

DATED 30 March 2016

- (1) AGGREGATED MICRO POWER HOLDINGS PLC
AND OTHERS
- (2) WELBECK CAPITAL PARTNERS LLP

GUARANTEE AND DEBENTURE

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DATE 30 March 2016

PARTIES

- (1) **THE ENTITIES LISTED IN PART 1 OF SCHEDULE 1 TO THIS DEED** (each an **Original Chargor** and together the **Original Chargors**); and
- (2) **WELBECK CAPITAL PARTNERS LLP** a limited liability partnership incorporated and registered in England and Wales (registered number OC393454) whose registered address is at 54 Welbeck Street, London W1G 9XS as security trustee for the Secured Parties (the **Security Trustee**).

IT IS AGREED

1. **DEFINITIONS AND INTERPRETATION**

1.1 In this deed the following definitions will apply:

Accession Deed

an accession deed substantially in the form set out in schedule 6 (*Form of Accession Deed*);

Administrator

any person appointed to be an administrator of a Chargor pursuant to paragraph 14 of Schedule B1 Insolvency Act;

Business Day

any day (other than a Saturday, Sunday or public holiday) during which clearing banks in the City of London are open for normal business;

Certificate

each certificate in respect of the Notes;

Charged Assets

all property and assets from time to time charged by or pursuant to this deed or any Accession Deed (and references to the Charged Assets shall include any part of them);

Chargors

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

Companies Act

the Companies Act 2006;

Debtor

any person who is liable (whether as principal debtor or as surety and whether actually or contingently) to discharge or pay a Receivable;

Default Interest

any interest accruing in accordance with clause 4;

Default Rate

12% per annum;

Delegate

any delegate, agent, attorney or co-trustee appointed by the Security Trustee;

Enforcement Event

means the taking of any enforcement action by the Agent and/or Security Trustee against any Chargor in respect of any Event of Default in accordance with Conditions 3.4, 3.5 and 3.6 of the Instrument.

Environmental Claim

- (a) any claim, order, notice or other communication received by a Chargor alleging failure to comply with any Environmental Law or alleging liability under it; or
- (b) any indication that any charge is or may be imposed under any Environmental Law on the Charged Assets;

Environmental Law

all laws, directions and regulations and all codes of practice, circulars and guidance notes issued by any competent authority or agency (whether in the United Kingdom or elsewhere and whether or not having the force of law) concerning the protection of the environment or human health, including the conservation of natural resources, the production, storage, transportation, treatment, recycling or disposal of any waste or any noxious, offensive or dangerous substance or the liability of any person, whether civil or criminal, for any damage to or pollution of the environment or its rectification or any related matters;

Environmental Permit

means any permit and other authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of any Original Chargors conducted on or from the properties owned or used by any Original Chargor;

Equipment

all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations, apparatus and other tangible moveable property for the time being owned by a Chargor, including any part of it and all spare parts, replacements, modifications and additions;

Event of Default

has the meaning given to that term in the Instrument.

Fee Letter

the fee letter dated on or about the date of this deed made between the Parent and the Security Trustee pursuant to the Transaction Documents and any other letter under which fees are payable to the Security Trustee by any member of the Group;

Financial Collateral

shall have the meaning given to that expression in the Financial Collateral Regulations;

Financial Collateral Regulations

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

Group

each Chargor and each of their respective Subsidiaries, in each case from time to time, and member of the Group or "**Group Company**" shall be construed accordingly;

Insolvency Act

the Insolvency Act 1986;

Instrument

the instrument dated on or about the date of this deed executed by the Parent to constitute the Notes;

Insurances

any policies of insurance in which a Chargor has an interest from time to time (other than any policies relating to third party liabilities or directors and officers liability);

Intellectual Property

all intellectual property rights or equivalent, including:

- (a) patents, utility models, trade marks and service marks, business names, domain names, rights in get-up and trade dress, goodwill and right to sue for passing off or unfair competition, copyright and neighbouring and related rights, moral rights, rights in designs, rights in and to inventions, plant variety rights, database rights, rights in computer software and topography rights;
- (b) registrations and applications for any or all of the rights in (a) above, together with the right to apply for registration of and be granted, renewals, extensions or and right to claim priority from such rights; and
- (c) rights to use and protect the confidentiality of confidential information (including, know-how, trade secrets,, technical information, customer and supplier lists) and any other proprietary knowledge and/or information of whatever nature and howsoever arising,

in each case together with any rights or types of protection of the same or of a similar nature to those listed in (a), (b) or (c) which subsist or may subsist in the future anywhere in the world and in each case for their full term (including any reversions or extensions) and/or effect;

Legal Reservations

means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under the Limitation Acts, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;
- (c) the principle that in certain circumstances Security granted by way of fixed charge may be recharacterised as a floating charge or that Security purported to be constituted by an assignment may be recharacterised as a charge;
- (d) the principle that any provision for the payment of compensation or additional interest imposed pursuant to any relevant agreement may be held to be unenforceable on the grounds that it is a penalty and thus void;
- (e) the principle that an English court may not give effect to a provision dealing with the cost of litigation where the litigation is unsuccessful or the court itself has made an order for costs;
- (f) the principle that the creation or purported creation of Security over any contract or agreement which is subject to a prohibition on transfer, assignment or charging may be void, ineffective or invalid and may give rise to a breach of the contract or agreement over which such security has been granted;
- (g) the principle that the legality, validity, binding nature or enforceability of any Transaction Security which is not governed by the laws of the jurisdiction where the asset or assets purported to be secured under the relevant Transaction Security Document is situated may be flawed;
- (h) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and
- (i) any other matters which are set out as qualifications or reservations as to matters of law of general application in the Legal Opinions;

LPA

the Law of Property Act 1925;

Material Adverse Effect

means in reasonable opinion of the Security Trustee a material adverse effect on:

- (a) the business, operations, property, condition (financial or otherwise) or prospects of the Group taken as a whole; or
- (b) the ability of each Chargor to perform its payment obligations and/ or obligations in relation to the Notes being converted in to shares in the capital of the Parent, in each case under the Finance Documents; or
- (c) the validity or enforceability of, or the effectiveness or ranking of any Security granted or purporting to be granted pursuant to any of, the Finance Documents or the rights or remedies of any Secured Party under any of the Finance Documents but only to the extent those rights or remedies relate to the payment of sums due to the other parties under the Finance Documents and/ or the ability of the Secured Parties to convert those Notes issued to them into shares in the capital of the Parent;

Material Contracts

any contracts specified in schedule 3;

Noteholders

the Original Noteholders and each other holder from time to time of Notes;

Notes

up to £20,000,000 secured convertible series loan notes 2021 constituted by the Instrument or as the case may be the principal amount outstanding;

Original Noteholders

those persons named as the Original Loan Note Subscribers in the Subscription Agreement;

Parent

AGGREGATED MICRO POWER HOLDINGS PLC, a company registered in England and Wales (company number 08372177), whose registered office is at 5 Clifford Street, London W1S 2LG;

Party

a party to this deed;

Perfection Requirements

means the delivery of physical possession, making or procuring of the appropriate registrations, filings, endorsements, notarisations, stampings and/or notifications of the Transaction Documents or the Security created thereunder (and payment of any associated fees, costs or expenses).

Permitted Disposal

has the meaning given to that term in the Instrument.

Permitted Security

has the meaning given to that term in the Instrument;

Planning Acts

the Town and Country Planning Act 1990 and the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991, the Planning and Compulsory Purchase Act 2004, the Planning Act 2008, the Localism Act 2011, the Growth and Infrastructure Act 2013 and any other legislation from time to time regulating the use or development of land;

Property

any freehold and leasehold property that is a Charged Asset including without limitation, any property specified in schedule 2;

Rack Rent Lease means any leasehold property where the Borrower is tenant and:

- (a) a rack rent payable in respect of it; and/or
- (b) the term has less than 20 years to run;

Receivables

- (a) all present and future book and other debts, Rental Income, royalties, fees, VAT and monetary claims due or owing to a Chargor and all other amounts recoverable or receivable by a Chargor from other persons or due or owing to a Chargor (whether actual or contingent and whether arising under contract or in any other manner whatsoever);
- (b) the benefit of all rights and remedies of any nature relating to any of the foregoing including claims for damages and other remedies for non-payment of the same, all entitlements to interest, negotiable instruments, guarantees, indemnities, Security, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights; and
- (c) all proceeds of any of the foregoing;

Receiver

any receiver, manager or receiver and manager appointed by the Security Trustee under this deed;

Related Rights

in relation to any Securities, means all dividends, distributions and other income paid or payable on such Securities (as the case may be), together with (a) all shares or other property derived from such Securities (as the case may be) and (b) all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to such Securities (whether by way of dividend, distribution, conversion, redemption, bonus, preference, warrant, option to acquire or subscribe or otherwise);

Relevant Jurisdiction

in relation to a Chargor:

- (a) its jurisdiction of incorporation or organisation;
- (b) any jurisdiction where any Charged Asset is situated; and
- (c) any jurisdiction where it conducts its business;

Rental Income

the aggregate of all amounts paid or payable to or for the account of a Chargor in connection with the letting, licence or grant of other rights of use or occupation of any part of a Property (excluding any amounts payable in respect of a Rack Rent Lease);

Secured Liabilities

all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or as principal debtor, guarantor, surety or in any other capacity whatsoever or as the equivalent obligor under the laws of any other jurisdiction) of the Chargors to the Secured Parties under the Transaction Documents together with (i) all interest (including Default Interest), fees, costs, charges and expenses which any Secured Party may charge or incur under the Transaction Documents, (ii) all obligations and liabilities arising under or in connection with any refinancing, novation, refunding, deferral or extension of any obligations or liabilities under the Transaction Documents; and (iii) any

amounts which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings provided that no obligation or liability shall be included in this definition of Secured Liabilities to the extent that, if it were so included, this deed (or any part of it) would constitute unlawful financial assistance within the meaning of sections 678 and 680 of the Companies Act;

Secured Parties

the Security Trustee, the Noteholders and any Receiver or Delegate;

Securities

all present and future stocks, shares, loan capital, investments, debentures, bonds, warrants, coupons or other securities (whether or not marketable) held by a Chargor (at law or in equity);

Security

a mortgage, charge, pledge, trust, assignment by way of security, lien, hypothecation or other encumbrance, arrangement or security interest securing any obligation of any person or any other agreement or arrangement having a similar effect or any title retention rights created by agreement;

Security Document

has the meaning given to that expression in the Subscription Agreement;

Security Financial Collateral Arrangement

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

Spot Rate of Exchange

the market rate of exchange for the purchase of the relevant currency by the Security Trustee;

Subscription Agreement

the subscription agreement dated on or about the date of this deed between the Parent, the Security Trustee and the Original Noteholders;

Subsidiary

a subsidiary within the meaning of section 1159 of the Companies Act 2006

Transaction Documents

- (a) this deed;
- (b) any Accession Deed
- (c) the Fee Letter;
- (d) the Subscription Agreement;
- (e) each other Security Document;
- (f) each Certificate;
- (g) the Instrument; and
- (h) any other document designated as such by the Security Trustee and the Parent.

1.2 In this deed, a reference to:

- 1.2.1 a clause or a schedule is, unless otherwise stated, a reference to a clause of, or a schedule to, this deed;

- 1.2.2 any charge being by way of "first" fixed or floating charge shall not imply that such fixed or floating charge ranks ahead or pari passu with any Permitted Security and no such statement shall constitute a breach of any provision of the Transaction Documents;
- 1.2.3 a paragraph is, unless otherwise stated, a reference to a paragraph of a schedule;
- 1.2.4 a provision of law includes a reference to that provision as replaced, modified or re-enacted from time to time and any subordinate legislation made under that statutory provision from time to time, in each case whether before or after the date of this deed;
- 1.2.5 any English statutory provision or English legal term for any action, remedy, method of judicial proceeding, document, legal status, court, official or any other legal concept or thing shall, in respect of any person incorporated or resident in any jurisdiction other than England and Wales, be deemed to refer to and include any equivalent or analogous action, remedy, method of judicial proceeding, document, legal status, court, official or other legal concept or thing or what most nearly approximates in that jurisdiction to the relevant English statutory provision or English legal term;
- 1.2.6 a person includes any individual, firm, company, corporation, government, state or agency of state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
- 1.2.7 a "Party", a "Chargor", the "Security Trustee", the "Parent", any "Noteholder" or any "Secured Party" shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Security Trustee, any person for the time being appointed as Security Trustee or Security Trustees in accordance with the Transaction Documents;
- 1.2.8 "disposal" includes any sale, transfer, assignment, grant, lease, licence, declaration of trust or other disposal, whether voluntary or involuntary and "dispose" will be construed accordingly;
- 1.2.9 a company shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established;
- 1.2.10 writing shall, subject to clause 34, include any mode of reproducing words in a legible and non-transitory form;
- 1.2.11 this deed or any provision of this deed or any other agreement, document or instrument is to this deed, that provision or that agreement, document or instrument as amended, novated, supplemented, extended or restated; and
- 1.2.12 a time of day is a reference to London time.
- 1.3 The schedules form part of this deed and have the same effect as if expressly set out in the body of this deed and shall be interpreted and construed as though they were set out in this deed.
- 1.4 The contents table and headings in this deed are for convenience only and do not affect the interpretation or construction of this deed.
- 1.5 Words importing the singular include the plural and vice versa and words importing a gender include every gender.
- 1.6 The words "other", "include", "including" and "in particular" do not limit the generality of any preceding words and any words which follow them shall not be construed as being limited in scope to the same class as the preceding words where a wider construction is possible.
- 1.7 For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Instrument, the other Transaction Documents and of any side letters between any parties in relation to any Transaction Document are incorporated into this deed.
- 1.8 "£" and "sterling" denotes lawful currency of the United Kingdom.

- 1.9 Any charge or assignment which is expressed to be made with "full title guarantee" shall be construed so that the covenant implied by section 4(1)(6) of the Law of Property (Miscellaneous Provisions) Act 1994 shall not extend to:
- (a) the state of repair of any relevant Property; or
 - (b) any Rack Rent Lease; and
 - (c) all covenants implied by the Law of Property (Miscellaneous Provisions) Act 1994 shall be subject to any Permitted Security.

2. COVENANT TO PAY

Each Chargor covenants with the Security Trustee that it will pay or discharge the Secured Liabilities when they fall due in accordance with their terms.

3. GUARANTEE AND INDEMNITY

Each Chargor irrevocably and unconditionally jointly and severally:

- 3.1 guarantees to the Security Trustee (on behalf of each Secured Party) punctual performance by each other Chargor of all that Chargor's obligations under the Transaction Documents;
- 3.2 undertakes with the Security Trustee (on behalf of each Secured Party) that whenever another Chargor does not pay any amount when due under or in connection with any Transaction Document, that Chargor shall immediately on demand pay that amount as if it was the principal obligor; and
- 3.3 agrees with the Security Trustee (on behalf of each Secured Party) that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify the Security Trustee (on behalf of each Secured Party) immediately on demand against any cost, loss or liability it incurs as a result of a Chargor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Transaction Document on the date when it would have been due. The amount payable by a Guarantor under this indemnity will not exceed the amount it would have had to pay under this clause 3 if the amount claimed had been recoverable on the basis of a guarantee.

4. DEFAULT INTEREST

- 4.1 Any amount which is not paid under this deed when due shall bear interest (both before and after judgment and payable on demand) from the due date (or, in the case of costs, fees or expenses incurred, from the date they are so incurred) until the date on which such amount is unconditionally and irrevocably paid and discharged in full on a daily basis at the Default Rate.
- 4.2 Default Interest will be calculated on the basis of the actual number of days elapsed and a year of 365 days and will be compounded at quarterly intervals.

5. FIXED AND FLOATING CHARGES AND ASSIGNMENT

5.1 Fixed charges

As a continuing security for the payment of the Secured Liabilities, each Chargor hereby, with full title guarantee, charges, and agrees to charge, in favour of the Security Trustee the following assets which are at any time owned by that Chargor or which it is from time to time interested:

- 5.1.1 by way of **first legal mortgage** all Property (if any) vested in or charged to that Chargor which is specified in schedule 2 and in part 1 of schedule 2 (*Details of Security Assets owned by the Acceding Companies*) to any Accession Deed (but excluding any Rack Rent Lease), together with all buildings and fixtures (including trade fixtures but excluding any tenant fixtures) at any time thereon;
- 5.1.2 by way of **first fixed charge** all other interests (not being charged by clause 5.1.1) in any Property vested in or charged to that Chargor (but excluding any Rack Rent Lease), the buildings and fixtures and fittings (including trade

- fixtures and fittings but excluding any tenant fixtures) at any time on or attached to such property;
- 5.1.3 by way of **first fixed charge** all proceeds of sale derived from any Property or any buildings, fixtures or fittings (including trade fixtures and fittings but excluding any tenant fixtures) at any time on or attached to any Property, the benefit of all covenants given in respect of any Property or any such buildings, fixtures or fittings and all licences to enter upon or use land and the benefit of all other agreements relating to land;
- 5.1.4 by way of **first fixed charge** all Equipment and all spare parts, replacements, modifications and additions for or to that Equipment and the benefit of all manuals, instructions, warranties, licences and maintenance agreements relating to it;
- 5.1.5 by way of **first fixed charge** all the Securities and the Related Rights in respect of them;
- 5.1.6 by way of **first fixed charge** all rights and interests of that Chargor in, and claims under, the Insurances and all proceeds of such Insurances held by, or written in favour of, that Chargor or in which that Chargor is otherwise interested;
- 5.1.7 by way of **first fixed charge** all monies standing to the credit of that Chargor from time to time on any and all accounts with any bank, financial institution, or other person;
- 5.1.8 by way of **first fixed charge** all Intellectual Property;
- 5.1.9 to the extent not effectively assigned pursuant to clause 5.2.1 by way of **first fixed charge** all Material Contracts;
- 5.1.10 by way of **first fixed charge** the benefit of all licences, consents, agreements and authorisations held or utilised by that Chargor in connection with its business or the use of any of its assets;
- 5.1.11 by way of **first fixed charge** all Receivables; and
- 5.1.12 by way of **first fixed charge** all the goodwill and uncalled capital of that Chargor.

5.2 **Assignment**

As a continuing security for the payment of the Secured Liabilities, each Chargor hereby, with full title guarantee, assigns and agrees to assign absolutely (subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities) in favour of the Security Trustee all the rights, title, interest and benefit of that Chargor in and to:

5.2.1 the Insurances (together with the proceeds of such Insurances); and

5.2.2 the Material Contracts and the benefit of any guarantee or Security for the performance of a Material Contract,

provided that, in each case the exercise of all rights and remedies or discretions or judgments, the giving of any waivers or consents and any entitlement to all proceeds and claims arising therefrom shall, prior to an Enforcement Event, be exercised at the sole discretion of the relevant Chargor, subject to the terms of the other Transaction Documents.

5.3 **Floating charge**

As further continuing security for the payment of the Secured Liabilities, each Chargor hereby charges with full title guarantee in favour of the Security Trustee by way of **first floating charge** all its assets and undertaking whatsoever and wheresoever situated both present and future not effectively mortgaged, charged or assigned pursuant to the provisions of clause 5.1 and clause 5.2, including heritable property and all other property and assets in Scotland.

5.4 **Qualifying floating charge**

Paragraph 14 of schedule B1 Insolvency Act applies to any floating charge created by or pursuant to this deed (and each such floating charge is a qualifying floating charge for the purposes of the Insolvency Act).

6. **PROHIBITIONS ON CHARGING**

6.1 There shall be excluded from the charges created by clause 5.1 and from the operation of clause 24.2 or clause 12.11.2:

6.1.1 any leasehold property held by the Chargor under a lease which prohibits either absolutely or conditionally (including requiring the consent of any third party) the Chargor from creating any charge over its leasehold interest until the relevant condition or waiver has been satisfied or obtained; and

6.1.2 any Intellectual Property in which the Chargor has an interest under any licence or other agreement which prohibits either absolutely or conditionally (including requiring the consent of any third party) the Chargor from creating any charge over its interest in that Intellectual Property,

in each case until the relevant condition or waiver has been satisfied or obtained.

6.2 For all leasehold property which is to be subject to the legal mortgage in clause 5.1.1 or Intellectual Property in each case referred to in clause 6.1 the Chargor undertakes to apply for the relevant consent or waiver of prohibition or condition within 14 days of the date of this debenture or, if later, 14 days from the date of acquisition of such property or the acquisition or creation of such rights in such Intellectual Property, and, in respect of any lease, licence or agreement which provides that the relevant third party will not unreasonably withhold its consent to charging, to use all reasonable endeavours to obtain such consent as soon as possible and to keep the Security Trustee informed of the progress of its negotiations.

6.3 Immediately upon receipt of the relevant waiver or consent, the formerly excluded leasehold property or Intellectual Property shall stand charged to the Security Trustee under clause 5.1. If required by the Security Trustee, at any time following receipt of that waiver or consent, the Chargor will forthwith execute a valid fixed charge or legal assignment in accordance with clause 24.2 or clause 12.11.2.

7. **CONVERSION OF FLOATING CHARGE**

7.1 **Conversion of floating charge by notice**

The Security Trustee may, by written notice to the Parent, convert the floating charge created by this deed into a fixed charge as regards all or any of the Chargors' assets specified in the notice at any time if:

- (a) an Enforcement Event has occurred;
- (b) the Security Trustee reasonably considers that it is necessary in order to protect the priority of the Security constituted by the floating charge created by clause 5.3 (Floating charge) over the assets specified in that notice; or
- (c) the Security Trustee reasonably considers that any of the Charged Assets specified in that notice is in jeopardy or in danger of being seized or sold pursuant to any form of legal process.

7.2 **Automatic conversion of floating charge**

The floating charge created by the Chargors under this deed shall (in addition to the circumstances in which the same will occur under general law) automatically be converted into a fixed charge in relation to the Charged Assets subject to the floating charge created by clause 5.3 (a **Floating Charge Asset**):

- 7.2.1 if, without the Security Trustee's prior written consent, a Chargor creates or attempts to create any Security (other than a Permitted Security) over all or any Floating Charge Asset;
- 7.2.2 if any person levies or attempts to levy any distress, execution, attachment or other process against all or any Floating Charge Asset;
- 7.2.3 if any person presents a petition to wind up a Chargor (and such petition is not discharged within 21 days) or applies for an administration order; or
- 7.2.4 upon the occurrence of an Enforcement Event,

provided that, in the case of clauses 7.2.1 and 7.2.2 above the floating charge shall only crystallise over the Floating Charge Assets which are the subject of the actions referred to in such clauses.

7.3 **No waiver**

The giving by the Security Trustee of a notice pursuant to clause 7.1 in relation to any class of assets of a Chargor shall not be construed as a waiver or abandonment of the rights of the Security Trustee to serve similar notices in respect of any other class of assets or of any of the other rights of the Security Trustee.

8. **DEFERRAL OF RIGHTS**

- 8.1 Each Chargor warrants to the Security Trustee that it has not taken or received, and agrees not to take, exercise or receive the benefit of any Security or other right or benefit (whether by set-off, counterclaim, subrogation, indemnity, claim in insolvency, proof in liquidation or otherwise and whether from contribution or otherwise, all together **Rights**) from or against any other Chargor, its liquidator, an administrator, any surety or any other person in respect of any liability of or payment by it under this deed or otherwise in connection with this deed or the Secured Liabilities.
- 8.2 If any Rights are taken, exercised or received by a Chargor, that Chargor declares that such Rights and all monies at any time received or held in respect of such Rights shall be held by it on trust for the Security Trustee (on behalf of the Secured Parties) for application in or towards the discharge of the Secured Liabilities.
- 8.3 Each Chargor agrees that all other Rights and all monies from time to time held on trust by it for the Security Trustee (on behalf of the Secured Parties) under or pursuant to clause 8.2 shall be transferred, assigned or, as the case may be, paid to the Security Trustee, promptly following the Security Trustee's demand.
- 8.4 This clause 8 shall apply regardless of whether or not the Chargors have performed their obligations under this deed.

9. **MULTIPLE CHARGORS**

- 9.1 The liability of each Chargor to the Security Trustee shall be joint and several.
- 9.2 For the avoidance of doubt, the incapacity or insolvency of any Chargor shall not discharge or affect the liability of any other Chargor.
- 9.3 Until the Secured Liabilities are paid or discharged in full in accordance with the terms of the Transaction Documents each Chargor irrevocably and unconditionally postpones all of its rights of contribution from any other Chargor.
- 9.4 The Security Trustee may, in its absolute discretion, release or accept any composition from or make any arrangements with any Chargor at any time from its obligations and liabilities to the Security Trustee under this deed or otherwise in respect of the Secured Liabilities without the consent of any other Chargor and without releasing, discharging or otherwise affecting the liability of any other Chargor. The Security Trustee shall not be obliged to notify any other Chargor of such release or composition.

10. **NEGATIVE PLEDGE**

Each Chargor covenants with the Security Trustee that, during the continuance of the security created by this deed, it shall not without the prior written consent of the Security Trustee:

- 10.1 create, purport to create or permit to subsist any Security (other than any Permitted Security) upon any of the Charged Assets; or
- 10.2 sell, transfer, lease, licence, lend, part possession with, grant any interest in, or otherwise dispose of, whether by a single transaction or a number of transactions and whether related or not, the whole or any part of the Charged Assets save for a Permitted Disposal.

11. **REPRESENTATIONS AND WARRANTIES**

11.1 Each Chargor represents and warrants to the Security Trustee that:

11.1.1 **Status**

- (a) it is a limited company duly organised, validly existing and registered under the relevant laws of its jurisdiction of incorporation;
- (b) it has the power and all necessary governmental and other consents, approvals, licences and authorities to own its assets and carry on its business as it is being conducted;

11.1.2 **Authority**

it is empowered to enter into and perform its obligations contained in this deed and has taken all necessary action to authorise the execution, delivery and performance of this deed or an Accession Deed (as applicable), to create the security to be constituted by this deed and to observe and perform its obligations under this deed;

11.1.3 **Binding obligations**

Subject to the Legal Reservations and the Perfection Requirements, the obligations expressed to be assumed by it in this deed are legal, valid, binding and enforceable obligations;

11.1.4 **Non-conflict with other obligations**

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

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument;

11.1.5 **Property**

schedule 2 identifies all freehold and leasehold properties (other than Rack Rent Leases) beneficially owned by that Chargor as at the date of this deed; and

11.1.6 **Securities**

as at the date of this deed it is the legal and beneficial owner of the Securities listed against its name in schedule 5;

11.1.7 **Environmental matters**

- (a) it has complied with all Environmental Laws and Environmental Permits applicable to the Charged Assets and its business;
- (b) there has been no discharge, spillage, release or emission or any prescribed, dangerous, noxious or offensive substance or any controlled

waste on, into or from any Charged Asset or any adjoin premises and no such substances or any controlled waste have been stored or disposed of on any Charged Asset or, so far the Chargor is aware, in any adjoin premises except in accordance with the requirements of the applicable Environmental Laws; and

- (c) it is not in breach of and has not incurred or become subject to any civil or criminal liability under any Environmental Laws or the terms of any Environmental Permit and it has not done anything or omitted to do anything which could result in any liability being imposed on the Security Trustee under any Environmental Law,

where, in any such case, failure to do so has or will have a Material Adverse Effect or result in any liability for a Secured Party.

11.2 **Matters represented**

Each of the representations and warranties in clause 11.1 will be correct and complied with in all respects at all times during the continuance of the security constituted by this deed.

12. **GENERAL COVENANTS OF THE CHARGORS**

Each Chargor hereby covenants with the Security Trustee that it will:

12.1 **Maintenance and use**

keep all buildings and erections forming part of the Charged Assets in a good state of repair (subject to normal wear and tear);

12.2 **Outgoings**

Duly and punctually pay all rates, rents, taxes, charges and other outgoings due by it in respect of the Charged Assets provided that no Chargor shall breach this undertaking in respect of rates on agricultural land where such Chargor is indemnified against any such claim by a third party;

12.3 **Inspection**

12.3.1 permit the Security Trustee following the occurrence of an Event of Default which is continuing, or its designated representatives, to have, on reasonable notice, access during normal office hours to its accounts and its accounting records and to any of its books and records relating to the Charged Assets, to inspect and take extracts from and make photocopies of the same and each Chargor shall provide, at its cost and expense, such clerical and other assistance as the Security Trustee may reasonably request;

12.3.2 permit the Security Trustee or its designated representatives following the occurrence of an Event of Default which is continuing to have, on reasonable notice, access during normal office hours to any property or Equipment forming part of the Charged Assets to view, inspect, examine and photograph it and all records maintained in connection with it;

12.4 **Comply with statutes**

in relation to the Charged Assets, comply with all obligations under any present or future statute, regulation, order and instrument or under any by-laws, regulations or requirements of any competent authority or other approvals, licences or consents and, if requested by the Security Trustee produce to the Security Trustee, within 14 days of receipt of the same, every material notice, order or proposal given or made in relation to the Charged Assets by any competent authority and either comply with the same or make such objections and representations against the same as the Security Trustee may require or approve;

12.5 **Comply with covenants**

observe and perform all material covenants and stipulations from time to time affecting any part of the Charged Assets or the manner of use or the enjoyment of the same;

12.6 **Conduct of business**

carry on its trade and business on those parts (if any) of the Charged Assets as are used for the purposes of trade or business in accordance with the standards of good management from time to time current in such trade or business;

12.7 **Leases and Licences in respect of Property**

enforce its rights as landlord under any lease of any Property and perform its obligations as landlord under any lease of any Property and observe and perform all the lessee's material covenants in any lease under which it holds any Property;

12.8 **Environmental Law and Permits**

12.8.1 comply with all Environmental Laws and obtain, maintain and comply with all requisite Environmental Permits applicable to the Charged Assets and its business and on the Security Trustee's request, provide it with copies of any Environmental Permits;

12.8.2 upon becoming aware of the same, notify the Security Trustee of any Environmental Claim made or threatened against it and any condition imposed pursuant to any Environmental Permit or Environmental Law which requires it to materially alter the nature or manner of conduct of its business or which is reasonably likely to materially reduce the value of the Charged Assets (or any of them) and will keep the Security Trustee informed of any steps taken or intended to be taken by that Chargor in respect of any of the matters referred to in this clause 12.8.2 and give notice to the Security Trustee as soon as practicable of any new or additional requirements under any Environmental Law imposed on that Chargor or any Charged Asset;

12.9 **Planning Acts**

not carry out any development within the meaning of the Planning Acts in or upon the Charged Assets or any part of the Charged Assets without first obtaining such permissions as may be required under or by virtue of the Planning Acts;

12.10 **Material Contracts**

notify the Security Trustee of any material breach of a Material Contract by a Chargor or a counterparty and observe and perform all its material obligations under each Material Contract and enforce the obligations of each counterparty to a Material Contract;

12.11 **Deposit of documents and Securities transfers**

12.11.1 in accordance with the terms of the Instrument and the Subscription Agreement deposit with the Security Trustee all certificates in respect of the Securities, together with duly executed transfers in respect of the Securities with the name of the transferee left blank;

12.11.2 the Security Trustee may at any time following an Event of Default which is continuing complete the instruments of transfer in respect of the Securities and register the Securities either in its own name or in the name of any nominee;

12.12 **Intellectual Property**

12.12.1 observe and comply with all material obligations and laws to which it is subject in its capacity as registered proprietor, beneficial owner, user, licensor or licensee of its Intellectual Property or any part of its Intellectual Property;

12.12.2 take all necessary action (including obtaining all necessary registrations and paying all applicable renewal and licence fees) to ensure that the Intellectual Property to which it is or may become entitled is valid and subsisting and remains owned by it and not allow any Intellectual Property to be abandoned, cancelled or to lapse; if any Intellectual Property at any time lapses or becomes void, it will do everything necessary to restore such Intellectual Property to itself;

12.13 **Property acquisitions**

- 12.13.1 notify the Security Trustee promptly upon the acquisition by it of any freehold or leasehold property (or, if in Scotland, heritable property) other than Rack Rent Leases; and
- 12.13.2 on demand made to it (or the Parent on its behalf) by the Security Trustee, execute and deliver to the Security Trustee any legal mortgage (or, in the case of property situated in Scotland, standard security) in favour of the Security Trustee of any freehold or leasehold property (or, if in Scotland, heritable property) other than Rack Rent Leases which becomes vested in it after the date of this deed and all fixtures and fittings thereon to secure the payment or discharge of the Secured Liabilities, such legal mortgage or standard security to be in such form as the Security Trustee may reasonably require. Any security document required to be executed by a Chargor pursuant to this clause will be prepared at the cost of that Chargor.

12.14 **The Land Registry**

in respect of any freehold or leasehold land specified in schedule 2 or which it may hereafter acquire other than Rack Rent Leases and which is registered land (or unregistered land subject to compulsory first registration), apply to the Chief Land Registrar for the registration of a Restriction against the registered titles 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 charge dated 2016 in favour of Welbeck Capital Partners LLP referred to in the charges register."

13. **INSURANCE**

- 13.1 Each Chargor hereby covenants with the Security Trustee that it will ensure that at all times Insurances are maintained in full force and effect, and to keep all Charged Assets insured with reputable independent insurance companies or underwriters against the risk and to the extent as is usual for companies carrying on the same or substantially similar business, provided that if a Chargor fails to comply with the terms of this clause, the Security Trustee may, at the Chargor's expense, effect any insurance and generally do such things and take such action as the Security Trustee reasonably considers necessary to remedy any breach of this clause 13.
- 13.2 If a Chargor fails to comply with any term of this clause, the Security Trustee may, at the expense of that Chargor effect any insurance and generally do such things and take such other action as the Security Trustee may reasonably consider necessary to remedy any breach of this clause
- 13.3
- 13.3.1 If an Event of Default is continuing, the proceeds of any Required Insurances must, if the Security Trustee so requires, be applied in reduction of the Secured Liabilities in such order as the Security Trustee sees fit.
- 13.3.2 To the extent required by the basis of settlement under any Required Insurances or under any lease of the relevant Charged Asset, the Chargor must apply moneys received under any Required Insurances in respect of a Property towards replacing, restoring or reinstating that Property.
- 13.3.3 Moneys received under liability policies held by the Chargor which are required by the Chargor to satisfy established liabilities of the Chargor to third parties must be used to satisfy these liabilities.

13.4

14. **RECEIVABLES**

- 14.1 Each Chargor hereby covenants and undertakes: