



**Registration of a Charge**

Company Name: **BROCKHAMPTON HOLDINGS LIMITED**

Company Number: **02570616**



Received for filing in Electronic Format on the: **15/03/2023**

XBZCLD9U

**Details of Charge**

Date of creation: **14/03/2023**

Charge code: **0257 0616 0004**

Persons entitled: **NATIONAL WESTMINSTER BANK PLC AS SECURITY TRUSTEE FOR THE SECURED PARTIES**

Brief description:

**Contains fixed charge(s).**

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

**Contains negative pledge.**

**Authentication of Form**

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

**Authentication of Instrument**

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

Certified by: **ALLEN OVERY LLP**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 2570616

Charge code: 0257 0616 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 14th March 2023 and created by BROCKHAMPTON HOLDINGS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 15th March 2023 .

Given at Companies House, Cardiff on 16th March 2023

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**

**EXECUTION VERSION**

## **SECURITY AGREEMENT**

**DATED** 14 March **2023**

**BETWEEN**

**BROCKHAMPTON HOLDINGS LIMITED**

**and**

**NATIONAL WESTMINSTER BANK PLC**

**ALLEN & OVERY**

**Allen & Overy LLP**

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## CONTENTS

Clause	Page
1. Definitions and interpretation .....	3
2. Creation of Security .....	7
3. Restrictions on dealings .....	10
4. Land .....	10
5. Investments .....	13
6. Restricted credit balances .....	16
7. Intellectual property .....	16
8. Relevant Contracts .....	17
9. When Security becomes enforceable .....	18
10. Enforcement of Security .....	18
11. Receiver .....	20
12. Powers of Receiver .....	21
13. Application of proceeds .....	24
14. Expenses and indemnity .....	24
15. Delegation .....	24
16. Further assurances .....	24
17. Power of attorney .....	25
18. Preservation of Security .....	25
19. Miscellaneous .....	28
20. Contractual recognition of bail-in .....	28
21. Release .....	30
22. Governing law .....	30
23. Enforcement .....	31

### Schedules

1. Security Assets .....	32
2. Excluded Assets .....	33
3. Forms of letter for Account Bank .....	36
4. Forms of letter for Assigned Relevant Contracts .....	38

Signatories .....	41
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**THIS DEED** is dated 14 March 2023 and made

**BETWEEN:**

- (1) **BROCKHAMPTON HOLDINGS LIMITED**, a company incorporated in England and Wales with registered number 02570616, whose registered address is Brockhampton Springs, West Street, Havant, Hampshire, PO9 1LG (the **Chargor**); and
- (2) **NATIONAL WESTMINSTER BANK PLC** (the **Security Agent**) as security trustee for the Secured Parties (as defined in the Facility Agreement defined below).

**BACKGROUND:**

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

**IT IS AGREED** as follows:

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In this Deed:

**Acceleration Event** has the meaning given to it in the Intercreditor Agreement.

**Account Bank** means a bank with which a Restricted Account is maintained.

**Act** means the Law of Property Act 1925.

**Assigned Relevant Contract** means any agreement, instrument or other document specified in Schedule 1 (Security Assets) under the heading **Assigned Relevant Contracts**.

**CREST** means the relevant system (within the meaning of the Uncertificated Securities Regulations 2001) operated by Euroclear UK and Ireland Limited.

**Deed of Release** means the deed of release dated on or about the date of this Deed between, among others, the Chargor and National Westminster Bank Plc as security agent.

**Effective Date** has the meaning given to it in the Deed of Release.

**Effective Time** has the meaning given to it in the Deed of Release.

**Facility Agreement** means the £45,000,000 facility agreement dated on or about the date of this Deed between, among others, the Chargor and the Security Agent.

**Intercreditor Agreement** means the intercreditor agreement dated on or about the date of this Deed between, among others, the Chargor and the Security Agent.

**Intra-Group Loan** means any loan or other documentation evidencing Financial Indebtedness between any member(s) of the Group or the Parent (as borrower(s)) and the Chargor (as lender)

(including as of the date of this Deed the agreements specified in Schedule 1 (Security Assets) under the heading **Assigned Relevant Contracts**), and all Related Rights, now or in the future due to it.

**Liabilities** has the meaning given to the term in the Intercreditor Agreement.

**Non-Distressed Disposal** has the meaning given to it in the Intercreditor Agreement.

**Party** means a party to this Deed.

**PWHL** means Portsmouth Water Holdings Limited, a company incorporated in England and Wales with registered number 04373276, whose registered address is Brockhampton Springs, West Street, Havant, Hampshire, PO9 1LG.

**Receivables** means, in relation to the Chargor, all its right, title and interest from time to time in and to all book and other debts of any nature (including the Intra-Group Loans), all other rights to receive money (excluding Restricted Accounts), and all other Related Rights.

**Receiver** means a receiver or receiver and manager or administrative receiver, in each case, appointed under this Deed.

**Related Rights** means, in relation to a Security Asset:

- (a) any proceeds of sale, transfer or other disposal, lease, licence, sub-licence, or agreement for sale, transfer or other disposal, lease, licence or sub-licence, of that Security Asset;
- (b) any moneys or proceeds paid or payable deriving from that Security Asset;
- (c) any rights, claims, guarantees, indemnities, Security or covenants for title in relation to that Security Asset;
- (d) any awards or judgments in favour of the Chargor in relation to that Security Asset; and
- (e) any other assets, securities or investments deriving from, or relating to, that Security Asset.

**Restricted Account** means the accounts listed in Schedule 1 (Security Assets) and includes:

- (a) if there is a change of Account Bank, any account into which all or part of a credit balance from a Restricted Account is transferred;
- (b) any account which is a successor to a Restricted Account on any re-numbering or re-designation of accounts and any account into which all or part of a balance from a Restricted Account is transferred for investment or administrative purposes; and
- (c) any other account from time to time with any bank or financial institution.

**Secured Liabilities** means all the Liabilities and all other present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Chargor to any Secured Party under or in connection with the Finance Documents.

**Security Asset** means any asset of the Chargor which is, or is expressed to be, subject to any Security created by this Deed.

**Security Period** means the period beginning on the Effective Date and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

**Third Parties Act** means the Contracts (Rights of Third Parties) Act 1999.

## **1.2 Construction**

- (a) Capitalised terms defined in the Facility Agreement and the Intercreditor Agreement have the same meaning in this Deed, unless expressly defined in this Deed.
- (b) The provisions of clause 1.2 (Construction) of the Facility Agreement apply to this Deed as though they were set out in full in this Deed except that references to the Facility Agreement shall be construed as references to this Deed.
- (c) Unless a contrary indication appears, any reference in this Deed to:
  - (i) a **clearance system** means a person whose business is or includes the provision of clearance services or security accounts, or any nominee or depositary for that person;
  - (ii) a **Finance Document** or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended;
  - (iii) any **rights** in respect of an asset includes:
    - (A) all amounts and proceeds paid or payable;
    - (B) all rights to make any demand or claim; and
    - (C) all powers, remedies, causes of action, security, guarantees and indemnities, in each case, in respect of or derived from that asset;
  - (iv) any **share, stock, debenture, bond or other security or investment** includes:
    - (A) any dividend, interest or other distribution paid or payable;
    - (B) any right, money or property accruing or offered at any time by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;
    - (C) any right against any clearance system;
    - (D) any right under any custody or other agreement (including any right to require delivery up of any cash or other assets); and
    - (E) any cash or securities account maintained by any custodian or other entity,in each case, in respect of that share, stock, debenture, bond or other security or investment;

- (v) the term **this Security** means any Security created by this Deed; and
- (vi) an agreement, instrument or other document **to which it is a party** includes any agreement, instrument or other document issued in the relevant person's favour or of which it otherwise has the benefit (in whole or in part).
- (d) Any covenant of the Chargor under this Deed (other than a payment obligation which has been discharged) remains in force during the Security Period.
- (e) The terms of the other Finance Documents and of any other agreement or instrument between any Parties in relation to any Finance Document are incorporated in this Deed to the extent required to ensure that any purported disposition, or any agreement for the disposition, of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (f) If the Security Agent considers that an amount paid to a Secured Party under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.
- (g) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of any disposal of that Security Asset.

### **1.3 Third party rights**

- (a) Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this Deed.
- (b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.
- (c) Any Secured Party that is not a Party may enforce and enjoy the benefit of any Clause which expressly confers rights on it, subject to paragraph (b) above and the provisions of the Third Parties Act.

### **1.4 Intercreditor Agreement**

- (a) This Deed and the rights and obligations of the Parties under this Deed, including any right of payment or repayment of any sums due from the Chargor to a Party, are subject to the provisions of the Intercreditor Agreement and each of the Parties agrees to be bound by those provisions as if they had been set out in full in this Deed.
- (b) If there is any conflict between the provisions of the Intercreditor Agreement and the provisions of this Deed, the provisions of the Intercreditor Agreement will prevail.
- (c) The Security Agent holds the benefit of the Security on trust for the Secured Parties in accordance with the Intercreditor Agreement. Where under this Deed, the Security Agent is entitled or required to exercise any of its powers, trusts, authorities, duties and discretions pursuant to this Deed, such exercise will be subject to the provisions of the Intercreditor Agreement.



## 1.5 Effective Time

The Parties agree that this Deed will become effective on and from the Effective Time.

## 2. CREATION OF SECURITY

### 2.1 General

- (a) The Chargor shall pay or discharge the Secured Liabilities in the manner provided for in the Finance Documents.
- (b) All the security created under this Deed:
  - (i) is created in favour of the Security Agent;
  - (ii) is created over present and future assets of the Chargor;
  - (iii) is security for the payment of all the Secured Liabilities; and
  - (iv) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (c) If the rights of the Chargor under a document cannot be secured without the consent of a party to that document or satisfaction of some other condition:
  - (i) the Chargor shall notify the Security Agent promptly;
  - (ii) this Security shall constitute security over all proceeds and other amounts which the Chargor may receive, or has received, under that document but exclude the Chargor's other rights under the document until the Chargor obtains the required consent or satisfies the relevant condition;
  - (iii) unless the Security Agent otherwise requires, the Chargor shall use its reasonable endeavours to obtain the required consent or satisfy the relevant condition as soon as reasonably practicable; and
  - (iv) if the Chargor obtains the required consent or satisfies the relevant condition all of the Chargor's rights under the document shall immediately be secured in accordance with this Deed.
- (d) The Security Agent holds the benefit of this Deed on trust for the Secured Parties.

### 2.2 Land

- (a) Subject to Clause 2.11 (Excluded Assets) below, the Chargor charges:
  - (i) by way of a first legal mortgage all estates or interests in any freehold or leasehold property now owned by it in England and Wales; this includes the real property (if any) specified in Schedule 1 (Security Assets) under the heading **Real Property**; and
  - (ii) (to the extent that they are not the subject of a mortgage under paragraph (i) above) by way of a first fixed charge all estates or interests in any freehold or leasehold property now or subsequently owned by it.

- (b) A reference in this Clause 2 to a mortgage or charge of any freehold or leasehold property includes:
- (i) all buildings, fixtures, fittings and fixed plant and machinery on that property; and
  - (ii) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

### **2.3 Investments**

Subject to Clause 2.11 (Excluded Assets) below, the Chargor charges by way of first fixed charge the Shares and its interest in all shares, stocks, debentures, bonds or other securities or investments owned by it or held by any nominee, trustee, custodian or clearance system on its behalf.

### **2.4 Plant and machinery**

Subject to Clause 2.11 (Excluded Assets) below and to the extent that they are not the subject of a mortgage or a first fixed charge under Clause 2.2 (Land), the Chargor charges by way of a first fixed charge all plant and machinery owned by the Chargor and its interest in any plant or machinery in its possession.

### **2.5 Restricted credit balances**

Subject to Clause 2.11 (Excluded Assets) below, the Chargor charges by way of a first fixed charge all of its rights in respect of any Restricted Account, any amount standing to the credit of that account and the debt represented by that account.

### **2.6 Insurances**

Subject to Clause 2.11 (Excluded Assets) below, the Chargor charges by way of a first fixed charge all of its rights in respect of any contract or policy of insurance taken out by it or on its behalf or in which it has an interest, to the extent not validly and effectively assigned under paragraph (a) of Clause 2.7 (Other contracts) below.

### **2.7 Other contracts**

- (a) Subject to Clause 2.11 (Excluded Assets) below, the Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights in respect of each Assigned Relevant Contracts, Receivables and Related Rights thereto.
- (b) Subject to paragraph (c) below and Clause 2.11 (Excluded Assets) below, the Chargor charges by way of a first fixed charge all of its rights in respect of any agreement, instrument or other document to which it is a party.
- (c) Paragraph (b) above does not apply to any agreement, instrument or other document to which the Chargor is a party that is subject to any fixed security created under any other term of this Clause 2.

## **2.8 Intellectual property**

Subject to Clause 2.11 (Excluded Assets) below, the Chargor charges by way of a first fixed charge, all of its rights in respect of:

- (a) any know-how, patent, trade mark, service mark, design, business name, topographical or similar right; this includes the patents and trademarks (if any) specified in Schedule 1 (Security Assets) under the heading **Specific Intellectual Property Rights**;
- (b) any copyright or other intellectual property monopoly right; or
- (c) any interest (including by way of licence) in any of the above,

in each case, whether registered or not and including all applications for any of the rights referred to in paragraphs (a), (b) and (c) above.

## **2.9 Miscellaneous**

Subject to Clause 2.11 (Excluded Assets) below, the Chargor charges by way of a first fixed charge:

- (a) its goodwill;
- (b) its uncalled capital; and
- (c) the benefit of all rights in relation to any item in paragraphs (a) and (b) above.

## **2.10 Floating charge**

- (a) Subject to Clause 2.11 (Excluded Assets) below, the Chargor charges by way of a first floating charge all of its assets not otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, charge or assignment under this Clause 2.
- (b) Except as provided below, the Security Agent may by notice to the Chargor convert the floating charge created by this Clause 2.10 into a fixed charge as regards any of the Chargor's assets specified in that notice, if:
  - (i) an Acceleration Event is continuing; or
  - (ii) the Security Agent considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.
- (c) The floating charge created by this Clause 2.10 may not be converted into a fixed charge solely by reason of:
  - (i) the obtaining of a moratorium; or
  - (ii) anything done with a view to obtaining a moratorium,

under part A1 of the Insolvency Act 1986 other than in respect of any floating charge referred to in subsection (4) of section A52 of part A1 of the Insolvency Act 1986.

- (d) The floating charge created by this Clause 2.10 shall (in addition to the circumstances when this may occur under the general law) automatically convert into a fixed charge over all of the Chargor's assets if (i) an administrator is appointed, or the Security Agent receives notice of an intention to appoint an administrator, in respect of the Chargor or (ii) the Chargor takes any step to create any Security in breach of Clause 3 (Restrictions on dealings) over any Security Asset subject to a floating charge.
- (e) The floating charge created by this Clause 2.10 is a **qualifying floating charge** for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

## **2.11 Excluded Assets**

The excluded assets specifically set out in Schedule 2 (Excluded Assets) shall not be subject to the Security created by this Clause 2.

## **3. RESTRICTIONS ON DEALINGS**

The Chargor shall not:

- (a) create or permit to subsist any Security over any Security Asset; or
- (b) enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer or otherwise dispose of any Security Asset,

except as expressly allowed under the Facility Agreement or this Deed.

## **4. LAND**

### **4.1 General**

In this Clause 4:

**Mortgaged Property** means all freehold or leasehold property included in the definition of **Security Asset** and, where the context so requires, includes any buildings on that property.

### **4.2 Notification**

The Chargor shall promptly notify the Security Agent of its acquisition of, or agreement to acquire, any Mortgaged Property, provided that any acquisition or agreement to acquire fixtures with an individual value (or when aggregated together with other fixtures purchased in that calendar year) in each calendar year of less than £50,000 (or its equivalent in any other currency) shall not be required to be notified to the Security Agent.

### **4.3 Documents**

Upon request by the Security Agent, the Chargor shall promptly deposit with the Security Agent, and the Security Agent shall be entitled to hold, all title deeds and documents relating to the Chargor's present and future Mortgaged Property.

#### **4.4 Present Mortgaged Property**

The Chargor shall, in respect of all Mortgaged Property in England and Wales which is a Security Asset as at the Effective Date:

- (a) promptly apply to the Land Registry for first registration of that Mortgaged Property (where that Mortgaged Property is capable of being registered at the Land Registry and is not already so registered) and for registration of it as proprietor of that Mortgaged Property;
- (b) promptly apply to the Land Registry to register the Security created by paragraph (a) of Clause 2.2 (Land);
- (c) promptly apply to the Land Registry requesting:
  - (i) a restriction in the form specified by the Security Agent; and
  - (ii) the obligation to make further advances,to be entered on the register of the title to that Mortgaged Property in respect of the Security created by paragraph (a) of Clause 2.2 (Land);
- (d) promptly pay all applicable registration fees; and
- (e) promptly deal with any requisitions by the Land Registry relating to that Real Property and keep the Security Agent informed as to the progress of any such application for registration, the nature of any such requisitions and its response,

or, if the Security Agent gives notice to the Chargor that the Security Agent will submit the relevant forms to the Land Registry, the Chargor shall promptly provide the Security Agent with all duly completed forms reasonably requested by the Security Agent and all applicable registration fees.

#### **4.5 Unregistered Mortgaged Property**

In the case of the Chargor's Mortgaged Property in England and Wales that is a Security Asset, both present and future, which is not registered at the Land Registry and is not required by law or this Deed to be so registered, if the title deeds and documents are not deposited with the Security Agent, the Chargor shall promptly apply to the Land Charges Registry to register:

- (a) in respect of all such Mortgaged Property owned by it on the Effective Date, this Deed and the Security created by paragraph (a) of Clause 2.2 (Land); and
- (b) in respect of all such freehold or leasehold property acquired by it after the Effective Date, this Deed, the Security created by paragraph (b) of Clause 2.2 (Land) and any legal mortgage created pursuant to paragraph (b) of Clause 4.9 (Acquisitions).

#### **4.6 Protection of assets**

At any time prior to an Acceleration Event that is continuing, the Chargor shall be entitled to take any action and/or inaction in respect of any Mortgaged Property which is a Security Asset provided that:

- (a) such action is permitted by the Facility Agreement; and
- (b) the exercise of or, as the case may be, the failure to exercise those rights would not have an adverse effect on the value of the Mortgaged Property which is a Security Asset or the ability of the Security Agent to realise the Security and would not otherwise prejudice the interests of any Secured Party under any Finance Document.

#### **4.7 Notices**

The Chargor shall, within 7 days after the receipt by it of any material application, requirement, order or notice served or given by any public, local or other authority with respect to the Mortgaged Property (or any part of it):

- (a) deliver a copy to the Security Agent; and
- (b) inform the Security Agent of the steps taken or proposed to be taken to comply with the relevant requirement, order or notice.

#### **4.8 Power to remedy**

- (a) If the Chargor fails to perform any obligations under this Clause 4, the Chargor shall allow the Security Agent or any of its agents and contractors to take any action that the Security Agent may reasonably consider necessary or desirable to prevent or remedy any breach of any such obligation or to comply with or object to any such notice.
- (b) The Chargor shall pay the costs and expenses of the Security Agent and its agents and contractors incurred in connection with any action taken by it under this Clause 4.

#### **4.9 Acquisitions**

If the Chargor acquires any freehold or leasehold property after the Effective Date it shall:

- (a) promptly apply to the Land Registry for first registration of that Mortgaged Property (where that Mortgaged Property is capable of being registered at the Land Registry and is not already so registered) and for registration of it as proprietor of that Mortgaged Property;
- (b) promptly upon request by the Security Agent execute and deliver to the Security Agent a legal mortgage of that Mortgaged Property as security for the payment of all Secured Liabilities;
- (c) promptly apply to the Land Registry to register the Security created by paragraph (a) of Clause 2.2 (Land) and any legal mortgage created pursuant to paragraph (b) above;
  - (i) promptly apply to the Land Registry requesting:
  - (ii) a restriction in the form specified by the Security Agent; and
  - (iii) the obligation to make further advances,
- (d) to be entered on the register of the title to that Mortgaged Property in respect of the Security created by paragraph (a) of Clause 2.2 (Land) and any legal mortgage created pursuant to paragraph (b) above;

- (e) promptly pay all applicable registration fees; and
- (f) promptly deal with any requisitions by the Land Registry relating to that Real Property and keep the Security Agent informed as to the progress of any such application for registration, the nature of any such requisitions and its response,

or, if the Security Agent gives notice to the Chargor that the Security Agent will submit the relevant forms to the Land Registry, the Chargor shall promptly provide the Security Agent with all duly completed forms reasonably requested by the Security Agent and all applicable registration fees.

#### **4.10 Title Information Document**

On completion of the registration of any Security pursuant to this Clause 4, the Chargor shall promptly supply to the Security Agent a certified copy of the relevant Title Information Document issued by the Land Registry or, as the case may be, Certificate of Registration of Land Charge issued by the Land Charges Registry.

### **5. INVESTMENTS**

#### **5.1 General**

In this Clause 5:

**Investments** means all shares, stocks, debentures, bonds or other securities or investments which are Security Assets and, in each case, excluding the Shares but including any Related Rights in respect of such shares, stocks, debentures, bonds or other securities or investments.

**Shares** means in relation to the Chargor, all its right, title and interest from time to time in and to:

- (a) the shares described in Schedule 1 (Security Assets) and any other shares issued in the future by PWHL;
- (b) warrants, options and other rights to subscribe for, purchase or otherwise acquire any such shares; and
- (c) any other securities or investments deriving from any such shares or any rights attaching or relating to any such shares,

in each case including any rights against any custodian, nominee, clearing system or other similar person holding any such right, title or interest on its behalf, and all dividends and other Related Rights.

#### **5.2 Notification**

The Chargor shall promptly notify the Security Agent of:

- (a) its acquisition of, or agreement to acquire, any Share;
- (b) its acquisition of, or agreement to acquire, any Investment or Investments which (alone or together) have a value of £250,000 or more (or its equivalent in any other currency);

- (c) the declaration, payment, receipt, offer or issue of any Related Right in respect of any Investment or Share, in each case excluding any cash dividend; and
- (d) any intention of which it becomes aware for any Share to be held in uncertificated form and to be transferable through CREST.

### **5.3 Deposit**

- (a) The Chargor shall on the Effective Date and, where Shares are acquired by it after the Effective Date, on the date of that acquisition:
  - (i) deposit with the Security Agent, or as the Security Agent may direct, all certificates and other documents of title or evidence of ownership in relation to the Shares; and
  - (ii) execute and deliver to the Security Agent all share transfers and other documents which may be reasonably requested by the Security Agent in order to enable the Security Agent or its nominees to be registered as the owner of, or otherwise obtain a legal title to, any of its Shares,

provided that there shall be no breach of this clause where the relevant documents are delivered within 5 Business Days of such date.

- (b) The Chargor shall on the Effective Date and, where Investments which (alone or together) have a value of £250,000 or more (or its equivalent in any other currency) are acquired by it after the Effective Date, on the date of that acquisition:
  - (i) promptly deliver to the Security Agent, or as it directs, and the Security Agent shall be entitled to hold, all certificates and other documents of title or evidence of ownership in relation to its Investments; and
  - (ii) promptly deliver to the Security Agent, or as it directs, and the Security Agent shall be entitled to hold, transfers of the Investments, each executed in blank, and other documents relating to the Investments reasonably required by the Security Agent,

provided that there shall be no breach of this clause where the relevant documents are delivered within 5 Business Days of such date.

### **5.4 Voting before enforcement**

At any time prior to the occurrence of an Acceleration Event which is continuing the Chargor may continue to exercise (or refrain from exercising or direct the exercise of) the voting rights and any other rights or powers in respect of its Investments and the Shares provided that:

- (a) it does so for a purpose not inconsistent with any Finance Document; and
- (b) the exercise of or, as the case may be, the failure to exercise those rights would not have an adverse effect on the value of the relevant Investments and/or Shares or the Security Assets or the ability of the Security Agent to realise the Security and would not otherwise prejudice the interests of any Secured Party under any Finance Document.



## **5.5 Voting after enforcement**

- (a) At any time prior to the occurrence of an Acceleration Event which is continuing, the Chargor shall be entitled to retain any cash dividend deriving from its Investments and Shares.
- (b) Subject to paragraph (c) below, at any time while an Acceleration Event is continuing, and the Security Agent has given notice to the Chargor that it intends to exercise its rights under this paragraph (b):
  - (i) the Security Agent or the Receiver may exercise (or refrain from exercising), in the name of the Chargor and without any further consent or authority on the part of the Chargor, any voting rights and any other rights or powers which may be exercised by the legal or beneficial owner of the Investments and/or Shares, any person who is the holder of any Investment and/or Shares or otherwise;
  - (ii) if any Investment or Shares remain registered in the name of the Chargor, the Chargor irrevocably appoints the Security Agent and the Receiver as its proxy to exercise the voting rights and other rights or powers in respect of any of its Investments or Shares (as applicable); and
  - (iii) the Chargor shall hold any cash dividend deriving from its Investments and Shares received by it on trust for the Secured Parties and transfer or pay the same immediately to the Security Agent or as it may direct.
- (c) The Security Agent shall not be entitled to exercise voting rights or any other rights or powers under paragraph (b) above if and to the extent that, from time to time:
  - (i) a notifiable acquisition would, as a consequence, take place under section 6 of the National Security and Investment Act 2021 (the Act) and any regulations made under the Act; and
  - (ii) either:
    - (A) the Secretary of State has not approved that notifiable acquisition in accordance with the Act; or
    - (B) the Secretary of State has so approved that notifiable acquisition but there would, as a consequence, be a breach of the provisions of a final order made in relation to that notifiable acquisition under the Act.

## **5.6 Power of attorney**

If any Investment of the Chargor is not held in the Chargor's name, the Chargor shall promptly deliver to the Security Agent an irrevocable power of attorney, expressed to be given by way of security and executed as a deed by the person in whose name that Investment is held. That power of attorney shall appoint the Security Agent and each Receiver as the attorney of the holder and shall be in such form as the Security Agent requires and shall be exercisable where an Acceleration Event is continuing.

## **6. RESTRICTED CREDIT BALANCES**

### **6.1 Restriction on Bank Accounts**

The Chargor shall not have any Bank Accounts other than those listed in Schedule 1 (Security Assets), Schedule 2 (Excluded Assets) or those from time to time notified in writing to the Security Agent.

### **6.2 Withdrawals**

Except with the prior consent of the Security Agent, the Chargor shall not withdraw any moneys (including interest) standing to the credit of any Restricted Account while an Acceleration Event is continuing.

### **6.3 Notices of charge**

The Chargor shall:

- (a) Promptly deliver a notice of charge, substantially in the form of Part 1 of Schedule 3 (Forms of letter for Account Bank) on each Account Bank (or in such other form as is acceptable to the Security Agent); and
- (b) use its reasonable endeavours to ensure that each Account Bank acknowledges the notice, substantially in the form of Part 2 of Schedule 3 (Forms of letter for Account Bank), provided that, if the Chargor, using its reasonable endeavours, is not able to obtain an acknowledgement from any such recipient within 20 Business Days from the date of delivery of the notice, the obligation to use its reasonable endeavours to obtain a signed form of acknowledgement shall cease.

### **6.4 Change of Account Banks**

- (a) The Account Bank in respect of a Restricted Account may be changed to another bank or financial institution if the Security Agent so agrees and shall be changed if the Security Agent so requires.
- (b) A change of Account Bank will only be effective when the Chargor and the new Account Bank have delivered a notice and acknowledgement substantially in the form set out in Schedule 3 (Forms of letter for Account Bank).

## **7. INTELLECTUAL PROPERTY**

### **7.1 General**

In this Clause 7 **Intellectual Property Rights** means:

- (a) any know-how, patent, trade mark, service mark, design, business name, topographical or similar right;
- (b) any copyright or other intellectual property monopoly right;
- (c) any interest (including by way of licence) in any of the above; or
- (d) any application for any of the above,

in each case, whether registered or not, and which are Security Assets.

## **7.2 Notification**

The Chargor shall promptly notify the Security Agent of its acquisition of, or agreement to acquire, (by licence or otherwise) any Intellectual Property Right which has a value in excess of £250,000 (or its equivalent in another currency), and any application by it or on its behalf to register any Intellectual Property Right.

## **7.3 Preservation**

At any time prior to an Acceleration Event which is continuing, the Chargor shall be entitled to take any action and/or inaction in respect of any Intellectual Property Right provided that:

- (a) such action is permitted pursuant to the Facility Agreement; and
- (b) the exercise of or, as the case may be, the failure to exercise those rights would not have an adverse effect on the value of the Intellectual Property Right or the ability of the Security Agent to realise the Security and would not otherwise prejudice the interests of any Secured Party under any Finance Document.

# **8. RELEVANT CONTRACTS**

## **8.1 Collection**

The Chargor shall promptly collect all Receivables and shall hold the proceeds of collection on trust for the Secured Parties.

## **8.2 Payment into a Restricted Account**

The Chargor shall promptly pay all moneys received or receivable by it from any source (including all proceeds of collection of the Receivables) into a Restricted Account.

## **8.3 Restrictions**

- (a) Until an Acceleration Event occurs the Chargor is free to perform its obligations under the Intra-Group Loans subject to and in accordance with the Facility Agreement.
- (b) After an Acceleration Event has occurred, the Chargor shall not enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, factor, transfer, discount or otherwise dispose of all or any part of the Receivables.

## **8.4 Other undertakings**

- (a) The Chargor shall promptly deliver to the Security Agent, or as it directs, and the Security Agent shall be entitled to hold, such documents relating to the Chargor's Receivables as the Security Agent reasonably requires.
- (b) The Chargor shall not do, or permit to be done, anything which could prejudice the Security or the Security Assets.

## **8.5 Notices of assignment/charge**

The Chargor shall no later than 5 Business Days following the Effective Date:

- (a) serve a notice of assignment, substantially in the form of Part 1 of Schedule 4 (Forms of letter for Assigned Relevant Contracts) (or in such other form as is acceptable to the Security Agent), on each counterparty to an Assigned Relevant Contract;
- (b) use its reasonable endeavours to procure that the counterparty promptly acknowledges that notice, substantially in the form of Part 2 of Schedule 4 (Forms of letter for Assigned Relevant Contracts) provided that, where such acknowledgement is due from a person which is not an Affiliate of the Chargor, if the Chargor, using its reasonable endeavours, is not able to obtain an acknowledgement from any such recipient which is not an Affiliate of the Chargor within 20 Business Days from the date of delivery of the notice, the obligation to use its reasonable endeavours to obtain a signed form of acknowledgement from such person which is not an Affiliate of the Chargor shall cease;

## **9. WHEN SECURITY BECOMES ENFORCEABLE**

### **9.1 Acceleration Event**

This Security shall become immediately enforceable if an Acceleration Event occurs and is continuing.

### **9.2 Enforcement in accordance with the Intercreditor Agreement**

Any enforcement action taken under this Deed by the Security Agent or any Receiver appointed by the Security Agent or a Receiver shall only be taken in accordance with clause 10 (Enforcement of Transaction Security) of the Intercreditor Agreement

### **9.3 Discretion**

After this Security has become enforceable, the Security Agent may enforce all or any part of this Security in any manner it sees fit or as as directed by the Majority Senior Creditors except that, in respect of the Security granted in respect of the Shares, the Security Agent shall not enforce such Security in respect of the Shares to the extent that such enforcement would result in an Acceleration Event (as defined in the Security Trust and Intercreditor Deed) occurring pursuant to the Security Trust and Intercreditor Deed (for so long as it remains in force and effect).

### **9.4 Statutory powers**

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

## **10. ENFORCEMENT OF SECURITY**

### **10.1 General**

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the Effective Date.

- (b) Section 103 of the Act (restricting the power of sale) and section 93 of the Act (restricting the right of consolidation) do not apply to this Security.
- (c) The statutory powers of leasing conferred on the Security Agent are extended so as to authorise the Security Agent to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent may think fit and without the need to comply with any provision of section 99 or section 100 of the Act.

#### **10.2 No liability as mortgagee in possession**

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

#### **10.3 Privileges**

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

#### **10.4 Protection of third parties**

No person (including a purchaser) dealing with the Security Agent or a Receiver or their agents need enquire:

- (a) whether the Secured Liabilities have become payable;
- (b) whether any power which the Security Agent or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
- (c) whether any money remains due under the Finance Documents; or
- (d) how any money paid to the Security Agent or to that Receiver is to be applied.

#### **10.5 Redemption of prior mortgages**

- (a) At any time after this Security has become enforceable, the Security Agent may:
  - (i) redeem any prior Security against any Security Asset;
  - (ii) procure the transfer of that Security to itself; and/or
  - (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer (and any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the Chargor).
- (b) The Chargor shall pay to the Security Agent, immediately on demand, the costs and expenses incurred by the Security Agent in connection with any such redemption and/or transfer, including the payment of any principal or interest.

## **10.6 Contingencies**

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

## **10.7 Financial collateral**

- (a) To the extent that the Security Assets constitute "financial collateral" and this Deed and the obligations of the Chargor under this Deed constitute a "security financial collateral arrangement" (in each case, for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003), the Security Agent may after this Security has become enforceable appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Liabilities.
- (b) Where any financial collateral is appropriated:
  - (i) if it is cash, its value will be the amount standing to the credit of the relevant account on the date of appropriation plus any accrued but uncredited interest;
  - (ii) if it is listed or traded on a recognised exchange, its value will be taken as being the value at which it could have been sold on the exchange on the date of appropriation; or
  - (iii) in any other case, its value will be such amount as the Security Agent reasonably determines having taken into account advice obtained by it from an independent adviser, investment bank or accountancy firm of national standing selected by it,

and each Finance Party shall give credit for the proportion of the value of the financial collateral appropriated to its use.

## **10.8 Applying credit balances**

The Security Agent may at any time after this Security has become enforceable require the Account Bank in respect of a Restricted Account to pay any moneys (including interest) standing to the credit of that Restricted Account to the Security Agent or as the Security Agent may direct and the Security Agent may apply all or any part of those moneys against all or any part of the Secured Liabilities.

## **11. RECEIVER**

### **11.1 Appointment of Receiver**

- (a) Except as provided below, the Security Agent may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:
  - (i) this Security has become enforceable; or
  - (ii) the Chargor so requests the Security Agent in writing at any time.
- (b) Any appointment under paragraph (a) above shall be by deed, under seal or in writing under its hand.

- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the Act) does not apply to this Deed.
- (d) The Security Agent is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under part A1 of the Insolvency Act 1986 other than in respect of any floating charge referred to in subsection (4) of section A52 of part A1 of the Insolvency Act 1986.
- (e) The Security Agent shall not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Security Assets if the Security Agent is prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

## **11.2 Removal**

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

## **11.3 Remuneration**

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

## **11.4 Agent of the Chargor**

- (a) A Receiver will be deemed to be the agent of the Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. The Chargor shall be responsible for any contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver.
- (b) No Secured Party shall incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

## **11.5 Relationship with Security Agent**

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

# **12. POWERS OF RECEIVER**

## **12.1 General**

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause 12 in addition to those conferred on it by any law. This includes:
  - (i) in the case of an administrative receiver, all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986; and

- (ii) otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act 1986.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing it states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

## **12.2 Possession**

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

## **12.3 Carry on business**

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

## **12.4 Employees**

- (a) A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as it thinks fit.
- (b) A Receiver may discharge any person appointed by the Chargor.

## **12.5 Borrow money**

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

## **12.6 Sale of assets**

- (a) A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which it thinks fit.
- (b) The consideration for any such transaction may consist of cash or non-cash consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which it thinks fit.
- (c) Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the Chargor.

## **12.7 Leases**

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

## **12.8 Compromise**

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



## **12.9 Legal actions**

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

## **12.10 Receipts**

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

## **12.11 Subsidiaries**

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

## **12.12 Delegation**

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

## **12.13 Lending**

A Receiver may lend money or advance credit to any person.

## **12.14 Protection of assets**

A Receiver may:

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

in each case as it thinks fit.

## **12.15 Other powers**

A Receiver may:

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

### **13. APPLICATION OF PROCEEDS**

All amounts from time to time received or recovered by the Security Agent or any Receiver pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or any part of this Security shall be held by the Security Agent on trust and applied at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by law in the order of priority as set out in clause 15.1 (Order of applicable) of the Intercreditor Agreement.

### **14. EXPENSES AND INDEMNITY**

(a) The Chargor shall:

- (i) within five Business Days of demand, pay to the Security Agent the amount of all costs, losses, liabilities and expenses (including legal fees) reasonably incurred by the Security Agent or any Receiver in relation to any Finance Document (including the administration, protection, realisation, enforcement or preservation of any rights under or in connection with this Deed, or any consideration by the Security Agent as to whether to realise or enforce the same, and/or any amendment, waiver, consent or release of any Finance Document and/or any other document referred to in this Deed); and
- (ii) within five Business Days of demand, indemnify the Security Agent and any Receiver against any failure or delay in paying those costs or expenses.

(b) The provisions of clause 14.7 (VAT) of the Facility Agreement apply to this Deed as though they were set out in full in this Deed except that references to a Finance Party shall be construed as references to a Secured Party, a Receiver or a delegate or sub-delegate of the Security Agent or a Receiver.

### **15. DELEGATION**

#### **15.1 Power of Attorney**

The Security Agent or any Receiver may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any right, power, authority or discretion exercisable by it under this Deed.

#### **15.2 Terms**

Any such delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Security Agent or that Receiver (as the case may be) may think fit.

#### **15.3 Liability**

Neither the Security Agent nor any Receiver shall be bound to supervise, or will be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of any delegate or sub-delegate.

### **16. FURTHER ASSURANCES**

(a) The Chargor shall promptly take whatever action the Security Agent or a Receiver may reasonably require for:

- (i) creating, perfecting or protecting any security over any Security Asset; or
  - (ii) facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Security Agent or any Receiver or any of their respective delegates or sub-delegates in respect of any Security Asset.
- (b) The action that may be required under paragraph (a) above includes (without limitation):
  - (i) the execution of any mortgage, charge, transfer, conveyance, assignment or assurance in respect of any asset, whether to the Security Agent, its nominee or any other person; or
  - (ii) the giving of any notice, order or direction and the making of any filing or registration,which, in any such case, the Security Agent may consider necessary or desirable.

## **17. POWER OF ATTORNEY**

The Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any of their respective delegates or sub-delegates to be its attorney with the full power and authority of the Chargor to execute, deliver and perfect all deeds, instruments and other documents in its name and otherwise on its behalf and to do or cause to be done all acts and things, in each case, which may be required or which any attorney may, in its absolute discretion, deem necessary for carrying out any obligation of the Chargor under or pursuant to this Deed or generally for enabling the Security Agent or any Receiver to exercise the respective powers conferred on them under this Deed or by law. The Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 17.

## **18. PRESERVATION OF SECURITY**

### **18.1 Reinstatement**

If any discharge, release or arrangement (whether in respect of the obligations of the Chargor or any security for those obligations or otherwise) is made by a Secured Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, the liability of the Chargor under this Deed will continue or be reinstated as if the payment, discharge, release or arrangement had not occurred.

### **18.2 Waiver of defences**

The obligations of the Chargor under this Deed will not be affected by any act, omission, matter or thing which, but for this Clause 18, would reduce, release or prejudice any of its obligations under this Deed including (without limitation and whether or not known to it or any Secured Party):

- (a) any time, waiver or consent granted to, or composition or compromise with, the Chargor or other person;
- (b) the release of the Chargor or any other person under the terms of any composition, compromise or arrangement with any creditor;

- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, preserve or maintain, take up or enforce, any rights against, or security over assets of, the Chargor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargor or any other person;
- (e) any amendment, supplement, extension, restatement or replacement of any Finance Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (f) any unenforceability, illegality, invalidity or non-provability of any obligation of any person under any Finance Document or any other document or security; or
- (g) any insolvency, resolution, moratorium or similar proceedings.

### **18.3 Chargor intent**

- (a) Without prejudice to the generality of Clause 18.2 (Waiver of defences), the Chargor acknowledges that the Finance Documents may from time to time be amended.
- (b) The Chargor confirms its intention that:
  - (i) any amendment, variation, increase, extension or addition to a Finance Document is within the scope of the Secured Liabilities and this Security; and
  - (ii) the Secured Liabilities and this Security extend to any amount payable by the Chargor under or in connection with a Finance Document as amended.
- (c) The Chargor agrees that the confirmations in paragraph (b) above apply regardless of:
  - (i) why or how a Finance Document is amended (including the extent of the amendment and any change in or addition to the parties);
  - (ii) whether any amount payable by the Chargor under or in connection with the amended Finance Document in any way relates to any amount that would or may have been payable had the amendment not taken place;
  - (iii) the extent to which the Chargor's liability under this Deed (whether present or future, actual or contingent), or any right it may have as a result of entering into or performing its obligations under this Deed, changes or may change as a result of the amendment; and
  - (iv) whether the Chargor was aware of or consented to the amendment.

### **18.4 Immediate recourse**

The Chargor waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim

payment from any person before claiming from the Chargor under this Deed. This waiver applies irrespective of any law or provision of a Finance Document to the contrary.

### **18.5 Appropriations**

Each Secured Party (or any trustee or agent on its behalf) may at any time during the Security Period:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Secured Party (or trustee or agent) in respect of the Secured Liabilities or apply and enforce the same in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and the Chargor shall not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from the Chargor or on account of the Chargor's liability under this Deed.

### **18.6 Deferral of Chargor's rights**

Unless the Security Period has expired or the Security Agent otherwise directs, the Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under the Finance Documents:

- (a) to be indemnified by the Chargor;
- (b) to claim any contribution from any other person who has provided security or a guarantee in respect of the Chargor's obligations under the Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Secured Party;
- (d) to bring legal or other proceedings for an order requiring the Chargor to make any payment, or perform any obligation, in respect of which the Chargor has granted security under this Deed;
- (e) to exercise any right of set-off against the Chargor; and/or
- (f) to claim or prove as a creditor of the Chargor in competition with any Secured Party.

If the Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Parties by the Chargor under or in connection with the Finance Documents to be repaid in full on trust for the Secured Parties and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with the terms of this Deed.

### **18.7 Additional Security**

- (a) This Security is in addition to and is not in any way prejudiced by any other security or guarantee now or subsequently held by any Secured Party.

- (b) No prior security held by any Secured Party (in its capacity as such or otherwise) over any Security Asset will merge with this Security.

## **19. MISCELLANEOUS**

### **19.1 Continuing Security**

This Security is a continuing security and shall extend to the ultimate balance of the Secured Liabilities regardless of any intermediate payment or discharge in whole or in part.

### **19.2 Tacking**

Each Lender shall perform its obligations under the Facility Agreement (including any obligation to make available further advances).

### **19.3 New Accounts**

- (a) If any subsequent charge or other interest affects any Security Asset, a Secured Party may open a new account with the Chargor.
- (b) If that Secured Party does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest.
- (c) As from that time all payments made to that Secured Party will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability.

### **19.4 Time deposits**

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

- (a) this Security has become enforceable; and
- (b) no Secured Liability is due and payable,

that time deposit shall automatically be renewed for any further maturity which that Secured Party considers appropriate.

### **19.5 Notice to Chargor**

This Deed constitutes notice in writing to the Chargor of any charge or assignment by way of security that may at any time be created or made under any Transaction Security Document by any member of the Group in respect of any obligation or liability under any agreement, instrument or other document to which that member of the Group is a party.

## **20. CONTRACTUAL RECOGNITION OF BAIL-IN**

### **20.1 Definitions**

In this Clause 20:

**Article 55 BRRD** means Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

**Bail-In Action** means the exercise of any Write-down and Conversion Powers.

**Bail-In Legislation** means:

- (a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time;
- (b) in relation to the United Kingdom, the UK Bail-In Legislation; and
- (c) in relation to any state other than such an EEA Member Country and the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation.

**EEA Member Country** means any member state of the European Union, Iceland, Liechtenstein and Norway.

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

**Resolution Authority** means any body which has authority to exercise any Write-down and Conversion Powers.

**UK Bail-In Legislation** means Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

**Write-down and Conversion Powers** means:

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

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

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

## **20.2 Bail-in**

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

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
  - (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
  - (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
  - (iii) a cancellation of any such liability; and
- (b) a variation of any term of this Deed to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

## **21. RELEASE**

- (a) At the end of the Security Period, the Security Agent shall, at the request and cost of the Chargor, take whatever action is necessary to release the Security Assets from this Security.
- (b) The Security over any Security Assets which is the subject of a Non-Distressed Disposal will be promptly released by the Security Agent upon request of the Chargor. The Security Agent is hereby authorised by each Secured Party and every party to this Deed to take all steps that it considers necessary or desirable to effect such release and without the need for any further referral or authority from any person.
- (c) If the Non-Distressed Disposal for which a release is requested pursuant to paragraph (b) above is not made, that release shall have no effect and the Security subject to the release shall continue in such force and effect as if that release had not been effected.

## **22. GOVERNING LAW**

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



## **23. ENFORCEMENT**

### **23.1 Jurisdiction**

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or the consequences of its nullity or any non-contractual obligation arising out of or in connection with this Deed) (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.
- (c) Notwithstanding paragraphs (a) and (b) above, to the extent allowed by law:
  - (i) no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction; and
  - (ii) the Secured Parties may take concurrent proceedings in any number of jurisdictions.

**This Deed has been executed as a deed and delivered by the Chargor on the date stated at the beginning of this Deed.**

## SCHEDULE 1

### SECURITY ASSETS

Name of Issuer	No. and Type of Shares	Held in Certificated Form
Portsmouth Water Holdings Limited	20,000,103 £1 ordinary shares fully paid up	Yes

### ASSIGNED RELEVANT CONTRACTS

An intercompany loan of up to £50,000,000 dated 2 March 2021 between Portsmouth Water Holdings Limited as Borrower and Brockhampton Holdings Limited as lender.

### BANK ACCOUNTS

Bank	Sort Code	Account No.	Name of Account
Lloyds Bank	30-80-12	■■■■9060	Brockhampton Holdings Limited
Lloyds Bank	LOYD GB 22 TSY	■■■■■■■■■■ ■■■■■■■■■■SYLN	BROCKH_HGB

## SCHEDULE 2

### EXCLUDED ASSETS

#### Solar Business assets

No.	Solar Business Assets
1.	the Good Energy Limited SmartGen Scheme power purchase agreement between Brockhampton Holdings Limited and George Booster (Generator ID: 2000055407123) and any agreements, notices and/or documents ancillary thereto.
2.	Eastergate (Generator ID: 200005407160); Hoads Hill (Generator ID: 200055407114) and any agreements, notices and/or documents ancillary thereto.
3.	Bedhampton Pumping Station (Generator ID: 200005547090), dated 26.08.16 and any agreements, notices and/or documents ancillary thereto.
4.	George Booster solar array and all fixtures, fittings, plant and machinery and contracts related thereto including (but not limited to): Solar panels (198), inverters (3), distribution board & equipment, pyranometer, emergency relay/switch, generation meter, solar data logger, security fencing, CCTV cameras, mountings & recording equipment, solar panel mountings and fixtures, cables and ducting.
5.	Eastergate solar array and all fixtures, fittings, plant and machinery and contracts related thereto including (but not limited to): Solar panels (198), inverters (3), distribution board & equipment, emergency relay/switch, generation meter, solar data logger, security fencing, CCTV cameras, mountings & recording equipment, solar panel mountings and fixtures, cables and ducting.
6.	Hoads Hill solar array and all fixtures, fittings, plant and machinery and contracts related thereto including (but not limited to): Solar panels (198), inverters (3), distribution board & equipment, pyranometer, emergency relay/switch, generation meter, solar data logger, security fencing, CCTV cameras, mountings & recording equipment, solar panel mountings and fixtures, cables and ducting.
7.	Bedhampton Pumping Station solar array and all fixtures, fittings, plant and machinery and contracts related thereto including (but not limited to): Solar panels (198), inverters (3), distribution board & equipment, emergency relay/switch, generation meter, solar data logger, security fencing, CCTV cameras, mountings & recording equipment, solar panel mountings and fixtures, cables and ducting.
8.	River Itchen Water Treatment Works solar array and all fixtures, fittings, plant and machinery and contracts related thereto including (but not limited to): Solar panels (198), inverters (3), distribution board & equipment, emergency relay/switch, generation meter, solar data logger, security fencing, CCTV cameras, mountings & recording equipment, solar panel mountings and fixtures, cables and ducting.
9.	Farlington Water Treatment Works solar array and all fixtures, fittings, plant and machinery and contracts related thereto including (but not limited to): Solar panels (198), inverters (3), distribution board & equipment, emergency relay/switch, generation meter, solar data

logger, security fencing, CCTV cameras, mountings & recording equipment, solar panel mountings and fixtures, cables and ducting.
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### Real-Estate Business Real Estate

No.	Land title	Address	Description of Land	Title Number
1.	Lovedean Reservoir and any assets and agreements related thereto	Lovedean Lane, Waterlooville, Hampshire PO8 9RX	Agricultural land	Not registered
2.	Solent Road and any assets and agreements related thereto	Solent Road, Havant PO9 1DQ	Field	SH47911
3.	Red Barn Tanks and any assets and agreements related thereto	Red Barn Lane, Fareham, Hampshire	Field	Not registered

### Real-Estate Business rental contracts

No.	Property	Contract details
1.	Hoads Hill Reservoir	A lease for the land at Hoads Hill Reservoir between the Borrower and PWL relating to a solar panel site dated 12 December 2011, any ancillary documents related thereto and receivables thereunder.
2.	River Itchen Water Treatment Works	A lease for the land at River Itchen Water Treatment Works between the Borrower and PWL relating to a solar panel site dated 12 December 2011, any ancillary documents related thereto and receivables thereunder.
3.	Farlington Water Treatment Works	A lease for the land at Farlington Water Treatment Works between the Borrower and PWL relating to a solar panel site dated 12 December 2011, any ancillary documents related thereto and receivables thereunder.
4.	George Booster	A lease for the land at George Booster between the Borrower and BPI relating to a solar panel site dated 12 December 2011, any ancillary documents related thereto and receivables thereunder.
5.	Eastergate	A lease for the land at Eastergate between the Borrower and PWL relating to a solar panel site dated 12 December 2011, any ancillary documents related thereto and receivables thereunder.

6.	Bedhampton Pumping Station	A lease for the land at Bedhampton Pumping Station between the Borrower and PWL relating to a solar panel site dated 12 December 2011, any ancillary documents related thereto and receivables thereunder.
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#### **Intercompany loans**

<b>Borrower</b>	<b>Lender</b>	<b>Date</b>	<b>Amount</b>
South Downs Limited	Brockhampton Holdings Limited	29/05/2003	£ 1,745,000.00
South Downs Limited	Brockhampton Holdings Limited	28/09/2005	£ 900,000.00
South Downs Limited	Brockhampton Holdings Limited	06/09/2007	£ 737,000.00
South Downs Limited	Brockhampton Holdings Limited	30/06/2018	£ 400,000.00

#### **Intercompany trading balance**

Brockhampton Holdings Limited to Portsmouth Water Limited: £5,047.00

Brockhampton Holdings Limited to South Downs Limited: £80,182.00

Brockhampton Holdings Limited to Brockhampton Property Investments Limited: £16,666.00

### SCHEDULE 3

#### FORMS OF LETTER FOR ACCOUNT BANK

##### PART 1

##### NOTICE TO ACCOUNT BANK

To: [Account Bank]

Copy: [Security Agent] (as Security Agent)

Dated:

Security Agreement dated [ ] between [ ]  
and [ ] (the Security Agreement)

This letter constitutes notice to you that under the Security Agreement we (the **Chargor**) have charged (by way of a first fixed charge) in favour of [Security Agent] (as trustee for the Secured Parties as referred to in the Security Agreement, the **Security Agent**) all our rights in respect of the account maintained by us with you (Account no. [ ] sort code [ ]) (the **Restricted Account**), any amount standing to the credit of that account and the debt represented by that account.

We irrevocably instruct and authorise you to:

- (a) comply with the terms of any written notice or instruction relating to the Restricted Account received by you from the Security Agent;
- (b) hold all sums standing to the credit of the Restricted Account to the order of the Security Agent; and
- (c) pay or release any sum standing to the credit of the Restricted Account in accordance with the written instructions of the Security Agent.

We acknowledge that you may comply with the instructions in this letter without any further permission from us or enquiry by you.

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

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

Please confirm your agreement to the above by signing the attached acknowledgement and returning it to the Security Agent at [ADDRESS] with a copy to us.

Yours faithfully

.....  
(Authorised Signatory)

[Chargor]

## PART 2

### ACKNOWLEDGEMENT OF ACCOUNT BANK

To: [Security Agent] (as Security Agent)

Copy: [Chargor]

Dated:

Security Agreement dated [ ] between [ ]  
and [ ] (the Security Agreement)

We confirm receipt from [ ] (the **Chargor**) of a notice dated [ ] of a charge upon the terms of the Security Agreement over all the rights of the Chargor to its account with us (Account no. [ ], sort code [ ]) (the **Restricted Account**), any amount standing to the credit of that account and the debt represented by that account.

We confirm that we:

- (d) have not received notice of the interest of any third party in the Restricted Account; and
- (e) have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of the Restricted Account.

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

Yours faithfully

.....  
(Authorised signatory)

[Account Bank]

## SCHEDULE 4

### FORMS OF LETTER FOR ASSIGNED RELEVANT CONTRACTS

#### PART 1

#### NOTICE TO COUNTERPARTY

To: [Counterparty]

Copy: [Security Agent] (as Security Agent)

Dated:

**Security Agreement dated [                      ] between [                      ]  
and [                      ] (the Security Agreement)**

1. This letter constitutes notice to you that under the Security Agreement we have assigned by way of security to [Security Agent] (as trustee for the Secured Parties as referred to in the Security Agreement, the **Security Agent**) all our rights in respect of [insert details of Contract] (the **Contract**).
2. Until you receive written instructions from the Security Agent to the contrary, all moneys payable by you to the Chargor in respect of the Contract shall be paid to the account notified to you by the Chargor.
3. [We confirm that:
  - (a) we will remain liable under the Contract to perform all the obligations assumed by us under the Contract; and
  - (b) none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Contract.
4. We irrevocably instruct and authorise you to disclose to the Security Agent any information relating to the Contract requested from you by the Security Agent.]<sup>1</sup>
5. [Subject to any applicable legislation and despite the assignments referred to above, all sums in respect of any claim under any third party Insurance by an insured party shall be paid:
  - (a) directly to the person whose claim(s) constitute(s) the risk or liability insured against, provided that such person has executed a discharge of all claims against each insured party in respect of the risk or liability in relation to which the claim was made; or
  - (b) (despite any policy term to the contrary) to the extent that insurers accept liability to indemnify the insured party in respect of the claims or liabilities which the insured party has settled directly with the claimant, to the relevant insured party.]<sup>2</sup>

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<sup>1</sup> Only include for notices in relation to Intra-Group Loans.

<sup>2</sup> Only include for notices in relation to insurances.



6. We will also remain entitled to exercise all our rights, powers and discretions under the Contract and you should continue to make payments and send communications under the Contract to us, unless and until you receive notice from the Security Agent to the contrary stating that the security under the Security Agreement has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and all payments shall be made and all communications shall be sent, to the Security Agent or as it directs. The contact details for the Security Agent are as set out below or as otherwise notified to you from time to time by it. However, we have agreed with the Security Agent that in no event will we amend or waive any provision of, or terminate, the Contract without its prior consent.
7. The instructions in this letter may not be revoked or amended without the prior consent of the Security Agent and you may comply with them without further permission from us or enquiry by you.
8. This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.
9. Please acknowledge receipt of this letter by signing the attached acknowledgement and confirm that:
  - (a) [until we receive written instructions to the contrary, all moneys payable by us to the Chargor in respect of the Agreements shall be paid to the account notified to us by the Chargor;
  - (b) you have not received any other notice of any assignment of a Receivable; ]<sup>3</sup>
  - (c) [you have not received any other notice of any assignment of any insurance or of any other interest of any third party in any insurance, in each case in relation to us;]<sup>4</sup>
  - (d) you will not claim or exercise any set-off or counterclaim in respect of any [[Receivable]/[insurance]]<sup>5</sup>; and
  - (e) you will comply with the other provisions of this notice of assignment,and returning it to the Security Agent at [ADDRESS], with a copy to us.

Yours faithfully

.....  
(Authorised signatory)

[Chargor]

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<sup>3</sup> Only include for notices in relation to Intra-Group Loans.

<sup>4</sup> Only include for notices in relation to insurances.

<sup>5</sup> Delete as applicable.

## PART 2

### ACKNOWLEDGEMENT OF COUNTERPARTY

To: [Security Agent] (as Security Agent)

Copy: [Chargor]

Dated:

**Security Agreement dated [ ] between [ ]**  
**and [ ] (the Security Agreement)**

We confirm receipt from [ ] (the **Chargor**) of a notice dated [ ] of an assignment on the terms of the Security Agreement of all the Chargor's rights in respect of [insert details of the Contract] (the **Contract**).

We confirm each of the matters referred to in paragraphs [(a) – (c)] of paragraph [7]<sup>6</sup> of the notice of assignment.:

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

Yours faithfully

.....  
(Authorised signatory)

[Contract counterparty]

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<sup>6</sup> Amend references as applicable.

## SIGNATORIES

### Chargor

**EXECUTED** and **DELIVERED** as a **DEED**  
for and on behalf of  
**BROCKHAMPTON HOLDINGS LIMITED**  
as the **Company and Debtor**

By: 

Name: **John Christopher Milner**

Title: Director

By:  \_\_\_\_\_

Name: **Colin Robert Taylor**

Title: Director

**Security Agent**

**EXECUTED** as a **DEED** )  
by **NATIONAL WESTMINSTER BANK PLC** )  
in its capacity as Security Agent )  
acting by \_\_\_\_\_ )  
an authorised attorney )  
in the presence of: )

Name: Tony Bennett

Occupation: Director

Address: 250 Bishopsgate, London EC2m 4AA