



Registration of a Charge

Company name: **CLYDE UNION CHINA HOLDINGS LIMITED**

Company number: **SC325345**

Received for Electronic Filing: **23/06/2020**



X97S4VKG

Details of Charge

Date of creation: **11/06/2020**

Charge code: **SC32 5345 0004**

Persons entitled: **BNP PARIBAS**

Brief description: **SECURITY INTERESTS (NOT EXPRESSED AS FLOATING CHARGES) ARE CREATED OVER THE CHARGOR'S RIGHTS IN (AMONG OTHER THINGS) LAND, INTELLECTUAL PROPERTY AND CHATTELS. NONE IS SPECIFIED. SEE THE INSTRUMENT FOR MORE DETAILS.**

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: **MAYER BROWN INTERNATIONAL LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 325345

Charge code: SC32 5345 0004

The Registrar of Companies for Scotland hereby certifies that a charge dated 11th June 2020 and created by CLYDE UNION CHINA HOLDINGS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 23rd June 2020 .

Given at Companies House, Edinburgh on 24th June 2020

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Dated 11 JUNE 2020

- (1) **THE CHARGORS LISTED IN SCHEDULE 1**
as Initial Chargors
- (2) **CELEROS FLOW TECHNOLOGY, LLC** as
Borrower
- (3) **BNP PARIBAS** as Agent

SECURITY AGREEMENT

MAYER BROWN

LONDON

CONTENTS

Clause	Page
1. Definitions and interpretation	1
2. Payment of the Secured Obligations.....	7
3. Creation of Security Interests.....	8
4. Perfection of security and further assurance	12
5. Negative pledge and disposals	13
6. Other covenants of general application.....	13
7. Land	14
8. Accounts and Debts	16
9. The Investments	16
10. Intellectual Property.....	17
11. Enforcement – general provisions	18
12. Right of appropriation.....	19
13. Receivers.....	20
14. Powers of Security Enforcement Parties.....	21
15. Appointment of Administrator.....	23
16. Dealing with proceeds.....	24
17. General security provisions.....	25
18. Power of attorney.....	27
19. Agent provisions	28
20. Changes to the Parties	29
21. Communications	29
22. Calculations and certificates	29
23. Partial invalidity.....	29
24. Remedies and waivers.....	30
25. Amendments and waivers	30
26. Counterparts.....	30
27. Provisions of the Credit Agreement.....	30
28. Governing law.....	30
29. Enforcement.....	30

Schedules

1. The Chargors.....	32
2. Properties	33
Part 1 Registered land.....	33
Part 2 Unregistered land	33
3. Specified Assets	34

CONTENTS

Clause	Page
Part 1 Specified Intellectual Property.....	34
Part 2 Specified Investments	38
4. Form of Notices of Security.....	39
Part 1 Notice of assignment of Assigned Document.....	39
Part 2 Notice of assignment of Insurance.....	42
Part 3 Notice of charge	45
5. Form of Accession Deed.....	48

THIS SECURITY AGREEMENT is dated 11 JUNE 2020 and made between:

- (1) **THE CHARGORS** listed in Schedule 1 (*The Chargors*) (each an **"Initial Chargor"** and together the **"Initial Chargors"**);
- (2) **CELEROS FLOW TECHNOLOGY, LLC (FORMERLY BOARDWALK PARENT, LLC)**, a Delaware limited liability company (the **"Borrower"**); and
- (3) **BNP PARIBAS**, as Collateral Agent for the Secured Parties on the terms and conditions as set out in the Credit Agreement (the **"Agent"**).

BACKGROUND:

- (A) By a first lien credit agreement dated 30 March 2020 and made between, amongst others, Boardwalk Intermediate, LLC, Celeros Flow Technology, LLC (formerly Boardwalk Parent, LLC), the financial institutions party thereto as Lenders and the Agent as Administrative Agent (the **"Credit Agreement"**), certain facilities have been provided by the Lenders to the Borrower on the terms of the Credit Agreement.
- (B) The provision of this Security Agreement is a condition under the terms of the Credit Agreement. This is an "English Collateral Agreement" as defined in the Credit Agreement.
- (C) The Agent holds the Security Trust Property on trust for the Secured Parties on the terms set out in the Credit Agreement and this Security Agreement.
- (D) This Security Agreement is the deed of each Chargor, even if it has not been duly executed by the Agent or has been executed by the Agent but not as a deed.

THIS DEED WITNESSES that:

1. DEFINITIONS AND INTERPRETATION

1.1 Terms defined in the Credit Agreement

Terms defined in the Credit Agreement but not in this Security Agreement shall have the same meanings in this Security Agreement as in the Credit Agreement.

1.2 Definitions

In addition, in this Security Agreement:

"Accession Deed" means a deed of accession substantially in the form set out in Schedule 5 (*Form of Accession Deed*) or in such other form as may be specified by the Agent.

"Additional Chargor" means any person which becomes a Chargor pursuant to Clause 20.2 (*Accession of Additional Chargors*).

"Administrator" means any administrator appointed under this Security Agreement to manage the affairs, business and assets of any Chargor.

"Assigned Document" means any document rights under which are from time to time assigned under this Security Agreement.

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"Chargors" means the Initial Chargors and any Additional Chargor and **"Chargor"** means any of them.

"Debt" means any book or other debt, revenue or claim. In relation to a Chargor, **"its Debts"** means all Debts in which it has any rights.

"Delegate" means any delegate, agent, attorney or co-trustee appointed by the Agent or a Receiver.

"Event of Default" has the meaning given to that term in the Credit Agreement.

"Hedging Agreement" has the meaning given to it in the Credit Agreement.

"IA" means the Insolvency Act 1986.

"Insolvency Event" in relation to a person includes the dissolution, bankruptcy, insolvency, winding-up, liquidation, administration, examination, amalgamation, reconstruction, reorganisation, arrangement, adjustment, administrative or other receivership or dissolution of that person, the official management of all of its revenues or other assets or the seeking of protection or relief from debtors and any equivalent or analogous proceeding, whatever it is called, in any jurisdiction.

"Insurance" means any policy or contract of insurance but excluding any third party liability insurance, directors' and officers' insurance, public liability insurance and any other policies or contracts of insurance the proceeds of which are payable to the employees of the Chargor or to any other third party. In relation to a Chargor, **"its Insurances"** means all Insurances in which it has any rights (including as loss payee or additional insured).

"Intellectual Property" means:

- (a) all patents, utility models, trade and service marks, trade names, domain names, design rights, copyrights, moral rights, topography rights, rights in databases, trade secrets, know-how and other intellectual property, whether or not registered or registrable;
- (b) registrations and applications for registration of any of these and rights to apply for the same; and
- (c) all rights and forms of protection of a similar nature or having equivalent or similar effect to any of the above,

in each case held in a Security Jurisdiction (or in the European Union in respect of any of the foregoing registered or applied to be registered with the European Union Intellectual Property Office). In relation to a Chargor, **"its Intellectual Property"** means all Intellectual Property (including where applicable any listed in Schedule 3,

Part 1 (*Specified Intellectual Property*) or in the matching schedule in any Accession Deed) in which it has any rights.

"Investment" means any share, stock, debenture, bond, partnership interest or other security or investment. In relation to a Chargor, **"its Investments"** means all Investments (including where applicable any listed in Schedule 3, Part 2 (*Specified Investments*) or in the matching schedule in any Accession Deed) in which it has any rights and all its rights against any nominee or other trustee, fiduciary, custodian or clearing system with respect to any Investments.

"Lease" means any lease, tenancy, licence, sub-lease, sub-licence or other occupational right.

"Loan Documents" has the meaning given to it in the Credit Agreement and includes the Credit Agreement and this Security Agreement.

"Losses" means losses (including loss of profit), claims, demands, actions, proceedings, damages and other payments, costs, expenses and other liabilities of any kind.

"LPA" means the Law of Property Act 1925.

"Mortgaged Properties" means:

- (a) the properties brief details of which are set out in Schedule 2 (*Properties*) or in Schedule 1 (*Properties*) of any Accession Deed; and
- (b) any land in which a Chargor has a freehold interest from time to time with a fair market value equal to or exceeding US\$5,000,000 (or its equivalent in other currencies) (as determined by the relevant Chargor in good faith) as at the date of acquisition by the relevant Chargor,

but excluding any land situated in Scotland, and **"Mortgaged Property"** means any of them and any reference to one or more of the Mortgaged Properties includes all or any part of each relevant Mortgaged Property.

"Notice of Assignment" means a notice of assignment substantially in the form set out in Schedule 4, Part 1 (*Notice of assignment of Assigned Document*) or Schedule 4, Part 2 (*Notice of assignment of Insurance*), as appropriate, or in such other form as may be specified by the Agent.

"Notice of Charge" means a notice of charge substantially in the form set out in Schedule 4, Part 3 (*Notice of charge*) or in such other form as may be specified by the Agent.

"Notice of Security" means a Notice of Assignment or a Notice of Charge, as applicable.

"Occupational Lease" means any Lease to which a Mortgaged Property may at any time be subject.

"Party" means a party to this Security Agreement.

"Receiver" means any receiver, receiver and manager or administrative receiver appointed under this Security Agreement by the Agent over all or any of the Security Assets whether solely, jointly, severally or jointly and severally with any other person and includes any substitute for any of them appointed from time to time.

"Restricted Documents" means any Hedging Agreement, Insurance or other document to which a Chargor is party which, in each case, precludes either absolutely or conditionally that Chargor from assigning or creating a charge or other Security Interest over its interest in that Hedging Agreement, Insurance or other document (as applicable) and in respect of which consent has not yet been obtained pursuant to Clause 3.10 (*Third party consents*), provided that the relevant Chargor has not procured the inclusion of the relevant restriction on creating Security Interests.

"Restricted IP" means any Intellectual Property owned or licenced to a Chargor which, in each case, precludes either absolutely or conditionally that Chargor from creating a charge or other Security Interest over its interest in that Intellectual Property and in respect of which consent has not yet been obtained pursuant to Clause 3.10 (*Third party consents*), provided that the relevant Chargor has not procured the inclusion of the relevant restriction on creating Security Interests.

"Restricted Land" means any leasehold property held by a Chargor now or in the future under a lease which precludes either absolutely or conditionally that Chargor from creating a mortgage, charge or other Security Interest over its leasehold interest in that property and in respect of which consent has not yet been obtained pursuant to Clause 3.10 (*Third party consents*), provided that the relevant Chargor has not procured the inclusion of the relevant restriction on creating Security Interests.

"Secured Obligations" means the "Obligations" as defined in the Credit Agreement as such "Obligations" (and/or the Credit Agreement or other Loan Documents) may be amended, amended and restated, supplemented, replaced, renewed, restructured, extended, refunded, refinanced or otherwise modified from time to time (including, without limitation, where such transactions result in any increases or decreases of the principal amount of the "Obligations", any extensions of maturity or any changes in interest rates or other economic terms), but excluding any money, obligation or liability which would cause the covenant set out in Clause 2.1 (*Covenant to pay*) or the security which would otherwise be constituted by this Security Agreement to be unlawful or prohibited by any applicable law or regulation.

"Secured Party" has the meaning given to it in the Credit Agreement.

"Security Assets" means the assets from time to time the subject of this Security, **"Security Asset"** means any of them and any reference to one or more of the Security Assets includes all or any part of it or each of them.

"Security Documents" means this Security Agreement and any other document guaranteeing or creating security for or supporting the obligations of a Chargor or any other person to any Secured Party under any Loan Document.

"Security Enforcement Party" means the Agent, any Receiver or any Delegate.

"Security Interest" 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 Trust Property" means this Security, the proceeds of this Security, any rights or other assets expressed in this Security Agreement to be granted to or held by the Agent as trustee and any rights granted in this Security Agreement to any Secured Parties that are not party to this Security Agreement.

"Termination Date" has the meaning given to that term in the Credit Agreement.

"VAT" means:

- (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

1.3 Construction

In this Security Agreement:

- (a) The rules of interpretation contained in Section 1.02 (*Terms Generally*) and Section 9.14 (*Headings*) of the Credit Agreement shall apply to the construction of this Security Agreement, or in any notice given under or in connection with this Security Agreement with such other changes as are appropriate to fit this context.
- (b) In addition, in this Security Agreement, unless a contrary indication appears any reference to:
 - (i) the **"Agent"**, the **"Secured Parties"**, a **"Chargor"** or any **"Loan Party"** shall be construed so as to include its or their (and any subsequent) successors in title, permitted assigns and permitted transferees in accordance with their respective interests and, in the case of the Agent, any person for the time being appointed as Agent in accordance with the Credit Agreement;
 - (ii) **"assets"** includes present and future properties, revenues, rights and other assets of every description. Any reference to an asset includes any proceeds of disposal of all or part of that asset and any other monies paid or payable in respect of that asset and any reference to a particular type or category of assets includes any present or future assets of that type or category;
 - (iii) the **"Chargors"** includes a reference to each of them as well as a reference to all of them;
 - (iv) a **"disposal"** includes any lease, licence, transfer, sale or other disposal of any kind (with related words being construed accordingly);

- (v) any **Loan Document** or other **document** is to that Loan Document or other document as supplemented, otherwise amended, replaced or novated from time to time (however fundamental that amendment, novation or replacement may be, even if it involves increased, new, additional, extended and/or replacement facilities or an increase in any other amount or rate);
- (vi) the masculine, feminine or neuter gender respectively includes the other genders and the singular includes the plural (and vice versa);
- (vii) **"including"** means **"including without limitation"** (with related words being construed accordingly), **"in particular"** means **"in particular but without limitation"** and other general words shall not be given a restrictive interpretation by reason of their being preceded or followed by words indicating a particular class of assets, matters or things;
- (viii) a **Party** or other **particular person** includes its successors in title (including in the case of the Agent any successor Agent), permitted assignees and permitted transferees in accordance with their respective interests;
- (ix) anything which is **"permitted by the Credit Agreement"** or **"expressly permitted by the Credit Agreement"** includes any action which is not expressly prohibited pursuant to the terms of the Credit Agreement;
- (x) a **"person"** includes any individual, firm, company or other corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of them;
- (xi) a **provision of law** is to that provision as amended, re-enacted or replaced from time to time and includes any subordinated legislation in force under it from time to time;
- (xii) a **"Recital"** is to a statement made under the heading "Background" above and any reference to a "Clause" or to a "Schedule" is to a clause of or a schedule to this Security Agreement (as the case may be);
- (xiii) a **"right"** includes any title, estate, interest, claim, remedy, power, authority, discretion or other right of any kind, both present and future. Any reference to a Chargor's rights in any document or asset (or any type or category of documents or assets) includes any rights that it holds from time to time in, to, under, in respect of or derived from that document or asset (or any document or asset of that type or in that category);
- (xiv) **"this Security"** means the Security Interests constituted by or pursuant to this Security Agreement; and

- (xv) **this Security Agreement** includes the Recitals and Schedules and any Accession Deed, which form part of this Security Agreement for all purposes.
- (c) References in this Security Agreement to any Clause or Schedule shall be to a Clause or Schedule contained in this Security Agreement
- (d) The index and Clause and Schedule headings are for ease of reference only.
- (e) If there is any inconsistency between the terms of this Security Agreement, those of the Credit Agreement and the Intercreditor Agreement, the terms of the Credit Agreement or the Intercreditor Agreement (as applicable) shall prevail.

1.4 Third party rights

- (a) A person who is not a Party (other than any Receiver, Delegate or Administrator) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Security Agreement.
- (b) Notwithstanding Clause 1.4(a), no consent of any person who is not a Party is required to rescind or vary this Security Agreement at any time.

1.5 Disposition of land

The terms of the other Loan Documents and any related documents are incorporated into this Security Agreement to the extent necessary for any purported disposition of land contained in the Loan Documents to be valid in accordance with s2(1) Law of Property (Miscellaneous Provisions) Act 1989.

1.6 Joint and several

Each representation, warranty, covenant and other obligation given or entered into by the Chargors in or pursuant to this Security Agreement is given or entered into by them jointly and severally. Each Chargor shall be bound by this Security Agreement even if any person who was intended to execute it or be bound by it as a Chargor has not duly executed or become bound by it.

2. PAYMENT OF THE SECURED OBLIGATIONS

2.1 Covenant to pay

Each Chargor covenants with the Agent to pay and discharge, or procure the payment or discharge of, each of the Secured Obligations at the time and in the manner provided in the relevant document for their payment or discharge by the relevant Loan Party.

2.2 Interest

If any amount payable under Clause 2.1 (*Covenant to pay*) is not paid on its due date, interest shall accrue on a daily basis on the overdue amount from the due date up to the date of actual payment (both before and after judgment). This interest shall accrue at the rate and on the terms from time to time applicable under the relevant document (or, in the absence of an applicable rate and applicable terms, shall be calculated and accrue

in the manner referred to in clause 2.13(c)(iii) (*Interest*) of the Credit Agreement as if it were an overdue amount for the purpose of that clause and shall be payable on demand).

2.3 Further advances

This Security Agreement is made to secure any further advances or other facilities made available by any Secured Party under the Loan Documents. It does not create any obligation on any Secured Party to make any further advances or other facilities available.

3. CREATION OF SECURITY INTERESTS

3.1 General provisions regarding Security Interests

- (a) Each of the charges and assignments created under this Security Agreement:
 - (i) is granted to the Agent as trustee for the Secured Parties;
 - (ii) secures the payment and discharge of the Secured Obligations; and
 - (iii) is made with full title guarantee.
- (b) Each fixed charge created under this Security Agreement over rights in any chattels takes effect as an equitable mortgage.
- (c) Each assignment under this Security Agreement is subject to a proviso for re-assignment on redemption.
- (d) If, to the extent and for so long as any charge or assignment under this Security Agreement fails to take effect over a Chargor's rights in any Security Asset because an Authorisation necessary for it to do so has not been obtained or made, the relevant Chargor shall:
 - (i) use its reasonable endeavours to obtain or make the Authorisation as soon as possible; and
 - (ii) until it is obtained or made, hold the relevant rights on trust for the Agent.
- (e) Notwithstanding any other provision of this Security Agreement, no Security Interests shall be created pursuant to Clause 3.2 (*Land*) to Clause 3.8 (*Miscellaneous fixed charges*) (inclusive) in an asset which is Excluded Foreign Collateral. For the avoidance of doubt, no such assets shall be excluded from the Security Interests created pursuant to Clause 3.9 (*Floating charge*).

3.2 Land

- (a) Each Chargor charges:

- (i) by way of first legal mortgage, all estates or interests owned by it at the date of this Security Agreement in the Mortgaged Properties excluding any Restricted Land; and
 - (ii) by way of fixed charge, all of its other rights in any Mortgaged Property excluding any Restricted Land.
- (b) In this Security Agreement, unless a contrary indication appears any reference to any land includes all buildings, plant, machinery and other fixtures and fittings from time to time on that land.
 - (c) Each Chargor assigns absolutely all of its rights in any Occupational Lease, including rights to rental income and other payments, and any guarantee or other right relating to an Occupational Lease.

3.3 Accounts

Each Chargor charges by way of fixed charge all of its rights in any credit balances on any bank accounts and the indebtedness represented by them.

3.4 Debts

- (a) Each Chargor charges by way of fixed charge all of its rights in its Debts.
- (b) In this Security Agreement, unless a contrary indication appears any reference to a Debt includes the benefit of any Security Interest, guarantee or other right in relation to that Debt.

3.5 Investments

- (a) Each Chargor charges by way of fixed charge all of its rights in its Investments.
- (b) In this Security Agreement, unless a contrary indication appears any reference to an Investment includes:
 - (i) any associated dividends and interest and any other payments and distributions; and
 - (ii) any right, money or assets accruing or offered at any time in respect of the Investment by way of redemption, exchange, bonus or otherwise.

3.6 Insurances

Each Chargor assigns absolutely all of its rights in its Insurances.

3.7 Assignment of documents

- (a) Each Chargor assigns absolutely:
 - (i) all of its right, title and interest in any Hedging Agreement (without prejudice and subject to any netting or set-off provisions contained in it);

- (ii) all of its right, title and interest in respect of any sums payable to it pursuant to any Insurance; and
- (iii) all of its rights in any other document from time to time designated as an Assigned Document, either by the relevant Chargor (or the Borrower on its behalf) and the Agent or in an Accession Deed,

in each case excluding any Restricted Documents.

- (b) For the avoidance of doubt, each Chargor will remain at all times liable in respect of all of its obligations under each Assigned Document and no Secured Party will be under any obligation or liability under or in respect of those Assigned Documents.

3.8 Miscellaneous fixed charges

Each Chargor charges by way of fixed charge, in each case to the extent not otherwise validly and effectively charged or assigned in Clause 3.2 (*Land*) to Clause 3.7 (*Assignment of documents*) or in the matching provisions in an Accession Deed:

- (a) all of its rights in any plant, machinery, vehicles, equipment and other chattels (but excluding its stock-in-trade or work-in-progress);
- (b) any goodwill and uncalled capital from time to time and all of its rights to future calls in respect of capital;
- (c) with the exception of any Restricted IP, all of its rights in its Intellectual Property;
- (d) all licences, consents and other Authorisations held in connection with its business or the use of any Security Assets and all of its rights in connection with them; and
- (e) all of its rights in any security interests, guarantees, indemnities, covenants for title, agreements, reports and other documents including those relating to all or any part of the Security Assets.

3.9 Floating charge

- (a) Each Chargor charges by way of first floating charge the whole of its undertaking and other assets, including all its assets situated in Scotland whether or not otherwise effectively mortgaged, charged or assigned by way of a fixed mortgage, charge or assignment under this Security Agreement.
- (b) Schedule B1, Paragraph 14 IA shall apply to the floating charge created by each Chargor in this Security Agreement.
- (c) The Agent may at any time by notice to a Chargor convert the floating charge created by that Chargor in this Security Agreement into a fixed charge with immediate effect as regards any Security Asset specified in the notice if:
 - (i) an Event of Default has occurred and is continuing;

- (ii) the Agent considers that it is reasonably likely to be in danger of being seized or sold pursuant to any form of legal process or otherwise in jeopardy; or
 - (iii) the Agent considers that it is necessary to protect the priority of this Security.
- (d) The floating charge created by a Chargor in this Security Agreement shall automatically be converted into a fixed charge with immediate effect as regards all assets subject to it if:
 - (i) that Chargor breaches Clause 5 (*Negative pledge and disposals*) or attempts to do so;
 - (ii) any person levies or attempts to levy any distress, execution, sequestration or other process against any of those assets; or
 - (iii) any steps are taken to appoint (or have appointed) an administrator of that Chargor or wind it up or if an administrator is appointed.
- (e) Nothing in this Clause 3.9:
 - (i) shall affect the crystallisation of the floating charge created by a Chargor under applicable law and regulation; or
 - (ii) shall permit the floating charge created by a Chargor to be crystallised solely as a result of the obtaining of, or of anything done with a view to obtaining, a moratorium under s1A IA.
- (f) Clauses 3.9(d) and 3.9(e) will not apply to any Security Assets situated in Scotland or governed by Scots law if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to section 72 of the IA by reason of such conversion by notice or automatic conversion.
- (g) The floating charges created pursuant to this Clause 3.9 shall, subject to s.464(2) of the Companies Act 1985, rank in accordance with Section 2 (*Lien Priorities*) of the Intercreditor Agreement.

3.10 Third party consents

- (a) If a Chargor has an interest in any Restricted Documents, Restricted IP which is material in the context of that Chargor's business or Restricted Land (a "**Restricted Asset**"), that Chargor shall (unless otherwise agreed with the Security Agent in writing):
 - (i) within 15 Business Days of its execution of the Security Agreement or an Accession Deed (as the case may be) use its reasonable endeavours to obtain the consent of each relevant counterparty in respect of such Restricted Asset to the creation of the charges envisaged by Clauses 3.2 (*Land*) to 3.8 (*Miscellaneous fixed charges*) (including paying the reasonable costs and any reasonable consent fee of any such counterparty);

- (ii) on the reasonable request of the Agent, keep the Agent informed of the progress of its negotiations with any such counterparty; and
 - (iii) provide the Agent with a copy of each sub consent promptly after its receipt.
- (b) If a Chargor has for a period of 20 Business Days used its reasonable endeavours, but has not been able to obtain the consent of each relevant counterparty in respect of a Restricted Asset, it shall have no further obligation to obtain consent from each such relevant counterparty in respect of that Restricted Asset following the expiry of that 20 Business Day-period.

4. PERFECTION OF SECURITY AND FURTHER ASSURANCE

4.1 Notice of Security

- (a) Immediately upon request by the Agent at any time following the occurrence of an Event of Default which is continuing each Chargor shall deliver a Notice of Security (with a copy to the Agent), duly completed:
 - (i) to each tenant and each other party to any Occupational Lease;
 - (ii) to any bank with which it opens or maintains any bank account;
 - (iii) to any person against which it has rights in respect of any other Debt;
 - (iv) to any insurer in respect of any Insurance;
 - (v) to any counterparty under any Hedging Agreement; and
 - (vi) to any party to any other document,

in each case in respect of which that Chargor has granted a Security Interest in this Security Agreement.
- (b) Each Chargor shall use all reasonable endeavours to procure that each addressee of a Notice of Security promptly acknowledges that Notice of Security in the form attached to that Notice of Security (or in such other form as the Agent may approve).
- (c) The execution of this Security Agreement or the relevant Accession Deed by each Chargor and the Agent shall constitute:
 - (i) notice to the Agent of the charge over any bank account of that Chargor opened or maintained with the Agent; and
 - (ii) notice to each Chargor of any Security Interest over any indebtedness owed to it by a Chargor.

4.2 Further assurance

Each Chargor shall comply with its obligations under section 5.10 (*Further Assurances; Additional Security*) of the Credit Agreement.

5. NEGATIVE PLEDGE AND DISPOSALS

5.1 Negative pledge

Each Chargor undertakes that it will not create or permit to subsist any Security Interest over any Security Asset except as expressly permitted by the Credit Agreement.

5.2 No disposals

Each Chargor undertakes that it will not dispose of (or agree to dispose of) any Security Asset except as expressly permitted by the Credit Agreement.

6. OTHER COVENANTS OF GENERAL APPLICATION

6.1 Information, access and remedy

- (a) Each Chargor shall promptly deliver to the Agent:
 - (i) any title deeds and documents relating to the Security Assets which the Agent may reasonably request; and
 - (ii) any evidence which the Agent may reasonably request of its compliance with the terms of this Security Agreement.
- (b) After this Security has become enforceable, each Chargor shall permit the Agent and/or its representatives, agents or contractors free access at all reasonable times to the Security Assets and any books, accounts and records relating to them:
 - (i) to examine the state and condition of those assets;
 - (ii) to inspect and take copies and extracts from those books, accounts and records; and
 - (iii) to comply with or object to any direction or notice or other matter served on it.
- (c) After this Security has become enforceable, the Agent may take any action (including the carrying out of repairs, the provision of information or the payment of money) which it considers necessary or desirable to remedy any failure by a Chargor to comply with any of its obligations under the Loan Documents.
- (d) The Agent shall have no obligation to exercise any of its rights under Clause 6.1(c) or otherwise in relation to any Security Asset.

6.2 Compliance with obligations

Each Chargor shall:

- (a) observe, perform and otherwise comply with all covenants and other obligations and matters (whether or not contained in any Lease, agreement or other document) from time to time affecting any of the Security Assets or their use or enjoyment to the extent that failure to do so would reasonably be expected to have a Material Adverse Effect; and
- (b) pay (or procure the payment of) all rents, rates, taxes, charges, assessments, impositions and other outgoings of any kind which are from time to time payable (whether by the owner or the occupier) in respect of any of the Security Assets to the extent that failure to do so would reasonably be expected to have a Material Adverse Effect.

6.3 Enforcement of rights

Each Chargor shall at its own cost use reasonable endeavours to enforce any rights and institute, continue or defend any proceedings relating to any of the Security Assets which the Agent may from time to time require to the extent that failure to do so would reasonably be expected to have a Material Adverse Effect.

7. LAND

7.1 Registration at Land Registry

- (a) The Chargors shall:
 - (i) do all things reasonably requested by the Agent to facilitate the registration of this Security against any Land Registry title comprised in the Mortgaged Properties from time to time. In particular, each Chargor shall:
 - (A) apply to the Chief Land Registrar for a restriction to be entered on each such title in the following terms: "No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the Security Agreement dated [*date*] in favour of [*insert name of Agent*] referred to in the charges register or, if appropriate, signed on such proprietor's behalf by its secretary or conveyancer"; and
 - (B) if the Agent so requests, certify that the security over the Mortgaged Properties created by this Security Agreement does not contravene any of the provisions of its constitutional documents.
- (b) No Chargor shall permit any other person to be registered at the Land Registry as proprietor of any of the Mortgaged Properties (or of any interest in any of the Mortgaged Properties) except as permitted by the Credit Agreement.

- (c) No Chargor shall create or permit to arise or subsist in or over any of the Mortgaged Properties any interest which falls within any of the paragraphs of Schedule 3 Land Registration Act 2002 or any interest preserved by the transitional provisions of Schedule 12 Land Registration Act 2002 except as permitted by the Credit Agreement.

7.2 Deposit of Mortgaged Property title documents

- (a) Each Chargor shall effect or procure the deposit with (or to the order of) the Agent of all title deeds and documents (including all local land charges, land charges, Land Registry search certificates and planning and other statutory consents) relating to the Mortgaged Properties.
- (b) On completion of the registration of this Security Agreement against any Land Registry title comprised in the Mortgaged Properties, the relevant Chargor shall supply the Agent with a copy of the title information document for that title.

7.3 Future acquisitions

- (a) Each Chargor shall notify the Agent promptly of any acquisition by it or any nominee on its behalf of any rights in any Mortgaged Property.
- (b) If a Chargor acquires any Mortgaged Property, it shall at its own cost within 120 days after the date of such acquisition execute and deliver to the Agent a Security Interest in favour of the Agent over those rights in any form which the Agent may reasonably require.

7.4 Notices

- (a) If a Chargor receives any application, requirement, order or notice served or given by any public, local or other authority or any landlord with respect to any Mortgaged Property, then it shall:
 - (i) within 14 days (or such later date as the Agent may reasonably agree) after such receipt deliver a copy to the Agent and inform it of the steps taken or proposed to be taken to comply with the relevant application, requirement, order or notice;
 - (ii) take all necessary steps to comply with the application, requirement, order or notice; and
 - (iii) make or join in making any representations which the Agent requests in respect of the application, requirement, order or notice.
- (b) Any compensation received as a result of an application, requirement, order or notice referred to in Clause 7.4(a), pursuant to s25 Law of Property Act 1969 and/or the Landlord and Tenant Act 1954 or otherwise, shall be held on trust for, and promptly paid to, the Agent. The Agent shall apply the compensation as if it constituted proceeds of an enforcement of this Security Agreement.

8. ACCOUNTS AND DEBTS

8.1 Realisation of Debts

- (a) Each Chargor shall get in and realise its Debts in accordance with the Credit Agreement and, subject to that, in the ordinary course of its business.
- (b) No Chargor shall release, set-off, compound or otherwise deal over, of or with its Debts otherwise than in accordance with Clause 8.1(a).

8.2 Withdrawals from accounts

If any time deposit matures on any account of a Chargor with any Secured Party after this Security has become enforceable, the time deposit shall automatically be renewed for a further period of a duration determined by that Secured Party in its discretion. This is without prejudice to any set-off rights of the relevant Secured Party.

9. THE INVESTMENTS

9.1 Delivery of documents and information

Each Chargor shall, on or promptly after the date of this Security Agreement and from time to time, deliver (or cause to be delivered) to the Agent (or its nominee) in respect of each of its Investments:

- (a) any share certificate or other document of title to or representing it;
- (b) an instrument of transfer or assignment of it in a form specified by the Agent, duly executed by each person in whose name it is registered or held (with the name of the transferee or assignee, the consideration and the date left blank); and
- (c) any other documents (including duly executed waivers of pre-emption and other rights) which the Agent may request to enable it (or its nominee) to:
 - (i) obtain legal title to (or otherwise be registered as the owner of) the Investment; or
 - (ii) be in a position to exercise any rights under this Security Agreement in respect of it.

9.2 Income on Investments

- (a) All dividends, interest and other income received by a Chargor in relation to its Investments prior to this Security becoming enforceable may be retained by that Chargor and any such income received by the Agent (or its nominee) will be paid to that Chargor to be applied in accordance with this Clause 9.2(a).
- (b) All income received or payable to a Chargor (or received by the Agent or its nominee) in relation to that Chargor's Investments after this Security has become enforceable shall be paid to (or, as applicable, retained by) the Agent and until that payment is made shall be held on trust for the Agent.

9.3 Voting and other rights

- (a) Subject to Clause 9.2 (*Income on Investments*) and the remainder of this Clause 9.3:
 - (i) each Chargor may exercise all voting and other rights attached to its Investments; and
 - (ii) if any of those rights are exercisable by the Agent or its nominee, the relevant Chargor may direct in writing how they are to be exercised.
- (b) No Chargor shall exercise, or direct the exercise of, any rights attached to its Investments in any manner which is prejudicial to the validity or enforceability of this Security or its realisation.
- (c) No Chargor shall without the prior written consent of the Agent permit or agree to any variation of the rights attaching to its Investments in any manner which is prejudicial to the validity or enforceability of this Security or its realisation.
- (d) No Chargor shall make any nomination, or permit to continue in effect any nomination it may have made, to permit another person to enjoy or exercise any of its rights in relation to any of its Investments in any manner which is prejudicial to the validity or enforceability of this Security or its realisation.
- (e) If at any time following the occurrence of an Event of Default which is continuing the Agent gives notice to the Chargors that this Clause 9.3(e) applies, then from the date of that notice and to the extent specified in it:
 - (i) the Agent (or its nominee) may at the Agent's discretion (and in the name of the relevant Chargor or otherwise) exercise, or refrain from exercising, any voting or other rights attached to the Investments; and
 - (ii) no Chargor shall exercise any of those rights.

9.4 Calls and other obligations

- (a) Each Chargor shall duly and promptly pay (or ensure that there are paid) all calls, instalments or other monies which may from time to time become due in respect of any of its Investments, without deduction or set-off.
- (b) Each Chargor shall comply with all reasonable requests for information relating to any of its Investments made in accordance with any law or regulation or its constitutional documents or by any listing or other authority, sending a copy of the information to the Agent.

10. INTELLECTUAL PROPERTY

No Chargor shall register any Security Interest in respect of any of its material Intellectual Property (or any Specified Intellectual Property) in favour of any party (other than the Agent) with the Register of Trade Marks, the Register of Design Rights or any other relevant trade mark, design or other Intellectual Property register or equivalent in the United Kingdom or the European Union.

11. ENFORCEMENT – GENERAL PROVISIONS

11.1 Enforcement

- (a) On or at any time after the occurrence of an Event of Default which is continuing, this Security shall become immediately enforceable and the Agent may enforce this Security, and its rights under this Security Agreement, in the manner and on the terms it thinks fit.
- (b) In particular, it may without further notice exercise in relation to the Security Assets:
 - (i) the power of sale and all other powers conferred on mortgagees by the LPA or otherwise by law, in each case as extended or otherwise amended by this Security Agreement;
 - (ii) to the extent that Clause 12 (*Right of appropriation*) applies, the power to appropriate the relevant Security Assets in accordance with Clause 12.2 (*Exercise of right of appropriation*); and
 - (iii) (whether or not it has appointed a Receiver) any or all of the rights which are conferred by this Security Agreement (whether expressly or by implication) on a Receiver.

11.2 LPA provisions

- (a) The Secured Obligations shall be deemed for the purposes of all powers implied by statute to have become due and payable within the meaning of s101 LPA immediately on the execution of this Security Agreement.
- (b) The Agent and any Receiver is entitled to all of the privileges, immunities and other rights conferred on mortgagees and receivers respectively under the LPA.
- (c) s93(1) LPA (restriction on the consolidation of mortgages), s103 LPA (restricting the power of sale), ss105, 107(2), 109(6) and 109(8) LPA (application of proceeds of sale) and s109(1) LPA (restricting the power to appoint a receiver) shall not apply to this Security.

11.3 Protection of third parties

- (a) No purchaser, mortgagee or other person dealing with a Security Enforcement Party shall:
 - (i) be bound to enquire whether its entitlement to exercise any of its rights has arisen or become exercisable or whether any Secured Obligations remain outstanding; or
 - (ii) be concerned as to the application of any money paid, raised or borrowed or as to the propriety or regularity of any sale by or other dealing with that Security Enforcement Party.

- (b) All of the protection to purchasers contained in ss104 and 107(1) LPA and s42(3) IA shall apply to any person purchasing from or dealing with a Security Enforcement Party as if the Secured Obligations had become due and the statutory powers of sale and of appointing a Receiver in relation to the Security Assets had arisen on the date of this Security Agreement.

11.4 Delegation

- (a) The Agent and (to the extent his or her appointment so permits) a Receiver (the "**Appointor**") may delegate to any person or persons all or any of the rights which are exercisable by it under this Security Agreement. A delegation under this Clause may be made in any manner (including by power of attorney) and on any terms (including power to sub-delegate) which the Appointor may think fit.
- (b) A delegation under Clause 11.4(a) shall not preclude the subsequent exercise of the relevant rights by the Appointor nor preclude the Appointor from making a subsequent delegation of them to another person or from revoking that delegation.
- (c) Neither the Agent nor any Receiver shall be liable or responsible to any Chargor for any loss or damage arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.

11.5 No liability

- (a) No Security Enforcement Party or Administrator shall:
 - (i) owe any duty to any Chargor to exercise any of its rights under this Security Agreement; or
 - (ii) be liable or responsible to any Chargor for any Losses arising out of any exercise, purported exercise or non-exercise of any of its rights under this Security Agreement.
- (b) Neither a Security Enforcement Party nor any Administrator shall be liable as a mortgagee in possession or otherwise to account in relation to all or any part of the Security Assets for any loss on realisation or for any other action, default or omission for which it might otherwise be liable as a mortgagee in possession.

12. RIGHT OF APPROPRIATION

12.1 Application of right of appropriation

This Clause 12 applies to the extent the Security Assets constitute "financial collateral" and this Security Agreement constitutes a "financial collateral arrangement" (within the meaning of the Financial Collateral Arrangements (No. 2) Regulations 2003).

12.2 Exercise of right of appropriation

- (a) If and to the extent that this Clause 12 applies, the Agent may appropriate the Security Assets in or towards discharge of the Secured Obligations in such order

as the Agent may (subject to any specific provisions of the Loan Documents in this regard) determine.

- (b) If the Agent exercises its right of appropriation then it shall for these purposes value:
 - (i) any relevant bank account at the amount standing to the credit of that account, together with any accrued interest not credited to the account, at the time of the appropriation; and
 - (ii) any other relevant Security Asset by reference to an independent valuation or other procedure determined by the Agent, acting reasonably, at the time of the appropriation.

13. RECEIVERS

13.1 Appointment of Receiver

- (a) Subject to the remainder of this Clause 13.1, the Agent may appoint one or (at the same or different times) more persons as a receiver of all or any part of the Security Assets if:
 - (i) this Security has become enforceable; or
 - (ii) the relevant Chargor or the Borrower so requests in writing at any time.
- (b) No appointment may be made pursuant to Clause 13.1:
 - (i) solely as a result of the obtaining of, or with a view to obtaining, a moratorium under s1A IA; or
 - (ii) of an administrative receiver if that appointment would contravene s72A IA.
- (c) If at any time two or more persons hold office as Receivers, each of those Receivers shall (subject to the terms of his or her appointment) be entitled to exercise individually all of the rights conferred on Receivers under this Security Agreement to the exclusion of the other or others.

13.2 Remuneration

The Agent may fix the remuneration of any Receiver from time to time, without being limited by the maximum rate specified in s109(6) LPA.

13.3 Removal and replacement

The Agent may:

- (a) subject to obtaining a court order if required by law, remove any Receiver by written notice; and

- (b) replace (by appointment pursuant to Clause 13.1) any Receiver whose appointment has terminated.

13.4 Agent of the relevant Chargor

- (a) Any Receiver appointed under this Security Agreement whether acting solely or jointly shall be deemed to be the agent of the relevant Chargor and to be in the same position as a receiver appointed under the LPA.
- (b) The relevant Chargor shall be solely responsible for the acts, omissions, defaults, losses and misconduct of any Receiver and for his or her remuneration. The Agent shall not be in any way liable or responsible either to the relevant Chargor or to any other person for any Receiver.

14. POWERS OF SECURITY ENFORCEMENT PARTIES

14.1 General

- (a) A Receiver has:
 - (i) all of the rights set out below in this Clause 14;
 - (ii) all of the rights granted by the LPA to any receiver or mortgagor or mortgagee in possession; and
 - (iii) whether or not it is an administrative receiver, all of the rights granted by the IA to any administrative receiver,in each case as such rights are varied and extended by this Security Agreement.
- (b) The Agent has after this Security has become enforceable the rights referred to in Clause 14.1(a), whether or not it has appointed a Receiver.
- (c) A Delegate has the rights referred to in Clause 14.1(a) to the extent provided in its, his or her appointment.
- (d) Any reference in this Clause 14 to any Security Assets includes, in the case of a Receiver or Delegate, only those Security Assets over or in respect of which it, he or she has been appointed.
- (e) A Security Enforcement Party may exercise its, his or her rights under this Clause 14 in such manner and on such terms as it, he or she thinks fit.

14.2 Collection, leasing and disposal of Security Assets

- (a) The right to enter into, take possession of, give up possession of, get in and collect any Security Asset.
- (b) The right to grant, vary, surrender or accept the surrender of Leases, easements or other rights over or in respect of Security Assets on such terms as the Security Enforcement Party may think fit, without the need to comply with ss99 and 100 LPA.

- (c) The right to sell or otherwise dispose of any Security Asset on any terms and for any consideration as the Security Enforcement Party may think fit. This consideration may include cash, debentures, obligations, shares or other security and may be payable in a lump sum or instalments.
- (d) The right to sever any plant, machinery or other fixtures from the premises to which they are attached and the right to dispose of them separately in accordance with Clause 14.2(c).
- (e) The right, in connection with or to facilitate any disposal, to release or discharge, whether or not for any consideration, any Debts comprised in the Security Assets.
- (f) The right to give a valid receipt for any money and execute any discharge, assurance or other document which may be proper or desirable to realise any Security Asset.

14.3 Upkeep of Security Assets

- (a) The right to repair, decorate, furnish, maintain, alter, improve, replace, renew or add to the Security Assets.
- (b) The right to develop any Security Asset and for that purpose to apply for any Authorisations, enter into any documents and carry out any works.
- (c) The right to insure any Security Assets.

14.4 Carrying on business

- (a) The right to carry on any business of a Chargor.
- (b) The right to appoint or dismiss officers, employees, agents, contractors, advisors and others.
- (c) The right to purchase, lease or otherwise acquire any assets.
- (d) The right to borrow or otherwise raise money either unsecured or on the security of the Security Assets (whether ranking in priority to, pari passu with or behind this Security).
- (e) The right to lend money or advance credit to any customer of a Chargor.

14.5 Contracts and proceedings

- (a) The right to perform, repudiate, terminate, amend or enter into any contract or other document relating to any Security Asset.
- (b) The right to bring, prosecute, defend, enforce and discontinue any action, suit, arbitration or other proceedings relating to any Security Assets.

- (c) The right to pursue, settle, arrange, compromise or submit to arbitration any claim, account, dispute or demand relating to, or to make any VAT election in respect of, any Security Asset.

14.6 Other rights

- (a) The right to form a subsidiary of a Chargor and the right to lease, license or transfer any Security Asset to it.
- (b) The right to do any other act or thing which the Security Enforcement Party may consider:
 - (i) desirable or necessary to protect, preserve or realise any Security Asset; or
 - (ii) incidental or conducive to any rights conferred on the Security Enforcement Party under or by virtue of this Security Agreement or by law.
- (c) The right to exercise and do in relation to any Security Asset all the rights and things which the Security Enforcement Party would be capable of exercising or doing if it, he or she were the absolute beneficial owner of that Security Asset.
- (d) The right to use the name of a Chargor to exercise any of the rights referred to in this Clause 14.

15. APPOINTMENT OF ADMINISTRATOR

15.1 Appointment of Administrator

- (a) The Agent may without notice appoint any one or more persons to be an administrator of a Chargor pursuant to Schedule B1, Paragraph 14 IA at any time after this Security has become enforceable.
- (b) Clause 15.1(a) shall not apply to a Chargor if Schedule B1, Paragraph 14 IA does not permit an administrator of that Chargor to be appointed.
- (c) Any appointment under Clause 15.1(a) shall be made in the prescribed form by the Agent.

15.2 Replacement of an Administrator

The Agent may apply to the court for the termination of the appointment of any Administrator and/or the appointment of a replacement for any Administrator whose appointment ends for any reason.

16. DEALING WITH PROCEEDS

16.1 Application of proceeds of enforcement, etc

- (a) Any monies received by the Agent or any Receiver under this Security Agreement after this Security has become enforceable shall be applied in the following order of priority:
 - (i) in or towards payment of, or provision for, all amounts due to or Losses incurred by any Security Enforcement Party under or in connection with this Security Agreement and all remuneration due to any Receiver under or in connection with this Security Agreement;
 - (ii) in payment to the Agent to be applied in accordance with Section 7.02 (*Treatment of Certain Payments*) of the Credit Agreement; and
 - (iii) if no Chargor is under any further actual or contingent liability under the Loan Documents, in payment of the surplus (if any) to the person or persons entitled to it.
- (b) Notwithstanding Clause 16.1(a), until the Termination Date the Agent or any Receiver may:
 - (i) refrain from applying or enforcing any other monies, Security Interests or other rights held or received by it in respect of the Secured Obligations or apply and enforce them in such manner and order as it sees fit (whether against the Secured Obligations or otherwise) and no Chargor shall be entitled to the benefit of the same; and
 - (ii) hold in an interest-bearing suspense account any monies received from a Chargor or on account of the Secured Obligations.
- (c) Clause 16.1(a) is without prejudice to the right of the Agent to recover any shortfall from the Chargors.

16.2 Insurance proceeds

- (a) All monies received by a Chargor by virtue of any Insurance on the Security Assets, whether or not effected under this Security Agreement:
 - (i) shall be part of the Security Assets; and
 - (ii) at any time after this Security has become enforceable shall (subject to any rights of third parties arising under any applicable law and regulation or under any Occupational Lease) be paid to the Agent (and until so paid shall be held on trust for the Agent).

This Clause 16.2(a) shall apply whether the event pursuant to which those monies became payable occurred before, on or after the date of this Security Agreement.

- (b) Any monies so paid to the Agent (or otherwise received by any Security Enforcement Party by virtue of any insurance on the Security Assets) shall be applied at the discretion of the Agent either in reduction of the Secured Obligations or in or towards making good the loss or damage in respect of which they became payable. Each Chargor waives any right it may have to require that those monies be applied in or towards making good the loss or damage in respect of which they became payable.

17. GENERAL SECURITY PROVISIONS

17.1 Continuing security

This Security is, and shall remain in force as, a continuing security for the Secured Obligations, regardless of any intermediate payment or discharge, unless and until it is released and discharged in writing by the Agent.

17.2 Additional security

This Security is in addition to and is not in any way prejudiced by any other guarantee or Security Interest now or subsequently held by or on behalf of any Secured Party.

17.3 Waiver of defences

The obligations of each Chargor under this Security Agreement will not be discharged, impaired or otherwise affected by any act, omission, matter or thing which, but for this Clause 17.3, would reduce, release or prejudice any of its obligations under this Security Agreement, including (whether or not known to it or any Secured Party):

- (a) any time, waiver or consent granted to, or composition with, any Loan Party or any other person;
- (b) the release of any Loan Party or any other person under the terms of any composition or arrangement with any creditor;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security Interest over the assets of, a Chargor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any document or any failure to take, or failure to realise the full value of, any Security Interest;
- (d) any supplement, extension, restatement, other amendment or novation or replacement of any Loan Document or any other security or other document, however fundamental that amendment, novation and replacement may be and whether or not more onerous, including any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Loan Document or other Security Interest or other document;
- (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Loan Party or any other person;

- (f) any unenforceability, illegality or invalidity of any of the Secured Obligations or any other obligation of any person under any Loan Document or any other document or Security Interest; or
- (g) any Insolvency Event in relation to any person.

17.4 Non-competition

Until the Termination Date, no Chargor shall exercise any rights it may have by reason of a claim being made against it under this Security Agreement or its performing any of its obligations under it:

- (a) to claim any indemnity or contribution from any person;
- (b) to take (by way of subrogation or otherwise) the benefit of any right of any Secured Party;
- (c) to bring legal or other proceedings for an order requiring any Loan Party to make any payment, or perform any obligation, in respect of any Secured Obligation;
- (d) to claim or prove as a creditor of any person in competition with any Secured Party; or
- (e) to receive, claim or have the benefit of any payment, distribution or Security Interest from or on account of any Loan Party or exercise any right of set-off against any Loan Party.

Each Chargor shall hold any payment or other benefit received by it contrary to this Clause 17.4 on trust for the Agent and promptly pay or transfer the same to the Agent for application in accordance with Clause 16.1 (*Application of proceeds of enforcement, etc*).

17.5 Immediate recourse

Each Chargor waives any right it may have of first requiring any Secured Party to enforce any Security Interest or other right, or claim payment from or proceed against any other person, before claiming from it under this Security Agreement. This waiver applies irrespective of any applicable law and regulation or any provision of any Loan Document to the contrary.

17.6 Redemption of prior Security Interests

- (a) The Agent may at any time:
 - (i) redeem, or procure the transfer to itself of, any prior Security Interest over any Security Assets; or
 - (ii) settle and pass the accounts of the holder of any prior Security Interest. Any accounts so settled and passed shall in the absence of manifest error be conclusive and binding on the relevant Chargor.

- (b) All principal monies, interest, costs, expenses and other amounts incurred in and incidental to any redemption, transfer or settlement under Clause 17.6(a) shall be paid by the Chargors to the Agent on demand, in each case together with interest calculated in the manner referred to in clause 2.13(c)(iii) (*Interest*) of the Credit Agreement in relation to overdue amounts.

17.7 Subsequent Security Interests

- (a) At any time following:
 - (i) the receipt by any Secured Party of notice (either actual or constructive) of any subsequent Security Interest affecting any Security Assets;
 - (ii) an Insolvency Event occurring in relation to a Chargor; or
 - (iii) any disposal of any Security Assets in breach of Clause 5.2 (*No disposals*),

any Secured Party may open a new account or accounts in the name of the relevant Chargor (whether or not it permits any existing account to continue). If a Secured Party does not open such a new account, it shall nevertheless be deemed to have done so at the time of receipt of the notice, the commencement of the Insolvency Event or the disposal.

- (b) From that time all payments received by the Secured Party for the account of the relevant Chargor shall be credited or treated as having been credited to the new account (or deemed new account) and shall not operate to reduce the amount secured by this Security at the time of receipt of the notice, the commencement of the Insolvency Event or the disposal.

18. POWER OF ATTORNEY

- (a) Each Chargor irrevocably and by way of security appoints each Security Enforcement Party severally to be its attorney, in its name or otherwise, on its behalf and as its act and deed:
 - (i) to do anything which that Chargor is obliged to do under this Security Agreement (but has failed to do), including to execute and deliver and otherwise perfect any agreement, assurance, deed, instrument or other document; and
 - (ii) to do any act or thing which may be required or which the attorney may consider desirable in the exercise of any rights conferred on any Security Enforcement Party by this Security Agreement or by applicable law and regulation.
- (b) The appointment effected under Clause 18(a) above shall take effect immediately (or in the case of a Receiver or Delegate upon the appointment) but the powers conferred shall only become exercisable upon the occurrence of an Event of Default that is continuing.

- (c) Each Chargor undertakes to ratify and confirm all acts and things done by an attorney in the exercise or purported exercise of this power of attorney.

19. AGENT PROVISIONS

19.1 Agent as trustee

The Agent declares that it holds the Security Trust Property on trust for the Secured Parties on the terms contained in this Security Agreement.

19.2 Winding up of trust

If the Termination Date occurs, then:

- (a) the trusts set out in this Security Agreement shall be wound up;
- (b) the Agent may (and shall if the Borrower so requests) release, without recourse or warranty, all of the Security Trust Property and the rights of the Agent under this Security Agreement; and
- (c) any Agent which has resigned pursuant to the Credit Agreement shall if the Agent or the Borrower so requests release, without recourse or warranty, all of its rights under this Security Agreement.

Any release relating to this Security shall be effected in accordance with the Credit Agreement.

19.3 Powers supplemental to Trustee Acts

The powers, authorities, discretions and other rights given to the Agent under or in connection with the Loan Documents shall be supplemental to the Trustee Act 1925 and the Trustee Act 2000 and in addition to any which may be vested in the Agent by law or regulation or otherwise.

19.4 Disapplication of Trustee Acts

s1 Trustee Act 2000 shall not apply to the duties of the Agent in relation to the trusts constituted by this Security Agreement. Where there are any inconsistencies between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this Security Agreement, the provisions of this Security Agreement shall, to the extent permitted by law and regulation, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Security Agreement shall constitute a restriction or exclusion for the purposes of that Act.

19.5 Security Trust Property and Scottish Collateral Agreements

For the purposes of this Clause 19 (*Agent provisions*), references to the "Security Trust Property" shall include the Scottish Collateral Agreements, the proceeds of the security created under and pursuant to the Scottish Collateral Agreements, and any other rights or assets relating to the Scottish Collateral Agreements; and any references to the Agent holding the Security Trust Property on trust for the Secured Parties on the terms

contained in this Security Agreement shall include such agreements, security, proceeds, rights and assets.

20. CHANGES TO THE PARTIES

20.1 Agent

The Agent may assign any or all of its rights and transfer any or all of its obligations under this Security Agreement without the consent of the Chargors being required.

20.2 Accession of Additional Chargors

- (a) If the Borrower and the Agent so agree in accordance with the terms of the Credit Agreement, a person may accede to this Security Agreement as an Additional Chargor by delivering to the Agent an Accession Deed duly executed by the Additional Chargor and the Borrower.
- (b) The accession shall take effect upon the Agent executing the Accession Deed delivered pursuant to Clause 20.2(a). The Additional Chargor shall from then assume the same obligations and become entitled to the same rights as if it had been an original Party as a Chargor.

20.3 Chargors

No Chargor may assign any of its rights or transfer any of its rights or obligations under this Security Agreement.

21. COMMUNICATIONS

Any communication to be made or delivered under or in connection with this Security Agreement shall be made in accordance with Section 9.01 (*Notices; Communications*) of the Credit Agreement.

22. CALCULATIONS AND CERTIFICATES

22.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with this Security Agreement, the entries made in the accounts maintained by the Agent or any other Secured Party are prima facie evidence of the matters to which they relate.

22.2 Certificates and determinations

Any certification or determination of any Secured Party as to any matter provided for in this Security Agreement is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

23. PARTIAL INVALIDITY

If, at any time, any provision of this Security Agreement is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or

enforceability of that provision under the law of any other jurisdiction will in any way be affected or impaired.

24. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of the Agent or any other Secured Party, any remedy or other right under this Security Agreement shall operate as a waiver of that remedy or other right. No single or partial exercise of any remedy or other right prevent any further or other exercise or the exercise of any other right. The remedies and other rights provided in this Security Agreement are cumulative and not exclusive of any remedies and other rights provided by law.

25. AMENDMENTS AND WAIVERS

Any term of this Security Agreement may be amended or waived only with the written consent of the Agent and the Borrower and any such amendment or waiver will be binding on all Parties.

26. COUNTERPARTS

This Security Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures (and if applicable, seals) on the counterparts were on a single copy of this Security Agreement.

27. PROVISIONS OF THE CREDIT AGREEMENT

Any provision of the Credit Agreement which is expressed to apply to documents including this Security Agreement shall, except if and to the extent there is a provision in this Security Agreement covering the same subject matter, apply to this Security Agreement as if set out in full here, as if each Chargor were a Loan Party and with such other changes as are appropriate to fit this context.

28. GOVERNING LAW

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

29. ENFORCEMENT

29.1 Jurisdiction of English courts

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Security Agreement (including a dispute relating to the existence, validity or termination of this Security Agreement or any non-contractual obligations arising out of or in connection with this Security Agreement) (a "**Dispute**").
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

29.2 **Benefit**

Clause 29.1 (*Jurisdiction of English courts*) is for the benefit of the Agent and the other 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.

EXECUTION:

The parties have shown their acceptance of the terms of this Security Agreement by executing it as a deed, at the end of the Schedules.

**SCHEDULE 1
THE CHARGORS**

Full corporate name of Chargor	Jurisdiction of incorporation	Registration number	Registered office/principal place of business
Flow UK Sub 1 Limited Celeros Flow Technology UK Limited	England and Wales	12417351	25 St Georges Street, London W1S 1FS Eversheds House, 70 Great Bridgewater Street, Manchester, United Kingdom, M1 5ES
Flow UK Real Estate Holdings Limited	England and Wales	12417465	25 St Georges Street, London W1S 1FS
Clyde Union DB Limited	England and Wales	00331925	Green Road, Penistone, Sheffield S36 6BJ
Power & Energy International Limited	England and Wales	12297075	Eversheds House, 70 Great Bridgewater Street, Manchester M1 5ES
Clyde Union (Holdings) Limited	Scotland	SC317525	149 Newlands Road, Cathcart, Glasgow, G44 4EX
Clyde Union (Indonesia) (Holdings) Limited	Scotland	SC391814	149 Newlands Road, Cathcart, Glasgow, G44 4EX
Clyde Union Limited	Scotland	SC317760	149 Newlands Road, Cathcart, Glasgow, G44 4EX
Clyde Union China Holdings Limited	Scotland	SC325345	149 Newlands Road, Cathcart, Glasgow, Lanarkshire, G44 4EX
Mather & Platt Machinery Limited	Scotland	SC324717	149 Newlands Road, Cathcart, Glasgow, G44 4EX
Girdlestone Pumps Limited	Scotland	SC324718	149 Newlands Road, Cathcart, Glasgow, G44 4EX

**SCHEDULE 2
PROPERTIES**

**Part 1
Registered land**

(Freehold (including commonhold) or leasehold property (if any) in England and Wales of which either Chargor is registered as the proprietor at Land Registry)

Description of Property	Name of Chargor	Title Number
Land and buildings on the North side of Green Road, Penistone	Clyde Union DB Limited	SYK33225

**Part 2
Unregistered land**

(Freehold or leasehold property (if any) in England and Wales title to which is not registered at Land Registry of which either Chargor is the owner)

The freehold/leasehold property known as and comprised in the following title deed(s) or other document(s) of title:

Description of Property	Name of Chargor	Date	Document	Parties
<i>None as at the date of this Deed.</i>				

**SCHEDULE 3
SPECIFIED ASSETS**

**Part 1
Specified Intellectual Property**

Trade marks – UK and EU

Chargor	Country/ Jurisdiction	Mark Name	Registration Number	Renewal Date	Filing Date
Clyde Union Limited	EU	CLYDEUNION	1101167	08/07/2021	08/07/2011
	UK	CLYDEUNION	2568693	10/01/2021	08/04/2011
	UK	DUOGLIDE	531141	19/04/2022	19/04/1932
	UK	ELECTROGLIDE	553567	27/08/2024	27/08/1934
	UK	FIBROGLIDE	673111	28/09/2027	28/09/1948
	EU	GIRDLESTONE	000483214	10/03/2027	03/02/1999
	UK	HARLAND	833390	13/04/2027	13/04/1962
	UK	ISOGLIDE	1153981	13/05/2022	13/05/1981
	UK	MONOGLIDE	540524	05/04/2023	05/04/1933
	UK	SWALLOWGLIDE	530544	29/03/2022	29/03/1932
	UK	THERMOGLIDE	673113	28/09/2027	28/09/1948
	UK	TWL	3003400	24/04/2023	11/10/2013
	EU	TWL	12244224	22/10/2023	19/03/2014
	UK	ULECTRIGLIDE	768708	27/08/2026	27/08/1957
	UK	UNIGLIDE	673112	28/09/2027	28/09/1948

Trade marks – other

Chargor	Country/ Jurisdiction	Mark Name	Registration Number	Renewal Date	Filing Date
Clyde Union Limited	USA	CLYDEUNION (& Design)	4378077	08/07/2021	06/08/2013
	Canada	CLYDEUNION (& Design)	TMA844306	21/02/2028	21/02/2013
	Canada	FIBROGLIDE	TMA137244	11/09/2024	11/09/1964
	Canada	MONOGLIDE	TMA128671	09/11/2022	09/11/1962
	Canada	SPIROGLIDE	TMA128672	09/11/2022	09/11/1962
	Canada	SWALLOWGLIDE	TMA128674	06/11/2022	06/11/1962
	Canada	UNIGLIDE	TMA128673	09/11/2022	09/11/1962

Patents

Family	Country	Status	Application Date	Application Number	Grant Date	Patent Number	Recorded Owner	Legal Owner
Pump Device	Great Britain - (GB)	GRANTED - (G)	30/04/2010	1007241.1	06/07/2016	GB2479929	CLYDE UNION LIMITED - (CLYDEU)	CLYDE UNION LIMITED - (CLYDEU)
Pump Device	United States - (US)	GRANTED - (G)	28/04/2011	13/096,684	25/03/2014	8,678,761	CLYDE UNION LIMITED - (CLYDEU)	CLYDE UNION LIMITED - (CLYDEU)
Pump Assembly	United States - (US)	GRANTED - (G)	24/07/2002	10/202,309	26/04/2005	6,884,031	WEIR ENGINEERING SERVICES LIMITED	CLYDE UNION LIMITED - (CLYDEU)
Pump Assembly	Great Britain - (GB)	GRANTED - (G)	19/07/2002	0216802.9	14/06/2005	2379718	CLYDE UNION LIMITED (CLYDU)	CLYDE UNION LIMITED - (CLYDEU)
Downhole Gas/Water Separation and Re-Injection	United States - (US)	GRANTED - (G)	13/09/2001	09/951,596	17/02/2004	6,691,781	WEIR ENGINEERING SERVICES LIMITED and NORSE HYDRO ASA - (WEINOR)	Clyde Union Limited and NORSE HYDRO ASA - (CULANHA)
Downhole Separation of Gas and Liquid Components of a Production Fluid	Great Britain - (GB)	GRANTED - (G)	13/09/2001	0122210.8	28/09/2004	2367576	WEIR PUMPS LIMITED and NORSE HYDRO ASA - (WEINOR)	Clyde Union Limited and NORSE HYDRO ASA - (CULANHA)
Downhole Gas Compression	Great Britain - (GB)	GRANTED - (G)	03/06/2000	0013449.4	02/03/2004	2362901	CLYDE UNION LIMITED - (CLYDEU)	CLYDE UNION LIMITED - (CLYDEU)
Downhole Gas Compression	United States - (US)	GRANTED - (G)	02/02/2001	09/776,556	05/08/2003	6,601,651	WEIR ENGINEERING SERVICES LIMITED	CLYDE UNION LIMITED - (CLYDEU)

Family	Country	Status	Application Date	Application Number	Grant Date	Patent Number	Recorded Owner	Legal Owner
Pump Assembly	Great Britain - (GB)	GRANTED - (G)	02/09/2005	0517852.0	06/10/2009	2417988	CLYDE UNION LIMITED - (CLYDEU)	CLYDE UNION LIMITED - (CLYDEU)
Pump Casing	Great Britain - (GB)	GRANTED - (G)	10/01/2005	0500316.5	31/07/2007	2410297	CLYDE UNION LIMITED - (CLYDEU)	CLYDE UNION LIMITED - (CLYDEU)
Zero Emissions Reciprocating Pump	United States - (US)	GRANTED - (G)	28/03/2007	11/729,439	31/08/2010	7,784,395	CLYDE UNION INC. - (CLYDUIN)	CLYDE UNION LIMITED - (CLYDEU)
Zero Emissions Reciprocating Pump	United States - (US)	GRANTED - (G)	22/07/2010	12/841,219	05/06/2012	8,191,460	CLYDE UNION INC. - (CLYDUIN)	CLYDE UNION LIMITED - (CLYDEU)
Zero Emissions Reciprocating Pump	United States - (US)	GRANTED - (G)	16/04/2010	12/761,644	20/08/2013	8,511,219	CLYDE UNION INC. - (CLYDUIN)	CLYDE UNION LIMITED - (CLYDEU)
Zero Emissions Reciprocating Pump	United States - (US)	GRANTED - (G)	26/08/2010	12/868,800	12/05/2015	9,027,932	CLYDE UNION INC. - (CLYDUIN)	CLYDE UNION LIMITED - (CLYDEU)
Zero Emissions Reciprocating Pump	Canada - (CA)	GRANTED - (G)	25/03/2008	2,627,771	22/07/2014	2,627,771	CLYDE UNION INC. - (CLYDUIN)	CLYDE UNION LIMITED - (CLYDEU)
Zero Emissions Reciprocating Pump	Great Britain - (GB)	GRANTED - (G)	27/03/2008	08102965.4	03/07/2013	1975409	CLYDE UNION INC. - (CLYDUIN)	CLYDE UNION LIMITED - (CLYDEU)
Cartridge Support Wedges for Barrel Case Pumps	Great Britain - (GB)	GRANTED - (G)	27/08/2014	1415165.8	27/03/2018	GB2532916	CLYDE UNION LIMITED - (CLYDEU)	CLYDE UNION LIMITED - (CLYDEU)

Part 2
Specified Investments

Chargor	Issuer of Specified Investments	Number and class of shares
Flow UK Sub 1 Limited Celeros Flow Technology UK Limited	Flow UK Real Estate Holdings Limited	1 Ordinary share of £1
Flow UK Sub 1 Limited Celeros Flow Technology UK Limited	Power & Energy International Limited	2 Ordinary shares of £1 each
Clyde Union (Holdings) Limited	Clyde Union DB Limited	4,244,475 Ordinary shares of £1 each

SCHEDULE 4
FORM OF NOTICES OF SECURITY

Part 1

Notice of assignment of Assigned Document

[On relevant Chargor's notepaper]

To: *[Name and address of other party]*

[Date]

Dear Sirs

[Name and date of Occupational Lease or other Assigned Document]

We refer to [a lease dated [●] 20[●] between (1) [●] and (2) [●] (the "**Assigned Document**")]
[an agreement dated [●] 20[●] between us and you] (as amended or novated from time to time,
the "**Assigned Document**").

We give you notice that by a Security Agreement (the "**Security Agreement**") dated [●] 20[●]
and entered into by us in favour of *[Name of Agent]* (as Agent, as defined in the Security
Agreement), we have assigned to the Agent all of our rights in, to, under, in respect of or
derived from the Assigned Document, including the right to receive any *[For an Occupational
Lease only: rental and other]* payments due under the Assigned Document.

Please note the following:

- (a) we shall at all times remain solely liable to you for the performance of all of the obligations assumed by us under or in respect of the Assigned Document;
- (b) we irrevocably and unconditionally instruct and authorise you (despite any previous instructions which we may have given to the contrary) to pay any monies payable by you to us under the Assigned Document to such bank account as the Agent may from time to time specify in writing;
- (c) all of the powers, discretions, remedies and other rights which would, but for the Security Agreement, be vested in us under and in respect of the Assigned Document are exercisable by the Agent;
- (d) we have agreed not to waive any rights under, amend, novate, repudiate, *[for an Assigned Document other than an Occupational Lease: rescind or otherwise terminate or permit to be terminated the Assigned Document]**[for an Occupational Lease: rescind, forfeit, determine or agree to the forfeiture, determination or surrender of the Assigned Document]* without the prior written consent of the Agent;
- (e) we agree that:
 - (i) none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Agent's prior written consent; and

- (ii) you are authorised to disclose any information in relation to the Assigned Document to the Agent at the Agent's request.

Please acknowledge receipt of this notice, and confirm your agreement to it, by signing the acknowledgement on the enclosed copy letter and returning it to the Agent, at [●] marked for the attention of [●].

This letter is governed by, and shall be construed in accordance with, English law.

Yours faithfully

.....
[Name of relevant Chargor]
By: *[Name of signatory]*

[On copy letter only:]

To: *Agent*

We acknowledge receipt of a notice dated [●] 20[●] addressed to us by [*Name of relevant Chargor*] (the "**Chargor**") regarding [a lease dated [●] 20[●] between (1) [●] and (2) [●] (the "**Assigned Document**")] [an agreement dated [●] 20[●] between the Chargor and us (as amended or novated from time to time, the "**Assigned Document**").

We confirm that:

- (a) we consent to the assignment of the Assigned Document and will comply with the terms of that notice;
- (b) we have not, as at the date of this acknowledgement, received any notice that any third party has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of, any rights of the Chargor in, to, under, in respect of or derived from the Assigned Document;
- (c) if the Chargor is in breach of any of its obligations, express or implied, under the Assigned Document or if any event occurs which would permit us to terminate, cancel or surrender the Assigned Document we will:
 - (i) immediately on becoming aware of it, give you written notice of that breach; and
 - (ii) accept as an adequate remedy for that breach, performance by you of those obligations within 30 days of that notice;
- (d) we confirm that neither a waiver of any of the Chargor's rights, in, to, under, in respect of or derived from the Assigned Document nor an amendment, novation, [*for an Occupational Lease only: determination, acceptance of surrender, forfeiture,*] rescission or other termination by the Chargor of the Assigned Document shall be effective without your prior written consent; and
- (e) we confirm that we shall not exercise any right of combination, consolidation or set-off which we may have in respect of any debt owed to us by the Chargor and we shall send you copies of all statements, orders and notices given by us relating to that debt.

.....
[*Name of other party*]

By: [*Name of signatory*]

Dated:

Part 2
Notice of assignment of Insurance

[On relevant Chargor's notepaper]

To: *[Name and address of insurer]*

[Date]

Dear Sirs

Policy number [●]

We give you notice that by a Security Agreement (the "**Security Agreement**") dated [●] 20[●] and entered into by us in favour of [●] (as Agent, as defined in the Security Agreement), we have assigned all our rights in, to, under, in respect of or derived from the insurance policy, brief details of which are set out below (the "**Policy**"), and all monies which may be payable to or received by us under it.

Please note the following:

- (a) we irrevocably and unconditionally instruct and authorise you (despite any previous instructions which we may have given to the contrary) to pay all monies payable by you to us under the Policy, including the proceeds of all claims, to such bank account as the Agent may from time to time specify in writing;
- (b) all of the powers, discretions, remedies and other rights which would, but for the Security Agreement, be vested in us under and in respect of the Policy are exercisable by the Agent; and
- (c) we agree that:
 - (i) none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Agent's prior written consent; and
 - (ii) you are authorised to disclose any information in relation to the Policy to the Agent at the Agent's request.

Please acknowledge receipt of this notice, and confirm your agreement to it, by signing the acknowledgement on the enclosed copy letter and returning it to the Agent, at [●] marked for the attention of [●].

This letter is governed by, and shall be construed in accordance with, English law.

Yours faithfully

.....
[Name of relevant Chargor]
By: *[Name of signatory]*

Details of Policy

Name of insured: [●]

Nature of policy: [●]

Policy number: [●]

Expiry date: [●]

[On copy letter only:]

To: *Agent*

We acknowledge receipt of a notice dated [●] 20[●] addressed to us by *[Name of relevant Chargor]* (the "**Chargor**") regarding the Policy (as defined in that notice).

We confirm that:

- (a) we consent to the assignment of the Policy and will comply with the terms of that notice;
- (b) we have not, as at the date of this acknowledgement, received any notice that any third party has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of, any rights of the Chargor in, to, under, in respect of or derived from the Policy;
- (c) if the Chargor is in breach of any of its obligations, express or implied, under the Policy or if any event occurs which would permit us to terminate, cancel or surrender the Policy we will:
 - (i) immediately on becoming aware of it, give you written notice of that breach; and
 - (ii) accept as an adequate remedy for that breach, performance by you of those obligations within 30 days of that notice;
- (d) we confirm that neither a waiver of any of the Chargor's rights in, to, under, in respect of or derived from the Policy, nor an amendment, novation, rescission or other termination by the Chargor of the Policy, shall be effective without the prior written consent of the Agent; and
- (e) we confirm that we shall not exercise any right of combination, consolidation or set-off which we may have in respect of any debt owed to us by the Chargor and we shall send you copies of all statements, orders and notices given by us relating to that debt.

.....
[Name of insurer]

By: *[Name of signatory]*

Dated:

Part 3
Notice of charge

[On relevant Chargor's notepaper]

To: *[Name and address of other bank]*

[Date]

Dear Sirs

Account number: [●]

We refer to Account number: [●] (the "**Account**").

We give you notice that by a Security Agreement (the "**Security Agreement**") dated [●] 2020 and entered into by us in favour of [●] (as Agent, as defined in the Security Agreement) we have charged all our rights in, to, under, in respect of or derived from any credit balances on the Account (the "**Balances**") and the indebtedness represented by the Account.

We irrevocably and unconditionally instruct and authorise you (despite any previous instructions which we may have given to the contrary):

- (a) to disclose to the Agent (without any reference to or further authority from us and without any enquiry by you as to the justification for the disclosure), any information relating to the Account which the Agent may, at any time and from time to time, request;
- (b) at any time and from time to time on receipt by you of any written instruction from the Agent, to release any amount of the Balances and to act in accordance with that instruction (without any reference to or further authority from us and without any enquiry by you as to the justification for the instruction or the validity of the same); and
- (c) to comply with the terms of any written notice, statement or instruction in any way relating or purporting to relate to the Account, the Balances or the indebtedness represented by it or them which you may receive at any time and from time to time from the Agent (without any reference to or further authority from us and without any enquiry by you as to the justification for the notice, statement or instruction or the validity of it).

We agree that:

- (i) none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Agent's prior written consent; and
- (ii) you are authorised to disclose any information in relation to the Account to the Agent at the Agent's request.

Please acknowledge receipt of this notice, and confirm your agreement to it, by signing the acknowledgement on the enclosed copy letter and returning it to the Agent at [●] marked for the attention of [●].

This letter is governed by, and shall be construed in accordance with, English law.

Yours faithfully

.....
[Name of relevant Chargor]
By: *[Name of signatory]*

[On copy letter only:]

To: *Agent*

We acknowledge receipt of a notice dated [●] 20[●] addressed to us by *[Name of relevant Chargor]* (the "**Chargor**") regarding Account number: [●] (the "**Account**").

We confirm that:

- (a) we consent to the charge of the Account and will comply with the terms of that notice;
- (b) there does not exist in our favour, and we undertake not to create, assert, claim or exercise, any mortgage, fixed or floating charge, assignment or other security interest of any kind or any agreement or arrangement having substantially the same economic or financial effect as any of the above (including any rights of counter-claim, rights of set-off or combination of accounts over or with respect to all or any part of the Account and/or the Balances (as defined in that notice));
- (c) we have not, as at the date of this acknowledgement, received any notice that any third party has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Chargor in, to, under, in respect of or derived from the Account or the Balances; and
- (d) we undertake that, on our becoming aware at any time that any person other than the Agent has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of the Account or the Balances, we will immediately give written notice of that to the Agent.

.....
for and on behalf of

[Name of bank]

By: *[Name of signatory]*

Dated:

**SCHEDULE 5
FORM OF ACCESSION DEED**

THIS DEED OF ACCESSION is dated [●] and made between:

- (1) [●] a company incorporated in [●] (registered number [●]) whose registered office is at [●] (the "**Additional Chargor**");
- (2) **CELEROS FLOW TECHNOLOGY, LLC**, a Delaware limited liability company (the "**Borrower**"); and
- (4) **BNP PARIBAS**, as Collateral Agent for the Secured Parties on the terms and conditions as set out in the Credit Agreement (the "**Agent**").

BACKGROUND:

- (A) By a security agreement dated [●] 2020 and made between (1) the Chargors listed therein as Initial Chargors and (2) the Agent (the "**Security Agreement**"), the Chargors granted security interests to the Agent as security for the Secured Obligations (as defined in the Security Agreement).
- (B) The Additional Chargor has agreed to enter into this Deed of Accession and to become a Chargor under the Security Agreement.
- (C) The Borrower enters into this Deed of Accession for itself and as agent for the other Chargors.
- (D) This Deed of Accession is a Security Document (as defined in the Security Agreement).
- (E) The Agent holds the benefit of this Deed of Accession, including the security created and other rights granted in it, on trust for the Secured Parties on the terms referred to in Recital C of the Security Agreement.
- (F) This document is the deed of the Additional Chargor, even if it has not been duly executed by each other party to it or has been executed by one or both of them but not as a deed.

THIS DEED WITNESSES that:

1. DEFINITIONS AND INTERPRETATION

1.1 Incorporation of definitions

Terms defined in the Security Agreement or, failing that, the Credit Agreement but not defined in this Deed of Accession shall have the same meaning in this Deed of Accession as in the Security Agreement or, as the case may be, the Credit Agreement.

1.2 Interpretation

Clause 1.3 (*Construction*) of the Security Agreement shall apply as if set out in full again here, with references to "this Security Agreement" being construed as references

to this Deed of Accession and with such other changes as are appropriate to fit this context.

1.3 Disposition of land

The terms of the other Loan Documents and any related documents are incorporated into this Deed of Accession to the extent necessary for any purported disposition of land contained in the Loan Documents to be valid in accordance with s2(1) Law of Property (Miscellaneous Provisions) Act 1989.

1.4 Inconsistency

If there is any inconsistency between the terms of this Deed of Accession and those of the Credit Agreement, the terms of the Credit Agreement shall prevail.

2. ACCESSION

The Additional Chargor:

- (a) on the date of this Deed of Accession grants the Security Interests referred to in Clause 3 (*Creation of Security Interests*); and
- (b) with effect from the date of this Deed of Accession will become a party to the Security Agreement as a Chargor and have the same rights as if it had been an original party to the Security Agreement as a Chargor.

3. CREATION OF SECURITY INTERESTS

3.1 Land

- (a) The Additional Chargor charges:
 - (i) by way of first legal mortgage, all estates or interests owned by it at the date of this Deed of Accession in the Mortgaged Properties excluding any Restricted Land; and
 - (ii) by way of fixed charge, all of its other rights in any Mortgaged Property excluding any Restricted Land.
- (b) The Additional Chargor assigns absolutely all of its rights in any Occupational Lease, including rights to rental income and other payments, and any guarantee or other right relating to an Occupational Lease.

3.2 Accounts

The Additional Chargor charges by way of fixed charge all of its rights in any credit balances on any bank accounts and the indebtedness represented by them.

3.3 Debts

The Additional Chargor charges by way of fixed charge all of its rights in its Debts.

3.4 **Investments**

The Additional Chargor charges by way of fixed charge all of its rights in its Investments, including any listed or referred to in Schedule 3, Part 2 (*Specified Investments*).

3.5 **Insurances**

The Additional Chargor assigns absolutely all of its rights in its Insurances.

3.6 **Assignment of documents**

The Additional Chargor assigns absolutely:

- (a) all of its right, title and interest in any Hedging Agreement (without prejudice and subject to any netting or set-off provisions contained in it);
- (b) all of its right, title and interest in respect of any sums payable to it pursuant to any Insurance; and
- (c) all of its rights in any other document from time to time designated as an Assigned Document, either by the relevant Chargor (or the Borrower on its behalf) and the Agent or in an Accession Deed,

in each case excluding any Restricted Documents.

3.7 **Miscellaneous fixed charges**

The Additional Chargor charges by way of fixed charge, in each case to the extent not otherwise charged or assigned in Clause 3.1 (*Land*) to Clause 3.6 (*Assignment of documents*):

- (a) all of its rights in any plant, machinery, vehicles, equipment and other chattels (but excluding its stock-in-trade or work-in-progress);
- (b) any goodwill and uncalled capital from time to time and all of its rights to future calls in respect of capital;
- (c) with the exception of any Restricted IP, all of its rights in its Intellectual Property, including any listed or referred to in Schedule 3, Part 1 (*Specified Intellectual Property*);
- (d) all licences, consents and other Authorisations held in connection with its business or the use of any Security Assets and all of its rights in connection with them; and
- (e) all of its rights in any security interests, guarantees, indemnities, covenants for title, agreements, reports and other documents including those relating to all or any part of the Security Assets.

3.8 Floating charge

- (a) The Additional Chargor charges by way of first floating charge the whole of its undertaking and other assets.
- (b) Schedule B1, Paragraph 14 IA shall apply to the floating charge created by the Additional Chargor in Clause 3.8(a).

4. RELATIONSHIP WITH OTHER LOAN DOCUMENTS

4.1 Security Document and Loan Document

This Deed of Accession is a Security Document and so a Loan Document.

4.2 Incorporation into the Security Agreement

The Security Agreement and this Deed of Accession shall be read and construed as one document. Any reference in the Security Agreement to the Security Agreement shall include this Deed of Accession, so that in particular:

- (a) Clause 3.1 (*General provisions regarding Security Interests*) of the Security Agreement shall apply to the Security Interests created under this Deed of Accession; and
- (b) any reference in the Security Agreement in whatever form of words to an assignment, fixed charge or floating charge created under the Security Agreement shall include any assignment, fixed charge or floating charge created under this Deed of Accession.

5. COMMUNICATIONS

The Additional Chargor confirms that its contact details for communications in relation to Clause 21 (*Communications*) of the Security Agreement are those applicable to it under the Credit Agreement or set out below.

6. GOVERNING LAW

This Deed of Accession is governed by, and shall be construed in accordance with, English law.

EXECUTION:

The parties have shown their acceptance of the terms of this Deed of Accession by executing it, in the case of the Chargor as a deed, at the end of the Schedules.

**SCHEDULE 1
PROPERTIES**

**Part 1
Registered land**

(Freehold (including commonhold) or leasehold property (if any) in England and Wales of which the Additional Chargor is registered as the proprietor at Land Registry)

Description of Property	Title Number

**Part 2
Unregistered land**

(Freehold or leasehold property (if any) in England and Wales title to which is not registered at Land Registry of which the Additional Chargor is the owner)

The freehold/leasehold property known as and comprised in the following title deed(s) or other document(s) of title:

Description of Property	Date	Document	Parties

**SCHEDULE 2
SPECIFIED ASSETS**

**Part 1
Specified Investments**

[•]

**Part 2
Specified Intellectual Property**

[•]

[Details to be specified. For example for shares – name of company, description and number of shares charged, share certificate number(s); where appropriate percentage of issued share capital; which Additional Chargor is the owner.]

EXECUTION of Deed of Accession:

Additional Chargor

Borrower

Agent

EXECUTION of the Security Agreement:

The Chargors

SIGNED as a deed by Christopher McVicker
Director, duly authorised for and on behalf)
of ~~FLOW UK SUB I LIMITED~~ in the)
presence of: CELEROS FLOW TECHNOLOGY)
UK LIMITED) Signature of Director

Witness's signature: _____

Witness's name
(in capitals): SUSAN WARNET

Witness's address: 14045 Ballantyne Corp Dr
Charlotte, NC 28277

SIGNED as a deed by Christopher Mellicker

Director, duly authorised for and on behalf)
of **FLOW UK REAL ESTATE**)

HOLDINGS LIMITED in the presence
of:

Signature of Director

Witness's signature:

Witness's name
(in capitals):

SUSAN WARNET

Witness's address:

14015 Ballantyne Corp Pl.
Charlotte, NC 28277

SIGNED as a deed by Christopher McKicker
Director, duly authorised for and on behalf)
of **CLYDE UNION DB LIMITED** in the)
presence of: _____ Signature of Director

Witness's signature: _____

Witness's name
(in capitals): SUSAN WARNET

Witness's address: 14045 Ballantyne Corp Pl.
Charlotte, NC 28277

SIGNED as a deed by Christopher McKie)
Director, duly authorised for and on behalf)
of **POWER & ENERGY**)
INTERNATIONAL LIMITED in the presence of: _____
Signature of Director

Witness's signature: _____

Witness's name (in capitals): SUSAN WARNET

Witness's address: 14045 Ballantyne Corp Pl.
Charlotte NC 28277

SIGNED as a deed by CHRISTOPHER
MCJICKER,)
Director, duly authorised for and on behalf)
of **CLYDE UNION (HOLDINGS)**)
LIMITED in the presence of:

Signature of Director

Witness's signature:

Witness's name
(in capitals):

SUSAN WARNET

Witness's address:

14045 Ballantyne Corp Pl
Charlotte NC 28277

SIGNED as a deed by Christopher McVicker)
Director, duly authorised for and on behalf)
of **CLYDE UNION (INDONESIA)**)
(HOLDINGS) LIMITED in the presence of: Signature of Director


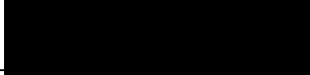

Witness's signature:

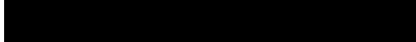
Witness's name
(in capitals):

SUSAN WARNET

Witness's address:

14045 Ballantyne Corp Pl
Charlotte NC 28277

SIGNED as a deed by Christopher McVicker 
Director, duly authorised for and on behalf) 
of **CLYDE UNION LIMITED** in the)
presence of:  Signature of Director

Witness's signature: 

Witness's name
(in capitals): SUSAN WARNET

Witness's address: 14045 Ballantyne Corp Pl
Charlotte, NC 28277

SIGNED as a deed by Christopher McVicker)
Director, duly authorised for and on behalf)
of **CLYDE UNION CHINA HOLDINGS**)
LIMITED in the presence of: _____ Signature of Director

Witness's signature: _____

Witness's name
(in capitals):

SUSAN WARNET

Witness's address:

14045 Ballantyne Court Pl.
Charlotte, NC 28277

SIGNED as a deed by Christopher McVicker
Director, duly authorised for and on behalf)
of **MATHER & PLATT MACHINERY**)
LIMITED in the presence of:

[Redacted Signature]
Signature of Director

Witness's signature: [Redacted Signature]

Witness's name
(in capitals):

SUSAN WARNET

Witness's address:

14045 Ballantyne Corp Pl.
Charlotte NC 28227

SIGNED as a deed by Christopher McVicker
Director, duly authorised for and on behalf)
of **GIRDLESTONE PUMPS LIMITED**)
in the presence of: _____ Signature of Director

Witness's signature: _____

Witness's name
(in capitals):

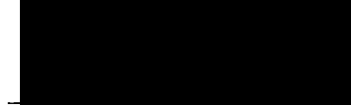
SUSAN WARNET

Witness's address:

14045 Ballantyne Corpi.
Charlotte, NC 28277

The Borrower

SIGNED by Christopher McVicker
authorised signatory, duly authorised for)
and on behalf of **CELEROS FLOW**)
TECHNOLOGY, LLC (FORMERLY)
BOARDWALK PARENT, LLC))



Signature of Authorised Signatory

The Agent

Executed as a deed by **BNP**
PARIBAS a company incorporated
in France acting by

and

being persons who, in accordance
with the laws of that territory, are
acting under the authority of the
company

) Signature in the name of the company
) **BNP PARIBAS**
)

) 

) Signature of Authorised Signatory

) *Denise Chow*

) Signature in the name of the company
) **BNP PARIBAS**
)

)


)

)

)

)

)


Signature of Authorised Signatory

Mara Macdonald
BNP Paribas