



Registration of a Charge

Company name: **VIRTALIS LIMITED**

Company number: **04646508**

Received for Electronic Filing: **04/07/2017**



X69YJHDM

Details of Charge

Date of creation: **28/06/2017**

Charge code: **0464 6508 0006**

Persons entitled: **SANTANDER UK PLC**

Brief description: **THE 1,000 SHARES IN VIRTALIS INC., A DELAWARE CORPORATION SET FORTH IN SCHEDULE 1 OF THE STOCK PLEDGE AGREEMENT DATED 28 JUNE 2017.**

Contains fixed charge(s).

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 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **GUNNERCOOKE LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4646508

Charge code: 0464 6508 0006

The Registrar of Companies for England and Wales hereby certifies that a charge dated 28th June 2017 and created by VIRTUALIS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 4th July 2017 .

Given at Companies House, Cardiff on 6th July 2017

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

STOCK PLEDGE AGREEMENT

This Stock Pledge Agreement ("Agreement") is made as of this 28th day of June, 2017, by Virtualis Limited, a company incorporated in England under company number 04646508, (hereinafter referred to as the "Pledgor"), to Santander UK plc (the "Lender").

A. Pledgor is the owner of the number of shares in Virtualis Inc., a Delaware corporation ("Issuer"), set forth on the attached Schedule 1 (the "Shares"), constituting 100% of the issued and outstanding shares of capital stock of the Issuer. Lender is contemporaneously with the execution of this Agreement and/or may in the future make loans to Arthur VR Limited, a company incorporated in England under company number 10782283 (the "Borrower") pursuant to (i) the term loan facility agreement dated as of even date herewith by and between the Borrower and the Lender, as amended or otherwise modified from time to time (the "Term Loan Agreement") and (ii) the revolving loan facility agreement dated as of even date herewith and made between the Borrower and the Lender as the same may be amended or otherwise modified from time to time (the "Revolving Loan Agreement") (the Term Loan Agreement and the Revolving Loan Agreement, together the "Loan Agreements" and each a "Loan Agreement").

B. The extension and/or continued extension of credit, as aforesaid, by Lender is necessary and desirable to the conduct and operation of the business of Issuer and will inure to the personal and financial benefit of Pledgor.

C. It is a condition precedent to each of the Loan Agreements that the Pledgor shall make the pledge contemplated by this Agreement.

NOW, THEREFORE, in consideration of the premises and in order to induce the Lender to enter into each Loan Agreement, the Pledgor hereby covenants to the Lender as follows:

SECTION 1. Pledge. The Pledgor hereby pledges to the Lender and grants to the Lender a security interest in all of the Pledgor's now owned or hereinafter acquired right, title and interest in and to the following (the "Pledged Collateral"):

- (a) the Shares described in Schedule 1 hereto;
- (b) the proceeds, if and when received, of the Shares and other instruments and documents representing the Shares, and all dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Shares;
- (c) the proceeds, if and when received, of all additional shares of stock of the Issuer of the Shares from time to time acquired by the Pledgor in any manner, the certificates and other instruments and documents representing such additional shares, and all dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such shares;

(d) the proceeds, if and when received, of all shares of stock from time to time received or acquired by the Pledgor in any manner resulting from the acquisition or formation by the issuer of the Shares of a subsidiary, the certificates and other instruments and documents representing such shares and all dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such shares; and

(e) all other property hereafter delivered to the Lender in substitution for or in addition to any of the foregoing, all certificates, certificates of deposit, notes, instruments and documents representing or evidencing such property, and all cash, securities, interest, dividends, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all thereof.

SECTION 2. Security for Obligations. This Agreement secures the payment and performance of all of the obligations and indebtedness under each of the Loan Agreements and of all Pledgor's obligations under this Agreement (the "**Obligations**"). For the purposes of this Agreement, the term "**Event of Default**" has the meaning given to such terms in the Loan Agreements and any other Finance Document (as defined in each Loan Agreement), subject to any applicable notice and cure provisions contained in each Loan Agreement.

SECTION 3. Delivery of Pledged Collateral. All share certificates or instruments representing or evidencing the Pledged Collateral shall be delivered to and held by the Lender pursuant hereto and shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Lender. The Lender shall have the right, at any time after the occurrence of an Event of Default, in its discretion, to transfer to or to register in the name of the Lender or any of its nominees any or all of the Pledged Collateral.

SECTION 4. Representations and Warranties. The Pledgor represents and warrants as follows:

(a) The Shares have been duly authorized and validly issued and are fully paid and non-assessable.

(b) The Pledgor is and will be at all times the legal and beneficial owner of the Shares and the Pledged Collateral free and clear of any lien, security interest, option or other charge or encumbrance, except for security interests created in favor of the Lender.

(c) The pledge pursuant to this Agreement of any Pledged Collateral coupled with the execution of blank stock powers, creates or will create a valid and perfected first priority security interest in the Pledged Collateral, securing the payment of the Obligations.

(d) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either (i) for the pledge by the Pledgor of the Pledged Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by the Pledgor or (ii) for the exercise by the Lender of the rights provided for in this Agreement or the remedies in respect of the Pledged Collateral pursuant to

this Agreement (except as may be required in connection with such disposition by laws affecting the foreclosure of security interests generally).

(e) The certificate numbers and other information concerning the Shares are contained in Schedule I attached hereto and incorporated herein.

SECTION 5. Further Assurances. The Pledgor agrees that at any time and from time to time, at the expense of the Pledgor, the Pledgor will promptly execute and deliver all further instruments, certificates and documents and take all further action that may be reasonably necessary or desirable or that the Lender may reasonably request in order to perfect and protect any security interest granted or purported to be granted hereby or to enable the Lender to exercise and enforce its rights and remedies hereunder and under the Finance Documents and any guaranty executed by Pledgor in favor of Lender with respect to any Pledged Collateral.

SECTION 6. Pledgor's Rights; Dividends; Etc. (a) So long as no Event of Default shall have occurred and be continuing:

(i) The Pledgor shall be entitled to exercise any rights pertaining to the Pledged Collateral or any part thereof for any purpose not inconsistent with the terms of this Agreement including the right to vote the Shares for any purpose allowed under the Issuer's Articles of Incorporation, Bylaws or applicable law; provided, however, that the Pledgor shall not exercise or refrain from exercising any such right if, in the Lender's reasonable judgment, such action would have a material adverse effect on the value of the Pledged Collateral or any part thereof, and provided further, that the Pledgor shall give the Lender at least five (5) days' prior written notice of the manner in which it intends to exercise, or the reasons for refraining from exercising, any such right which it reasonably believes could have a material adverse effect on the value of the Pledged Collateral.

(ii) The Pledgor shall be entitled to receive and retain any and all interest, dividends and distributions in respect of the Pledged Collateral; provided, however, that any and all:

(A) proceeds, distributions and interest paid or payable other than in cash in respect of, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for, any Pledged Collateral;

(B) proceeds and distributions paid or payable in cash in respect of any Pledged Collateral in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in surplus; and

(C) cash paid, payable or otherwise distributed in respect of principal of, or in redemption of, or in exchange for the Shares or any Pledged Collateral,

shall be, and shall be forthwith delivered to the Lender to hold as, Pledged Collateral and shall, if and when received by the Pledgor, be received in trust for the benefit of the Lender, be segregated from the other property or funds of the Pledgor, and be forthwith delivered to the Lender as Pledged Collateral in the same form as so received (with any necessary endorsement).

(b) Upon the occurrence and during the continuance of an Event of Default:

(i) All rights of the Pledgor to receive the interest, dividends and distributions on the Pledged Collateral which Pledgor would otherwise be authorized to receive and retain pursuant to Section 6(a)(ii) shall cease, and all such rights shall thereupon become vested in the Lender which shall thereupon have the sole right to receive and hold as Pledged Collateral such dividends, interest, distributions and payments.

(ii) All interest, dividends, distributions and payments which are received by the Pledgor contrary to the provisions of paragraph (i) of this Section 6(b) shall be received in trust for the benefit of the Lender, shall be segregated from other funds of the Pledgor and shall be forthwith paid over to the Lender as Pledged Collateral in the same form as so received (with any necessary endorsement).

SECTION 7. Transfers and Other Liens; Notice to Prior Secured Party. The Pledgor agrees that Pledgor will not create or permit to exist any lien, security interest, or other charge or encumbrance upon or with respect to the Shares or any of the Pledged Collateral, except for the security interest under this Agreement.

SECTION 8. Lender Appointed Attorney-in-Fact. Upon the occurrence of an Event of Default, the Pledgor hereby irrevocably appoints the Lender the Pledgor's attorney-in-fact, with full authority in the place and stead of the Pledgor and in the name of the Pledgor or otherwise, from time to time in the Lender's discretion, to take any action and to execute any instrument which the Lender may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, to demand, receive, endorse, hold and collect all instruments made payable to the Pledgor representing any dividend or other distribution in respect of the Pledged Collateral or any part thereof and to give full discharge for the same.

SECTION 9. Lender May Perform. If the Pledgor fails to perform any agreement contained herein, the Lender may itself perform, or cause performance of, such agreement, and the reasonable expenses of the Lender incurred in connection therewith shall be payable by the Pledgor in accordance with Section 13.

SECTION 10. Reasonable Care. The Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Pledged Collateral in its possession if the Pledged Collateral is accorded treatment substantially equal to that which the Lender accords its own property, it being understood that the Lender shall have no responsibility for (a) ascertaining or taking action with respect to maturities, tenders or other matters relative to any Pledged Collateral, whether or not the Lender has or is deemed to have knowledge of such matters, or (b) taking any necessary steps to preserve rights against any parties with respect to any Pledged Collateral.

SECTION 11. Remedies. If any Event of Default shall have occurred and be continuing:

(a) The Lender may exercise in respect of the Pledged Collateral, in addition to other rights and remedies provided for herein and as otherwise available to it at law or in equity, all the rights and remedies of a secured party on default under the Uniform Commercial

Code in effect in the State of Delaware at that time, and the Lender may also, without notice as specified below, execute upon and apply (for itself or any designee it elects) the Pledged Collateral directly toward the payment of the Obligations, and sell the Pledged Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of the Lender's offices or elsewhere, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Lender may deem commercially reasonable. The Pledgor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days' notice to the Pledgor of the time and place of any public sale and one publication in a local newspaper, or at least ten (10) days' notice of the time after which any private sale is to be made, shall constitute reasonable notification. The Lender shall not be obligated to make any sale of Pledged Collateral regardless of notice of sale having been given. The Lender may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) Any cash held by the Lender as Pledged Collateral and all cash proceeds received by the Lender in respect of any sale of, collection from, or other realization upon all or any part of the Pledged Collateral may, in the discretion of the Lender, be held by the Lender as collateral for, and then or at any time thereafter applied (after payment of any amounts payable to the Lender pursuant to Section 13) in whole or in part by the Lender against, all or any part of the Obligations in such order as the Lender shall elect. Any surplus of such cash or cash proceeds held by the Lender and remaining after payment in full of all the Obligations shall be paid over to the Pledgor or to whomsoever may be lawfully entitled to receive such surplus.

SECTION 12. Indemnification. Neither the Lender, nor any director, officer, agent or employee of the Lender, shall be liable for any action taken or omitted to be taken by it or them hereunder or in connection therewith, except for its or their own gross negligence or willful misconduct. The Pledgor hereby agrees to indemnify and hold harmless the Lender and any such agent of Lender from and against any and all liability incurred by the Lender (or such agent) hereunder or in connection herewith, unless such liability shall be due to the gross negligence or willful misconduct on the part of the Lender or such agent.

SECTION 13. Expenses. The Pledgor will upon demand pay to the Lender the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, which the Lender may incur in connection with (a) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Pledged Collateral, (b) the exercise or enforcement of any of the rights of the Lender hereunder, or (c) the failure by Pledgor to perform or observe any of the provisions hereof.

SECTION 14. Security Interest Absolute. (a) All rights of the Lender and security interests hereunder, and all obligations of the Pledgor hereunder, shall be absolute and unconditional irrespective of:

(i) any lack of validity or enforceability of the Loan Agreements, the Finance Documents, any guaranty executed by Pledgor in favor of Lender or any other agreement or instrument relating to any of the foregoing;

(ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from the Loan Agreements, the Finance Documents, any guaranty executed by Pledgor in favor of Lender;

(iii) any exchange, release or non-perfection of any other collateral, or any release or amendment or waiver of or consent to departure from any guaranty, for all or any of the Obligations; or

(iv) any other circumstance which might otherwise constitute a defense available to, or a discharge of, the Pledgor or any other pledgor or any guarantor or comaker in respect of the Obligations or the Pledgor in respect of this Agreement.

(b) The Lender may, furthermore, from time to time, whether before or after any of the Obligations shall become due and payable, without notice to the Pledgor, take all or any of the following actions: (i) retain or obtain a security interest in any property, in addition to the Pledged Collateral, to secure any of the Obligations, (ii) retain or obtain the primary or secondary liability of any party or parties with respect to any of the Obligations, (iii) extend or renew for any period (whether or not longer than the original period) or exchange any of the Obligations or release or compromise any obligation of any nature of any party with respect thereto, (iv) surrender, release or exchange all or any part of any property, in addition to the Pledged Collateral, securing any of the Obligations, or compromise or extend or renew for any period (whether or not longer than the original period) any obligations of any nature of any party with respect to any such property, and (v) resort to the Pledged Collateral for payment of any of the Obligations whether or not it shall have resorted to any other property securing the Obligations or shall have proceeded against any party primarily or secondarily liable on any of the Obligations.

SECTION 15. Amendments; Etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by the Pledgor herefrom shall in any event be effective unless the same shall be in writing and signed by the Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 16. Addresses for Notices. All notices and other communications provided for hereunder shall be in writing and, if to the Pledgor, mailed, transmitted by facsimile or delivered to Pledgor, addressed to Pledgor, at:

Virtalis Limited
Chester House, 79 Dane Road
Sale, Cheshire M33 7BP
United Kingdom
Attention: David Cockburn-Price

and if to the Lender, mailed, transmitted by facsimile or delivered to it, addressed to:

Santander UK plc
298 Deansgate
Manchester M3 4HH
United Kingdom
Attn: Philip Mason

with a copy to

Gummercooke LLP
53 King Street
Manchester M2 4LQ
United Kingdom
Attn: Rob Fawke

or as to either party at such other address as shall be designated by such party in a written notice to each other party complying as to delivery with the terms of this Section. All such notices and other communications shall, when mailed or telegraphed, respectively, be effective when deposited in the mails, addressed as stated above.

SECTION 17. Continuing Security Interest. This Agreement shall create a continuing security interest in the Pledged Collateral and shall (a) remain in full force and effect until payment in full of the Obligations and the termination of any commitment by the Lender with respect thereto, (b) be binding upon the Pledgor, the Pledgor's successors, transferees and assigns, and (c) inure, together with the rights and remedies of the Lender hereunder, to the benefit of the Lender and its successors, transferees and assigns.

SECTION 18. Governing Law; Terms. This Agreement shall be effective upon delivery to the Lender, without further act, condition or acceptance by the Lender. Any invalidity or unenforceability of any provision or application of this Agreement shall not affect other lawful provisions and application thereof, and to this end the provisions of this Agreement are declared to be severable. This Agreement may not be waived, modified, amended, terminated, released or otherwise changed except by a writing signed by the Pledgor and the Lender. This Agreement shall be governed by and construed in accordance with the substantive laws (other than conflict laws) of the State of Delaware. The Pledgor (i) consents to the personal jurisdiction of the state and federal courts located in the State of Delaware in connection with any controversy related to this Agreement; (ii) waives any argument that venue in any such forum is not convenient, (iii) agrees that any litigation initiated by the Lender or the undersigned in connection with this Agreement may be venued in either the state courts or Federal Court located in Wilmington, Delaware; and (iv) agrees that a final judgment in any such suit, action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

SECTION 19. Trial By Jury. **THE PLEDGOR WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY CLAIM, COUNTERCLAIM, ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.**

[signature page to follow]

IN WITNESS WHEREOF, the Pledgor has executed this Agreement as of the date first written above, in his individual capacity

PLEDGOR:

VIRTUALIS LIMITED

BY: 

David Charles Cockburn-Price
ITS: CEO

SCHEDULE 1

Non-Rule 144 Securities:

Issuer	Registered Owner	No. of Shares	Certificate Number
Virtalis Inc.	Virtalis Limited	1,000	

STOCK POWER

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers unto _____ () Shares of the common stock of Virtualis Inc., standing in his/her/its name on the books of said corporation represented by Certificate No. _____ herewith and does hereby irrevocably constitute and appoint _____ attorney to transfer the said stock on the books of the within named Issuer with full power of substitution in the premises.

Dated _____, _____

In Presence of:

Witness

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4823-6338-4139, v. 3