, or commences any legal proceeding, or receives notice of default or of the initiation of any legal proceeding in relation to any Assigned Contract;
- 12.3.4 (if the Security Trustee so requires) produce to, or deposit with, the Security Trustee the Insurance Policies and the receipts for all premiums and other payments necessary for effecting and maintaining the Insurance Policies and shall not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice each of the Insurance Policies. All monies payable under each of the Insurance Policies shall be held by the Chargor as trustee of the same for the benefit of the Security Trustee and shall be applied at the option of the Security Trustee in making good the loss or damage for which those monies are received or in or towards discharge or reduction of the Secured Liabilities.

12.4 Copy documents

The Chargor shall on request supply the Security Trustee with (a) a copy of each Assigned Contract, certified as being true and correct by a director of the Chargor and (b) with any other information and copies of any other documents relating to the Assigned Contracts which the Security Trustee, or any Receiver, requests.

12.5 Obligations

Notwithstanding the operation of clause 5.8 (Assigned Contracts), each Chargor is and shall remain liable under any Contract to perform all its obligations under that Assigned Contract and the Security Trustee shall not be, or be deemed to be, under any obligation or liability under or in connection with any Assigned Contract by reason of this deed or the exercise by the Security Trustee of any rights, powers or remedies under this deed (other than by reason of the Security Trustee's gross negligence, fraud or wilful misconduct).

13 INTELLECTUAL PROPERTY

13.1 The Chargor:

- 13.1.1 is the sole legal and beneficial owner of or has licensed to it all of the Intellectual Property which is material in the context of its business and which is required by it in order to carry on its business as it is being conducted;
- 13.1.2 does not, in carrying on its business, infringe any Intellectual Property of any third party in any material respect; and
- 13.1.3 has taken all formal or procedural actions (including payment of fees) required to maintain any material Intellectual Property owned by it.

13.2 The Chargor shall:

- 13.2.1 preserve and maintain the existence and validity of its Intellectual Property necessary for its business;
- 13.2.2 use reasonable endeavours to prevent any infringement in any material respect of the Intellectual Property and immediately after becoming aware of any such infringement or challenge, inform the Security Trustee thereof and (at its own cost and without prejudice to any other steps it may consider appropriate in the circumstances) take such steps as the Security Trustee may from time to time direct;
- 13.2.3 make registrations and pay all registration fees and taxes necessary to maintain its Intellectual Property in full force and effect and record its interest in that Intellectual Property and produce to the Security Trustee on demand receipts or other evidence that the same have been paid;

- 13.2.4 not use or permit its Intellectual Property to be used in a way or take any step or omit to take any step in respect of its Intellectual Property which may materially and adversely affect the existence or value of the Intellectual Property or impair its right to use such property; and
 - 13.2.5 not discontinue the use of the Intellectual Property;
- 13.3 The Chargor shall not without the consent of the Security Trustee:
 - 13.3.1 abandon, cancel or allow any of its Intellectual Property to become void, lapse or to become vulnerable to attack, whether for non-use or otherwise;
 - 13.3.2 apply to amend the specification or drawing of any of the letters patent or registered trade or service marks forming part of its Intellectual Property or enter any conditions, restrictions or disclaimers in relation to any of its registered Intellectual Property; or
 - 13.3.3 use or knowingly permit to be used any of its Intellectual Property in a way (or otherwise do or refrain from doing anything) which may have a material adverse effect on the value of its Intellectual Property.
- 13.4 The Chargor must promptly, if requested to do so by the Security Trustee, sign or procure the signature of, and comply with all instructions of the Security Trustee in respect of, any document required to make entries in any public register of intellectual property rights (including the United Kingdom Trade Marks Register) which either record the existence of this deed or the restrictions or disposal imposed by this deed.

14 ENFORCEMENT OF SECURITY

14.1 Timing

The Security created by this deed will be immediately enforceable at any time after the occurrence of:

- 14.1.1 an Acceleration Event; or
- 14.1.2 a request being made by the Chargor to the Security Trustee that it exercise any of its powers under this deed.

14.2 Enforcement

After this Security has become enforceable, the Security Trustee may, without notice to the Chargor or prior authorisation from any court, in its absolute discretion:

- 14.2.1 enforce all or any part of that Security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Secured Assets; and
- 14.2.2 whether or not it has appointed a Receiver, exercise all or any of the rights, powers, authorisations and discretions conferred by the LPA (as varied and

extended by this deed) on mortgagees, by this deed on any Receiver, or otherwise conferred by law on mortgagees and Receivers.

14.3 Effect of a Moratorium

The Security Trustee shall not be entitled to exercise its rights under clause 14.1 (Timing) and clause 14.2 (Enforcement) or clause 5.6 (Floating charge) where the right arises as a result of an Acceleration Event occurring solely due to any person obtaining or taking steps to obtain a moratorium pursuant to Schedule A1 of the Insolvency Act 1986.

14.4 Statutory Powers

14.4.1 The statutory power of sale or other right of disposal conferred on the Security Trustee and on any Receiver by this deed shall operate as a variation and extension of the statutory power of sale under section 101 of the LPA and such power shall arise (and the Secured Liabilities shall be deemed due and payable for that purpose) on execution of this deed.

14.4.2

- (a) The statutory powers of leasing may be exercised by the Security Trustee at any time on or after this deed has become enforceable and such powers are hereby extended so as to authorise the Security Trustee to lease, make agreements for lease, accept surrenders of leases and grant options on such terms as the Security Trustee may think fit and without the need to comply with any restrictions conferred by law (including under section 99 or 100 of the LPA).
- (b) For the purposes of sections 99 and 100 of the LPA, the expression **Mortgagor** will include any incumbrancer deriving title under the Chargor and neither sub-section (18) of section 99 nor sub-section (12) of section 100 of the LPA will apply.
- (c) The Chargor shall not have, at any time up until the Discharge Date, the power pursuant to section 99 of the LPA to make any lease in respect of any Real Property without the prior written consent of the Security Trustee or as permitted pursuant to the terms of the Finance Documents.

14.4.3 The restrictions contained in section 93 and 103 of the LPA do not apply to this Deed.

14.5 Appointment of Administrator

14.5.1 Subject to the Insolvency Act 1986, at any time after an Acceleration Event has occurred, or if the Chargor so requests, the Security Trustee may appoint one or more qualified persons to be an Administrator of the

Chargor, to act independently or together with any other Administrators so appointed.

- 14.5.2 For the purposes of this sub-clause, a **qualified person** is a person qualified to act as an Administrator under the Insolvency Act 1986.

15 RECEIVER

15.1 Appointment of Receiver

- 15.1.1 After this deed has become enforceable the Security Trustee may without prior notice, appoint:
- (a) anyone or more persons to be a Receiver of all or any part of the Secured Assets; or
 - (b) two or more Receivers of separate parts of the Secured Assets; or
 - (c) appoint another person(s) as an additional Receiver(s).
- 15.1.2 Any appointment under clause 15.1.1 above may be by deed, under seal or in writing under its hand.
- 15.1.3 Any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the LPA) does not apply to this deed.
- 15.1.4 The Security Trustee may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Secured Assets if the Security Trustee is prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.
- 15.1.5 Each person appointed to be a Receiver pursuant to this clause shall be entitled to act individually or together with any other person appointed or substituted as a Receiver.

15.2 Statutory powers of appointment

The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of the Security Trustee under the LPA (as extended by this deed) or otherwise and such powers shall remain exercisable from time to time by the Security Trustee in respect of any part of the Secured Assets.

15.3 Removal

The Security Trustee may from time to time by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

15.4 Remuneration

The Security Trustee may from time to time fix the remuneration of any Receiver appointed by it and any maximum rate imposed by any law (including under section 109(6) of the LPA) will not apply.

15.5 Agent of the Chargor

15.5.1 A Receiver will be deemed to be the agent of the Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the LPA. The Chargor is solely responsible for the remuneration, expenses, contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver.

15.5.2 The Security Trustee will not incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

15.5.3 No Receiver shall at any time act as agent for the Security Trustee.

16 POWERS OF RECEIVER

16.1.1 General

(a) A Receiver has all of the rights, powers and discretions set out below in this clause in addition to those conferred on it by any law; this includes:

- (i) in the case of an administrative receiver, all rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986 (including but not limited to schedule 1 thereof); and
- (ii) otherwise, all the rights, powers and discretions conferred on a mortgagor, a mortgagee in possession and on a Receiver (or a receiver and manager) appointed under the LPA.

(b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this deed individually and to the exclusion of any other Receiver.

16.1.2 Possession

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

16.1.3 Carry on Business

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

16.1.4 Employees

(a) A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this deed upon such terms as to remuneration or otherwise as he thinks fit.

(b) A Receiver may discharge any person appointed by the Chargor.

16.1.5 Borrow money

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

16.1.6 Sale of assets

(a) A Receiver may sell, exchange, convert into money and realise any Secured Asset by public auction or private contract and generally in any manner and on any terms which he thinks fit.

(b) The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which the Receiver thinks fit.

(c) Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the Chargor.

16.1.7 Leases

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

16.1.8 Compromise

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

16.1.9 Legal actions

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

16.1.10 Receipts

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

16.1.11 Subsidiaries

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

16.1.12 Delegation

A Receiver may delegate his power in accordance with this deed.

16.1.13 Lending

A Receiver may lend money or advance credit to any customer of the Chargor.

16.1.14 Protection of assets

A Receiver may:

- (a) effect any repair or insurance and do any other act which the Chargor might do in the ordinary conduct of its business to protect or improve any Secured Asset;
- (b) commence and/or complete any building operation; and
- (c) apply for and maintain any planning permission, building regulation, approval or any other authorisation,

in each case as he thinks fit.

16.1.15 Other Powers

A Receiver may:

- (a) do all other acts and things which he may consider desirable or necessary for realising any Secured Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this deed or law;
- (b) exercise in relation to any Secured Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Secured Asset; and

- (c) use the name of the Chargor for any of the above purposes set out in this clause.

16.2 Redemption of prior mortgages

At any time after the Security created by this deed has become enforceable, the Security Trustee may redeem any prior Security created in respect of a Secured Asset and/or procure the transfer of the benefit of that Security to itself and/or settle the accounts of the prior mortgagee or encumbrancer. The Chargor shall on demand indemnify the Security Trustee for all costs and expenses incurred by the Security Trustee in connection with any such redemption and/or transfer, including the amount of any principal or interest paid by the Security Trustee.

17 ORDER OF APPLICATION

17.1 Application of proceeds

Unless otherwise determined by the Security Trustee, all amounts received or recovered by the Security Trustee or any Receiver in exercise of their rights under this deed will, subject to the rights of any creditors having priority, be applied in the order provided in clause 17.2. This clause does not prejudice the right of the Security Trustee to recover any shortfall from the Chargor.

17.2 Order of application

The order referred to in clause 17.1 is:

- 17.2.1 in or towards payment, or the provision for, all the costs, expenses and losses incurred, and payments made, by the Security Trustee and/or any Receiver under or in connection with this deed and all remuneration due to any Receiver under or in connection with this deed;
- 17.2.2 in or towards the payment or discharge of the Secured Liabilities in such order as the Security Trustee thinks fit; and
- 17.2.3 in payment of any surplus to the Chargor or other person entitled to it.

17.3 Protection of Purchasers

- 17.3.1 No purchaser or other person dealing with the Security Trustee or a Receiver shall be bound to enquire:
 - (a) whether the Secured Liabilities have become payable;
 - (b) whether any power which the Security Trustee or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
 - (c) whether any money remains due under the Finance Documents; or

- (d) how any money paid to the Security Trustee or to that Receiver is to be applied.

17.3.2 The receipt of the Security Trustee or any Receiver shall be conclusive discharge to any purchaser and, in making any sale or disposal of the Secured Assets or making any acquisition, the Security Trustee or any Receiver may do for such consideration, in such manner and on such terms as it thinks fit.

18 LIABILITY OF SECURITY TRUSTEE

18.1 Liability

Neither the Security Trustee, its nominee(s) nor any Receiver will either by reason of (a) taking possession or realising all any part of the Secured Assets; (b) taking any action permitted by this deed; or (c) whether as mortgagee in possession or otherwise be liable to the Chargor or any other person for any costs, losses or liabilities relating to any of the Secured Assets or for any act, default, omission or misconduct of the Security Trustee, any Receiver or their respective officers, employees or agents in relation to the Secured Assets or otherwise. None of the Security Trustee or any Receiver shall accept responsibility for or be liable for any shortfall which arises on the enforcement or realisation of any Security created by this deed.

18.2 Exoneration

Neither the Security Trustee nor any Receiver will have any duty (a) to perform any of the Chargor's obligations or exercise any rights in relation to any Secured Asset, (b) to ensure that any Related Rights are made available or to verify that the correct amount has been received in relation to any Related Right, (c) to take up any offer in relation to any Secured Assets, (d) to give any notification to anyone in relation to any Secured Asset or (e) to take any action to enforce any other person's obligations as regards any Secured Asset.

19 POWER OF ATTORNEY

After and for so long as an Acceleration Event is continuing, the Chargor, by way of security for the performance of its obligations under this deed irrevocably and severally appoints the Security Trustee, each Receiver and each of their respective delegates and sub delegates to be its attorney (with full power of substitution and delegation) and in its name, on its behalf and as its act and deed to:

19.1 execute, deliver and perfect all other documents, deeds and agreements and do all such things which the attorney may consider to be required or desirable for:

19.1.1 carrying out any obligation imposed on the Chargor by this deed or any agreement binding on the Chargor to which the Security Trustee is a party (including, but not limited to, the execution and delivery of any charges, assignments or other security and any transfers of the Secured Assets and

perfecting and/or realising the Security created or intended to be created in respect of the Secured Assets); and

19.1.2 enabling the Security Trustee and any Receiver to exercise any of the rights, powers and authorities conferred on them pursuant to this deed or by law (including, after the Security constituted by this deed has become enforceable as herein provided, the exercise of any right of a legal or beneficial owner of the Secured Assets or any part thereof).

19.2 the Chargor hereby ratifies whatever any attorney does or purports to do pursuant to its appointment under this clause.

20 SAVING PROVISIONS

20.1 Continuing Security

Subject to clause 24 (Release of Security), the Security constituted by this deed shall remain in full force and effect as continuing security for the Secured Liabilities until the Discharge Date and shall not be released before then by any intermediate payment, discharge or satisfaction of all or any of the Secured Liabilities or for any other reason.

20.2 Cumulative Rights

The Security created by or pursuant to this deed and the rights, powers and remedies of the Security Trustee under this deed shall be cumulative and shall be in addition to and independent of every other Security, right, power or remedy which the Security Trustee may at any time have in connection with the Secured Liabilities, including all rights, powers and remedies provided by law, and accordingly, the Security Trustee shall not be obliged before exercising any such rights, powers or remedies:

20.2.1 to make any demand of, or take any action or obtain any judgment in any court against, the Chargor;

20.2.2 to make or file any claim or proof in winding-up or dissolution of the Chargor; or

20.2.3 to enforce or seek to enforce any other Security held by it in respect of the Secured Liabilities.

20.3 No Merger of Security

No prior Security held by the Security Trustee over the whole or any other part of the Secured Asset shall merge into the Security constituted by this deed.

20.4 No prejudice

The Security created by or pursuant to this deed shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to the Chargor or any other person, or the Security Trustee or by any variation of the terms of the trust upon which the Security Trustee holds the

Security created by or pursuant to this deed or by any other thing which might otherwise prejudice that Security.

20.5 Remedies and Waivers

No failure on the part of the Security Trustee to exercise, or any delay on its part in exercising, any rights, powers and remedies of the Security Trustee provided by or pursuant to this deed shall operate as a waiver of those rights, powers and remedies or constitute an election to affirm this deed. No election to affirm this deed on the part of the Security Trustee shall be effective unless it is in writing. No single or partial exercise or any such rights, powers and remedies preclude any further or other exercise of that or any other rights, powers and remedies.

20.6 Partial Invalidity

If, at any time, any provision of this deed is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or unenforceability of the remaining provisions of this deed nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby, and, if any part of the Security intended to be created by or pursuant to this deed is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the Security constituted under this deed.

20.7 Waiver of defences

Neither the obligations of the Chargor under this deed nor the Security constituted by this deed will be affected by any act, omission or thing which, but for this clause, would reduce, release or prejudice any of its obligations under this deed or release or prejudice any of its obligations under, or the Security created by, this deed and whether or not known to the Chargor to the Security Trustee:

- 20.7.1 any intermediate payment, settlement of account or discharge in whole or in part of the Secured Liabilities;
- 20.7.2 any time, waiver or consent granted to, or composition with, the Chargor, an Issuer or any other person;
- 20.7.3 the release of the Chargor, an Issuer or any other person under the terms of any composition or arrangement with any creditor of the Chargor or an Issuer;
- 20.7.4 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce any rights against, or Security over assets of, the Chargor, an Issuer or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;

- 20.7.5 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargor, an Issuer or any other person;
- 20.7.6 any amendment, novation, supplement, extension (whether or maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature, and whether or not onerous) or replacement of a Finance Document or any other document or Security or of the Secured Liabilities (including, without limitation, any change in the purpose of, any extension of, or any variation or increase in any facility or amount made available under any facility or the addition of any new facility under any Finance Document or other documents);
- 20.7.7 any unenforceability, illegality or invalidity of any obligation of any person under Finance Document or any other document or security of or the Secured Liabilities; or
- 20.7.8 any insolvency or similar proceedings relating to the Chargor, an Issuer or any other person.

20.8 Immediate recourse

The Chargor waives any right it may have of first requiring the Security Trustee to proceed against or enforce any other rights or Security or claim payment from any person before claiming from the Chargor under this deed. This waiver applies irrespective of any law or provision of this deed to the contrary.

20.9 Appropriations

Until the occurrence of the Discharge Date, the Security Trustee may refrain from applying or enforcing any other moneys, Security or rights held or received by it in relation to the Secured Liabilities, or apply and enforce the same in such manner and order as it sees fit (whether against the Secured Liabilities, or otherwise) and hold in an interest bearing suspense account any money received from the Chargor on account of the Secured Liabilities.

20.10 Non-competition

Until the occurrence of the Discharge Date or unless the prior written consent of the Security Trustee is obtained, the Chargor shall not exercise any rights which it may have by reason of performance by it of its obligations under this deed:

- 20.10.1 to be indemnified by any person;
- 20.10.2 to claim any contribution from any other provider of Security or any guarantor of the Secured Liabilities; and/or
- 20.10.3 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of the Security Trustee's rights under the Finance Documents or

of any other guarantee, indemnity or Security taken pursuant to, or in connection with, the Secured Liabilities by the Security Trustee;

- 20.10.4 to bring legal or other proceedings for an order requiring any other party to make any payment, or perform any obligation, in respect of which the Chargor has given a guarantee, undertaking or indemnity under any Finance Document; and
- 20.10.5 to exercise any right of set-off against any other party to the Finance Documents

If the Chargor receives any benefit, payment or distribution contrary to the terms of this clause, it shall hold that benefit, payment or distribution (to the extent necessary to enable all amounts which may be or become payable to the Security Trustee in connection with the Secured Liabilities to be repaid in full) on trust for the Security Trustee and shall promptly pay or transfer the same to the Security Trustee or to the Security Trustee's nominee.

20.11 Tacking

- 20.11.1 For the purposes of section 94(1)(c) of the LPA and section 49(3) of the Land Registration Act 2002, the Security Trustee confirms that it will comply with its obligations to make further advances under the Finance Documents.
- 20.11.2 The Chargor hereby consents to an application being made to the Land Registry to enter the obligation to make further advances on the charges register of any registered land forming part of the Real Property.

20.12 Further Assurance

- 20.12.1 The Chargor shall promptly, at its own cost, do whatever the Security Trustee requires:
 - (a) to create, perfect and/or protect the Security created or intend be created by this deed;
 - (b) to create, perfect and/or protect the priority of the Security created or intended be created by this deed;
 - (c) to facilitate the exercise of any rights, powers and remedies vested in the Security Trustee or any Receiver (or their respective delegates) by this deed and/or by the law; and/or
 - (d) to facilitate the realisation of the Secured Assets.
- 20.12.2 In order to satisfy its obligations under sub-clause 20.12.1 above, the Chargor shall immediately, upon the request of the Security Trustee, execute any transfer, conveyance, mortgage, charge, assignment or assurance over all or any of the assets constituting, or intended to

constitute, the Secured Assets (whether in favour of the Security Trustee or its nominee or otherwise) and make any registration or notarisation and give any notice, instructions, order or direction in respect of the Secured Assets.

21 PRIOR SECURITY INTERESTS

- 21.1 In the event of any action, proceedings or step being taken to exercise any powers or remedies conferred by any prior ranking Security against any of the Secured Assets or in case of exercise by the Security Trustee or any Receiver of any power of sale under this deed, the Security Trustee may redeem such prior Security or procure the transfer thereof to itself.
- 21.2 The Security Trustee may settle and agree the accounts of the prior Security and any accounts so settled and agreed will be conclusive and binding on the Chargor.
- 21.3 All principal monies, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by the Chargor to the Security Trustee on demand together with accrued interest thereon as well as before judgement at the rate from time to time applicable to unpaid sums specified in the relevant Note Instrument from the time or respective times of the same having been paid or incurred until payment thereof (as well as after as before judgment).

22 SUBSEQUENT SECURITY INTERESTS

If the Security Trustee at any time receives or is deemed to have received notice of any subsequent Security, assignment or transfer affecting the Secured Assets or any part of the Secured Assets which is prohibited by the terms of any Finance Document, all payments thereafter by or on behalf of the Chargor to the Security Trustee will (in the absence of any express contrary appropriation by the Chargor) 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 at the time that notice was received.

23 AVOIDANCE OF PAYMENTS

If the Security Trustee considers that an amount paid to it under the relevant Note Instrument or any other Finance Document or in relation to any Secured Liability is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this deed.

24 RELEASE OF SECURITY

Upon the occurrence of the Discharge Date, the Security Trustee shall, at the request and cost of the Chargor, release and cancel the security constituted by this deed and procure the reassignment to the Chargor of the property and assets assigned to the Security Trustee pursuant to this deed in each case without recourse to, or any representation or warranty by, Security Trustee or any of its nominees.

25 PRESERVATION OF SECURITY

This deed is in addition to any other rights or Security, now and in the future, held by the Security Trustee from the Chargor or any other person for the Secured Liabilities and will not merge with or prejudice or be prejudiced by any such rights or Security.

26 FINANCIAL COLLATERAL

26.1 To the extent that any of the Secured Assets constitute financial collateral and this deed constitutes a security financial collateral arrangement (as those terms are defined in the Regulations), the Security Trustee shall, upon the Security created by this deed becoming enforceable and to the extent permitted by the Regulations, have the right to appropriate all or any part of those Secured Assets in or towards the discharge of the Secured Liabilities without obtaining any court authorisation and in such order as the Security Trustee may in its absolute discretion determine.

26.2 The parties hereby agree that the value of any Secured Asset appropriated in accordance with clause 26.1 above shall be:

26.2.1 in the case of cash denominated in the currency of denomination of the Secured Liabilities, the amount thereof plus any accrued but unposted interest attributable thereto on the date of appropriation;

26.2.2 in the case of any other cash, the amount of the currency of denomination of the Secured Liabilities that the Security Trustee could purchase with the amount thereof (plus any accrued but unposted interest attributable thereto) on the date of appropriation at its spot rate of exchange for such purchase in the London foreign market at or about 11am on that date; or

26.2.3 in the case of shares, shall be the price of those shares at the time the right of appropriation is exercised as listed on any recognised market index, independent valuation or as determined by such other method as the Security Trustee may select.

26.3 The Parties to this deed agree that the method of valuation provided for in this clause commercially reasonable for the purposes of the Regulations.

27 CURRENCY

27.1 Relevant Currency

The Chargor's obligation under this deed is to discharge the Secured Liabilities in the Relevant Currency.

27.2 Receipt in wrong currency

If at any time the Security Trustee receives a payment (including by set-off) referable to any of the Secured Liabilities from any source in a currency other than the Relevant Currency, then:

- 27.2.1 that payment will take effect as a payment to the Security Trustee of the amount in the Relevant Currency which the Security Trustee is able to purchase (after deduction of any relevant costs) with the amount of the payment so received at its spot rate of exchange for such purchases in the London foreign exchange market at about 11am on that date; and
- 27.2.2 if such payment is treated by clause 27.2.1 as a payment of an amount which falls short of the relevant liability of the Chargor expressed in the Relevant Currency, the Chargor as a separate and independent obligation will on demand from time to time indemnify the Security Trustee against such shortfall.

28 INDEMNITY

The Chargor shall immediately on demand indemnify the Security Trustee, Receiver, attorney, manager, agent or any other person appointed by the Security Trustee or a Receiver under this deed against any cost, loss or expense incurred by any of them in connection within this deed including, but not limited to, any cost, loss or expense arising:

- 28.1 from the exercise of purported exercise of any of the powers, authorities or discretions vested in them under this deed;
- 28.2 from any actual or alleged breach by the Chargor of any law or regulation;
- 28.3 as a result either of a failure by the Chargor to perform any of its obligations under this deed; or
- 28.4 as a result of any representation or warranty made in this deed having been incorrect when made.

29 EXPENSES

29.1 Amendment costs

If the Chargor requests an amendment, waiver or consent in connection with this deed, the Chargor shall, within three days of demand, reimburse the Security Trustee for all costs and expenses (including legal fees) reasonably incurred by the Security Trustee or by any Receiver or delegate of either of them in responding to, evaluating, negotiating or complying with that request or requirement.

29.2 Enforcement and preservation costs

The Chargor shall, within three days of demand, pay to the Security Trustee the amount of all costs and expenses (including legal fees) incurred by the Security Trustee in connection with the enforcement or preservation of any rights under this deed and with any proceedings instituted by or against the Security Trustee as a consequence of taking or holding the Security or enforcing its rights under this deed.

30 MISCELLANEOUS

30.1 Variations

No variation of the terms of this deed shall be valid unless in writing signed by the Chargor and the Security Trustee.

30.2 Delay or omission by Security Trustee

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

30.3 Third party rights

Unless expressly provided to the contrary in this deed:

30.3.1 a person who is not a party to this deed has no right under the Contracts (Rights of Third Parties) Act 1999 (the **Third Parties Act**) to enforce or to enjoy the benefit of any term of this deed; and

30.3.2 notwithstanding any term of this deed, the consent of any person who is not a party to it is not required to rescind or vary (including any release or compromise of any liability) this deed at any time.

30.4 Perpetuity period

The trusts created by this deed have a perpetuity period of 125 years.

30.5 Counterparts

This deed may be executed and delivered in any number of counterparts each of which is an original and which, together, have the same effect as if each party has signed the same document.

30.6 Incomplete details

The fact that no or only incomplete details of any Secured Asset are listed in this deed does not affect the enforceability of the Security constituted by this deed.

31 ASSIGNMENT

31.1 The Chargor shall not assign or novate its rights and obligations under this deed to any third party without the prior consent in writing of the Security Trustee to such assignment or novation (as the case may be).

31.2 The Security Trustee may at any time assign or novate its rights and obligations under this deed to any person or entity without the prior consent of the Chargor to such assignment or novation (as the date may vary).

32 COMMUNICATIONS

32.1 Communications in writing

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

32.2 Addresses

The address of the Security Trustee and Chargor for any communication or document to be made or delivered under or in connection with this deed is that stated on page 1.

32.3 Delivery

32.3.1 Any communication or document made or delivered by one person to another under or in connection with this deed shall only be effective:

- (a) if by way of fax, when received in legible form; or
- (b) if by way of letter, when it has been left at the relevant address or seven days after being deposited in the post postage prepaid in an envelope addressed to the relevant party at that address.

32.3.2 Any communication or document to be made or delivered to the Security Trustee will be effective only when actually received by the Security Trustee.

33 GOVERNING LAW AND JURISDICTION

33.1 Governing law

33.2 This deed and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the law of England and Wales.

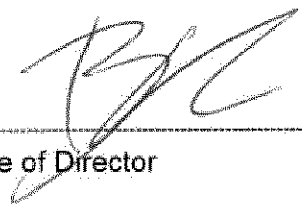
33.3 The parties to this deed irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims).

SCHEDULE 1
ORIGINAL NOTEHOLDERS

SCHEDULE 2
ASSIGNED CONTRACTS

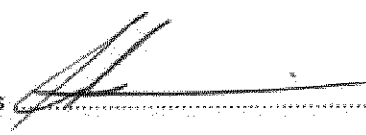
Chargor

EXECUTED as a DEED by PMF D1)
LTD acting by a director in the)
presence of:)



Signature of Director

Signature of Witness



Name (in BLOCK CAPITALS) LOYD WALLACE

Address 93 LAVENDER SWEEP

LONDON

SU11 1EA

Witness occupation: MANAGER

Security Trustee

EXECUTED as a DEED, but not)
delivered until the first date specified on)
page 1, by **DFI NOMINEES LIMITED**)
acting by a director in the presence of:)



Signature of Director

Signature of Witness 

Name (in BLOCK CAPITALS) LEO WALLACE

Address 93 LAVENDER SWEEP

LONDON

SW11 1EA

Witness occupation: MANAGER