



Registration of a Charge

Company name: **HE2 N2 HAYDOCK LIMITED**

Company number: **11455283**



X872SA0A

Received for Electronic Filing: **06/06/2019**

Details of Charge

Date of creation: **28/05/2019**

Charge code: **1145 5283 0002**

Persons entitled: **SITUS ASSET MANAGEMENT LIMITED (AS SECURITY AGENT FOR THE SECURED PARTIES)**

Brief description: **ALL THAT FREEHOLD PROPERTY KNOWN AS LAND ON THE NORTH SIDE OF EAST LANCASHIRE ROAD, HAYDOCK AS THE SAME IS REGISTERED AT THE LAND REGISTRY UNDER TITLE NUMBER MS659839.**

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: **CLAUDIA GUGLIELMINO**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 11455283

Charge code: 1145 5283 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 28th May 2019 and created by HE2 N2 HAYDOCK LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 6th June 2019 .

Given at Companies House, Cardiff on 7th June 2019

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

DATE: 28 May 2019

SECURITY AGREEMENT

Between

THE ENTITIES LISTED IN PART I OF SCHEDULE 1
(as Chargors)

and

SITUS ASSET MANAGEMENT LIMITED
(as Security Agent)

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THIS DEED is made on

28 May

2019

BETWEEN:

- (1) **THE ENTITIES LISTED IN PART 1 OF SCHEDULE 1** as chargors (each being a “Chargor” and together the “Chargors”); and
- (2) **SITUS ASSET MANAGEMENT LIMITED** as security agent for the Secured Parties (as defined below) (the “Security Agent” which expression shall include any person appointed as security agent or as an additional security agent from time to time).

BACKGROUND:

- (A) Each Chargor enters into this Deed in connection with the Facility Agreement (as defined below).
- (B) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Deed, unless the context otherwise requires or unless otherwise defined or provided for in this Deed, words and expressions shall have the same meanings as are attributed to them under the Facility Agreement. In addition, the following words and expressions shall have the following meanings:

“Account” means a General Account, a Deposit Account, a Disposals Account, a Rent Account, a Development Account, a VAT Account, a Future Funding Account, a Cure Account or a Collection Account;

“Account Bank” means any bank which is approved by the Agent (acting on the instructions of the Majority Lenders) and which satisfies the Ratings Criteria, appointed as such pursuant to clauses 17.5 to 17.8 (*Account Bank*) of the Facility Agreement;

“Act” means the Law of Property Act 1925;

“Administrator” means any administrator(s) appointed pursuant to the provisions of the Insolvency Act 1986;

“Asset Manager” means any asset manager appointed by a Haydock Obligor in respect of the Property, from time to time, in accordance with clauses 24.25 to 24.27 (*Asset Managers*) of the Facility Agreement;

“Assigned Agreements” means:

- (a) any Hedging Agreement;
- (b) a Lease Document;
- (c) any guarantee of Rental Income contained in, or relating to, any Lease Document;
- (d) a document appointing a Managing Agent;
- (e) a document appointing an Asset Manager;

- (f) a document appointing a Development Manager (including the Existing Development Management Agreement);
- (g) any Subordinated Document;
- (h) any agreement under which the Haydock Obligors acquired title to the Haydock Property (including the sale and purchase agreement dated 6 July 2018 between HE2 Enterprises UK 1 S.a.r.l (as novated to the Haydock Nominees on 18 July 2018) and Bericote Properties Limited (the “SPA”)); or
- (i) any other document or agreement to which a Chargor is a party and which the Security Agent and the relevant Chargor have designated in writing as an Assigned Agreement,

each an “Assigned Agreement”;

“Authorisation” means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;

“Bail-In Action” means the exercise of any Write-down and Conversion Powers;

“Bail-In Legislation” means:

- (a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time; and
- (b) in relation to any state other than such an EEA Member Country or (to the extent that the United Kingdom is not such an EEA Member Country) the United Kingdom, any analogous law or regulation from time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation;

“Development Manager” means any development manager appointed by a Haydock Obligor in respect of the Property, from time to time, in accordance with clauses 23.26 to 23.28(*Development Managers*) of the Facility Agreement;

“EEA Member Country” means any member state of the European Union, Iceland, Liechtenstein and Norway;

“EU Bail-In Legislation Schedule” means the document described as such and published by the Loan Market Association (or any successor person) from time to time;

“Existing Development Management Agreement” means the development management agreement dated 18 July 2018 between the Haydock Nominees and Bericote Properties Limited;

“Facility Agreement” means the facility agreement dated on or about the date of this Deed between (among others) the Haydock Borrower, J.P. Morgan Securities PLC as arranger, J.P. Morgan Chase Bank N.A., London Branch as original lender, Situs Asset Management Limited as agent and the Security Agent;

“Fixtures” means, in respect of any Mortgaged Property, all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery now or at any time after the date of this Deed on that Mortgaged Property;

“Floating Charge Assets” means all of those assets and undertaking of each Chargor from time to time subject to a floating charge pursuant to this Deed;

“Haydock Borrower” means HE2 Haydock Limited Partnership, acting by the Haydock General Partner;

“Haydock (Development Manager) Duty of Care Agreement” means a duty of care agreement entered into or to be entered into by a Development Manager, the Haydock Nominees and the Security Agent, in an agreed form;

“Haydock Development Ready Works” means those earthworks, access road works and services works carried out at the Haydock Property pursuant to the SPA;

“Haydock General Partner” means HE2 Haydock GP Limited, a limited liability company registered in England and Wales with company number 11454217;

“Haydock Property” means the property set out in part 2 of Schedule 1 (*Real Property*) and, where the context so requires, includes the buildings on the Property;

“Hedging Agreement” means any master agreement, confirmation, transaction, schedule or other agreement in agreed form entered into or to be entered into by the Haydock Borrower for the purpose of hedging interest payable under the Facility Agreement;

“Intellectual Property Rights” means all patents (including applications (and any goodwill associated with such applications), improvements, prolongations, extensions and rights to apply for them in any part of the world), designs (whether registered or unregistered), copyrights and rights in the nature of copyright, design rights, trade-marks and service marks (whether registered or unregistered), utility models (in each case for their full period and all extensions and renewals of them), trade names, business names, domain names and brand names, know-how, formulae, confidential information, trade secrets, computer software programs and systems and any similar rights existing in any country (including the benefit of any licences or consents relating to any of the above) and all fees, royalties or other rights derived from them or incidental to them in any part of the world;

“Investments” means the Securities and the Related Rights;

“Lease Document” means:

- (a) an Agreement for Lease;
- (b) an Occupational Lease; or
- (c) any other document designated as such by the Agent and a Chargor;

“Limited Partnership” means HE2 Haydock Limited Partnership registered in England and Wales as a limited partnership under the Limited Partnerships Act 1907 with registration number LP019647;

“Limited Partnership Agreement” means the limited partnership agreement dated 25 September 2018 between the Haydock General Partner and EU Project, LLC (as amended by a deed of appointment and retirement dated 30 January 2019 between EU Project, LLC, EU Industrial Club II UK AIV SCSp (acting by its general partner HE Management II S.à r.l.), the Haydock General Partner and the Limited Partnership);

“Limited Partnership Interest” means, in respect of the Haydock General Partner:

- (a) all of its present and future right, title, interest and benefit under, in and to the Limited Partnership Agreement and all of its interest as a general partner of the Limited Partnership whether arising under the Limited Partnership Agreement, law or equity, and
- (b) any right to purchase or otherwise acquire any additional interest in the Limited Partnership, including without limitation any interest in the joint estate of the Limited Partnership;

“Limited Partnership Receivables” means in relation to the Haydock General Partner, all present and future:

- (a) distributions of any kind and any other sum received or receivable in respect of its Limited Partnership Interest, including distributions of income or capital;
- (b) any interest or principal payable to the Haydock General Partner in respect of its Limited Partnership Interest;
- (c) rights, shares, money or other assets accruing or offered by way of redemption, bonus, repayment of capital, option or otherwise in respect of its Limited Partnership Interest;
- (d) offers and rights accruing or offered in respect of its Limited Partnership Interest; and
- (e) other rights and assets attaching to, deriving from or exercisable by virtue of the ownership of, its Limited Partnership Interest;

“Limited Partnership Related Rights” means any proceeds of sale in relation to any Limited Partnership Interest and any right, money or property accruing or offered at any time in relation to the Haydock General Partner by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise now or in the future belonging to it, including (without limitation):

- (a) all dividends (cash or otherwise), distributions, interest and other moneys paid or payable in respect of the Limited Partnership Interest;
- (b) all rights, moneys, assets, benefits or advantages, in each case, relating to or accruing, offered, issued or arising in respect of or incidental to the Limited Partnership Interest from time to time, whether by way of dividend, purchase, conversion, redemption, substitution, exchange, preference, bonus or otherwise;

“Managing Agent” means any managing agent appointed by a Haydock Obligor in respect of the Haydock Property in accordance with clauses 24.22 to 24.24 (*Managing agents*) of the Facility Agreement;

“Mortgaged Property” means all freehold, leasehold or commonhold property included in the definition of Security Assets;

“Occupational Lease” means any lease or licence or other right of occupation or right to receive rent to which the Haydock Property may at any time be subject and includes any guarantee of a tenant’s obligations under the same;

“Party” means a party to this Deed;

“Receiver” means an administrative receiver, a receiver and manager or a receiver, in each case, appointed by the Security Agent under this Deed;

“Related Rights” means any proceeds of sale in relation to any Securities and any right, money or property accruing or offered at any time in relation to a Chargor by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise now or in the future belonging to it, including (without limitation):

- (a) all dividends (cash or otherwise), distributions, interest and other moneys paid or payable in respect of any Securities;
- (b) all allotments, rights, moneys, assets, benefits or advantages (including all voting rights), in each case, relating to or accruing, offered, issued or arising in respect of or incidental to any Securities from time to time, whether by way of redemption, allotment, conversion, warrant, exercise of option rights, substitution, exchange, preference, bonus or otherwise; and
- (c) any right against any clearance system or under any custodian or other agreement in relation to any Securities;

“Relevant Policies” means all policies of insurance present and future in which a Chargor has an interest (other than policies in respect of third party liability) together with all monies payable in respect of those policies, each a **“Relevant Policy”**;

“Rental Income” means the aggregate of all amounts paid or payable to or for the account of the Haydock Borrower in connection with the letting, licence or grant of other rights of use or occupation of any part of the Haydock Property, including each of the following amounts:

- (a) rent, licence fees and equivalent amounts paid or payable;
- (b) any sum received from any deposit held as security for performance of a tenant’s obligations;
- (c) a sum equal to any apportionment of rent allowed in favour of the Haydock Borrower;
- (d) any other moneys paid or payable in respect of occupation and/or usage of the Haydock Property and any fixture and fitting on the Haydock Property including any fixture or fitting on the Haydock Property for display or advertisement, on licence or otherwise;
- (e) any sum paid or payable under any policy of insurance in respect of loss of rent or interest on rent;
- (f) any sum paid or payable, or the value of any consideration given, for the grant, surrender, amendment, supplement, waiver, extension or release of any Lease Document;
- (g) any sum paid or payable in respect of a breach of covenant or dilapidations under any Lease Document;
- (h) any sum paid or payable by or distribution received or receivable from any guarantor of any occupational tenant under any Lease Document;
- (i) any Tenant Contributions; and

- (j) any interest paid or payable on, and any damages, compensation or settlement paid or payable in respect of, any sum referred to above less any related fees and expenses incurred (which have not been reimbursed by another person) by the Haydock Borrower;

“Resolution Authority” means any body which has authority to exercise any Write-down and Conversion Powers;

“Secured Liabilities” means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Transaction Obligor to any Secured Party under each Finance Document;

“Secured Party” means a Finance Party or a Receiver;

“Securities” means all and any shares, stocks, debentures, bonds or other securities and investments of any type whatever from time to time owned by a Chargor or held by any nominee or trustee on behalf of a Chargor or by a clearance system including, but not limited to, negotiable instruments, certificates of deposit, eligible debt securities, interests in collective investment schemes or other investments referred to in section 22 of, and as defined in Part II of Schedule 2 to, the Financial Services and Markets Act 2000 and Part III of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (whether certificated or uncertificated, physical or dematerialised, registered or unregistered and including, without limitation the shares, stocks, debentures, bonds or other securities and investments (if any) specified in Schedule 2 (*Securities*));

“Security” means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

“Security Assets” means all the assets and undertaking of each Chargor which are the subject of any Security created (or purported to be created), or constituted (or purported to be constituted) by, under or supplemental to this Deed;

“Security Period” means the period beginning on the date of this Deed and ending on the date on which the Security Agent is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full;

“Subordinated Creditor” means any person that is a party to a Subordination Deed as a Subordinated Creditor;

“Subordinated Debt”, in relation to a Subordinated Creditor, has the meaning given to it in the Subordination Deed entered into by that Subordinated Creditor;

“Subordination Deed” means a subordination deed entered into or to be entered into by, inter alia, a Subordinated Creditor, the Haydock Borrower and the Security Agent, in an agreed form;

“Subordinated Documents” means any agreement or document entered into by a Chargor with any Subordinated Creditor evidencing or constituting the terms of any Subordinated Debt;

“Tenant Contributions” means any amount paid or payable to the Haydock Borrower by any tenant under a Lease Document or any other occupier of the Haydock Property, by way of:

- (a) contribution to:
 - (i) ground rent;
 - (ii) insurance premia;
 - (iii) the cost of an insurance valuation;
 - (iv) a service or other charge in respect of the Haydock Borrower’s costs in connection with any management, repair, maintenance or similar obligation or in providing services to a tenant of, or with respect to, the Haydock Property; or
 - (v) a reserve or sinking fund; or
- (b) VAT; and

“UK Bail-In Legislation” means (to the extent that the United Kingdom is not an EEA Member Country which has implemented, or implements, Article 55 BRRD) Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings);

“Write-down and Conversion Powers” means:

- (a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule; and
- (b) in relation to any other applicable Bail-In Legislation:
 - (i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and
 - (ii) any similar or analogous powers under that Bail-In Legislation; and
- (c) in relation to any UK Bail-In Legislation:
 - (i) any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the

form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers; and

(ii) any similar or analogous powers under that UK Bail-In Legislation.

1.2 Construction

- 1.2.1 Capitalised terms defined in the Facility Agreement have, unless expressly defined in this Deed, the same meaning in this Deed.
- 1.2.2 The provisions of clause 1.2 (*Construction*) of the Facility Agreement apply to this Deed as though they were set out in full in this Deed except that references in such clause to the Facility Agreement are to be construed as references to this Deed.
- 1.2.3 In this Deed the term “this Security” means any Security created or constituted by this Deed.
- 1.2.4 Any covenant or undertaking of a Chargor under this Deed remains in force during the Security Period.
- 1.2.5 The terms of the other Finance Documents and of any side letters between any Parties in relation to any Finance Document are incorporated in this Deed to the extent required to ensure that any purported disposition of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- 1.2.6 If the Security Agent considers that an amount paid to a Finance Party under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- 1.2.7 Any reference in this Deed to a “Finance Document” or the “Facility Agreement” or any other agreement, instrument or document is a reference to that Finance Document, the Facility Agreement or other agreement, instrument or document as amended, novated, supplemented, extended, restated or replaced including, without limitation, any amendment or supplement providing for further advances.
- 1.2.8 Unless the context otherwise requires, a reference to a “Security Asset” includes the proceeds of sale of that Security Asset.
- 1.2.9 A reference to any asset, unless the context otherwise requires, includes any present and future asset.
- 1.2.10 If any provision of this Deed shall conflict with any term of the Facility Agreement then the relevant term of the Facility Agreement shall prevail.

1.3 Third party rights

- 1.3.1 Unless expressly provided to the contrary in any Finance Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the “Third Parties Act”) to enforce or enjoy the benefit of any term of this Deed or any other Finance Document issued or entered into under or in connection with it but this does not affect any right or remedy of a third party which exists or is available apart from the Third Parties Act.
- 1.3.2 Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Deed or any other Finance Document entered into under or in connection with it.
- 1.3.3 Any Receiver may, subject to this clause 1.3 and the Third Parties Act, rely on any clause of this Deed which expressly confers rights on it.

1.4 Administration

- 1.4.1 Any reference in this Deed, or any other Finance Document entered into under or in connection with it, to the making of an administration order shall be treated as including a reference to the appointment of an administrator under paragraph 14 (by the holder of a qualifying floating charge in respect of the assets of a Chargor) or 22 (by a Chargor or the directors of a Chargor) of Schedule B1 to the Insolvency Act 1986 or any steps taken toward such order or appointment.
- 1.4.2 Any reference in this Deed or any other Finance Document entered into under or in connection with it, to making an application for an administration order by petition shall be treated as including a reference to making an administration application to the court under Schedule B1 to the Insolvency Act 1986, appointing an administrator under paragraph 14 or 22 of that Schedule, or giving notice under paragraph 15 or 26 of that Schedule of intention to appoint an administrator or any steps taken towards such application or notice.

1.5 Security Agent

- 1.5.1 The Security Agent executes this Deed as security trustee in the exercise of the powers and authority conferred and vested in it under the Facility Agreement and any other Finance Document for and on behalf of the Finance Parties for whom it acts. It will exercise its powers, rights, duties and authority under this deed in the manner provided for in the Facility Agreement and, in so acting, the Security Agent shall have the protections, immunities, rights, powers, authorisations, indemnities and benefits conferred on it under and by the Facility Agreement and the other Finance Documents.
- 1.5.2 The Security Agent shall not owe any fiduciary duties to any party to this Deed or any of their directors, employees, agents or affiliates.
- 1.5.3 Notwithstanding any other provisions of this Deed, in acting under and in accordance with this Deed the Security Agent is entitled to seek instructions from the Finance Parties in accordance with the provisions of the Facility Agreement and at any time, and where it so acts or refrains from acting on the instructions of a Finance Party or Finance Parties entitled to give it instructions,

the Security Agent shall not incur any liability to any person for so acting or refraining from acting.

2. COVENANT TO PAY

- 2.1 Each Chargor covenants with the Security Agent to pay and discharge the Secured Liabilities when they become due for payment and discharge in accordance with, and in the manner provided for in, the Finance Documents.

3. CREATION OF SECURITY

3.1 General

3.1.1 All the Security created under this Deed:

- (a) is created in favour of the Security Agent as security agent for the Finance Parties;
- (b) is a continuing security for the payment and satisfaction of all the Secured Liabilities;
- (c) is created over present and future assets of each Chargor;
- (d) is created by each Chargor to the extent of its right, title and interest (if any), present and future and whether joint or several, legal or beneficial, in and to the relevant Security Assets;
- (e) ranks as first charges, mortgages and assignments, as applicable; and
- (f) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

3.1.2 The Security Agent holds the benefit of this Deed on trust for itself and the other Secured Parties.

3.2 First legal mortgages

3.2.1 Each Haydock Nominee charges by way of a first legal mortgage the real property (if any) specified in part 2 of Schedule 1 (*Real Property*) (which includes, without limitation, each property owned by it).

3.2.2 Each Chargor charges by way of a first legal mortgage any estate or interest in any freehold or leasehold property now owned by it.

3.2.3 A reference in this clause 3.2 (*First legal mortgages*) to a mortgage or charge of any freehold or leasehold property includes:

- (a) all buildings, structures, fixtures, fittings and fixed plant and machinery on that property (including, without limitation, all Fixtures); and
- (b) the benefit of any covenants for title, rights, easements, privileges, claims, warranties, remedies, indemnities and other interests given or entered into by any predecessor in title of a Chargor in respect of that property or any moneys paid or payable in respect of the same.

3.3 Assignments

Each Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights, title and interest from time to time under and in respect of:

- 3.3.1 all Rental Income, and all other sums, payable under any Lease Document;
- 3.3.2 each Assigned Agreement;
- 3.3.3 each Relevant Policy; and
- 3.3.4 any other agreement to which it is a party except to the extent that it is subject to any fixed security created under any other term of this clause 3 (*Creation of Security*).

Each Chargor shall remain liable to perform all its obligations under each agreement and document referred to in this clause 3.3 (*Assignments*).

3.4 First fixed charges

Each Chargor charges by way of first fixed charge:

- 3.4.1 all interests and estates in any freehold, leasehold or commonhold property now or subsequently owned by it (other than any freehold, leasehold or commonhold property effectively charged by way of legal mortgage under clause 3.2 (*First legal mortgages*) above), whether or not title to that property is registered at the Land Registry and, in each case, all buildings, structures, fixtures, fittings and fixed plant and machinery on that property (including, without limitation, all Fixtures) and the benefit of any covenants for title, rights, easements, privileges, claims, warranties, remedies, indemnities and other interests given or entered into by any predecessor in title of a Chargor in respect of that property or any moneys paid or payable in respect of the same;
- 3.4.2 the Securities now or in the future belonging to it and the Related Rights;
- 3.4.3 all its Limited Partnership Interest;
- 3.4.4 all its right to receivables (including but not limited to the Limited Partnership Receivables) made to it pursuant to the Limited Partnership Agreement;
- 3.4.5 all its Limited Partnership Related Rights;
- 3.4.6 all plant and machinery owned by it and its interest in any plant or machinery in its possession;
- 3.4.7 each and any bank account (including, without limitation, each Account and any other account contemplated by the Facility Agreement and/or this Deed) that it has with any person, bank or financial institution and all of its interests and rights in respect of any amount from time to time standing to the credit of any such account and the debt or debts represented thereby together with all other rights and benefits accruing or arising in connection with any such account;
- 3.4.8 all of its book and other debts and their proceeds (both collected and uncollected) (together ‘Debts’) and all rights, guarantees, securities or other collateral of any nature enjoyed or held by it in relation to the Debts (or any of

them) and the benefit of any judgment or order to pay a sum of money and all rights to enforce any the Debts (or any of them);

- 3.4.9 all the Intellectual Property Rights for the time being owned, possessed or controlled by it and (to the extent that any Intellectual Property Rights are not capable of being charged, whether by lack of any third party consent which is required or otherwise) assigns absolutely (to the extent that any Intellectual Property Rights are capable of being assigned) all of its right, title and interest in the Intellectual Property Rights and any and all damages, compensation, remuneration, profit, rent or income which it may derive from the Intellectual Property Rights or be awarded or entitled in respect of such Intellectual Property Rights;
- 3.4.10 any benefit interest, claim or entitlement it has in any pension fund;
- 3.4.11 each Development Document to which it is a party;
- 3.4.12 each collateral warranty given or to be given by a contractor, sub-contractor or a consultant in favour of a Chargor in relation to the Haydock Development and/or the Haydock Development Ready Works;
- 3.4.13 the proceeds of sale of its Security Assets and all licences to enter on or use any Security Assets;
- 3.4.14 its goodwill and uncalled capital;
- 3.4.15 the benefit of any Authorisation (statutory or otherwise) held or utilised by it in connection with its business or the use of any Security Asset;
- 3.4.16 the right to recover and receive compensation which may be payable to it in respect of any Authorisation referred to in clause 3.4.15 above;
- 3.4.17 all its rights, title and interest from time to time under and in respect of any agreement or contract entered into by it in connection with the management of land now or in the future belonging to it (other than any appointment of a Managing Agent to the extent that it is subject to any assignment by way of security under clause 3.3 (*Assignments*));
- 3.4.18 all its rights, title and interest from time to time under and in respect of any agreement to which a Chargor is a party (other than any agreement to the extent that it is subject to any assignment by way of security created under clause 3.3 (*Assignments*));
- 3.4.19 (other than to the extent that any such rights, title and interest are subject to any assignment by way of security or any other charge created under any other term of this clause 3) all its rights, title and interest from time to time under and in respect of any freehold, leasehold or commonhold property, any licence and any other estate or interest in any immovable property and in each case, all buildings and structures upon and all things affixed to such land (including trade, tenant's and other fixtures and fittings from time to time now or in the future belonging to it or any development thereon) including all rights and claims against any tenants, sub-tenants, licensees or other occupiers of any such land from time to time and any contractors, builders, developers and professional advisors

engaged from time to time and all guarantors and sureties for the obligations of any person mentioned in this sub-clause;

3.4.20 all its rights to recover any VAT on any supplies made to it relating to any Security Asset and any sums so received; and

3.4.21 to the extent that any assignment in clause 3.3 (*Assignments*) is ineffective as an assignment, the assets referred to in that clause.

3.5 Separate charges and assignments

Each of the charges and assignments referred to in clauses 3.2 (*First legal mortgages*) to 3.4 (*First fixed charges*) (inclusive) shall be read and construed as, and deemed to be separate charges or assignments (as applicable) over each of the items mentioned in each such clause, so that each item mentioned in each clause shall be deemed to be subject to a separate charge or assignment (as applicable). Without limiting the previous sentence, if any such item shall be found to be subject to a floating charge and not to a fixed charge, such finding shall not of itself result in any other such item being deemed to be subject to a floating charge (as opposed to a fixed charge).

3.6 Floating charge

Each Chargor charges by way of a first floating charge all its undertaking and all its assets and income wherever located both present and future other than any assets effectively mortgaged, charged by way of fixed charge or assigned under this clause 3 (*Creation of Security*).

3.7 Qualifying floating charge

This Deed contains a qualifying floating charge and paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charges created by or under this Deed.

3.8 Conversion of floating charge to a fixed charge

The Security Agent may from time to time by notice to each Chargor convert the floating charge created under clause 3.6 (*Floating charge*) above into a fixed charge with immediate effect as regards any Floating Charge Assets specified in that notice, if:

3.8.1 an Event of Default is continuing; or

3.8.2 the Security Agent considers that Floating Charge Asset to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or otherwise to be in jeopardy; or

3.8.3 the Security Agent considers it necessary in order to protect or preserve this Security or the priority of this Security.

3.9 Automatic conversion of floating charge to a fixed charge

If without the prior written consent of the Security Agent:

3.9.1 a resolution is passed or a petition is presented for the winding up, dissolution, administration or re-organisation of a Chargor; or

3.9.2 a receiver, an administrative receiver or a receiver and manager is appointed over any Security Asset or any person entitled to do so gives notice of its

intention to appoint a receiver, an administrative receiver or a receiver and manager over any Security Asset or files such a notice with the court; or

- 3.9.3 steps are taken to appoint an administrator or to issue a notice of intention to appoint an administrator or if an administrator is appointed (or the Security Agent receives notice of an intention to appoint an administrator) in respect of a Chargor; or
- 3.9.4 a Chargor creates or attempts to create any Security over or otherwise encumbers all or any of the Floating Charge Assets; or
- 3.9.5 any person levies or attempts to levy any distress, execution, sequestration, expropriation, attachment or other process against any of the Floating Charge Assets; or
- 3.9.6 any analogous procedure or step is taken in any jurisdiction; or
- 3.9.7 a Chargor disposes of any Security Assets other than as expressly permitted under the Finance Documents,

the floating charge created by this Deed will automatically with immediate effect and without notice convert into a fixed charge over the relevant assets (or, in the case of clauses 3.9.1, 3.9.2 and/or 3.9.3, over all the Floating Charge Assets).

3.10 Documents of title

3.10.1 Each Chargor shall:

- (a) prior to or immediately upon the execution of this Deed (or, if later, upon becoming entitled to them or on the acquisition by it of any interest in any Mortgaged Property at any time) deposit with the Security Agent all deeds, certificates and other documents in its possession constituting or evidencing title to the Mortgaged Property including, without limitation, Lease Documents and all local land charges, land charges and Land Registry search certificates and similar documents received by or on behalf of a Chargor (or otherwise procure that any such deeds, certificates and other documents are held to the order of the Security Agent on terms acceptable to the Security Agent); and
- (b) deposit with the Security Agent at any time after the date of this Deed any further deeds, certificates and other documents constituting or evidencing title to the Mortgaged Property, promptly upon coming into possession of them (or otherwise procure that any such deeds, certificates and other documents are held to the order of the Security Agent on terms acceptable to the Security Agent).

- 3.10.2 If, for any reason, the Security Agent does not, or ceases to, hold any such deeds or documents during the Security Period, it may by notice to a Chargor require that such deeds or documents be delivered, or re-delivered (as the case may be), to it and that Chargor shall comply with that requirement or procure that it is complied with. In respect of any Mortgaged Property, if any such deeds or documents are at any relevant time held at the Land Registry, that Chargor shall promptly following a demand by the Security Agent provide or procure the

provision to the Security Agent of such undertakings and letters addressed to the Land Registry as the Security Agent may require.

3.11 Small company moratorium

Where a Chargor is an eligible company within the meaning of paragraphs 2 to 4 (inclusive) of Schedule A1 to the Insolvency Act 1986, then the obtaining of a moratorium, including any preliminary decision, or investigation in terms of paragraph 43 of Schedule A1 to the Insolvency Act 1986 shall not cause the floating charge created by this Deed to crystallise into a fixed charge, nor cause restrictions which would not otherwise apply to be imposed on the disposal of its property and assets by that Chargor.

4. NEGATIVE PLEDGE

4.1 No Chargor shall create or attempt to create or permit to subsist or arise any Security over any of its assets.

4.2 No Chargor shall:

4.2.1 sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by it;

4.2.2 sell, transfer or otherwise dispose of any of its receivables on recourse terms;

4.2.3 enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or

4.2.4 enter into any other preferential arrangement having a similar effect in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

4.3 Clauses 4.1 and 4.2 do not apply to any Security which is expressly permitted pursuant to clause 22.3 (*Negative pledge*) of the Facility Agreement.

4.4 Without prejudice to clause 4.1, any Security created in the future by a Chargor (otherwise than in favour of the Security Agent) shall be expressed to be subject to this Deed and the Security created under this Deed and any asset the subject of such Security shall be expressed to be a Security Asset.

5. RESTRICTIONS ON DISPOSALS

5.1 No Chargor shall:

5.1.1 enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to dispose of all or any part of any Security Assets; or

5.1.2 sell, transfer, assign, licence, lease, hire out, grant, lend, discount, factor, exchange, compound, set-off, grant any interest in, part with possession or ownership of, grant time or indulgence in respect or otherwise dispose of any Security Asset or the equity of redemption in any Security Asset or agree to or otherwise permit any person to do any such thing.

- 5.2 Clause 5.1 does not apply to:
- 5.2.1 any disposal expressly permitted pursuant to clause 24.4 (*Occupational Leases*) of the Facility Agreement; or
 - 5.2.2 any other disposal which is expressly permitted pursuant to clause 22.4 (*Disposals*) of the Facility Agreement.

6. FURTHER ASSURANCE

- 6.1 Each Chargor must, at its own expense, promptly take whatever action the Security Agent or a Receiver may require for:

- 6.1.1 creating, perfecting or protecting any Security created or intended to be created by this Deed; or
- 6.1.2 creating and/or perfecting Security in favour of the Security Agent over the assets of that Chargor located in any jurisdiction outside England and Wales which are intended to form part of the Security Assets and which are not subject to effective Security under any other Transaction Security;
- 6.1.3 affixing to, or endorsing on, any Security Assets labels, signs, memoranda or other recognisable identification markings referring or drawing attention to this Security; or
- 6.1.4 facilitating:
 - (a) after the Security created by this Deed has become enforceable, the realisation of any assets which are, or are intended to be, the subject of the Security created by or under this Deed; or
 - (b) the exercise of any right, power or discretion exercisable, by the Security Agent or any Receiver or any Delegate in respect of any assets which are, or are intended to be, the subject of the Security created by or under this Deed; or
 - (c) the enforcement of this Security in accordance with this Deed.

- 6.2 The action referred to in clause 6.1 includes (without limitation):

- 6.2.1 the execution of any legal mortgage, charge, transfer, conveyance, assignment or assurance (in such form as the Security Agent may require) of any property, whether to the Security Agent or to its nominee; or
- 6.2.2 the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Security Agent or any Receiver may think expedient.

7. LAND REGISTRY

7.1 Application for restriction

- 7.1.1 In relation to land and buildings situated in England and Wales, title to which is registered or is to be registered at the Land Registry, each Chargor consents to an application being made to the Chief Land Registrar for registration of a restriction on the register of title of all present and future registered freehold,

leasehold or commonhold property of that Chargor (and any unregistered properties subject to compulsory first registration at the date of this Deed) in the following terms:

“No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge is to be registered without a written consent signed by the proprietor for the time being of the charge dated [●] in favour of Situs Asset Management Limited referred to in the charges register or, if appropriate, signed on such proprietor’s behalf by its conveyancer.”.

- 7.1.2 Each Chargor confirms that so far as any of the Mortgaged Property is unregistered, such land is not affected by any disclosable overriding interests within the meaning of the Land Registration Act 2002 or the Land Registration Rules 2003.

7.2 Tacking and further advances

The Lenders are, subject to the terms of the Facility Agreement, under an obligation to make further advances to each Chargor and this Security has been made for securing such further advances. The Security Agent and each Chargor by this Deed consent to an application being made to the Chief Land Registrar to enter a note of such obligation on the register of title to all present and future registered property of each Chargor (and any unregistered properties subject to compulsory first registration at the date of this Deed).

8. AFTER-ACQUIRED LAND

- 8.1 If any Chargor acquires (or intends to acquire) any freehold or leasehold, or other interest in, property after the date of this Deed (to the extent the same is permitted under the terms of the Finance Documents) (the “After-acquired Land”), it shall:

- 8.1.1 inform the Security Agent immediately of such acquisition or its intention to acquire any such property and provide to the Security Agent all details relating to the After-acquired Land as the Security Agent may require;
- 8.1.2 if the title to the After-acquired Land is registered at the Land Registry, or is required to be so registered, make a due application for:
- (a) first registration of the After-acquired Land (if applicable);
 - (b) registration of that Chargor as proprietor of the After-acquired Land;
 - (c) registration of the Security Agent as proprietor of any legal mortgage granted pursuant to this Deed; and
 - (d) entry of the requisite restriction referred to in clause 7 (*Land Registry*) as repeated in any supplemental legal mortgage on the proprietorship register on the registered title of that After acquired Land;

and shall take any necessary steps for the noting of this Security in the relevant register of title at the Land Registry;

- 8.1.3 immediately and at the cost of that Chargor execute and deliver to the Security Agent a legal mortgage or supplemental legal charge, in a form and substance satisfactory to the Security Agent, or any other agreement or document creating

Security in favour of the Security Agent over the After-acquired Land in such form as the Security Agent may require; and

8.1.4 obtain such consents as are required for the Security referred to in this clause 8 (*After-acquired land*)

8.2 If title to any After-acquired Land is or is required to be registered at the Land Registry, the relevant Chargor shall as soon as reasonably practicable notify the Security Agent of any relevant title number and will procure that the appropriate Land Registry enter the requisite restriction referred to in clause 7 (*Land Registry*) (as repeated in any supplemental legal mortgage) on the proprietorship register on the registered title of that After-acquired Land.

8.3 If title to any After-acquired Land in England and Wales is not and is not required to be registered at the Land Registry and the related title deeds and documents are not deposited with the Security Agent, the relevant Chargor shall apply to register this Deed (and any supplemental legal charge or other agreement or document granted under it) at the Land Registry.

8.4 In relation to any After-acquired Land outside England and Wales, the relevant Chargor shall take such action as the Security Agent shall deem appropriate to grant, perfect and maintain effective Security over that After-acquired Land in favour of the Security Agent.

9. PROPERTY UNDERTAKINGS

Each Chargor must at all times comply with the terms of clause 24 (*Property undertakings*) of the Facility Agreement.

10. NOTICES OF ASSIGNMENTS AND CHARGES

10.1 Rental Income

10.1.1 Each Chargor shall give notice in the form specified in Part I (*Form of notice of assignment*) of Schedule 3 (*Occupational Leases*) to each tenant of its Mortgaged Property that the relevant Chargor has assigned to the Security Agent all its right, title and interest in the Rental Income and other monies payable under each Occupational Lease.

10.1.2 Each Chargor shall give the notices referred to in clause 10.1.1:

- (a) in the case of an Occupational Lease subsisting at the date of this Deed, on the date of this Deed; and
- (b) in the case of an Occupational Lease coming into existence after the date of this Deed, upon the relevant Chargor entering into that Occupational Lease.

10.1.3 Each Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice in substantially the form specified in Part II (*Form of acknowledgement*) of Schedule 3 (*Occupational Leases*) within 5 Business Days of that notice being given.

10.2 Accounts

- 10.2.1 Each Chargor shall give notice in the form specified in Part I (*Form of notice of charge*) of Schedule 4 (*Accounts*) to the financial institution at which each Account is held that the relevant Chargor has created a fixed charge over the balance standing to the credit of that Account.
- 10.2.2 Each Chargor will give the notices referred to in clause 10.2.1:
- (a) in the case of an Account held by the Chargor at the date of this Deed, on the date of this Deed; and
 - (b) in the case of an Account opened after the date of this Deed, on that Account being opened.
- 10.2.3 Each Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice substantially in the form specified in Part II (*Form of acknowledgement*) of Schedule 4 (*Accounts*) within 5 Business Days of that notice being given.

10.3 Hedging

- 10.3.1 Each Chargor shall give notice in the form specified in Part I (*Form of notice of assignment*) of Schedule 5 (*Hedging Arrangements*) to each counterparty to a Hedging Agreement that the relevant Chargor has assigned to the Security Agent all its right, title and interest in that Hedging Agreement.
- 10.3.2 Each Chargor shall give the notices referred to in clause 10.3.1:
- (a) in the case of each Hedging Agreement in existence as at the date of this Deed, on the date of this Deed; and
 - (b) in the case of each Hedging Agreement coming into existence or being designated as such after the date of this Deed, on the later of that agreement coming into existence or being designated a Hedging Agreement.
- 10.3.3 Each Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice in substantially the form specified in Part II (*Form of acknowledgement*) of Schedule 5 (*Hedging Arrangements*) within 5 Business Days of that notice being given.

10.4 Assigned Agreements

- 10.4.1 Each Chargor shall give notice in the form specified in Part I (*Form of notice of assignment*) of Schedule 6 (*Assigned Agreements*) to the other parties to each Assigned Agreement (other than an Occupational Lease, any Hedging Agreement and the Existing Development Management Agreement) to which it is party that the Chargor has assigned to the Security Agent all its right, title and interest in that Assigned Agreement.
- 10.4.2 Each Chargor shall give the notices referred to in clause 10.4.1:
- (a) in the case of each Assigned Agreement in existence as at the date of this Deed, on the date of this Deed; and

- (b) in the case of each Assigned Agreement coming into existence or being designated as such after the date of this Deed, on the later of that agreement coming into existence or being designated an Assigned Agreement.

10.4.3 Each Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice in substantially the form specified in Part II (Form of acknowledgement) of Schedule 6 (*Assigned Agreements*) within 5 Business Days of that notice being given.

10.4.4 The Haydock (Development Manager) Duty of Care Agreement shall contain a notification by the Haydock Nominees and an acknowledgment by the Development Manager that each Haydock Nominee has assigned to the Security Agent all its rights, title and interest under and to the Existing Development Management Agreement.

10.5 Insurance policies

10.5.1 Each Chargor shall give notice in the form specified in Part I (*Form of notice of assignment*) of Schedule 7 (*Relevant Policies*) to the insurer under each Relevant Policy that the Chargor has assigned to the Security Agent all its right, title and interest in that Relevant Policy.

10.5.2 Each Chargor shall give the notices referred to in clause 10.5.1:

- (a) in the case of each Relevant Policy subsisting at the date of this Deed, on the date of this Deed; and
- (b) in the case of each Relevant Policy coming into existence after the date of this Deed, on that Relevant Policy being put on risk.

10.5.3 Each Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice in substantially the form specified in Part II (*Form of acknowledgment*) of Schedule 7 (*Relevant Policies*) within 5 Business Days of that notice being given.

11. SECURITIES

11.1 Deposit

Each Chargor must:

11.1.1 immediately upon or prior to the execution of this Deed and, if later, promptly upon it becoming entitled to any Investments or on the date of acquisition by it of any Investments and/or Limited Partnership Interest, deposit with the Security Agent, or as the Security Agent may direct:

- (a) all certificates of title and other documents of title or evidence of ownership which at any time may be issued in relation to any of its Investments and Limited Partnership Interest; and
- (b) all stock transfer forms or other transfer documents in respect of the Investments and a duly executed deed of transfer relating to its Limited Partnership Interest and other documents required to vest title in the Investments and Limited Partnership Interest in any other

person (any such stock transfer forms or other transfer documents to be executed but to remain undated and the name of the transferee left blank); and

- 11.1.2 promptly execute and deliver to the Security Agent all share transfers and other documents which may be requested by the Security Agent in order to enable the Security Agent or its nominees to be registered as the owner or otherwise obtain a legal title to any of its Investments or Limited Partnership Interest.

11.2 Changes to rights

Each Chargor shall not take or allow the taking of any action on its behalf which may result in the rights attaching to any of its Investments being altered or further Investments being issued.

11.3 Calls

- 11.3.1 Each Chargor must duly and promptly pay all calls or other amounts from time to time due and payable in respect of any of its Investments.
- 11.3.2 If any Chargor fails to pay any such calls or such other amounts when due and payable, the Security Agent may (but shall not be obliged to) pay the calls or other payments in respect of any Investment on behalf of that Chargor. The relevant Chargor must immediately on request indemnify and reimburse the Security Agent for any payment made by the Security Agent under this clause 11.3 (*Calls*).

11.4 Other obligations in respect of Investments

- 11.4.1 Each Chargor must promptly copy to the Security Agent and comply with all requests for information which is within its knowledge and which are made under sections 793 and 820 to 825 (inclusive) of the Companies Act 2006 or any similar provision contained in any articles of association or other constitutional document or the Limited Partnership Agreement relating to any of the Investments or the Limited Partnership Interest. If it fails to do so, the Security Agent may elect to provide such information as it may have on behalf of that Chargor.
- 11.4.2 Each Chargor shall promptly provide to the Security Agent a copy of any report, accounts, circular, notice and any other document sent or provided to it (or its nominee) in its capacity as the registered holder or beneficial owner of any Investments or the Limited Partnership Interest.
- 11.4.3 Each Chargor must comply with all other conditions and obligations assumed by it in respect of any Investment and the Limited Partnership Interest.
- 11.4.4 The Security Agent is not obliged at any time to:
 - (a) perform any obligation of any Chargor;
 - (b) make any payment;
 - (c) make any enquiry as to the nature of sufficiency of any payment received by it or any Chargor;
 - (d) take any steps to preserve any rights of any person;

- (e) exercise any power conferred on it by this Deed; or
- (f) present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Deed,

in respect of any Investment or the Limited Partnership Interest.

- 11.4.5 Nothing in this clause 11 (*Securities*) shall in any manner whatsoever restrict the Security Agent or any nominee for the time being of the Security Agent from exercising (or refraining from exercising) any rights and powers in such manner as it shall in its absolute discretion determine for the purposes of preserving its rights or preserving or realising all or any part of this Security. Each Chargor agrees that no Secured Party shall have any liability for:
- (a) any loss arising out of or in connection with the exercise (or non-exercise) of any rights or powers attaching or accruing to any Investments which may be exercised by any Secured Party under this Deed;
 - (b) failing to attend or vote at any meetings relating to any Investment or the Limited Partnership Interest;
 - (c) any negligence or default by its nominee;
 - (d) failing to accept any offer relating to any Investment or the Limited Partnership Interest; or
 - (e) failing to notify any Chargor of any matter or communication relating to any Investment or the Limited Partnership Interest.
- 11.4.6 Each Chargor shall on the date of this Deed terminate with immediate effect all nominations it may have made under sections 145 and 146 of the Companies Act 2006 in respect of any Investment and, pending such termination, procure that any person so nominated:
- (a) does not exercise any rights in respect of any Investment or the Limited Partnership Interest without the prior written consent of the Security Agent; and
 - (b) immediately upon receipt, forwards to the Security Agent all communications or other information received in respect of any Investment or the Limited Partnership Interest for which it has been so nominated.
- 11.4.7 The Chargors shall not, during the Security Period, exercise any rights to nominate any person (other than the Security Agent) to enjoy or exercise any rights relating to any Investment or the Limited Partnership Interest.
- 11.4.8 The Chargors shall not, without the prior written consent of the Security Agent, amend or agree to the amendment of its memorandum and/or articles of association relating to, or the rights or liabilities attaching to, any Investments or the Limited Partnership Interest.

11.5 Voting rights and dividends

11.5.1 Before this Security becomes enforceable:

- (a) the voting rights, powers and other rights in respect of the Investments and Limited Partnership Interest must (if exercisable by the Security Agent) be exercised in any manner which the relevant Chargor may direct in writing; and
- (b) (save as otherwise provided in the Finance Documents) all dividends or other income paid or payable in relation to any Investments or Limited Partnership Interest must be paid to the Haydock Borrower's General Account.

11.5.2 Each Chargor must, within 3 Business Days of demand, indemnify the Security Agent against any loss or liability incurred by the Security Agent as a consequence of the Security Agent acting in respect of the Investments or the Limited Partnership Interest as permitted by this Deed on the direction of the relevant Chargor.

11.5.3 Each Chargor shall not exercise its voting and other rights in respect of any of its Investments or the Limited Partnership Interest in a manner, which is likely to be prejudicial to the interests of the Finance Parties.

11.5.4 After this Security has become enforceable, the Security Agent shall be entitled (without any further consent or authorisation on the part of any Chargor):

- (a) in the name of the relevant Chargor, to exercise or direct (or refrain from exercising or directing) the exercise of the voting rights and any other powers or rights attached to any Investment or Limited Partnership Interest in such manner as it considers fit (including any rights to nominate or remove any director);
- (b) to complete all instruments of transfer referred to in clause 11.1 (*Deposit*) and otherwise have any Investments or the Limited Partnership Interest registered in its name or the name of its nominee and the relevant Chargor shall promptly do all things as may be necessary to register any Investments or the Limited Partnership Interest in the name of the Security Agent or its nominee and the Security Agent requires from time to time;
- (c) to request that the relevant Chargor instructs any clearance system, settlement system, custodian or similar person to transfer any Investments or Limited Partnership Interest held by it for the relevant Chargor or its nominee to an account of the Security Agent (or its nominee) with that system or person (or as otherwise directed by the Security Agent). The relevant Chargor shall promptly give all such instructions as requested by the Security Agent; and
- (d) to receive and retain (without any set off or deduction whatsoever) all dividends, distributions, interest and other income or amounts in respect of or derived from, or otherwise forming part of, the Investments or the Limited Partnership Interest and to the extent that

any such monies are received by or on behalf of the relevant Chargor, such amounts shall be held on trust for the Security Agent and shall immediately be paid into an account designated by the Security Agent.

12. WHEN SECURITY BECOMES ENFORCEABLE

12.1 Enforcement

This Security will become immediately enforceable upon the occurrence of an Event of Default which is continuing.

12.2 Discretion

After this Security has become enforceable, the Security Agent may in its absolute discretion enforce all or any part of this Security in any manner it sees fit or as the Majority Lenders direct.

12.3 Statutory powers

The power of sale and other powers conferred by section 101 of the Act, as amended and varied by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

13. ENFORCEMENT OF SECURITY

13.1 General

13.1.1 For the purposes of all powers implied or conferred by statute (including the power of sale and other powers conferred by section 101 of the Act (as varied and extended by this Deed)) and all other powers conferred on a mortgagee by law, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.

13.1.2 Section 103 of the Act (restricting the power of sale) and section 93 of the Act (restricting the right of consolidation) and the restrictions contained in section 109(1) of the Act (restricting the appointment of a receiver) do not apply to this Security.

13.1.3 The statutory powers of leasing conferred on the Security Agent are extended so as to authorise the Security Agent to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent may think fit and without the need to comply with any provision of section 99 or 100 of the Act.

13.2 No liability as mortgagee in possession

Neither the Security Agent nor any Receiver will be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

13.3 Privileges

Each Receiver and the Security Agent is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act except that section 103 of the Act does not apply.

13.4 Protection of third parties

13.4.1 In favour of any purchaser or person dealing in good faith, the Secured Liabilities shall be deemed to become due, and all rights of enforcement conferred upon the Security Agent by the Act, as varied and extended by this Deed, shall be deemed to arise, immediately after the execution of this Deed.

13.4.2 No person (including a purchaser) dealing with the Security Agent or a Receiver or its or his agent will be bound or concerned to enquire:

- (a) whether the Secured Liabilities are or have become due or payable; or
- (b) whether any power which the Security Agent or a Receiver is exercising or purporting to exercise has arisen, become exercisable or is being properly exercised;
- (c) as to the propriety or regularity of any sale by or other dealing with the Security Agent or any Receiver; or
- (d) whether any money remains due under the Finance Documents; or
- (e) how any money paid to the Security Agent or to that Receiver is to be applied,

or be concerned with notice to the contrary. Any such sale or dealing shall be deemed to be within the powers conferred by this Deed and to be valid and effective.

13.5 Redemption of prior Security

13.5.1 At any time after this Security has become enforceable, the Security Agent may:

- (a) redeem any prior Security against any Security Asset; and/or
- (b) procure the transfer of that Security to itself; and/or
- (c) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on each Chargor.

13.5.2 Each Chargor must pay to the Security Agent, immediately on demand, the costs and expenses incurred by the Security Agent in connection with any such redemption and/or transfer, including the payment of any principal or interest.

13.6 Contingencies

If this Security is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, the Security Agent (or the Receiver) may pay the proceeds of any recoveries effected by it into a suspense account or other account selected by it.

13.7 Right of appropriation

13.7.1 To the extent that any Security Asset constitutes “financial collateral” and this Deed and this Security and the obligations of any Chargor under it constitute a “security financial collateral arrangement” (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No 3226) (the “Regulations”)) the Security Agent shall have the

right, at any time after this Security has become enforceable, to appropriate with immediate effect by notice in writing to the relevant Chargor all or any part of such financial collateral in or towards payment and/or discharge of the Secured Liabilities in such order as the Security Agent in its absolute discretion may determine.

13.7.2 The Parties agree that the value of any financial collateral appropriated under clause 13.7.1 shall be:

- (a) in the case of cash, the amount standing to the credit of the relevant account, together with any accrued but unposted interest, at the time the right of appropriation is exercised;
- (b) in the case of Investments and any other financial collateral, their market price at the time the right of appropriation is exercised as determined by the Security Agent by reference to a public index or by such other process as the Security Agent may select, including independent valuation.

The Parties agree that the methods of valuation for financial collateral set out in this Deed constitute commercially reasonable methods of valuation for the purposes of the Regulations.

13.7.3 The Security Agent shall account to each Chargor for any amount by which the value of any appropriated Security Assets exceeds the Secured Liabilities and each Chargor shall remain liable to the Security Agent for any amount by which the value of any appropriated Security Assets is less than the Secured Liabilities.

14. RECEIVER AND ADMINISTRATOR

14.1 Appointment of Receiver or Administrator

14.1.1 Except as provided below, the Security Agent may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:

- (a) this Security has become enforceable; or
- (b) any Chargor so requests the Security Agent in writing at any time.

14.1.2 Any appointment of a Receiver under clause 14.1.1 may be by deed, under seal or otherwise in writing signed by any officer or manager of the Security Agent or any person authorised for this purpose by the Security Agent.

14.1.3 Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the Act) does not apply to this Deed.

14.1.4 The Security Agent is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under the Insolvency Act 2000 except with the leave of the court.

14.1.5 The Security Agent may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Security Assets if the Security Agent is prohibited from doing so by section 72A of the Insolvency

Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

- 14.1.6 The Security Agent may appoint an Administrator if this Security has become enforceable.

14.2 Removal

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

14.3 Remuneration

The Security Agent may fix the remuneration of any Receiver appointed by it and the maximum rate specified in section 109(6) of the Act will not apply.

14.4 Agent of the Chargors

- 14.4.1 A Receiver will be deemed to be the agent of the Chargors for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. Each Chargor alone is responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for liabilities incurred by a Receiver.

- 14.4.2 No Finance Party will incur any liability (either to the Chargors or to any other person) by reason of the appointment of a Receiver or for any other reason.

14.5 Exercise of Receiver powers by the Security Agent

To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Security Agent in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver and irrespective of whether the Security Agent has taken possession of any Security Asset.

15. POWERS OF RECEIVER

15.1 General

- 15.1.1 A Receiver has all of the rights, powers and discretions set out below in this clause 15 (*Powers of Receiver*) in addition to those conferred on it by any law, this includes:

- (a) in the case of an administrative receiver, all the rights powers and discretions conferred on an administrative receiver under the Insolvency Act 1986; and
- (b) otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act 1986 including, without limitation, those powers provided for in Schedule 1 of the Insolvency Act 1986.

- 15.1.2 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the

powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

15.2 Possession

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

15.3 Carry on business

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

15.4 Employees

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

15.4.2 A Receiver may discharge any person appointed by any Chargor.

15.5 Borrow money

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

15.6 Sale of assets

15.6.1 A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any term which he thinks fit.

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

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

15.7 Leases

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

15.8 Compromise

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

15.9 Legal actions

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

15.10 Receipts

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

15.11 Subsidiaries

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

15.12 Delegation

A Receiver may delegate his powers in accordance with this Deed.

15.13 Lending

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

15.14 Protection of assets

A Receiver may:

15.14.1 effect any repair or insurance and do any other act which each Chargor might do in the ordinary conduct of its business to protect or improve any Security Asset;

15.14.2 commence and/or complete any building operation; and

15.14.3 apply for and maintain any planning permission, building regulation approval or any other authorisation,

in each case as he thinks fit.

15.15 Other powers

A Receiver may:

15.15.1 do all other acts and things which he may consider desirable or necessary for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;

15.15.2 exercise in relation to any Security Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Security Asset; and

15.15.3 use the name of each Chargor for any of the above purposes.

16. APPLICATION OF PROCEEDS

16.1 Any moneys received by the Security Agent, any Receiver or any Delegate after this Security has become enforceable must be applied in the following order of priority:

16.1.1 in discharging any sums owing to the Security Agent or any Receiver;

16.1.2 in or towards payment of all costs and expenses incurred by the Security Agent or any Secured Party in connection with any realisation or enforcement of the Transaction Security taken in accordance with the terms of the Facility Agreement and any other Finance Document;

- 16.1.3 in or to the Agent or the Security Agent (as the case may be) to be applied in or towards payment of or provision of the Secured Liabilities in accordance with clauses 33.8 to 33.10 (*Partial payments*) of the Facility Agreement; and
- 16.1.4 in payment of the surplus (if any) as required by law.
- 16.2 This clause 16 (*Application of Proceeds*) is subject to the payment of any claims having priority over this Security. This clause 16 (*Application of Proceeds*) does not prejudice the right of any Finance Party to recover any shortfall from each Chargor.
- 17. EXPENSES AND INDEMNITY**
- Each Chargor must:
- 17.1 immediately on demand pay all costs and expenses (including legal fees) incurred in connection with this Deed by any Finance Party, Receiver, Delegate, attorney, manager, agent or other person appointed by the Security Agent under this Deed; and
- 17.2 keep each of them indemnified against any failure or delay in paying those costs or expenses; this includes any costs and expenses arising from any actual or alleged breach by any person of any law or regulation.
- 18. DELEGATION**
- 18.1 **Power of Attorney**
- The Security Agent and/or any Receiver may delegate by power of attorney or in any other manner to any person any right, power, authority or discretion exercisable by it under this Deed.
- 18.2 **Terms**
- Any such delegation may be made upon the terms (including, without limitation, power to sub-delegate) and subject to any regulations which the Security Agent or such Receiver (as the case may be) may think fit.
- 18.3 **Liability**
- Neither the Security Agent nor any Receiver will 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.
- 19. SECURITY POWER OF ATTORNEY**
- Each Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any of their Delegates to be its attorney, with full power of substitution and delegation, in its name, on its behalf and as its act and deed, to take any action which any Chargor is obliged to take under this Deed but has not taken or may be deemed by such attorney (acting in good faith) necessary for any purposes under this Deed. Each Chargor hereby ratifies and confirms and shall ratify and confirm whatever any attorney does or purports to do under its appointment under this clause 19 (*Security power of attorney*).

20. PRESERVATION OF SECURITY

20.1 Continuing security

This Security is a continuing security and shall remain in full force and effect and will extend to the ultimate balance of the Secured Liabilities regardless of any intermediate payment or discharge by any Chargor or any other person of the whole or any part of the Secured Liabilities.

20.2 Reinstatement

20.2.1 If any settlement or discharge (whether in respect of the obligations of any Chargor or any security for those obligations or otherwise) or arrangement is made in whole or in part on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or any analogous procedure or step in any jurisdiction, or otherwise without limitation, the liability of any Chargor under this Deed will continue as if the discharge or arrangement had not occurred and the Secured Parties shall be entitled to recover the value or amount of any such payment or security from any Chargor, as if such settlement, discharge, refund or payment had not occurred.

20.2.2 Each Secured Party may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

20.3 Waiver of defences

The obligations of each Chargor under this Deed and this Security will not be affected by any act, omission or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this Deed (whether or not known to any Chargor, any Finance Party or any other person). This includes:

20.3.1 any time or waiver granted to, or composition with, any person;

20.3.2 the release of any person under the terms of any composition or arrangement;

20.3.3 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, any person;

20.3.4 any non-presentation or non-observance of any formality or other requirement in respect of any instruments or any failure to realise the full value of any security;

20.3.5 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person;

20.3.6 any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or security;

20.3.7 any unenforceability, illegality, invalidity or non-provability of any obligation of any person under any Finance Document or any other document or security;
or

20.3.8 any insolvency or similar proceedings.

20.4 Immediate recourse

Each Chargor waives any right it may have of first requiring any Finance Party (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 any Chargor under this Deed or enforcing this Security. This waiver applies irrespective of any law or provision of a Finance Document to the contrary.

20.5 Appropriations

Until all amounts which may be or become payable by the Chargors under or in connection with the Finance Documents have been irrevocably paid in full, each Secured Party (or any trustee or agent on its behalf) may at any time during the Security Period without affecting the liability of any Chargor under this Deed:

- 20.5.1 refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts; or
- 20.5.2 apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise); and
- 20.5.3 hold in a suspense account any moneys received from any Chargor or on account of the liability of any Chargor under this Deed.

20.6 Non-competition

20.6.1 Unless the Security Period has expired or the Security Agent otherwise requests, each Chargor shall not, after a claim has been made under this Deed or by virtue of any payment or performance by it under this Deed:

- (a) be subrogated to any rights, security or moneys held, received or receivable by any Secured Party (or any trustee or agent on its behalf);
- (b) be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of any Chargor's liability under this Deed or be entitled to require any Finance Party (or any trustee or agent on its behalf) to effect or implement marshalling;
- (c) claim, rank, prove or vote as a creditor of any Transaction Obligor or its estate in competition with any Secured Party (or any trustee or agent on its behalf); or
- (d) receive, claim or have the benefit of any payment, distribution or security from or on account of any Transaction Obligor, or exercise any right of set-off as against any Transaction Obligor.

20.6.2 Each Chargor and any other Transaction Obligor must hold in trust for and immediately pay or transfer to the Security Agent for the Secured Parties any payment or distribution or benefit of security received by it contrary to this clause 20.6 or in accordance with any directions given by the Security Agent under this clause 20.6.

20.6.3 The Security Agent shall be entitled to direct each Chargor and any other Transaction Obligor or any co-guarantor to prove for the whole or any part of

any debt or other claim that one or more of them may have in the liquidation of another of them to the fullest extent permitted by law and such direction shall not affect any Chargor's or any other Transaction Obligor's liability or give any Chargor or any other Transaction Obligor any recourse against the Finance Parties.

20.7 Additional security

This Security is in addition to, and is not in any way prejudiced by, any other Security which any Secured Party may hold at any time for the Secured Liabilities (or any of them).

21. MISCELLANEOUS

21.1 New accounts

21.1.1 If any subsequent charge or other interest affects any Security Asset, each Finance Party may open a new account with each Chargor.

21.1.2 If a Finance Party does not open a new account, unless it gives express written notice to the contrary to the relevant Chargor, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest.

21.1.3 As from that time all payments made by or on behalf of any Chargor to a Finance Party will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability.

21.2 Time deposits

Without prejudice to any right of set-off any Finance Party may have under any other Finance Document or otherwise, if any time deposit matures on any account any Chargor has with any Finance Party within the Security Period when:

21.2.1 this Security has become enforceable; and

21.2.2 no Secured Liability is due and payable,

that time deposit will automatically be renewed for any further maturity which that Finance Party considers appropriate.

21.3 Partial invalidity

Clause 37 (*Partial invalidity*) of the Facility Agreement shall apply to this Deed as if set out in full in this Deed but so that references to the Finance Documents shall be construed as references to this Deed and any Security created by or under it.

21.4 Amendment

21.4.1 No modification or variation of this Deed (or any document entered into pursuant to or in connection with this Deed) shall be valid unless it is in writing and signed by or on behalf of each of the Parties. For the avoidance of doubt, no modification or variation of this Deed shall be valid if made by e-mail.

21.4.2 Unless expressly so agreed, no modification or variation of this Deed shall constitute or be construed as a general waiver of any provisions of this Deed, nor shall it affect any rights, obligations or liabilities under this Deed which have already accrued up to the date of such modification or waiver, and the

rights and obligations of the parties under this Deed shall remain in full force and effect, except and only to the extent that they are so modified or varied.

21.5 Remedies and waivers

21.5.1 No failure to exercise, nor any delay in exercising, on the part of the Security Agent, any Receiver or any Delegate, any right, power or remedy under this Deed shall operate as a waiver of any such right, power or remedy or constitute an election to affirm this Deed, nor shall any single or partial exercise or waiver of any right, power or remedy prevent any further or other exercise, or the exercise, of any other right, power or remedy. No election to affirm this Deed on the part of the Security Agent, any Receiver or any Delegate shall be effective unless it is in writing. The rights, powers and remedies provided in this Deed are cumulative and are not, nor are they to be construed as, exclusive of any rights, powers or remedies provided by law or otherwise and may be exercised from time to time and as often as the Security Agent deems expedient.

21.5.2 A waiver given or consent granted by the Security Agent, any Receiver or any Delegate under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

21.6 Counterparts

This Deed or any Finance Document entered into under or in connection with it may be executed in any number of counterparts and by each party to it on separate counterparts. Each counterpart shall be an original, but all of which together shall constitute one and the same instrument. Delivery of a counterpart of this Deed or any other Finance Document entered into under or in connection with this Deed by email attachment or telecopy shall be an effective mode of delivery.

21.7 Notices

21.7.1 Any notice or other communication made in connection with this Deed must be in English.

21.7.2 Any demand, notice or other communication under or in connection with this Deed shall be made and given in accordance with the terms of clause 35 (*Notices*) of the Facility Agreement.

21.8 Contractual recognition of bail-in

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the Parties, each Party acknowledges and accepts that any liability of any Party to any other Party under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

21.8.1 any Bail-In Action in relation to any such liability, including (without limitation):

- (a) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;

- (b) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
 - (c) a cancellation of any such liability; and
- 21.8.2 a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

22. RELEASE

Upon the expiry of the Security Period, the Security Agent shall, at the request and cost of the relevant Chargor, take whatever action is necessary to release and reassign to the relevant Chargor (without any representation or warranty (express or implied) to the relevant Chargor):

22.1.1 its rights arising under this Deed;

22.1.2 the Security Assets from this Security,

and, as applicable, return all documents or deeds of title delivered to it under this Deed.

23. GOVERNING LAW AND JURISDICTION

23.1 Governing Law

This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

23.2 Jurisdiction

23.2.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including claims for set-off and counterclaim and any dispute regarding the existence, validity or termination of this Deed and/or any non-contractual obligations arising out of or in connection with this Deed) (a “Dispute”).

23.2.2 The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and no Party will argue to the contrary.

23.2.3 This clause 23.2 (*Jurisdiction*) is for the benefit of the Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

THIS DEED has been executed by or on behalf of the Security Agent and executed as a deed by each Chargor and is delivered on the date given at the beginning of this Deed.

SCHEDULE 1

Part 1 - Chargors

1. **HE2 HAYDOCK GP LIMITED** a limited liability company registered in England and Wales (company number 11454217) as general partner of the **HE2 HAYDOCK LIMITED PARTNERSHIP** a limited partnership registered in England and Wales (registered number LP019647);
2. **HE2 HAYDOCK GP LIMITED** a limited liability company registered in England and Wales (company number 11454217);
3. **HE2 N1 HAYDOCK LIMITED** a limited liability company registered in England and Wales (company number 11455288); and
4. **HE2 N2 HAYDOCK LIMITED** a limited liability company registered in England and Wales (company number 11455283).

Part 2 - Real Property

All that freehold property known as land on the north side of East Lancashire Road, Haydock as the same is registered at the Land Registry under title number MS659839.

SCHEDULE 2

Securities

1 ordinary share of £1 each in the capital of HE2 N1 Haydock Limited held by HE2 Haydock GP Limited

1 ordinary share of £1 each in the capital of HE2 N2 Haydock Limited held by HE2 Haydock GP Limited

SCHEDULE 3

Occupational Leases

Part I

Form of notice of assignment

[On the letterhead of the Chargor]

To: [Occupational tenant]

[Date]

Dear Sirs,

Re: [PROPERTY]

We give you notice that by a security agreement dated [●] (the “**Deed**”), we have assigned by way of security to [●] (as security agent for the Finance Parties as referred to in the Deed, the “**Security Agent**”) all our rights, title to and interest in the lease dated [●] and made between [●] and [●] (the “**Lease**”) and the monies from time to time due to us under the Lease.

We irrevocably instruct and authorise you:

1. without notice or reference to or further authority from us as to the justification or the validity of those instructions, to comply only with any instructions from time to time received by you from the Security Agent relating to the Lease; and
2. to pay any rent (but not any service charge and/or other amounts) payable by you under the Lease to [our account with [●] at [●], Account No. [●], Sort Code [●] (the “**Rent Account**”)] [the account of [●], being the managing agent, at [●], Account No. [●], Sort Code [●] (the “**Managing Agent’s Account**”)] or such other account as the Security Agent may specify from time to time.

We shall remain liable to perform all our obligations under the Lease and the Security Agent is under no obligation of any kind whatsoever under the Lease nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Lease.

The instructions in this letter apply until you receive notice from the Security Agent to the contrary and notwithstanding any previous instructions given by us.

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

This letter and all non-contractual obligations arising out of it shall be governed by and construed in accordance with English law.

Please acknowledge receipt of this letter and your acceptance of the instructions and authorisations contained in it within 7 days of receiving this letter by sending a letter in the enclosed form direct to the Security Agent at Situs Asset Management Limited, 34th Floor, 25 Canada Square, Canary Wharf, London E14 5LB marked for the attention of Head of Servicing.

Yours faithfully,

.....

[CHARGOR]

(Director/Duly authorised signatory)

Part II

Form of acknowledgement

[On the letterhead of the relevant occupational tenant]

To: [●] as Security Agent

Attention: [●]

Copy: [the Chargor]

[Date]

Dear Sirs,

Re: [PROPERTY]

We acknowledge receipt of a notice dated [●] (the “**Notice**”) and addressed to us by [●] (the “**Chargor**”) in relation to the Lease (as defined in the Notice).

We accept the instructions and authorisations contained in the Notice and undertake to act in accordance and comply with the terms of the Notice.

We confirm that:

1. we have not received any notice of any assignment or charge of the Chargor’s interest in the Lease (as defined in the Notice) in favour of any other person nor that any third party has or will have any right or interest in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Chargor under or in respect of the Lease;
2. we shall pay all rent and all other moneys payable by us under the Lease into the [Rent Account][Managing Agent’s Account] (as defined in the Notice) and we must continue to pay those moneys into the [Rent Account][Managing Agent’s Account] until we receive your written instructions to the contrary;
3. we will not agree to any amendment, waiver or release of any provisions of the Lease without the prior written consent of the Security Agent;
4. the Chargor will remain liable to perform all its obligations under the Lease and the Security Agent is under no obligation of any kind whatsoever under the Lease nor under any liability whatsoever in the event of any failure by the Chargor to perform its obligations under the Lease;

5. no breach or default on the part of the Chargor of any of the terms of the Lease will be deemed to have occurred unless we have given notice of such breach to the Security Agent specifying how to make good such breach; and
6. we do not have and have not claimed or exercised any right or claim against the Chargor or exercised or attempted to exercise any right of set-off, counterclaim or other right relating to the Lease.

This letter and all non-contractual obligations arising out of it shall be governed by and construed in accordance with English law.

Yours faithfully,

.....

For and on behalf of [*Occupational Tenant*]

SCHEDULE 4

Accounts

Part I

Form of notice of charge

[On the letterhead of the Chargor]

To: [Account Bank]

[Date]

Dear Sirs,

We give you notice that by a security agreement dated [●] (the “Deed”), we have charged (by way of a first fixed charge) in favour of [●] (as security agent for the Finance Parties as referred to in the Deed, the “Security Agent”) all our rights and interest in respect of [[the][any]] account maintained by us with you [(the “Account”)[each an “Account” and together the “Account[s]”)][the following account[s] maintained by us with you (the “Account[s]”)] including any amount standing to the credit from time to time of [the][each] Account[.][:]

Account Name	Account Number	Sort Code
[General Account]	[●]	[●]-[●]-[●]
[Deposit Account]	[●]	[●]-[●]-[●]
[Disposals Account]	[●]	[●]-[●]-[●]
[Rent Account]	[●]	[●]-[●]-[●]
[Development Account]	[●]	[●]-[●]-[●]
[VAT Account]	[●]	[●]-[●]-[●]
[Future Funding Account]	[●]	[●]-[●]-[●]
[Cure Account]	[●]	[●]-[●]-[●]
[Collection Account]	[●]	[●]-[●]-[●]

We irrevocably instruct and authorise you (without any further permission from us and notwithstanding any previous instructions which we may have given you to the contrary):

1. to disclose to the Security Agent any information relating to [the][any] Account requested from you from time to time by the Security Agent;

2. [following receipt by you of notice from the Security Agent¹] to hold the sums standing to the credit of [the][each] Account from time to time to the order of the Security Agent;
3. [following receipt by you of notice from the Security Agent²] to comply with the terms of any written notice or instruction relating to [the][any] Account received by you from the Security Agent; and
4. [following receipt by you of notice from the Security Agent³] not to permit any withdrawal by us or any other person (other than the Security Agent) of any sums standing to the credit of [the][any Account] [without the prior written consent of the Security Agent];
5. [following receipt by you of notice from the Security Agent⁴] pay or release any sum standing to the credit of [the][any] Account in accordance with the written instructions of the Security Agent.

[Until such time as the Security Agent gives notice to you, we shall remain free to deal with the General Account, Future Funding Account and Development Account.]⁵

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

This letter and all non-contractual obligations arising out of it shall be governed by and construed in accordance with English law.

Please acknowledge receipt of this letter and your acceptance of the instructions and authorisations contained in it within 7 days of receiving this letter by sending a letter in the enclosed form direct to the Security Agent at Situs Asset Management Limited, 34th Floor, 25 Canada Square, Canary Wharf, London E14 5LB marked for the attention of Head of Servicing.

Yours faithfully,

.....

[CHARGOR]

(Director/Duly authorised signatory)

¹ Only applicable to the General Account, Development Account and Future Funding Account.

² Only applicable to the General Account, Development Account and Future Funding Account.

³ Only applicable to the General Account, Development Account and Future Funding Account.

⁴ Only applicable to the General Account, Development Account and Future Funding Account.

⁵ Only applicable to the General Account, Development Account and Future Funding Account.

Part II

Form of acknowledgement

[On the letterhead of the relevant Account Bank]

To: [●] as Security Agent

Copy: [the Chargor]

[Date]

Dear Sirs,

We acknowledge receipt of a notice dated [●] (the “Notice”) and addressed to us by [●] (the “Chargor”) in relation to the Account[s] (as defined in the Notice).

We confirm that we:

1. accept the instructions and authorisations contained in the Notice and undertake to act in accordance and comply with the terms of the notice;
2. have not received any notice of assignment or charge over the Chargor’s interest in [the][any] Account in favour of any other person nor any notice of the interest of any third party in [the][any] Account;
3. have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counterclaim, combination of accounts, lien or other right in respect of [the][any] Account; and
4. [save in relation to the General Account, Development Account and Future Funding Account] will not permit any amount to be withdrawn from [the][any] Account without your prior written consent.

If we become aware at any time that any person other than yourselves has or will have any right or interest in [the][any] Account and/or the debt represented thereby, we will promptly notify you.

The only account[s] maintained with us by the Chargor [is][are] the account[s] mentioned in the Notice.

This letter and all non-contractual obligations arising out of it shall be governed by and construed in accordance with English law.

Yours faithfully,

.....

(Authorised Signatory)

[Account Bank]

SCHEDULE 5

Hedging Arrangements

Part I

Form of notice of assignment

[On the letterhead of the Chargor]

To: [Hedge Counterparty]

[Date]

Dear Sirs,

We give you notice that by a security agreement dated [●] (the “Deed”), we have assigned by way of security to [●] (as security agent for the Finance Parties as referred to in the Deed, the “Security Agent”) all our rights under any hedging agreements and related arrangements between yourselves and ourselves (the “Hedging Arrangements”).

We irrevocably instruct and authorise you to:

1. disclose to the Security Agent without any reference to or further authority from us and without any inquiry by you as to the justification for the disclosure, any information relating to the Hedging Arrangements which the Security Agent may request from you; and
2. pay any sum payable by you under the Hedging Arrangements to our account with [●] at [●], Sort Code [●], Account No. [●] or such other account as the Security Agent may specify from time to time.

The instructions in this letter may not be varied or revoked without the prior written consent of the Security Agent.

This letter and all non-contractual obligations arising out of it shall be governed by and construed in accordance with English law.

Please acknowledge receipt of this letter and your acceptance of the instructions and authorisations contained in it within 7 days of receiving this letter by sending a letter in the enclosed form direct to the Security Agent at Situs Asset Management Limited, 34th Floor, 25 Canada Square, Canary Wharf, London E14 5LB marked for the attention of Head of Servicing.

Yours faithfully,

.....

[CHARGOR]

(Director/Duly authorised signatory)

Part II

Form of acknowledgement

[On the letterhead of the Hedge Counterparty]

To: [●] as Security Agent

Copy: [the Chargor]

[Date]

Dear Sirs,

We acknowledge receipt of a notice dated [●] (the “Notice”) and addressed to us by [●] (the “Chargor”) in relation to the Hedging Arrangements (as defined in the Notice).

We confirm that we:

1. will act in accordance with and comply with the terms of the Notice;
2. have not received notice of any assignment or charge of the interest of the Chargor in the Hedging Arrangements in favour of any other person nor of the interest of any third party in the Hedging Arrangements;
3. shall pay any amount payable by us under the Hedging Arrangements to the Chargor’s account with [●] at [●], Sort Code [●], Account No. [●] or such other account as the Security Agent may specify from time to time; and
4. shall accept your instructions in relation to the Chargor’s rights under the Hedging Arrangements.

This letter and all non-contractual obligations arising out of it shall be governed by and construed in accordance with English law.

Yours faithfully,

.....

[Hedge Counterparty]

(Director/Duly authorised signatory)

SCHEDULE 6

Assigned Agreements

Part I

Form of notice of assignment

[On the letterhead of the Chargor]

To: [Contract party]

[Date]

Dear Sirs,

We give you notice that by a security agreement dated [●] (the “Deed”), we have assigned by way of security to [●] (as security agent for the Finance Parties as referred to in the Deed, the “Security Agent”) all our rights, title to and interest in [*insert details of Contract*] (the “Contract”).

We confirm that:

1. our duties and obligations under the Contract have not been novated and we will remain liable under the Contract to perform all the obligations assumed by us under the Contract; and
2. none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Contract.

We also remain entitled to exercise all our rights, powers and discretions under the Contract, and you should continue to give notices under the Contract to us, unless and until you receive notice from the Security Agent to the contrary. In this event, we will cease to have any right to deal with you in relation to the Contract and all the rights, powers and discretions will be exercisable by, and notices must be given to, the Security Agent or as it directs.

You are authorised, without any reference to or further authority from us and without any inquiry by you as to the justification for the disclosure, to disclose information in relation to the Contract to the Security Agent on its request and you shall send copies of all notices and other information sent or delivered under the Contract to the Security Agent.

Unless and until you receive notice from the Security Agent to the contrary, all sums payable to us under the Contract should be paid to our account with [●] at [●], Account No. [●], Sort Code [●] or such other account as the Security Agent may specify from time to time.

Please note that we have agreed that we will not amend or waive any provision of or terminate the Contract without the prior consent of the Security Agent.

The instructions in this letter may not be varied or revoked without the prior written consent of the Security Agent.

This letter and all non-contractual obligations arising out of it shall be governed by and construed in accordance with English law.

Please acknowledge receipt of this letter and your acceptance of the instructions and authorisations contained in it within 7 days of receiving this letter by sending a letter in the enclosed form direct to the Security Agent at Situs Asset Management Limited, 34th Floor, 25 Canada Square, Canary Wharf, London E14 5LB marked for the attention of Head of Servicing.

Yours faithfully,

.....

[CHARGOR]

(Director/Duly authorised signatory)

Part II

Form of acknowledgement

[On the letterhead of the relevant Counterparty]

To: [●] as Security Agent

Copy: [Chargor]

[Date]

Dear Sirs,

We acknowledge receipt of a notice dated [●] (the “Notice”) and addressed to us by [●] (the “Chargor”) in relation to the Contract (as defined in the Notice).

We accept the instructions and authorisations contained in the Notice and undertake to act in accordance and comply with the terms thereof.

We confirm that:

1. we have not received any other notice of any assignment of, or any security or the interest of any third party in, the Contract;
2. there has been no amendment, waiver or release of any rights or interests in the Contract since the date of the Contract;
3. we will not agree to any amendment, waiver or release of any provision of the Contract without the prior written consent of the Security Agent;
4. as at the date of this acknowledgement, we are not aware of any breach by the Chargor of the terms of the Contract; and
5. we do not have and have not claimed or exercised any right or claim against the Chargor or exercised or attempted to exercise any right of set-off, counterclaim or other right relating to the Contract.

This letter and all non-contractual obligations arising out of it shall be governed by and construed in accordance with English law.

Yours faithfully,

.....

[Counterparty]

(Director/Duly authorised signatory)

SCHEDULE 7

Relevant Policies

Part I

Form of notice of assignment

[On the letterhead of the relevant Counterparty]

To: [Insurer]

[Date]

Dear Sirs,

We give you notice that by a security agreement dated [●] (the “**Deed**”), we have assigned by way of security to [●] (as security agent for the Finance Parties as referred to in the Deed, the “**Security Agent**”) all our rights, title to and interests in [the][each] insurance policy with policy number [●] (including all monies payable thereunder and the proceeds of all related claims, awards and judgments) which have been issued to and accepted by us (and all other insurances entered into, supplemental to or in replacement of [each] such policy of insurance) ([the][each a] “**Policy**” [and together the “**Policies**”]).

We hereby notify and irrevocably instruct you as follows:

1. We will remain liable to perform all our obligations under [the][each] Policy and the Security Agent is under no obligation or liability of any kind whatsoever to any person either under [the][any] Policy or in the event of any failure by us to perform our obligations under [the][any] Policy. Save as otherwise set out below, you will continue to deal with us in relation to [the][each] Policy until you receive notice to the contrary from the Security Agent. Thereafter, we will cease to have any right to deal with you in relation to [the][that] Policy and from that time, you should deal only with the Security Agent.
2. Unless and until you receive notice from the Security Agent in writing to the contrary, you should make all payments arising under [the][a] Policy:
 - (a) in respect of [the loss of rent insurance,] to our account with [●] at [●], Account No. [●], Sort Code [●];
 - (b) in respect of all [other] sums, to our account with [●] at [●], Account No. [●], Sort Code [●],

or, in each case, such other account as the Security Agent may specify from time to time except in the case of any amounts to be paid under or in connection with any third party liability insurance claim where such amounts are to be paid directly to the third party concerned in satisfaction of such claim.

3. We may not amend, modify, waive, release or terminate [the][any] Policy without the prior written consent of the Security Agent.

4. You are authorised to disclose information in relation to [the][any] Policy to the Security Agent on its request and we hereby instruct you to send to the Security Agent copies of all notices and other information sent or delivered to us under [the][any] Policy.
5. All remedies provided for under [the][any] Policy or available at law or in equity are exercisable by the Security Agent.
6. All rights to compel performance under [the][any] Policy are exercisable by the Security Agent.
7. All rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising under the [relevant] Policy belong to the Security Agent.

The instructions in this letter may not be varied or revoked without the prior written consent of the Security Agent.

This letter and all non-contractual obligations arising out of it shall be governed by and construed in accordance with English law.

Please acknowledge receipt of this letter and your acceptance of the instructions and authorisations contained in it within 7 days of receiving this letter by sending a letter in the enclosed form direct to the Security Agent at Situs Asset Management Limited, 34th Floor, 25 Canada Square, Canary Wharf, London E14 5LB marked for the attention of Head of Servicing.

Yours faithfully,

.....

[CHARGOR]

(Director/Duly authorised signatory).

Part II

Form of acknowledgement

(On the letterhead of the relevant insurer)

To: [●] as Security Agent

Copy: [the Chargor]

[Date]

Dear Sirs,

We acknowledge receipt of a notice dated [●] (the “**Notice**”) and addressed to us by [●] (the “**Chargor**”) in relation to the Polic[y][ies] (as defined in the Notice).

We accept the instructions and authorisations contained in the Notice and undertake to act in accordance and comply with the terms thereof.

We confirm that we have not received notice of any assignment of or charge over any of the rights, title or interests specified in the Notice and will make all payments to the relevant account/accounts specified in the Notice.

We further confirm that:

1. there has been no amendment, waiver or release of any rights or interests in [the][any] Policy since the date of [the][such] Policy;
2. we have noted the Security Agent’s interest as [co-insured][mortgagee] and first loss payee on [the][each] Policy;
3. we will not agree to any amendment, waiver or release of any provision of [the][any] Policy without the prior written consent of the Security Agent; and
4. we do not have and have not claimed or exercised any right or claim against the Chargor or exercised or attempted to exercise any right of set-off, counterclaim or other rights relating to [the][any] Policy.

This letter and all non-contractual obligations arising out of it shall be governed by and construed in accordance with English law.

Yours faithfully,

.....

[INSURER]

(Director/Duly authorised signatory)

SIGNATURES

The Chargors

EXECUTED as a deed and delivered on the date)
specified on page 1 by)
HE2 HAYDOCK GP LIMITED as general)
partner of the **HE2 HAYDOCK LIMITED**)
PARTNERSHIP in the presence of)

Director's Signal

Eudora

David Rudge

Print name **Director**

Director

Witness's Signature

Name HANNAH DONE

Address 3rd Floor
11-12 St James Square
London
SW1Y 4LB

Occupation ASSISTANT MANAGER

EXECUTED as a deed and delivered on the date)
specified on page 1 by)
HE2 HAYDOCK GP LIMITED)
In the presence of)

Director's Sig

Print name ..Director

David Rudge
Director

Witness's Signature

Name HANSH DONE

Address 3rd Floor
11-12 St James Square
London
SW1Y 4LB

Occupation ASSISTANT MANAGER

EXECUTED as a deed and delivered on the date)
specified on page 1 by)
HE2 N1 HAYDOCK LIMITED)
In the presence of)

Director's Sign

Print nameEugenia Schroeder.....David Rudge
Director.....Director

Witness's Signature

NameHANNAH DONE.....

Address3rd Floor
11-12 St James Square.....
London
.....SW1Y 4LB.....

OccupationASSISTANT MANAGER.....

EXECUTED as a deed and delivered on the date)
specified on page 1 by)
HE2 N2 HAYDOCK LIMITED)
In the presence of)

Director's Signat

Print nameEugenia Schroeder.....David Rudge
Director.....Director

Witness's Signature

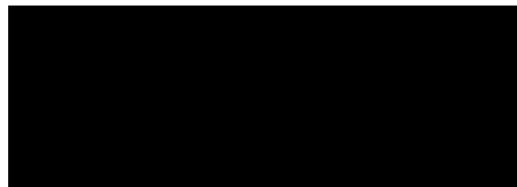
NameHANNAH DONE.....

Address3rd Floor
11-12 St James Square.....
London
.....SW1Y 4LB.....

OccupationASSISTANT MANAGER.....

Security Agent

Executed as a deed by **SITUS ASSET**)
MANAGEMENT LIMITED acting by)
)

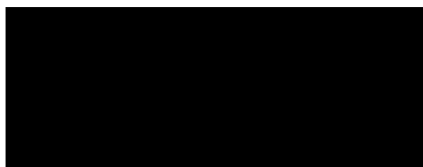


in the presence of:

Authorised Signatory

Edward Baker
Vice President

Signature of witness:



Name of witness:

25 Canada Square, 34th Floor
Address: Canary Wharf, London E14 5LB

Occupation:

TRAINEE SOLICITOR