



Registration of a Charge

Company name: **OLAST (SWINDON) LTD**

Company number: **11392969**

Received for Electronic Filing: **30/12/2020**



X9KZP1G2

Details of Charge

Date of creation: **23/12/2020**

Charge code: **1139 2969 0001**

Persons entitled: **DANIEL CHARLES BUCK**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

CLARION SOLICITORS LIMITED



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 11392969

Charge code: 1139 2969 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 23rd December 2020 and created by OLAST (SWINDON) LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 30th December 2020 .

Given at Companies House, Cardiff on 31st December 2020

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED

23 December

2020

(1) THE COMPANIES LISTED IN SCHEDULE 1

AND

(2) DANIEL CHARLES BUCK

COMPOSITE GUARANTEE AND DEBENTURE

Clarion

Clarion Solicitors Limited

Elizabeth House

13-19 Queen Street

Leeds

LS1 2TW

Ref: AAC/19539.6

CONTENTS

1.	Definitions and Interpretation	1
2.	Covenant to Pay	5
3.	Grant of Security	5
4.	Liability of the Chargors	7
5.	Guarantee and Indemnity	7
6.	Representations and Warranties	10
7.	General Covenants	11
8.	Property covenants	14
9.	Investments Covenants	17
10.	Equipment Covenants	20
11.	Book Debts Covenants	21
12.	Relevant Agreements Covenants	21
13.	Intellectual Property Covenants	21
14.	Powers of the Beneficiary	22
15.	When Security becomes Enforceable	23
16.	Enforcement of Security	23
17.	Receiver	26
18.	Powers of Receiver	26
19.	Delegation	29
20.	Application of Proceeds	29
21.	Costs and Indemnity	30
22.	Further Assurance	31
23.	Power of Attorney	31
24.	Release	31
25.	Assignment and Transfer	31
26.	Set-off	32
27.	Amendments, Waivers and Consents	32
28.	Severance	32
29.	Counterparts	33
30.	Third Party Rights	33
31.	Further Provisions	33
32.	Notices	34
33.	Governing Law and Jurisdiction	35
	Schedule 1 – Original Chargors	36
	Schedule 2 – Real Property	38

THIS DEED is made on

23 December

2020

BETWEEN

- (1) **THE COMPANIES** listed in Schedule 1 (the "**Original Chargors**"); and
- (2) **DANIEL CHARLES BUCK** of 34 Roundhay Road, Leeds LS7 1AB (the "**Beneficiary**").

AGREED TERMS

1. Definitions and Interpretation

1.1 The following definitions apply in this deed:

Accession Deed: an accession deed, the form of which is to be agreed between the parties;

Administrator: an administrator appointed to manage the affairs, business and property of any Chargor pursuant to clauses 14.15 to 14.17;

Book Debts: all present and future book and other debts, and monetary claims due or owing to any Chargor, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by a Chargor in relation to any of them;

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;

Charged Property: any freehold, leasehold or commonhold property the subject of the security constituted by this deed and references to "**Charged Property**" shall include references to the whole or any part or part of it;

Chargors: means:

- (a) the Original Chargors; and
- (b) any other entity which accedes to this deed pursuant to an Accession Deed;

Delegate: any person appointed by the Beneficiary or any Receiver pursuant to clause 18 and any person appointed as attorney of the Beneficiary, Receiver or Delegate;

Designated Account: any account of a Chargor nominated by the Beneficiary as a designated account for the purposes of this deed;

Environment: the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media;

Environmental Law: all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment;

Environmental Licence: any authorisation, permit or licence necessary under Environmental Law in respect of any of the Secured Assets;

Equipment: all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property owned by a Chargor or in which it has an interest, including any part of it and all spare parts, replacements, modifications and additions;

Event of Default:

- (a) a breach of any term of an SPA; or
- (b) a breach of any term of this deed;

Financial Collateral: has the meaning given to that expression in the Financial Collateral Regulations;

Financial Collateral Regulations: the Financial Collateral Arrangements (No 2) Regulations 2003 (*SI 2003/3226*);

Insurance Policy: each contract and policy of insurance effected or maintained by each Chargor from time to time in respect of its assets or business (including, without limitation, any contract or policy of insurance relating to the Charged Properties or the Equipment);

Intellectual Property: each Chargor's present and future patents, utility models, rights to inventions, copyright and neighbouring and related rights, moral rights, trade marks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets) and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world;

Investments: all certificated shares, stock, debentures, bonds or other securities or investments (whether or not marketable) from time to time legally or beneficially owned by or on behalf of the Chargors;

LPA 1925: the Law of Property Act 1925;

Parent: Luxury Retail Holdings Limited (company number: 12658154);

Permitted Security: any Security permitted in writing by the Beneficiary;

Receiver: a receiver, receiver and manager or administrative receiver appointed by the Beneficiary under clause 17;

Relevant Agreement: each agreement specified as such by the Beneficiary;

Secured Assets: all the assets, property and undertaking of the Chargors which are, or are expressed to be, subject to the Security created by, or pursuant to, this deed (and references to the Secured Assets shall include references to any part of them);

Secured Liabilities: all present and future obligations and liabilities of the Chargors to the Beneficiary, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, under or in connection with the SPAs (including, without limitation, those arising under clause 31.3.2), together with all interest (including, without limitation, default interest) accruing in respect of those obligations or liabilities;

Security Financial Collateral Arrangement: has the meaning given to that expression in the Financial Collateral Regulations;

Security: any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect;

Security Period: the period starting on the date of this deed and ending on the date on which the Beneficiary (acting reasonably) is satisfied that all the Secured Liabilities have

been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding;

SPA 1: a share purchase agreement dated on or around the date of this agreement made between the Parent and the Beneficiary in relation to the purchase of shares held in DF Online Ltd (company number 12335722), DF Mainline Ltd (company number 12339111) and The Shoot Shoe Company Ltd (company number 11080210);

SPA 2: a share purchase agreement dated on or around the date of this agreement made between the Parent and the Beneficiary in relation to the purchase of shares held in the companies detailed therein;

SPAs: together, SPA 1 and SPA 2; and

VAT: value added tax or any equivalent tax chargeable in the UK or elsewhere.

1.2 In this deed:

- 1.2.1 a reference to a clause or paragraph is to a clause or paragraph of this deed unless the context requires otherwise;
- 1.2.2 headings shall not affect the interpretation of this deed;
- 1.2.3 a reference to a **person** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality);
- 1.2.4 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- 1.2.5 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- 1.2.6 a reference to a party shall include that party's successors, permitted assigns and permitted transferees and this deed shall be binding on, and enure to the benefit of, the parties to this deed and their respective personal representatives, successors, permitted assigns and permitted transferees;
- 1.2.7 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- 1.2.8 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- 1.2.9 a reference to **writing** or **written** does not include fax or email;
- 1.2.10 an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- 1.2.11 a reference to **this deed** (or any provision of it) or to any other agreement or document referred to in this deed is a reference to this deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this deed) from time to time;
- 1.2.12 any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- 1.2.13 a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and **amend** and **amended** shall be construed accordingly);

- 1.2.14 a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- 1.2.15 a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- 1.2.16 a reference to **continuing** in relation to an Event of Default means an Event of Default that has not been remedied or waived;
- 1.2.17 a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it; and
- 1.2.18 a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

Clawback

- 1.3 If the Beneficiary considers that an amount paid by any Chargor in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of any Chargor or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this deed.

Nature of security over real property

- 1.4 A reference in this deed to a charge or mortgage of or over any Charged Property includes:
 - 1.4.1 all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) and fixed plant and machinery that are situated on or form part of that Charged Property at any time;
 - 1.4.2 the proceeds of the sale of any part of that Charged Property and any other monies paid or payable in respect of or in connection with that Charged Property;
 - 1.4.3 the benefit of any covenants for title given, or entered into, by any predecessor in title of the Chargors in respect of that Charged Property, and any monies paid or payable in respect of those covenants; and
 - 1.4.4 all rights under any licence, agreement for sale or agreement for lease in respect of that Charged Property.

Nature of security over Investments

- 1.5 A reference in this deed to any share, stock, debenture or other security or investment includes:
 - 1.5.1 any dividend, interest or other distribution paid or payable in respect of that share, stock, debenture or other security or investment; and
 - 1.5.2 any right, money, shares or property accruing, offered or issued at any time in relation to that share, stock, debenture or other security or investment by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise.

Law of Property (Miscellaneous Provisions) Act 1989

- 1.6 For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of any loan agreements and of any side letters between any parties in relation to any loan agreements are incorporated into this deed.

Perpetuity period

- 1.7 If the rule against perpetuities applies to any trust created by this deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

2. Covenant to Pay

- 2.1 Each Chargor (as principal obligor and not merely as surety) shall, on demand, pay to the Beneficiary and discharge the Secured Liabilities when they fall due.

3. Grant of Security

Legal mortgage

- 3.1 As a continuing security for the payment and discharge of the Secured Liabilities, each Chargor with full title guarantee charges to the Beneficiary:
- 3.1.1 by way of a first legal mortgage all estates or interests in any freehold or leasehold property now owned by it; this includes the real property (if any) specified in Schedule 2; and
 - 3.1.2 (to the extent that they are not the subject of a mortgage under clause 3.1.1 above) by way of a first fixed charge all estates or interests in any freehold or leasehold property now or subsequently owned by it.

Fixed charges

- 3.2 As a continuing security for the payment and discharge of the Secured Liabilities, each Chargor with full title guarantee charges to the Beneficiary by way of a first fixed charge:
- 3.2.1 all present and future estates or interests of any Chargor in, or over, any freehold, leasehold or commonhold property (other than any such property effectively mortgaged under clause 3.1);
 - 3.2.2 the benefit of all other contracts, guarantees, appointments and warranties relating to each Charged Property and other documents to which a Chargor is a party or which are in its favour or of which it has the benefit relating to any letting, development, sale, purchase, use or the operation of any Charged Property or otherwise relating to any Charged Property (including, in each case, but without limitation, the right to demand and receive all monies whatever payable to or for its benefit under or arising from any of them, all remedies provided for in any of them or available at law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests and benefits whatever accruing to or for its benefit arising from any of them);
 - 3.2.3 all licences, consents and authorisations (statutory or otherwise) held or required in connection with its business or the use of any Secured Asset, and all rights in connection with them;
 - 3.2.4 all its present and future goodwill;
 - 3.2.5 all its uncalled capital;
 - 3.2.6 all the Equipment;
 - 3.2.7 all the Intellectual Property;
 - 3.2.8 all the Book Debts;

- 3.2.9 all the Investments;
- 3.2.10 all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person (including each Designated Account), together with all other rights and benefits accruing to or arising in connection with each account (including, but not limited to, entitlements to interest);
- 3.2.11 all its rights in respect of each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy, to the extent not effectively assigned under clause 3.3; and
- 3.2.12 all its rights in respect of each Relevant Agreement and all other agreements, instruments and rights relating to the Secured Assets, to the extent not effectively assigned under clause 3.3.

Assignment

- 3.3 As a continuing security for the payment and discharge of the Secured Liabilities, each Chargor with full title guarantee assigns to the Beneficiary absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities:
 - 3.3.1 all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy; and
 - 3.3.2 the benefit of each Relevant Agreement and the benefit of all other agreements, instruments and rights relating to the Secured Assets.

Floating charge

- 3.4 As a continuing security for the payment and discharge of the Secured Liabilities, each Chargor with full title guarantee charges to the Beneficiary, by way of first floating charge, all its undertaking, property, assets and rights not otherwise effectively mortgaged, charged or assigned under clause 3.1 to clause 3.3 inclusive.

Qualifying floating charge

- 3.5 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 3.4.

Automatic crystallisation of floating charge

- 3.6 The floating charge created by clause 3.4 shall automatically and immediately (without notice) convert into a fixed charge over the assets subject to that floating charge if:
 - 3.6.1 any Chargor:
 - 3.6.1.1 creates, or attempts to create, without the prior written consent of the Beneficiary, Security or a trust in favour of another person over all or any part of the Secured Assets (except as expressly permitted by the terms of this deed); or
 - 3.6.1.2 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);
 - 3.6.2 any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets; or
 - 3.6.3 a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of any Chargor.

Crystallisation of floating charge by notice

- 3.7 The Beneficiary may, in its sole discretion, by written notice to a Chargor, convert the floating charge created under this deed into a fixed charge as regards any part of the Secured Assets specified by the Beneficiary in that notice if:
- 3.7.1 an Event of Default is continuing; or
 - 3.7.2 the Beneficiary considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

Assets acquired after any floating charge has crystallised

- 3.8 Any asset acquired by a Chargor after any crystallisation of the floating charge created under this deed that, but for that crystallisation, would be subject to a floating charge under this deed, shall (unless the Beneficiary confirms otherwise to a Chargor in writing) be charged to the Beneficiary by way of first fixed charge.

4. Liability of the Chargors

Liability not discharged

- 4.1 Each Chargor's liability under this deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:
- 4.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Beneficiary that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
 - 4.1.2 the Beneficiary renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or
 - 4.1.3 any other act or omission that, but for this clause 4.1, might have discharged, or otherwise prejudiced or affected, the liability of any Chargor.

Immediate recourse

- 4.2 Each Chargor waives any right it may have to require the Beneficiary to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this deed against any Chargor.

5. Guarantee and Indemnity

- 5.1 Each Chargor irrevocably and unconditionally jointly and severally:
- 5.1.1 guarantees to the Beneficiary punctual performance by the Parent of all of the Parent's obligations under the SPAs;
 - 5.1.2 undertakes with the Beneficiary that whenever the Parent does not pay any amount when due under or in connection with the SPAs, each Chargor shall immediately on demand pay that amount as if it was the principal obligor; and
 - 5.1.3 agrees with the Beneficiary that if for any reason, any amount claimed by the Beneficiary under this clause 5 is not recoverable on the basis of a guarantee, it will be liable as a principal debtor and primary obligor to indemnify the Beneficiary against any cost, loss or liability it incurs as a result of any Chargor not paying any amount expressed to be payable by it under the SPAs on the date when it is expressed to be due. The amount payable by a Chargor under this

indemnity will not exceed the amount it would have had to pay under this clause 5 if the amount claimed had been recoverable on the basis of a guarantee.

Continuing Guarantee

- 5.2 This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by the Parent under the SPAs, regardless of any intermediate payment or discharge in whole or in part.

Reinstatement

- 5.3 If any discharge, release or arrangement (whether in respect of the obligations of the Chargors or any Security for those obligations or otherwise) is made by the Beneficiary in whole or in part on the faith of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Chargors under this clause 5 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

Waiver of defences

- 5.4 The obligations of the Chargors under this clause 5 will not be affected by an act, omission, matter or thing which, but for this clause 5, would reduce, release or prejudice any of its obligations under this clause 5 (without limitation and whether or not known to it or the Beneficiary) including:

- 5.4.1 any time, waiver or consent granted to, or composition with, the Chargors or other person;
- 5.4.2 the release of the Chargors or any other person under the terms of any composition or arrangement with any creditor of any such entity or person;
- 5.4.3 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 Chargors or 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;
- 5.4.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargors or any other person;
- 5.4.5 any amendment (however fundamental) or replacement of the SPAs or any Security or any agreement or other instrument providing for or entered into in connection with any obligation of the Chargors to the Beneficiary;
- 5.4.6 any unenforceability, illegality or invalidity of any obligation of any person under any Security or any agreement or other instrument; or
- 5.4.7 any insolvency or similar proceedings.

Intent

- 5.5 Without prejudice to the generality of clause 5.4, the Chargors expressly confirm that they intend that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to the SPAs and/or any facility or amount made available under the SPAs, to the Parent for the purposes of or in connection with any of the following:
- 5.5.1 business acquisitions of any nature;
 - 5.5.2 increasing working capital;
 - 5.5.3 enabling investor distributions to be made;

- 5.5.4 carrying out restructurings;
- 5.5.5 refinancing existing facilities;
- 5.5.6 refinancing any other indebtedness;
- 5.5.7 making facilities available to new borrowers;
- 5.5.8 any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and
- 5.5.9 any fees, costs and/or expenses associated with any of the foregoing.

Immediate recourse

- 5.6 Each Chargor waives any right it may have of first requiring the Beneficiary (or any trustee or agent on its behalf) to proceed against or enforce any other rights or Security or claim payment from any person before claiming from the Chargors under this clause 5. This waiver applies irrespective of any law or any provision of any agreement or other instrument to the contrary.

Appropriations

- 5.7 Until all amounts which may be or become payable by the Parent under or in connection with the SPAs have been irrevocably paid in full, the Beneficiary (or any trustee or agent on its behalf) may:
 - 5.7.1 refrain from applying or enforcing any other monies, Security or rights held or received by the Beneficiary (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and a Chargor shall be entitled to the benefit of the same; and
 - 5.7.2 hold in an interest-bearing suspense account any monies received from a Chargor or on account of a Chargor's liability under this clause 5.7.

Deferral of Chargors' rights

- 5.8 Until all amounts which may be or become payable by the Chargors under or in connection with the SPAs has been irrevocably paid in full and unless the Beneficiary otherwise directs, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations to the Beneficiary or by reason of any amount being payable, or liability arising, under this clause 5:
 - 5.8.1 to be indemnified by a Chargor;
 - 5.8.2 to claim any contribution from any other guarantor of any Chargors' obligations under the SPAs;
 - 5.8.3 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Beneficiary in respect of the Secured Liabilities or of any other guarantee or Security taken pursuant to, or in connection with, the SPAs by the Beneficiary;
 - 5.8.4 to bring legal or other proceedings for an order requiring any Chargor to make any payment, or perform any obligation, in respect of which any Chargor has given a guarantee, undertaking or indemnity under clause 5.1;
 - 5.8.5 to exercise any right of set-off against any Chargor; and/or
 - 5.8.6 to claim or prove as a creditor of any Chargor in competition with the Beneficiary.

If a Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Beneficiary by the Chargors under or in connection with the SPAs are to be repaid in full on trust for the Beneficiary and shall promptly pay or transfer the same to the Beneficiary or as the Beneficiary may direct for application in accordance with the SPAs.

Additional security

- 5.9 This guarantee is in addition to and is not in any way prejudiced by any other guarantee or Security now or subsequently held by or on behalf of the Beneficiary.

6. Representations and Warranties

Times for making representations and warranties

- 6.1 Each Chargor makes the representations and warranties set out in this clause 6 to the Beneficiary on the date of this deed.

Ownership of Secured Assets

- 6.2 Each Chargor is the sole legal and beneficial owner of, and has good, valid and marketable title to, the Secured Assets.

No Security

- 6.3 The Secured Assets are free from any Security other than Permitted Security and the Security created by this deed.

Avoidance of security

- 6.4 No Security expressed to be created under this deed is liable to be avoided, or otherwise set aside, on the liquidation or administration of any Chargor or otherwise.

Enforceable security

- 6.5 This deed constitutes and will constitute the legal, valid, binding and enforceable obligations of each Chargor, and is, and will continue to be, effective security over all and every part of the Secured Assets in accordance with its terms.

Investments

- 6.6 The Investments are fully paid and are not subject to any option to purchase or similar rights.

- 6.7 No constitutional document of an issuer of an Investment, nor any other agreement:

6.7.1 restricts or inhibits any transfer of the Investments on creation or enforcement of the security constituted by this deed; or

6.7.2 contains any rights of pre-emption in relation to the Investments.

- 6.8 The Chargors have complied with all notices relating to all or any of the Investments received by it pursuant to sections 790D and 790E of the Companies Act 2006.

- 6.9 No warning notice has been issued under paragraph 1(2) of Schedule 1B of the Companies Act 2006, and no restrictions notice has been issued under paragraph 1(3) of Schedule 1B of the Companies Act 2006, in respect of all or any of the Investments.

7. General Covenants

Negative pledge and disposal restrictions

7.1 No Chargor shall at any time, except with the prior written consent of the Beneficiary:

- 7.1.1 create, purport to create or permit to subsist any Security on, or in relation to, any Secured Asset other than any Security created by this deed or any Permitted Security;
- 7.1.2 sell, assign, transfer, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Secured Assets (except, in the ordinary course of business, Secured Assets that are only subject to an uncrystallised floating charge); or
- 7.1.3 create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party.

Preservation of Secured Assets

7.2 No Chargor shall do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Beneficiary, or materially diminish the value of any of the Secured Assets or the effectiveness of the security created by this deed.

Compliance with laws and regulations

7.3 No Chargor shall, without the Beneficiary's prior written consent, use or permit the Secured Assets to be used in any way contrary to law.

7.4 Each Chargor shall:

- 7.4.1 comply with the requirements of any law or regulation relating to or affecting the Secured Assets or the use of it or any part of them;
- 7.4.2 obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Secured Assets or their use or that are necessary to preserve, maintain or renew any Secured Asset; and
- 7.4.3 promptly effect any maintenance, modifications, alterations or repairs that are required by any law or regulation to be effected on or in connection with the Secured Assets.

Enforcement of rights

7.5 Each Chargor shall use its best endeavours to:

- 7.5.1 procure the prompt observance and performance by the relevant counterparty to any agreement or arrangement with a Chargor and forming part of the Secured Assets of the covenants and other obligations imposed on such counterparty (including each counterparty in respect of a Relevant Agreement and each insurer in respect of an Insurance Policy); and
- 7.5.2 enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets that the Beneficiary may require from time to time.

Notice of misrepresentation and breaches

7.6 Each Chargor shall, promptly on becoming aware of any of the same, notify the Beneficiary in writing of:

- 7.6.1 any representation or warranty set out in this deed that is incorrect or misleading in any material respect when made or deemed to be repeated;
- 7.6.2 any breach of any covenant set out in this deed; and
- 7.6.3 all deeds and documents of title (if any) relating to the Book Debts as the Beneficiary may specify from time to time.

Title documents

- 7.7 Each Chargor shall, upon request by the Beneficiary, deposit with the Beneficiary and the Beneficiary shall, for the duration (following request and receipt) of this deed be entitled to hold:
 - 7.7.1 all deeds and documents of title relating to the Secured Assets that are in the possession or control of any Chargor (and if these are not within the possession or control of any Chargor then all the Chargors undertake to obtain possession of all these deeds and documents of title); and
 - 7.7.2 all Insurance Policies and any other insurance policies relating to any of the Secured Assets that any Chargor is entitled to possess.

Insurance

- 7.8 Each Chargor shall insure and keep insured (or where, in the case of any leasehold property, insurance is the responsibility of the landlord under the terms of the lease, either procure that the landlord insures and keeps insured or, if and to the extent that the landlord does not do so, itself insure and keep insured) the Secured Assets against:
 - 7.8.1 loss or damage by fire or terrorist acts, including any third party liability arising from such acts;
 - 7.8.2 other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as that Chargor; and
 - 7.8.3 any other risk, perils and contingencies as the Beneficiary may reasonably require.
- 7.9 Any such insurance must be with an insurance company or underwriters, and on such terms, as are reasonably acceptable to the Beneficiary, and must include property owners' public liability and third party liability insurance and be for not less than the replacement value of the relevant Secured Assets (meaning in the case of any premises on any Charged Property, the total cost of entirely rebuilding, reinstating or replacing the premises in the event of their being destroyed, together with architects', surveyors', engineers' and other professional fees and charges for shoring or propping up, demolition, site clearance and reinstatement with adequate allowance for inflation) and, in the case of any Charged Property, loss of rents payable by the tenants or other occupiers of any Charged Property for a period of at least three years, including provision for increases in rent during the period of insurance.
- 7.10 Each Chargor shall, if requested by the Beneficiary, produce to the Beneficiary each policy, certificate or cover note relating to any insurance as is required by clause 7.8 (or where, in the case of any leasehold property, that insurance is effected by the landlord, such evidence of insurance as a Chargor is entitled to obtain from the landlord under the terms of the relevant lease).
- 7.11 Each Chargor shall, if requested by the Beneficiary, procure that a note of the Beneficiary's interest is endorsed on each insurance policy (other than public liability and third party liability insurances) effected or maintained by it or any person on its behalf in accordance with clause 7.8 but without the Beneficiary having any liability for any premium in relation to those insurance policies unless it has expressly and specifically requested to be made

liable in respect of any increase in premium or unpaid premium in respect of any Insurance Policy.

Insurance premiums

7.12 Each Chargor shall:

7.12.1 promptly pay all premiums in respect of each insurance policy as is required by clause 7.8 and do all other things necessary to keep that policy in full force and effect; and

7.12.2 (if the Beneficiary so requires) give to the Beneficiary copies of the receipts for all premiums and other payments necessary for effecting and keeping up each insurance policy as is required by clause 7.8 (or where, in the case of leasehold property, insurance is effected by the landlord, such evidence of the payment of premiums as a Chargor is entitled to obtain from the landlord under the terms of the relevant lease).

No invalidation of insurance

7.13 No Chargor shall do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any insurance policy as is required by clause 7.8.

Proceeds from insurance policies

7.14 All monies payable under any insurance policy maintained by any Chargor in accordance with clause 7.8 at any time (whether or not the security constituted by this deed has become enforceable) shall:

7.14.1 be paid immediately to the Beneficiary;

7.14.2 if they are not paid directly to the Beneficiary by the insurers, be held, pending such payment, by a Chargor as trustee of the same for the benefit of the Beneficiary; and

7.14.3 at the option of the Beneficiary, be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received or in, or towards, discharge or reduction of the Secured Liabilities.

Notices to be given by the Chargors

7.15 Each Chargor shall:

7.15.1 as so requested by the Beneficiary from time to time:

7.15.1.1 give notice to each counterparty to a Relevant Agreement, in a form to be provided by the Beneficiary; and

7.15.1.2 procure that each counterparty provides to the Beneficiary promptly an acknowledgement of the notice, in a form to be provided by the Beneficiary;

7.15.2 as so requested by the Beneficiary from time to time:

7.15.2.1 give notice to each insurer under an Insurance Policy, in a form to be provided by the Beneficiary; and

7.15.2.2 procure that each insurer provides to the Beneficiary promptly an acknowledgement of the notice, in a form to be provided by the Beneficiary; and

7.15.3 as so requested by the Beneficiary from time to time:

7.15.3.1 give notice to each bank, financial institution or other person (other than the Beneficiary) with whom a Chargor holds an account (including each Designated Account), in a form to be provided by the Beneficiary; and

7.15.3.2 procure that each such bank, financial institution or other person provides to the Beneficiary promptly an acknowledgement of the notice, in a form to be provided by the Beneficiary.

Information

7.16 Each Chargor shall:

7.16.1 give the Beneficiary such information concerning the location, condition, use and operation of the Secured Assets as the Beneficiary may require;

7.16.2 permit any persons designated by the Beneficiary and any Receiver to enter on its premises and inspect and examine any Secured Asset, and the records relating to that Secured Asset, at all reasonable times and on reasonable prior notice; and

7.16.3 promptly notify the Beneficiary in writing of any action, claim, notice or demand made by or against it in connection with all or any part of a Secured Asset or of any fact, matter or circumstance which may, with the passage of time, give rise to such an action, claim, notice or demand, together with, in each case, a Chargor's proposals for settling, liquidating, compounding or contesting any such action, claim, notice or demand and shall, subject to the Beneficiary's prior approval, implement those proposals at its own expense.

Payment of outgoings

7.17 Each Chargor shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Secured Assets and, on demand, produce evidence of payment to the Beneficiary.

8. Property covenants

Repair and maintenance

8.1 Each Chargor shall keep all premises and fixtures and fittings on each Charged Property in:

8.1.1 good and marketable repair and condition (except for expected fair wear and tear) and shall keep all premises adequately and properly painted and decorated and replace any fixtures and fittings which have become worn out or otherwise unfit for use with others of a like nature and equal value; and

8.1.2 such repair and condition as to enable each Charged Property to be let in accordance with all applicable laws and regulations.

No alterations

8.2 No Chargor shall, without the prior written consent of the Beneficiary:

8.2.1 pull down or remove the whole, or any part of, any building forming part of any Charged Property or permit the same to occur;

8.2.2 make or permit to be made any material alterations to any Charged Property, or sever or remove or permit to be severed or removed, any of its fixtures or fittings (except to make any necessary repairs or renew or replace the same in accordance with clause 8.1.1); or

- 8.2.3 remove or make any material alterations to any of the Equipment belonging to, or in use by, a Chargor on any Charged Property (except to effect necessary repairs or replace them with new or improved models or substitutes).

Conduct of business on Charged Properties

- 8.3 Each Chargor shall to the extent permitted by law carry on its trade and business on those parts (if any) of the Charged Properties as are used for the purposes of trade or business in accordance with the standards of good management from time to time current in that trade or business.

Notices or claims relating to the property

- 8.4 Each Chargor shall:
- 8.4.1 give full particulars to the Beneficiary of any notice, order, direction, designation, resolution, application, requirement or proposal given or made by any public or local body or authority (a "**Notice**") that specifically applies to any Charged Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Notice; and
- 8.4.2 (if the Beneficiary so requires) immediately, and at the cost of a Chargor, take all reasonable and necessary steps to comply with any Notice, and make, or join with the Beneficiary in making, any objections or representations in respect of that Notice that the Beneficiary thinks fit.
- 8.5 Each Chargor shall give full particulars to the Beneficiary of any claim, notice or other communication served on it in respect of any modification, suspension or revocation of any Environmental Licence or any alleged breach of any Environmental Law, in each case relating to any Charged Property.

Compliance with and enforcement of covenants

- 8.6 Each Chargor shall:
- 8.6.1 observe and perform all covenants, stipulations and conditions to which each Charged Property, or the use of it, is or may be subject, and (if the Beneficiary so requires) produce to the Beneficiary evidence sufficient to satisfy the Beneficiary that those covenants, stipulations and conditions have been observed and performed; and
- 8.6.2 diligently enforce all covenants, stipulations and conditions benefiting each Charged Property and shall not (and shall not agree to) waive, release or vary any of the same.

Payment of rent and outgoings

- 8.7 Each Chargor shall:
- 8.7.1 where a Charged Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time; and
- 8.7.2 pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed on each Charged Property or on its occupier.

Leases and licences affecting the Charged Properties

- 8.8 No Chargor shall, without the prior written consent of the Beneficiary:
- 8.8.1 grant any licence or tenancy affecting the whole or any part of any Charged Property, or exercise the statutory powers of leasing or of accepting surrenders

under sections 99 or 100 of the LPA 1925 (or agree to grant any such licence or tenancy, or agree to exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925);

- 8.8.2 in any other way dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of any Charged Property (or agree to dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of the Charged Property;
- 8.8.3 let any person into occupation of or share occupation of the whole or any part of any Charged Property; or
- 8.8.4 grant any consent or licence under any lease or licence affecting any Charged Property.

Registration restrictions and cautions against first registration and notices

- 8.9 If the title to any Charged Property is not registered at the Land Registry, a Chargor shall procure that no person (other than itself) shall be registered under the Land Registration Act 2002 as proprietor of all or any part of any Charged Property, without the prior written consent of the Beneficiary.
- 8.10 Whether or not title to any Charged Property is registered at the Land Registry, if any caution against first registration or any notice (whether agreed or unilateral) is registered against a Chargor's title to any Charged Property, that Chargor shall immediately provide the Beneficiary with full particulars of the circumstances relating to such caution or notice. If such caution or notice was registered to protect a purported interest the creation of which is not permitted under this deed, that Chargor shall immediately, and at its own expense, take such steps as the Beneficiary may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.
- 8.11 Each Chargor shall be liable for the costs and expenses of the Beneficiary in lodging cautions against the registration of the title to the whole or any part of any Charged Property from time to time.

Development restrictions

- 8.12 No Chargor shall, without the prior written consent of the Beneficiary:
 - 8.12.1 make or, insofar as it is able, permit others to make any application for planning permission or development consent in respect of any Charged Property; or
 - 8.12.2 carry out or permit or suffer to be carried out on any Charged Property any development (as defined in each of the Town and Country Planning Act 1990 and the Planning Act 2008) or change or permit or suffer to be changed the use of any Charged Property.

Environment

- 8.13 Each Chargor shall in respect of each Charged Property:
 - 8.13.1 comply in all material respects with all the requirements of Environmental Law; and
 - 8.13.2 obtain and comply in all material respects with all Environmental Licences.

No restrictive obligations

- 8.14 No Chargor shall, without the prior written consent of the Beneficiary, enter into any onerous or restrictive obligations affecting the whole or any part of any Charged Property,

or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of any Charged Property.

Proprietary rights

- 8.15 Each Chargor shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of any Charged Property without the prior written consent of the Beneficiary.

Inspection

- 8.16 Each Chargor shall permit the Beneficiary, any Receiver and any person appointed by either of them to enter on and inspect any Charged Property on reasonable prior notice.

Property information

- 8.17 Each Chargor shall inform the Beneficiary promptly of any acquisition by any Chargor of, or contract made by any Chargor to acquire, any freehold, leasehold or other interest in any property.

VAT option to tax

- 8.18 No Chargor shall, without the prior written consent of the Beneficiary:
- 8.18.1 exercise any VAT option to tax in relation to any Charged Property; or
 - 8.18.2 revoke any VAT option to tax exercised, and disclosed to the Beneficiary, before the date of this deed.

Registration of legal mortgage at the Land Registry

- 8.19 Each Chargor consents to an application being made by the Beneficiary to the Land Registrar for the following restriction to be registered against its title to each Charged Property over which the Beneficiary has a legal mortgage:

"No disposition of the registered estate by the proprietor 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 {●} referred to in the charges register or their conveyancer. (Standard Form P)."

9. Investments Covenants

Deposit of title documents

- 9.1 Each Chargor shall:
- 9.1.1 on the execution of this deed and upon the Beneficiary's request, deposit with the Beneficiary, or as the Beneficiary may direct, all stock or share certificates and other documents of title or evidence of ownership relating to any Investments owned by any Chargor at that time; and
 - 9.1.2 on the purchase or acquisition by it of Investments after the date of this deed and upon the Beneficiary's request, deposit with the Beneficiary, or as the Beneficiary may direct, all stock or share certificates and other documents of title or evidence of ownership relating to those Investments.
- 9.2 At the same time as depositing documents with the Beneficiary, or as the Beneficiary may direct, in accordance with clause 9.1, a Chargor shall also deposit with the Beneficiary, or as the Beneficiary may direct:

- 9.2.1 all stock transfer forms relating to the relevant Investments duly completed and executed by or on behalf of a Chargor, but with the name of the transferee, the consideration and the date left blank; and
- 9.2.2 any other documents (in each case duly completed and executed by or on behalf of a Chargor) that the Beneficiary may request to enable it or any of its nominees, or any purchaser or transferee, to be registered as the owner of, or otherwise obtain a legal title to, or to perfect its security interest in any of the relevant Investments,

so that the Beneficiary may, at any time and without notice to any Chargor, complete and present those stock transfer forms and other documents to the issuer of the Investments for registration.

Nominations

- 9.3 Each Chargor shall terminate with immediate effect all nominations it may have made (including, without limitation, any nomination made under section 145 or section 146 of the Companies Act 2006) in respect of any Investments and, pending that termination, procure that any person so nominated:
 - 9.3.1 does not exercise any rights in respect of any Investments without the prior written approval of the Beneficiary; and
 - 9.3.2 immediately on receipt by it, forward to the Beneficiary all communications or other information received by it in respect of any Investments for which it has been so nominated.
- 9.4 No Chargor shall, during the Security Period, exercise any rights (including, without limitation, any rights under sections 145 and 146 of the Companies Act 2006) to nominate any person in respect of any of the Investments.

Pre-emption rights and restrictions on transfer

- 9.5 Each Chargor shall:
 - 9.5.1 obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of an issuer of any Investments, for the transfer of the Investments to the Beneficiary or its nominee, or to a purchaser on enforcement of the security constituted by this deed; and
 - 9.5.2 procure the amendment of the share transfer provisions (including, but not limited to, deletion of any pre-emption provisions) under the articles of association, other constitutional document or otherwise of each issuer of the Investments in any manner that the Beneficiary may require in order to permit the transfer of the Investments to the Beneficiary or its nominee, or to a purchaser on enforcement of the security constituted by this deed.

Dividends and voting rights before enforcement

- 9.6 Before the security constituted by this deed becomes enforceable, a Chargor may retain and apply for its own use all dividends, interest and other monies paid or payable in respect of the Investments and, if any are paid or payable to the Beneficiary or any of its nominees, the Beneficiary will hold all those dividends, interest and other monies received by it for a Chargor and will pay them to that Chargor as soon as reasonably practicable upon request.
- 9.7 Before the security constituted by this deed becomes enforceable, a Chargor may exercise all voting and other rights and powers in respect of the Investments or, if any of the same are exercisable by the Beneficiary or any of its nominees, to direct in writing the exercise of those voting and other rights and powers provided that:

- 9.7.1 it shall not do so in any way that would breach any provision of the SPAs or for any purpose inconsistent with the SPAs; and
- 9.7.2 the exercise of, or the failure to exercise, those voting rights or other rights and powers would not, in the Beneficiary's opinion, have an adverse effect on the value of the Investments or otherwise prejudice the Beneficiary's security under this deed.
- 9.8 Each Chargor shall indemnify the Beneficiary against any direct loss or liability incurred by the Beneficiary (or its nominee) as a consequence of the Beneficiary (or its nominee) acting in respect of the Investments at the direction of a Chargor.
- 9.9 The Beneficiary shall not, by exercising or not exercising any voting rights or otherwise, be construed as permitting or agreeing to any variation or other change in the rights attaching to or conferred by any of the Investments that the Beneficiary considers prejudicial to, or impairing the value of, the security created by this deed.

Dividends and voting rights after enforcement

- 9.10 After the security constituted by this deed has become enforceable:
 - 9.10.1 all dividends and other distributions paid in respect of the Investments and received by a Chargor shall be held by that Chargor on trust for the Beneficiary and immediately paid into a Designated Account or, if received by the Beneficiary, may be applied by the Beneficiary in accordance with clause 20.1; and
 - 9.10.2 all voting and other rights and powers attaching to the Investments may be exercised by, or at the direction of, the Beneficiary and a Chargor shall, and shall procure that its nominees shall, comply with any directions the Beneficiary may give, in its absolute discretion, concerning the exercise of those rights and powers.

Calls on Investments

- 9.11 Notwithstanding the security created by this deed, each Chargor shall promptly pay all calls, instalments and other payments that may be or become due and payable in respect of all or any of the Investments. Each Chargor acknowledges that the Beneficiary shall not be under any liability in respect of any such calls, instalments or other payments.

No alteration of constitutional documents or rights attaching to Investments

- 9.12 No Chargor shall, without the prior written consent of the Beneficiary, amend, or agree to the amendment of:
 - 9.12.1 the memorandum or articles of association, or any other constitutional documents, of any issuer of the Investments that is not a public company; or
 - 9.12.2 the rights or liabilities attaching to, or conferred by, all or any of the Investments.

Preservation of Investments

- 9.13 Each Chargor shall ensure (as far as it is able to by the exercise of all voting rights, powers of control and other means available to it) that any issuer of any of the Investments (that is not a public company) shall not:
 - 9.13.1 consolidate or subdivide any of the Investments, or re-organise, exchange, repay or reduce its share capital in any way;
 - 9.13.2 issue any new shares or stock; or

- 9.13.3 refuse to register any transfer of any of the Investments that may be lodged with it for registration by, or on behalf of, the Beneficiary or any Chargor in accordance with this deed.

Investments information

- 9.14 Each Chargor shall, promptly following receipt, send to the Beneficiary copies of any notice, circular, report, accounts and any other document received by it that relates to the Investments.

Compliance with requests for information

- 9.15 Each Chargor shall promptly send a copy to the Beneficiary of, and comply with, all requests for information which is within its knowledge and which are made under any law or regulation or any similar provision in any articles of association or other constitutional document, or by any listing or other authority, relating to any of the Investments. If it fails to do so, the Beneficiary may elect to provide such information as it may have on behalf of a Chargor.

10. Equipment Covenants

Maintenance of Equipment

- 10.1 Each Chargor shall:
- 10.1.1 maintain the Equipment in good and serviceable condition (except for expected fair wear and tear) in compliance with all relevant manuals, handbooks, manufacturer's instructions and recommendations;
 - 10.1.2 at its own expense, renew and replace any parts of the Equipment when they become obsolete, worn out or damaged with parts of a similar quality and of equal or greater value; and
 - 10.1.3 not permit any Equipment to be:
 - 10.1.3.1 used or handled other than by properly qualified and trained persons; or
 - 10.1.3.2 overloaded or used for any purpose for which it is not designed or reasonably suitable.

Payment of Equipment taxes

- 10.2 Each Chargor shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Equipment and, on demand, produce evidence of such payment to the Beneficiary.

Notice of charge

- 10.3 Each Chargor shall, if so requested by the Beneficiary, affix to and maintain on each item of Equipment in a conspicuous place, a clearly legible identification plate containing the following wording:

"NOTICE OF CHARGE

This {DESCRIBE ITEM} and all additions to it {AND ANCILLARY EQUIPMENT} are subject to a fixed charge dated {DATE} in favour of {BENEFICIARY}."

- 10.4 No Chargor shall, and shall not permit any person to, conceal, obscure, alter or remove any plate affixed in accordance with clause 10.3.

11. Book Debts Covenants

Realising Book Debts

- 11.1 Each Chargor shall as an agent for the Beneficiary, collect in and realise all Book Debts, pay the proceeds into a Designated Account immediately on receipt and, pending that payment, hold those proceeds in trust for the Beneficiary.
- 11.2 No Chargor shall, without the prior written consent of the Beneficiary, withdraw any amounts standing to the credit of any Designated Account.
- 11.3 Each Chargor shall, if called on to do so by the Beneficiary, execute a legal assignment of the Book Debts to the Beneficiary on such terms as the Beneficiary may require and give notice of that assignment to the debtors from whom the Book Debts are due, owing or incurred.

Preservation of Book Debts

- 11.4 No Chargor shall (except as provided by clauses 11.1 to 11.3 or with the prior written consent of the Beneficiary) release, or compound, all or any of the Book Debts.

12. Relevant Agreements Covenants

Relevant Agreements

- 12.1 Each Chargor shall, unless the Beneficiary agrees otherwise in writing, comply with the terms of each Relevant Agreement and any other document, agreement or arrangement comprising the Secured Assets.
- 12.2 No Chargor shall, unless the Beneficiary agrees otherwise in writing:
 - 12.2.1 amend or vary or agree to any change in, or waive any requirement of or its rights under;
 - 12.2.2 settle, compromise, terminate, rescind or discharge (except by performance); or
 - 12.2.3 abandon, waive, dismiss, release or discharge any action, claim or proceedings against any counterparty to a Relevant Agreement or other person in connection with,any Relevant Agreement or any other document, agreement or arrangement comprising the Secured Assets.

13. Intellectual Property Covenants

Preservation of rights

- 13.1 Each Chargor shall take all necessary action to safeguard and maintain present and future rights in, or relating to, the Intellectual Property including (without limitation) by observing all covenants and stipulations relating to those rights, and by paying all applicable renewal fees, licence fees and other outgoings.

Registration of Intellectual Property

- 13.2 Each Chargor shall use all reasonable efforts to register applications for the registration of any Intellectual Property, and shall keep the Beneficiary informed of all matters relating to each such registration.

Maintenance of Intellectual Property

- 13.3 No Chargor shall permit any Intellectual Property to be abandoned, cancelled or to lapse.

14. Powers of the Beneficiary

Power to remedy

- 14.1 The Beneficiary shall be entitled (but shall not be obliged) to remedy, at any time, a breach by any Chargor of any of its obligations contained in this deed.
- 14.2 Each Chargor irrevocably authorises the Beneficiary and its agents to do all things that are necessary or desirable for that purpose.
- 14.3 Any monies expended by the Beneficiary in remedying a breach by any Chargor of its obligations contained in this deed shall be reimbursed by any Chargor to the Beneficiary on a full indemnity basis and shall carry interest in accordance with clause 21.1.

Exercise of rights

- 14.4 The rights of the Beneficiary under clauses 14.1 to 14.3 are without prejudice to any other rights of the Beneficiary under this deed.
- 14.5 The exercise of any rights of the Beneficiary under this deed shall not make the Beneficiary liable to account as a mortgagee in possession.

Power to dispose of chattels

- 14.6 At any time after the security constituted by this deed has become enforceable, the Beneficiary or any Receiver may, as agent for a Chargor, dispose of any chattels or produce found on any Charged Property.
- 14.7 Without prejudice to any obligation to account for the proceeds of any disposal made under clause 14.6, each Chargor shall indemnify the Beneficiary and any Receiver against any direct liability arising from any disposal made under clause 14.6.

Beneficiary has Receiver's powers

- 14.8 To the extent permitted by law, any right, power or discretion conferred by this deed (either expressly or impliedly) or by law on a Receiver may, after the security constituted by this deed has become enforceable, be exercised by the Beneficiary in relation to any of the Secured Assets whether or not it has taken possession of any Secured Assets and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

Conversion of currency

- 14.9 For the purpose of, or pending the discharge of, any of the Secured Liabilities, the Beneficiary may convert any monies received, recovered or realised by it under this deed (including the proceeds of any previous conversion under clauses 14.9 to 14.11) from their existing currencies of denomination into any other currencies of denomination that the Beneficiary may think fit.
- 14.10 Any such conversion shall be effected at the Beneficiary's then prevailing spot selling rate of exchange for such other currency against the existing currency.
- 14.11 Each reference in clauses 14.9 to 14.11 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

New accounts

- 14.12 If the Beneficiary receives, or is deemed to have received, notice of any subsequent Security, or other interest, affecting all or part of the Secured Assets, the Beneficiary may open a new account for any Chargor in the Beneficiary's books. Without prejudice to the Beneficiary's right to combine accounts, no money paid to the credit of any Chargor in any

such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.

- 14.13 If the Beneficiary does not open a new account immediately on receipt of the notice, or deemed notice, under clause 14.12, then, unless the Beneficiary gives express written notice to the contrary to a Chargor, all payments made by any Chargor to the Beneficiary shall be treated as having been credited to a new account of that Chargor and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt or deemed receipt of the relevant notice by the Beneficiary.

Indulgence

- 14.14 The Beneficiary may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this deed (whether or not any such person is jointly liable with any Chargor) in respect of any of the Secured Liabilities, or of any other security for them without prejudice either to this deed or to the liability of the Chargors for the Secured Liabilities.

Appointment of an Administrator

- 14.15 The Beneficiary may, without notice to the Chargors, appoint any one or more persons to be an Administrator of any Chargor pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this deed becomes enforceable.
- 14.16 Any appointment under clauses 14.15 to 14.17 shall:
- 14.16.1 be in writing signed by a duly authorised signatory of the Beneficiary; and
 - 14.16.2 take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.
- 14.17 The Beneficiary may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with clause 14.15 to 14.17 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

15. When Security becomes Enforceable

Security becomes enforceable on Event of Default

- 15.1 The security constituted by this deed shall become immediately enforceable if an Event of Default occurs.

Discretion

- 15.2 After the security constituted by this deed has become enforceable, the Beneficiary may, in its absolute discretion, 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.

16. Enforcement of Security

Enforcement powers

- 16.1 For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this deed.
- 16.2 The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this deed) shall be immediately exercisable at any time after the security constituted by this deed has become enforceable under clause 15.1.

- 16.3 Section 103 of the LPA 1925 does not apply to the security constituted by this deed.

Extension of statutory powers of leasing

- 16.4 The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the Beneficiary and any Receiver, at any time after the security constituted by this deed has become enforceable, whether in its own name or in that of a Chargor, to:

- 16.4.1 grant a lease or agreement for lease;
- 16.4.2 accept surrenders of leases; or
- 16.4.3 grant any option in respect of the whole or any part of the Secured Assets with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of a Chargor, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Beneficiary or Receiver thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

Access on enforcement

- 16.5 At any time after the Beneficiary has demanded payment of the Secured Liabilities or if any Chargor defaults in the performance of its obligations under the SPAs then each Chargor will allow the Beneficiary or its Receiver, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Secured Asset and for that purpose to enter on any premises where a Secured Asset is situated (or where the Beneficiary or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to any Chargor for, or by any reason of, that entry.
- 16.6 At all times, each Chargor must use its best endeavours to allow the Beneficiary or its Receiver access to any premises for the purpose of clause 16.5 (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

Redemption of prior Security

- 16.7 At any time after the security constituted by this deed has become enforceable, the Beneficiary may:
- 16.7.1 redeem any prior Security over any Secured Asset;
 - 16.7.2 procure the transfer of that Security to itself; and
 - 16.7.3 settle and pass the accounts of the holder of any prior Security (and any accounts so settled and passed shall, in the absence of any manifest error, be conclusive and binding on any Chargor).
- 16.8 Each Chargor shall pay to the Beneficiary immediately on demand all principal, interest, costs, charges and expenses of, and incidental to, any such redemption or transfer, and such amounts shall be secured by this deed as part of the Secured Liabilities.

Protection of third parties

- 16.9 No purchaser, mortgagee or other person dealing with the Beneficiary, any Receiver or any Delegate shall be concerned to enquire:
- 16.9.1 whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;

16.9.2 whether any power the Beneficiary, a Receiver or Delegate is purporting to exercise has become exercisable or is being properly exercised; or

16.9.3 how any money paid to the Beneficiary, any Receiver or any Delegate is to be applied.

Privileges

16.10 Each Receiver and the Beneficiary is entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers.

No liability as mortgagee in possession

16.11 Neither the Beneficiary nor any Receiver or Delegate shall be liable, by reason of entering into possession of a Secured Asset or for any other reason, to account as mortgagee in possession in respect of all or any of the Secured Assets, nor shall any of them be liable for any loss on realisation of, or for any act, default or omission for which a mortgagee in possession might be liable.

Conclusive discharge to purchasers

16.12 The receipt of the Beneficiary, or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Secured Assets or in making any acquisition in the exercise of their respective powers, the Beneficiary, and every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it thinks fit.

Right of appropriation

16.13 To the extent that:

16.13.1 the Secured Assets constitute Financial Collateral; and

16.13.2 this deed and the obligations of any Chargor under it constitute a Security Financial Collateral Arrangement,

the Beneficiary shall have the right, at any time after the security constituted by this deed has become enforceable, to appropriate all or any of those Secured Assets in or towards the payment or discharge of the Secured Liabilities in any order that the Beneficiary may, in its absolute discretion, determine.

16.14 The value of any Secured Assets appropriated in accordance with this clause shall be:

16.14.1 in the case of cash, the amount standing to the credit of each of the Chargors' accounts with any bank, financial institution or other person, together with any accrued but unpaid interest, at the time the right of appropriation is exercised; and

16.14.2 in the case of Investments, the market price of those Investments at the time the right of appropriation is exercised determined by the Beneficiary by reference to a recognised market index or by any other method that the Beneficiary may select (including independent valuation).

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

17. Receiver

Appointment

- 17.1 At any time after the security constituted by this deed has become enforceable, or at the request of any Chargor, the Beneficiary may, without further notice, appoint by way of deed, or otherwise in writing, any one or more persons to be a Receiver of all or any part of the Secured Assets.

Removal

- 17.2 The Beneficiary may, without further notice (subject to section 45 of the Insolvency Act 1986 in the case of an administrative receiver), from time to time, by way of deed, or otherwise in writing, 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.

Remuneration

- 17.3 The Beneficiary may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925, and the remuneration of the Receiver shall be a debt secured by this deed, to the extent not otherwise discharged.

Power of appointment additional to statutory powers

- 17.4 The power to appoint a Receiver conferred by this deed shall be in addition to all statutory and other powers of the Beneficiary under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

Power of appointment exercisable despite prior appointments

- 17.5 The power to appoint a Receiver (whether conferred by this deed or by statute) shall be, and remain, exercisable by the Beneficiary despite any prior appointment in respect of all or any part of the Secured Assets.

Agent of the Chargors

- 17.6 Any Receiver appointed by the Beneficiary under this deed shall be the agent of the Chargors and the Chargors shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each Receiver shall continue until any Chargor goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Beneficiary.

18. Powers of Receiver

General

- 18.1 Any Receiver appointed by the Beneficiary under this deed shall, in addition to the powers conferred on it by statute, have the rights, powers and discretions set out in clause 18.5 to 18.27.
- 18.2 A Receiver has all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the LPA 1925, and shall have those rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986 whether it is an administrative receiver or not.
- 18.3 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing it states otherwise) exercise all of the powers conferred on a Receiver under this deed individually and to the exclusion of any other Receiver.

- 18.4 Any exercise by a Receiver of any of the powers given by clause 17 may be on behalf of any Chargor, the directors of a Chargor (in the case of the power contained in clause 18.20) or itself.

Repair and develop Charged Properties

- 18.5 A Receiver may undertake or complete any works of repair, alteration, building or development on the Charged Properties and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

Grant or accept surrenders of leases

- 18.6 A Receiver may grant, or accept, surrenders of any leases or tenancies affecting any Secured Asset on any terms, and subject to any conditions, that it thinks fit.

Employ personnel and advisers

- 18.7 A Receiver may provide services and employ or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that it thinks fit.

- 18.8 A Receiver may discharge any such person or any such person appointed by any Chargor.

Make and revoke VAT options to tax

- 18.9 A Receiver may make, exercise or revoke any VAT option to tax as it thinks fit.

Remuneration

- 18.10 A Receiver may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by it) that the Beneficiary may prescribe or agree with it.

Possession

- 18.11 A Receiver may take immediate possession of, get in and realise any Secured Asset.

Manage or reconstruct the Chargors' business

- 18.12 A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of any Chargor.

Dispose of Secured Assets

- 18.13 A Receiver may sell, exchange, convert into money and realise all or any of the Secured Assets in respect of which it is appointed in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as it thinks fit. Any sale may be for any consideration that the Receiver thinks fit and a Receiver may promote, or concur in promoting, a company to purchase the Secured Assets to be sold.

Sever fixtures and fittings

- 18.14 A Receiver may sever and sell separately any fixtures or fittings from any Charged Property without the consent of a Chargor.

Sell Book Debts

- 18.15 A Receiver may sell and assign all or any of the Book Debts in respect of which it is appointed in any manner, and generally on any terms and conditions, that it thinks fit.

Valid receipts

- 18.16 A Receiver may give a valid receipt for all monies and execute all assurances and things that may be proper or desirable for realising any of the Secured Assets.

Make settlements

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

Legal action

- 18.18 A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Secured Assets as it thinks fit.

Improve the Equipment

- 18.19 A Receiver may make substitutions of, or improvements to, the Equipment as it may think expedient.

Make calls on Chargors' members

- 18.20 A Receiver may make calls conditionally or unconditionally on the members of a Chargor in respect of uncalled capital with (for that purpose and for the purpose of enforcing payments of any calls so made) the same powers as are conferred by the articles of association of a Chargor on its directors in respect of calls authorised to be made by them.

Insure

- 18.21 A Receiver may, if it thinks fit, but without prejudice to the indemnity in clause 21, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by any Chargor under this deed.

Subsidiaries

- 18.22 A Receiver may form a subsidiary of a Chargor and transfer to that subsidiary any Secured Asset.

Borrow

- 18.23 A Receiver may, for whatever purpose it thinks fit, raise and borrow money either unsecured or on the security of all or any of the Secured Assets in respect of which it is appointed on any terms that it thinks fit (including, if the Beneficiary consents, terms under which that security ranks in priority to this deed).

Redeem prior Security

- 18.24 A Receiver may redeem any prior Security and settle and pass the accounts to which the Security relates. Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on a Chargor, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

Delegation

- 18.25 A Receiver may delegate its powers in accordance with this deed.

Absolute beneficial owner

- 18.26 A Receiver may, in relation to any of the Secured Assets, exercise all powers, authorisations and rights it would be capable of exercising as, and do all those acts and

things, an absolute beneficial owner could exercise or do, in the ownership and management of the Secured Assets or any part of the Secured Assets.

Incidental powers

18.27 A Receiver may do any other acts and things that it:

18.27.1 may consider desirable or necessary for realising any of the Secured Assets;

18.27.2 may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this deed or law; or

18.27.3 lawfully may or can do as agent for any Chargor.

19. Delegation

Delegation

19.1 The Beneficiary or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this deed (including the power of attorney granted under clause 23.1).

Terms

19.2 The Beneficiary and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that it thinks fit.

Liability

19.3 Neither the Beneficiary nor any Receiver shall be in any way liable or responsible to any Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

20. Application of Proceeds

Order of application of proceeds

20.1 All monies received or recovered by the Beneficiary, a Receiver or a Delegate under this deed or in connection with the realisation or enforcement of all or part of the security constituted by this deed (other than sums received under any Insurance Policy), shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority (but without prejudice to the Beneficiary's right to recover any shortfall from any Chargor):

20.1.1 in or towards payment of all costs, liabilities, charges and expenses incurred by or on behalf of the Beneficiary (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this deed, and of all remuneration due to any Receiver under or in connection with this deed;

20.1.2 in or towards payment of the Secured Liabilities in any order and manner that the Beneficiary determines; and

20.1.3 in payment of the surplus (if any) to the Parent or other person entitled to it.

Appropriation

20.2 Neither the Beneficiary, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

Suspense account

- 20.3 All monies received by the Beneficiary, a Receiver or a Delegate under this deed (other than sums received under any Insurance Policy that are not going to be applied in or towards discharge of the Secured Liabilities):
- 20.3.1 may, at the discretion of the Beneficiary, Receiver or Delegate, be credited to a suspense account;
 - 20.3.2 shall bear interest, if any, at the rate agreed in writing between the Beneficiary and the Parent; and
 - 20.3.3 may be held in that account for so long as the Beneficiary, Receiver or Delegate thinks fit.

21. Costs and Indemnity

Costs

- 21.1 Each Chargor shall, promptly on demand, pay to, or reimburse, the Beneficiary and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Beneficiary, any Receiver or any Delegate in connection with:
- 21.1.1 this deed or the Secured Assets;
 - 21.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Beneficiary's, a Receiver's or a Delegate's rights under this deed; or
 - 21.1.3 taking proceedings for, or recovering, any of the Secured Liabilities,
- together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost, charge, expense, tax or liability arose until full discharge of that cost, charge, expense, tax or liability (whether before or after judgment, liquidation, winding-up or administration of any Chargor) at a rate and in the manner as determined by the Beneficiary.

Indemnity

- 21.2 Each Chargor shall indemnify the Beneficiary, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:
- 21.2.1 the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this deed or by law in respect of the Secured Assets;
 - 21.2.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed; or
 - 21.2.3 any default or delay by any Chargor in performing any of its obligations under this deed.
- 21.3 Any past or present employee or agent may enforce the terms of clauses 21.2 and 21.3 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

22. Further Assurance

Further assurance

22.1 Each Chargor shall promptly, at its own expense, take whatever action the Beneficiary or any Receiver may reasonably require for:

22.1.1 creating, perfecting or protecting the security created or intended to be created by this deed;

22.1.2 facilitating the realisation of any Secured Asset; or

22.1.3 facilitating the exercise of any right, power, authority or discretion exercisable by the Beneficiary or any Receiver in respect of any Secured Asset,

including, without limitation the execution of any mortgage, transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Secured Assets (whether to the Beneficiary or to its nominee) and the giving of any notice, order or direction and the making of any filing or registration which, in any such case, the Beneficiary may consider necessary or desirable.

23. Power of Attorney

Appointment of attorneys

23.1 By way of security, each Chargor irrevocably appoints the Beneficiary, every Receiver and every Delegate separately to be the attorney of any Chargor and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things that:

23.1.1 a Chargor is required to execute and do under this deed; or

23.1.2 any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this deed or by law on the Beneficiary, any Receiver or any Delegate.

Ratification of acts of attorneys

23.2 Each Chargor ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 23.1.

24. Release

24.1 Subject to clause 31.3, at the end of the Security Period, the Beneficiary shall, at the request and cost of the Chargors, take whatever action is necessary to:

24.1.1 release the Secured Assets from the security constituted by this deed; and

24.1.2 reassign the Secured Assets to each Chargor.

25. Assignment and Transfer

Assignment by Beneficiary

25.1 At any time, without the consent of the Chargors, the Beneficiary may assign or transfer any or all of its rights and obligations under this deed.

25.2 The Beneficiary may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Chargors, the Secured Assets and this deed that the Beneficiary considers appropriate.

Assignment by the Chargors

- 25.3 No Chargor may assign any of its rights, or transfer any of its rights or obligations, under this deed.

26. Set-off

Beneficiary's right of set-off

- 26.1 The Beneficiary may at any time set off any liability of any Chargor to the Beneficiary against any liability of the Beneficiary to any Chargor, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this deed. If the liabilities to be set off are expressed in different currencies, the Beneficiary may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Beneficiary of its rights under this clause 26 shall not limit or affect any other rights or remedies available to it under this deed or otherwise.

No obligation to set off

- 26.2 The Beneficiary is not obliged to exercise its rights under clause 26.1. If, however, it does exercise those rights it must as soon as reasonably practicable notify each Chargor of the set-off that has been made.

Exclusion of Chargors' right of set-off

- 26.3 All payments made by any Chargor to the Beneficiary under this deed shall be made in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

27. Amendments, Waivers and Consents

Amendments

- 27.1 No amendment of this deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

Waivers and consents

- 27.2 A waiver of any right or remedy under this deed or by law, or any consent given under this deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.
- 27.3 A failure or delay by a party to exercise any right or remedy provided under this deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this deed. No single or partial exercise of any right or remedy provided under this deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this deed by the Beneficiary shall be effective unless it is in writing.

Rights and remedies

- 27.4 The rights and remedies provided under this deed are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

28. Severance

- 28.1 If any provision (or part of a provision) of this deed is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or

part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this deed.

29. Counterparts

- 29.1 This deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.
- 29.2 Transmission of an executed counterpart of this deed (but for the avoidance of doubt not just a signature page) by fax or email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this deed. If either method of delivery is adopted, without prejudice to the validity of the deed thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.

30. Third Party Rights

- 30.1 Except as expressly provided in elsewhere in this deed, a person who is not a party to this deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.
- 30.2 The rights of the parties to rescind or agree any amendment or waiver under this deed are not subject to the consent of any other person.

31. Further Provisions

Independent security

- 31.1 The security constituted by this deed shall be in addition to, and independent of, any other security or guarantee that the Beneficiary may hold for any of the Secured Liabilities at any time. No prior security held by the Beneficiary over the whole or any part of the Secured Assets shall merge in the security created by this deed.

Continuing security

- 31.2 The security constituted by this deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Beneficiary discharges this deed in writing.

Discharge conditional

- 31.3 Any release, discharge or settlement between a Chargor and the Beneficiary shall be deemed conditional on no payment or security received by the Beneficiary in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded under any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:
- 31.3.1 the Beneficiary or its nominee may retain this deed and the security created by or under it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Beneficiary deems necessary to provide the Beneficiary with security against any such avoidance, reduction or order for refund; and
- 31.3.2 the Beneficiary may recover the value or amount of such security or payment from any Chargor subsequently as if the release, discharge or settlement had not occurred.

Certificates

- 31.4 A certificate or determination by the Beneficiary as to any amount for the time being due to it from any Chargor under this deed shall be, in the absence of any manifest error, conclusive evidence of the amount due.

Consolidation

- 31.5 The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this deed.

Small company moratorium

- 31.6 Notwithstanding anything to the contrary in this deed, neither the obtaining of a moratorium by any Chargor under Schedule A1 to the Insolvency Act 1986 nor the doing of anything by any Chargor with a view to obtaining such a moratorium (including any preliminary decision or investigation) shall be, or be construed as:

31.6.1 an event under this deed which causes any floating charge created by this deed to crystallise;

31.6.2 an event under this deed which causes any restriction which would not otherwise apply to be imposed on the disposal of any property by a Chargor; or

31.6.3 a ground under this deed for the appointment of a Receiver.

32. Notices

Delivery

- 32.1 Any notice or other communication given to a party under or in connection with this deed shall be:

32.1.1 in writing;

32.1.2 delivered by hand, by pre-paid first-class post or other next working day delivery service or sent by fax; and

32.1.3 sent to:

32.1.3.1 the Chargors at:

Address: the Chargors registered address from time to time

Attention: the directors

32.1.3.2 the Beneficiary at:

Address: 34 Roundhay Road, Leeds LS7 1AB

Attention: Daniel Charles Buck,

or to any other address or fax number as is notified in writing by one party to the other from time to time.

Receipt by the Chargors

- 32.2 Any notice or other communication that the Beneficiary gives to any Chargor shall be deemed to have been received:

32.2.1 if delivered by hand, at the time it is left at the relevant address; and

- 32.2.2 if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting.

A notice or other communication given as described in clause 32.2 on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

Receipt by Beneficiary

- 32.3 Any notice or other communication given to the Beneficiary shall be deemed to have been received only on actual receipt.

Service of proceedings

- 32.4 This clause 32 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

No notice by email

- 32.5 A notice or other communication given under or in connection with this deed is not valid if sent by email.

33. Governing Law and Jurisdiction

Governing law

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

Jurisdiction

- 33.2 Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this deed or its subject matter or formation. Nothing in this clause shall limit the right of the Beneficiary to take proceedings against any Chargor in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

Other service

- 33.3 Each Chargor irrevocably consents to any process in any legal action or proceedings under clause 33.2 being served on it in accordance with the provisions of this deed relating to service of notices. Nothing contained in this deed shall affect the right to serve process in any other manner permitted by law.

THIS DOCUMENT has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Schedule 1 – Original Chargers

<u>Company name</u>	<u>Registered number</u>	<u>Registered office</u>
DF Online Ltd	12335722	34 Roundhay Road, Leeds, West Yorkshire, United Kingdom, LS7 1AB
DF Mainline Ltd	12339111	34 Roundhay Road, Leeds, West Yorkshire, United Kingdom, LS7 1AB
The Shoot Shoe Company Ltd	11080210	34 Enfield Terrace, Leeds, United Kingdom, LS7 1RG
DF Alderley Ltd	11640655	34 Roundhay Road, Leeds, West Yorkshire, United Kingdom, LS7 1AB
DF Eldon Ltd	11661672	34 Roundhay Road, Leeds, West Yorkshire, United Kingdom, LS7 1AB
DF Glasgow Ltd	11734236	34 Roundhay Road, Leeds, West Yorkshire, United Kingdom, LS7 1AB
DF Harrogate Ltd	11456385	34 Roundhay Road, Leeds, West Yorkshire, United Kingdom, LS7 1AB
DF Stanmore Ltd	11595011	34 Roundhay Road, Leeds, West Yorkshire, United Kingdom, LS7 1AB
DF Temple Ltd	11707956	34 Roundhay Road, Leeds, West Yorkshire, United Kingdom, LS7 1AB
Olast 7 Ltd	10539352	34 Enfield Terrace, Leeds, England, LS7 1RG
Olast (Beverley) Ltd	11731571	34 Roundhay Road, Leeds, West Yorkshire, United Kingdom, LS7 1AB
Olast (Cheshire Oaks) Ltd	11392961	34 Roundhay Road, Leeds, West Yorkshire, United Kingdom, LS7 1AB
Olast (Swindon) Ltd	11392969	34 Roundhay Road, Leeds, West Yorkshire, United Kingdom, LS7 1AB
Olast (York) Ltd	11393078	34 Roundhay Road, Leeds, West Yorkshire, United Kingdom, LS7 1AB
Retailer Bath 201 Ltd	11084717	34 Enfield Terrace, Leeds, United Kingdom, LS7 1RG

Scoop Footwear Ltd	10014081	34 Roundhay Road, Leeds, West Yorkshire, United Kingdom, LS7 1AB
Scoop Retail Ltd	09322817	1 Roseville Road, Leeds, West Yorkshire, LS8 5DT
DF Livingston Ltd	11793579	3 Norman Court, Albion Road Carlton Industrial Estate, Carlton, Barnsley, United Kingdom, S71 3TE

Schedule 2 – Real Property

Intentionally left blank.

SIGNATURE PAGE TO THE DEED

Beneficiary

SIGNED as a **DEED** by **DANIEL CHARLES BUCK** in the presence of:

Witness Signature:

Witness Name:

Witness Address:

Witness Occupation:

AMY BUTTRICK

SOLICITOR

Clarion
Elizabeth House
13-19 Queen Street
Leeds
LS1 2TW

Clarion Solicitors Limited

Original Chargees

EXECUTED as a **DEED** by **DF ONLINE LTD** acting by *Anthony Pickthall*

, a director in the presence of:

Witness Signature:

Witness Name:

Witness Address:

Witness Occupation:

AMY BUTTRICK

SOLICITOR

Clarion
Elizabeth House
13-19 Queen Street
Leeds
LS1 2TW

Clarion Solicitors Limited

EXECUTED as a **DEED** by **DF MAINLINE LTD** acting by *Anthony Pickthall*

, a director in the presence of:

Witness Signature:

Witness Name:

Witness Address:

Witness Occupation:

AMY BUTTRICK

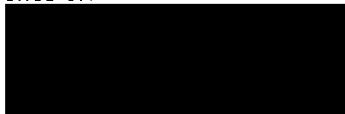
SOLICITOR

Clarion
Elizabeth House
13-19 Queen Street
Leeds
LS1 2TW

Clarion Solicitors Limited

EXECUTED as a **DEED** by **THE SHOOT SHOE COMPANY LTD** acting by *Anthony Ackthall*

, a director in the presence of:

Witness Signature: 


Witness Name: *AMY BUTTRICK*

Witness Address:

Witness Occupation: *SOLICITOR*

EXECUTED as a **DEED** by **DF ALDERLEY LTD** acting by *Geoffrey Tootell*

, a director in the presence of:

Witness Signature: 


Witness Name: *AMY BUTTRICK*

Witness Address:

Witness Occupation: *SOLICITOR*

EXECUTED as a **DEED** by **DF ELDON LTD** acting by *Geoffrey Tootell*

, a director in the presence of:

Witness Signature: 

Witness Name: *AMY BUTTRICK*

Witness Address:

Witness Occupation: *SOLICITOR*


Director

Clarion
Elizabeth House
13-19 Queen Street
Leeds
LS1 2TW

Clarion Solicitors Limited


Director

Clarion
Elizabeth House
13-19 Queen Street
Leeds
LS1 2TW

Clarion Solicitors Limited


Director

Clarion
Elizabeth House
13-19 Queen Street
Leeds
LS1 2TW

Clarion Solicitors Limited

EXECUTED as a **DEED** by **DF GLASGOW LTD**
acting by *Geoffrey Tootell*

, a director in the presence of:

Witness Signature:

Witness Name:

Witness Address:

Witness Occupation:

Director

Clarion
Elizabeth House
13-19 Queen Street
Leeds
LS1 2TW

Clarion Solicitors Limited

EXECUTED as a **DEED** by **DF HARROGATE LTD**
acting by *Geoffrey Tootell*

, a director in the presence of:

Witness Signature:

Witness Name:

Witness Address:

Witness Occupation:

Director

Clarion
Elizabeth House
13-19 Queen Street
Leeds
LS1 2TW

Clarion Solicitors Limited

EXECUTED as a **DEED** by **DF STANMORE LTD**
acting by *Geoffrey Tootell*

, a director in the presence of:

Witness Signature:

Witness Name:

Witness Address:

Witness Occupation:

Director

Clarion
Elizabeth House
13-19 Queen Street
Leeds
LS1 2TW

Clarion Solicitors Limited

EXECUTED as a **DEED** by **DF TEMPLE LTD**
acting by *Geoffrey Tootell*

, a director in the presence of:

Witness Signature:

Witness Name:

Witness Address:

Witness Occupation:

AMY BUTTRICK

SOLICITOR

EXECUTED as a **DEED** by **OLAST 7 LTD** acting
by *Geoffrey Tootell*

, a director in the presence of:

Witness Signature:

Witness Name:

Witness Address:

Witness Occupation:

AMY BUTTRICK

SOLICITOR

EXECUTED as a **DEED** by **OLAST (BEVERLEY)
LTD** acting by *Geoffrey Tootell*

, a director in the presence of:

Witness Signature:

Witness Name:

Witness Address:

Witness Occupation:

AMY BUTTRICK

SOLICITOR

Director

Clarion
Elizabeth House
13-19 Queen Street
Leeds
LS1 2TW

Clarion Solicitors Limited

Director

Clarion
Elizabeth House
13-19 Queen Street
Leeds
LS1 2TW

Clarion Solicitors Limited

Director

Clarion
Elizabeth House
13-19 Queen Street
Leeds
LS1 2TW

Clarion Solicitors Limited

EXECUTED as a **DEED** by **OLAST (CHESHIRE OAKS) LTD** acting by *Geoffrey Tootell*

, a director in the presence of:

Witness Signature:

Witness Name:

Witness Address:

Witness Occupation:

EXECUTED as a **DEED** by **OLAST (SWINDON) LTD** acting by *Geoffrey Tootell*

, a director in the presence of:

Witness Signature:

Witness Name:

Witness Address:

Witness Occupation:

EXECUTED as a **DEED** by **OLAST (YORK) LTD** acting by *Geoffrey Tootell*

, a director in the presence of:

Witness Signature:

Witness Name:

Witness Address:

Witness Occupation:

Director

Clarion
Elizabeth House
13-19 Queen Street
Leeds
LS1 2TW

Clarion Solicitors Limited

Director

Clarion
Elizabeth House
13-19 Queen Street
Leeds
LS1 2TW

Clarion Solicitors Limited

Director

Clarion
Elizabeth House
13-19 Queen Street
Leeds
LS1 2TW

Clarion Solicitors Limited

EXECUTED as a **DEED** by **RETAILER BATH 201 LTD** acting by *Anthony Rickthall*

, a director in the presence of:

Witness Signature:

Witness Name:

Witness Address:

Witness Occupation:

EXECUTED as a **DEED** by **SCOOP FOOTWEAR LTD** acting by *Geoffrey Toote*

, a director in the presence of:

Witness Signature:

Witness Name:

Witness Address:

Witness Occupation:

EXECUTED as a **DEED** by **SCOOP RETAIL LTD** acting by *Geoffrey Toote*

, a director in the presence of:

Witness Signature:

Witness Name:

Witness Address:

Witness Occupation:

[Redacted Signature]
Director

Clarion
Elizabeth House
13-19 Queen Street
Leeds
LS1 2TW

Clarion Solicitors Limited

[Redacted Signature]
Director

Clarion
Elizabeth House
13-19 Queen Street
Leeds
LS1 2TW

Clarion Solicitors Limited

[Redacted Signature]
Director

Clarion
Elizabeth House
13-19 Queen Street
Leeds
LS1 2TW

Clarion Solicitors Limited

EXECUTED as a **DEED** by **DF LIVINGSTON LTD** acting by *Geoffrey Tootell*

, a director in the presence of:

Witness Signature:

Witness Name: *AMY SUTTRICK*

Witness Address:

Witness Occupation: *SOLICITOR*



Director

Clarion
Elizabeth House
13-19 Queen Street
Leeds
LS1 2TW

Clarion Solicitors Limited