### MR01
Particulars of a charge

This form must be delivered to the Registrar for registration within 21 days beginning with the day after the date of creation of the charge. If delivered outside of the 21 days it will be rejected unless it is accompanied by a court order extending the time for delivery.

- You must enclose a certified copy of the instrument with this form. This will be scanned and placed on the public record. Do not send the original.

#### Company details

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<td>Company name in full</td>
<td>WOOLFORD PROPERTIES LIMITED</td>
</tr>
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#### Charge creation date

| Charge creation date | 0 5 0 4 0 1 0 9 |

#### Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees entitled to the charge.

| Name | MIDCAP FINANCIAL (IRELAND) LIMITED |

If there are more than four names, please supply any four of these names then tick the statement below.

- [ ] I confirm that there are more than four persons, security agents or trustees entitled to the charge.
MR01
Particulars of a charge

4 Brief description
Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument.

Brief description
The instrument contains charges (not expressed to be floating charges) over all of the Chargor's rights in any land and intellectual property, including specifically the land with title number WR76447 at Baldwin Road, Stourport-On-Severn, DY13 9BB. See the instrument for more details.

Please submit only a short description if there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument".
Please limit the description to the available space.

5 Other charge or fixed security
Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box.

☐ Yes
☐ No

6 Floating charge
Is the instrument expressed to contain a floating charge? Please tick the appropriate box.

☐ Yes Continue
☐ No Go to Section 7

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ Yes

7 Negative Pledge
Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box.

☐ Yes
☐ No

8 Trustee statement
You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge.

☐

This statement may be filed after the registration of the charge (use form MR06).

9 Signature
Please sign the form here.

Signature

X

This form must be signed by a person with an interest in the charge.

06/16 Version 2.1
MR01
Particulars of a charge

Presenter information
You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name: Jacqueline Cheung
Company name: Mayer Brown International LLP
Address: 201 Bishopsgate

Post town: London
County/Region: EC2M
Postcode: EC2M 3AF
Country: DX: DX 556 London and City
Telephone: 020 3130 3260

Certificate
We will send your certificate to the presenter’s address if given above or to the company’s Registered Office if you have left the presenter’s information blank.

Checklist
We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:
☐ The company name and number match the information held on the public Register.
☐ You have included a certified copy of the instrument with this form.
☐ You have entered the date on which the charge was created.
☐ You have shown the names of persons entitled to the charge.
☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8.
☐ You have given a description in Section 4, if appropriate.
☐ You have signed the form.
☐ You have enclosed the correct fee.
☐ Please do not send the original instrument; it must be a certified copy.

Important information
Please note that all information on this form will appear on the public record.

How to pay
A fee of £23 is payable to Companies House in respect of each mortgage or charge filed on paper.
Make cheques or postal orders payable to 'Companies House'.

Where to send
You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below:

For companies registered in England and Wales:
The Registrar of Companies, Companies House, Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

For companies registered in Scotland:
The Registrar of Companies, Companies House, Fourth floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1 or LP - 4 Edinburgh 2 (Legal Post).

For companies registered in Northern Ireland:
The Registrar of Companies, Companies House, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.

Further information
For further information, please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

This form has been provided free of charge by Companies House.
CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4623971

Charge code: 0462 3971 0007

The Registrar of Companies for England and Wales hereby certifies that a charge dated 5th April 2019 and created by WOOLFORD PROPERTIES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 15th April 2019.

Given at Companies House, Cardiff on 25th April 2019
EXECUTION VERSION

Dated 5 April 2019

(1) ARLINGTON INDUSTRIES GROUP LIMITED and the other persons listed in Schedule 1 as Initial Chargors

(2) MIDCAP FINANCIAL (IRELAND) LIMITED as Security Agent

ENGLISH SECURITY AGREEMENT
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THIS SECURITY AGREEMENT is dated 5 April 2019 and made between:

(1) THE PERSONS listed in Schedule 1 (The Initial Chargors) (each an "Initial Chargor" and together the "Initial Chargors"); and

(2) MIDCAP FINANCIAL (IRELAND) LIMITED, as trustee for the Secured Parties (the "Security Agent").

BACKGROUND:

(A) By a facilities agreement made on or about the date of this Security Agreement between amongst others (1) the persons listed in Schedule 1 to this Security Agreement as borrowers and (2) the Security Agent (the "Facilities Agreement"), revolving and term loan facilities of up to £95,000,000 have been provided by the Lenders to the Borrowers on the terms of the Facilities Agreement.

(B) The provision of this Security Agreement is a condition precedent to the obligations of the Lenders under the Facilities Agreement. This is Security Agreement is a Transaction Document as defined in the Facilities Agreement.

(C) The Security Agent holds the Security Trust Property on trust for the Secured Parties on the terms set out in the Facilities Agreement and Clause 29 (The Security Agent).

(D) This document is the deed of each Chargor, even if it has not been duly executed by the Security Agent or has been executed by the Security Agent but not as a deed.

THIS DEED WITNESSES that:

1. DEFINITIONS AND INTERPRETATION

1.1 Terms defined in the Facilities Agreement

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

1.2 Definitions

In addition, in this Security Agreement:

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

"Account Debtor" has the meaning given to it in the Facilities Agreement.

"Additional Chargor" means any person which becomes a Chargor pursuant to Clause 24.2 (Accession of Additional Chargors).

"Administrator" means any administrator appointed under this Security Agreement to manage the affairs, business and assets of any Chargor.
"Assigned Document" means any document rights under which are from time to time assigned under this Security Agreement.

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

"Company" means each wholly owned Subsidiary of a Chargor, whose shares are being charged as listed in Schedule 3, Part 2 (Specified Investments).

"Default" means an Event of Default or any event or circumstance specified in clause 24 (Events of Default) of the Facilities Agreement which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

"Deposit Account Control Agreement" has the meaning given to it in the Facilities Agreement.

"Discharge Date" has the meaning given to it in Clause 21.1 (Definitions relating to release of this Security).

"English Collection Account" means any bank account that may be maintained by any English Obligor into which Receivables of such English Obligor are, or are to be, paid or credited from time to time being, at the date of this Security Agreement, those accounts the details of which are set out in Schedule 3, Part 1 (English Collection Accounts) and, subsequently, any bank account designated as an "English Collection Account" from time to time by the Security Agent and the Parent (or any bank account specified in the applicable schedule in any Accession Deed);

"Equipment" means all present and future plant machinery, equipment, tools, furniture, furnishings, vehicles, computers and computer hardware and software (whether owned or licensed) and other chattels of any kind (except Inventory and fixtures together with all present and future additions thereto and replacements therefor, component and auxiliary parts and supplies used or to be used in connection therewith and all substitutes for any of the foregoing, and all manuals, drawings, instructions, warranties and rights with respect thereto, wherever any of the foregoing is located. In relation to an Asset Obligor, "its Equipment" means all Equipment in which it has any rights.

"Facilities Agreement" has the meaning given to it in Recital (A).

"Finance Documents" has the meaning given to it in the Facilities Agreement and includes the Facilities Agreement and this Security Agreement.

"Finance Parties" has the meaning given to it in the Facilities Agreement and includes the Lenders and the Security Agent.

"Fixtures" means all fixtures and fittings which form part of any real estate.

"Headlease" means a Lease under which a Chargor holds title to any Mortgaged Property.
"Hedging Agreement" means any master agreement, confirmation, schedule or other agreement to which a Chargor is from time to time party, hedging any liabilities or risks in relation to any Secured Liabilities.

"IA" means the Insolvency Act 1986.

"Insurance" means any policy or contract of insurance. In relation to a Chargor, "its Insurances" means all Insurances in which it has any rights (including as loss payee or additional insured).

"Intellectual Property" has the meaning given to it in the Facilities Agreement. In relation to a Chargor, "its Intellectual Property" means all Intellectual Property in which it has any rights.

"Inventory" means all present and future inventory, goods and merchandise, wherever located, all raw materials, stock-in-trade, work-in-progress, finished goods, returned goods and materials and supplies of any kind, nature or description which are or might be used or consumed in its business or used in connection with the manufacture, packing, shipping, advertising, selling or finishing of such goods and merchandise and all documents of title or other documents representing them. In relation to a Chargor, "its Inventory" means all Inventory in which it has any rights.

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

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

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

"LPA" means the Law of Property Act 1925.

"Mortgaged Properties" means the Properties and any other land in which a Chargor has any rights from time to time, "Mortgaged Property" means any of them and any reference to one or more of the Mortgaged Properties includes all or any part of each relevant Mortgaged Property.

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

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

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

"Notice of Security over Receivables" means a notice of security substantially in the form set out in Schedule 4, Part 5 (Notice of Security over Receivables) or such other form as may be specified by the Security Agent.

"Obligor" has the meaning given to it in the Facilities Agreement.

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

"Party" means a party to this Security Agreement.

"Permitted Security" has the meaning given to it in the Facilities Agreement.

"Properties" means the properties brief details of which are set out in Schedule 2 (Properties). "Property" means any of them and any reference to one or more of the Properties includes all or any part of each relevant Property.

"Receivables" means all book debts, both present and future, due or owing or which may become due or owing from any person who is not a member of the Group arising from the sale of merchandise or goods (including the proceeds thereof) and the benefit of all related rights, documents and remedies (including under negotiable or non-negotiable instruments, guarantees, indemnities, legal or equitable charges, reservation of proprietary rights, rights of tracing and liens) and all payments and proceeds representing or made in respect of the same. In relation to a Borrower, "Its Receivables" means all Receivables in which it has any rights or which are owed to it.

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

"Secured Liabilities" has the meaning given to the term "Secured Obligations" in the Facilities Agreement but excluding any money, obligation or liability which would cause the covenant set out in Clause 2.1 (Covenant to pay) or the security which would otherwise be constituted by this Security Agreement, to be unlawful or prohibited by any applicable law or regulation.

"Secured Parties" has the meaning given to it in the Facilities Agreement, "Secured Party" means any of them and any reference to one or more of the Secured Parties includes all or each or them.

"Security Assets" means the assets from time to time the subject of this Security, "Security Asset" means any of them and any reference to one or more of the Security Assets includes all or any part of it or each of them.
"Security Documents" has the meaning given to term "Transaction Security Documents" in the Facilities Agreement.

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

"Security Interest" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Security Trust Property" means the Transaction Security, the proceeds of the Transaction Security, any rights or other assets expressed in any Security Document governed by English law or any other Finance Document governed by English law, in each case, to be granted to or held by the Security Agent as trustee and any rights granted in any Security Document governed by English law to any Secured Parties that are not party to that Security Document.

"Transaction Security" means this Security and the Security Interests constituted by or pursuant to the other Security Documents governed by English law.

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

"Warrant" means all warrants or other documents of title relating to Inventory held in depositaries, warehouses or other storage locations.

1.3 Construction

(a) Clause 1.2 (Construction) of the Facilities Agreement shall apply as if set out in full again here, with references to "this Agreement" being construed as references to this Security Agreement and with such other changes as are appropriate to fit this context.

(b) In addition, in this Security Agreement, unless a contrary indication appears any reference to:

(i) "assets" includes present and future properties, revenues, rights and other assets of every description. Any reference to an asset includes any proceeds of disposal of all or part of that asset and any other monies paid or payable in respect of that asset and any reference to a particular type or category of assets includes any present or future assets of that type or category;

(ii) the "Chargors" includes a reference to any one or more of them as well as a reference to all of them;

(iii) a "disposal" includes any lease, licence, transfer, sale or other disposal of any kind (with related words being construed accordingly);
(iv) any Finance Document or other document is to that Finance Document or other document as supplemented, otherwise amended, replaced or novated from time to time (however fundamental that amendment, novation or replacement may be, even if it involves increased, new, additional, extended and/or replacement facilities or an increase in any other amount or rate);

(v) the masculine, feminine or neuter gender respectively includes the other genders and the singular includes the plural (and vice versa);

(vi) "including" means "including without limitation" (with related words being construed accordingly), "in particular" means "in particular but without limitation" and other general words shall not be given a restrictive interpretation by reason of their being preceded or followed by words indicating a particular class of assets, matters or things;

(vii) a Party or other particular person includes its successors in title (including in the case of the Security Agent any successor Security Agent), permitted assignees and permitted transferees in accordance with their respective interests;

(viii) a "person" includes any individual, firm, company or other corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of them;

(ix) a provision of law is to that provision as amended, re-enacted or replaced from time to time and includes any subordinated legislation in force under it from time to time;

(x) a "Recital" is to a statement made under the heading "Background" above and any reference to a "Clause" or to a "Schedule" is to a clause of or a schedule to this Security Agreement (as the case may be);

(xi) a "right" includes any title, estate, interest, claim, remedy, power, authority, discretion or other right of any kind, both present and future. Any reference to a Chargor's rights in any document or asset (or any type or category of documents or assets) includes any rights that it holds from time to time in, to, under, in respect of or derived from that document or asset (or any document or asset of that type or in that category);

(xii) "this Security" means the Security Interests constituted by or pursuant to this Security Agreement; and

(xiii) this Security Agreement includes the Recitals and Schedules and any Accession Deed, which form part of this Security Agreement for all purposes.

(c) The index and Clause and Schedule headings are for ease of reference only.
(d) If there is any inconsistency between the terms of this Security Agreement and those of the Facilities Agreement, the terms of the Facilities Agreement shall prevail.

1.4 Third party rights

(a) A person who is not a Party (other than any Receiver, Delegate or Administrator) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Security Agreement, except that there is an exception to this in Clause 28.10(b) (Exclusion of liability) of the Facilities Agreement.

(b) Notwithstanding Clause 1.4(a), no consent of any person who is not a Party is required to rescind or vary this Security Agreement at any time.

1.5 Disposition of land

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

1.6 Joint and several

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

2. PAYMENT OF THE SECURED LIABILITIES

2.1 Covenant to pay

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

2.2 Interest

If any amount payable under Clause 2.1 is not paid on its due date, interest shall accrue on a daily basis on the overdue amount from the due date up to the date of actual payment (both before and after judgment). This interest shall accrue at the rate and on the terms from time to time applicable under the relevant document (or, in the absence of an applicable rate and applicable terms, shall be calculated and accrue under the terms of the Facilities Agreement as if it were an Unpaid Sum) and shall be payable on demand.
2.3 Further advances

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

3. CREATION OF SECURITY INTERESTS

3.1 General provisions regarding Security Interests

(a) Each of the charges and assignments created under this Security Agreement:

(i) is granted to the Security Agent as trustee for the Secured Parties;

(ii) secures the payment and discharge of the Secured Liabilities; and

(iii) is made with full title guarantee.

(b) Each fixed charge created under this Security Agreement (other than the fixed charge over Receivables) takes effect as an equitable mortgage.¹

(c) Each assignment under this Security Agreement is subject to a proviso for reassignment on redemption in accordance with Clause 21.2⁵ (Release of this Security).

(d) Each Chargor undertakes that to the extent that any right, title, interest or benefit in or in respect of any asset described in Clause 3.2 (Land) to Clause 3.9 (Floating charge) cannot be or is not effectively charged or assigned (as applicable) for whatever reason, it shall:

(i) promptly notify the Security Agent of the same and the reasons therefor;

(ii) hold the benefit of the same on trust for the Security Agent as security for the payment, discharge and performance when due of the Secured Liabilities; and

(iii) take such steps as the Security Agent may require to remove such impediment to the creation of a charge or to an assignment.

3.2 Land

(a) Each Chargor charges:

(i) by way of first legal mortgage, all estates or interests owned by it at the date of this Security Agreement in the Properties and any other land in England and Wales; and

¹ We do not charge land by way of fixed charge, so it does not fall within this sub-paragraph. See Clause 3.2 below. Land is charged by way of legal mortgage.

² It is better to refer to the release mechanism in this document than to refer to the Facilities Agreement here.
(ii) by way of first fixed charge, all of its other rights in any land.

(b) In this Security Agreement, unless a contrary indication appears any reference to any land includes all buildings, plant, machinery and other Fixtures from time to time on that land.

(c) Each Chargor assigns absolutely all of its rights in any Occupational Lease, including rights to rental income and other payments, and any guarantee or other right relating to an Occupational Lease.

### 3.3 Bank Accounts

Each Chargor charges by way of first fixed charge all of its rights:

(a) in any credit balances on the English Collection Accounts and the indebtedness represented by them; and

(b) in any credit balances on any other bank accounts and the indebtedness represented by them.

### 3.4 Receivables

(a) Each Chargor charges by way of first fixed charge all of its rights in its Receivables (but only if and to the extent the rights in question have not been effectively assigned pursuant to Clause 3.7 (Assignment of documents) or such rights have been assigned but such assignment has not been perfected by the service of the appropriate Notice of Security over Receivables).

(b) In this Security Agreement, unless a contrary indication appears any reference to a Receivable includes the benefit of any Security Interest, guarantee or other right in relation to that Receivable.

### 3.5 Investments

(a) Each Chargor charges by way of first fixed charge all of its rights in its Investments.

(b) In this Security Agreement, unless a contrary indication appears any reference to an Investment includes:

(i) any associated dividends and interest and any other payments and distributions; and

(ii) any right, money or assets accruing or offered at any time in respect of the Investment by way of redemption, exchange, bonus or otherwise.

### 3.6 Insurances

Each Chargor assigns absolutely all of its rights in its Insurances.
3.7 Assignment of documents

(a) Each Chargor assigns absolutely all of its rights in:

(i) any Hedging Agreement (without prejudice and subject to any netting or set-off provisions contained in it); and

(ii) any other document from time to time designated as an Assigned Document, either by the relevant Chargor (or the Parent on its behalf) and the Security Agent; or in an Accession Deed.

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

3.8 Miscellaneous fixed charges

Each Chargor charges by way of first fixed charge, in each case to the extent not otherwise validly and effectively charged or assigned in Clause 3.1(d) to Clause 3.7 or in the matching provisions in an Accession Deed:

(a) all of its rights in any Equipment;

(b) any goodwill and uncalled capital from time to time and all of its rights to future calls in respect of capital;

(c) all of its rights in its Intellectual Property;

(d) all licences, consents and other Authorisations held in connection with its business or the use of any Security Assets and all of its rights in connection with them; and

(e) all of its rights in any security interests, guarantees, indemnities, covenants for title, agreements, reports and other documents including those relating to all or any part of the Security Assets.

3.9 Floating charge

(a) Each Chargor charges by way of first floating charge the whole of its undertaking and assets (including Inventory) (other than assets validly and effectively charged or assigned (whether at law or in equity) from time to time in Clause 3.1(d) to Clause 3.8 or in the matching provisions in an Accession Deed).

(b) Schedule B1, Paragraph 14 IA shall apply to the floating charge created by each Chargor in this Security Agreement.

(c) The Security Agent may at any time by notice to a Chargor convert the floating charge created by that Chargor in this Security Agreement into a fixed charge with immediate effect as regards any Security Asset specified in the notice if:
(i) an Event of Default has occurred and is continuing;

(ii) the Security Agent considers that it may be in danger of being seized or sold pursuant to any form of legal process or otherwise in jeopardy; or

(iii) the Security Agent considers that it is desirable to protect the priority of this Security.

(d) The floating charge created by a Chargor in this Security Agreement shall automatically be converted into a fixed charge with immediate effect as regards all assets subject to it if:

(i) that Chargor breaches Clause 6 (Negative pledge and disposals) or attempts to do so;

(ii) any person levies or attempts to levy any distress, execution, sequestration or other process against any of those assets; or

(iii) any steps are taken to appoint (or have appointed) an administrator of that Chargor or wind it up or if an administrator is appointed.

(e) Nothing in this Clause 3.9:

(i) shall affect the crystallisation of the floating charge created by any Chargor under applicable law and regulation; or

(ii) shall permit the floating charge created by a Chargor to be crystallised solely as a result of the obtaining of, or of anything done with a view to obtaining, a moratorium under s1A IA.

4. REPRESENTATIONS AND WARRANTIES

4.1 General

Each Chargor makes the representations and warranties set out in this Clause 4 to each Finance Party.

4.2 Security Assets - General

(a) Save for the Permitted Security, it is the sole legal and beneficial owner of the respective assets over which it purports to grant Security Interests in this Security Agreement, free from any other Security Interests.

(b) Any shares forming part of the Security Assets are:

(i) fully paid;

(ii) not subject to any option to purchase or similar rights; and

(iii) freely transferable with no consents being required to the transfer or its registration; and
(iv) in the case of the shares in any Company, they constitute the whole of the issued share capital of the relevant Company.

4.3 Security Assets – Receivables

(a) The names of the Account Debtors, amounts owing, due dates and other information with respect to its Receivables are and will be correctly stated in all records of the relevant Chargor relating thereto and in all information relating to the Receivables which is provided pursuant to the Facilities Agreement.

(b) Except as specifically disclosed in any information relating to the Receivables which is provided pursuant to the Facilities Agreement all of its Receivables represent bona fide transactions entered into in the ordinary course of the relevant Chargor's business.

4.4 Security Assets - Inventory

With respect to its Inventory:

(a) it is located at one of the locations set out on Schedule 6 (Location of Inventory) or at locations permitted after the date hereof pursuant to Clause 14.3 (Location), other than Inventory in transit;

(b) the relevant Chargor has good and merchantable title to all of its Inventory, and such Inventory is not subject to any Security Interest except for Permitted Security;

(c) it is not subject to any licensing, patent, royalty, trademark, trade name or copyright agreements with any third parties which would require any consent of any third party upon sale or disposition of that Inventory or the payment of any monies to any third party upon such sale or other disposition; and

(d) the completion of manufacture, sale or other disposition of such Inventory by the Security Agent following the occurrence of an Event of Default shall not require the consent of any person and shall not constitute a breach or default under any contract or agreement to which the relevant Chargor is a party or to which such property is subject.

4.5 Times when representations made

(a) All the representations and warranties in this Clause 4:

(i) are made by each Initial Chargor on the date of this Security Agreement;

(ii) shall be made by each Additional Chargor on the date on which it becomes (or is proposed to become) a Chargor; and

(iii) shall be deemed to be repeated by each Chargor on each day on which any representations and warranties are made or repeated (or deemed to be made or repeated) pursuant to the Facilities Agreement.
(b) Each representation or warranty made or deemed to be repeated after the date of this Security Agreement shall be made or deemed to be repeated by reference to the facts and circumstances existing at the date the representation or warranty is made or deemed to be repeated.

5. **PERFECTION OF SECURITY AND FURTHER ASSURANCE**

5.1 **Notice of Security**

(a) Each Chargor shall deliver a Notice of Security (with a copy to the Security Agent), duly completed:

(i) forthwith, to any bank with which it opens or maintains any English Collection Account or other bank account;

(ii) following the occurrence of a Default, promptly upon the request of the Agent, to any Account Debtor, who has not already received a Notice of Security;

(iii) following the occurrence of a Default, to any insurer in respect of any Insurance;

(iv) forthwith, to any counterparty under any Hedging Agreement; and

(v) upon request, to any party to any other document,

in each case in respect of which that Chargor has granted a Security Interest in this Security Agreement.

(b) In Clause 5.1(a):

(i) "forthwith" means immediately upon execution of this Security Agreement or the relevant Accession Deed or, if later, upon the relevant document, account, Receivable or Insurance being entered into or otherwise coming into existence; and

(ii) "upon request" means immediately upon request by the Security Agent.

(c) Subject to paragraph (d), each Chargor shall use all reasonable endeavours to procure that each addressee of a Notice of Security promptly acknowledges that Notice of Security in the form attached to that Notice of Security (or in such other form as the Security Agent may approve).

(d) Each Chargor shall procure that each account bank which holds an English Collection Account acknowledges the Notice of Security delivered to it in the form attached to that Notice of Security (or in such other form as the Security Agent may approve).

(e) As an alternative to Clause 5.1(a)(i), the Security Agent and each Chargor may (and shall at the request of the applicable account bank) enter into Deposit Account Control Agreements with the account banks at which the relevant
Chargor's English Collection Account(s) are opened or maintained; such Deposit Account Control Agreements to be in form and substance satisfactory to the Security Agent. If a Deposit Account Control Agreement is entered into with respect to a bank account, the relevant Chargor shall not be obliged to comply with Clause 5.1(a)(i) in respect of that bank account.

(f) Following the occurrence of a Default, promptly upon a request from the Security Agent, each relevant Chargor shall deliver (with a copy to the Security Agent) a duly completed notice of charge (in form and substance satisfactory to the Security Agent) to any depositary owner, warehouse owner or other person who owns or controls a location at which any of such Chargor's Inventory is stored or located.

(g) Notwithstanding any other term of this Security Agreement, each Chargor shall, promptly upon a request from the Security Agent, take such steps as are necessary or desirable to perfect the assignment of its Assigned Documents and/or the fixed charge over its Receivables in any applicable jurisdiction (including, without limitation, the jurisdiction of the law governing the Assigned Document, the jurisdiction of the law governing the contract generating the Receivable and/or the jurisdiction of any Account Debtor).

5.2 Further assurance

(a) Each Chargor shall promptly and at its own expense take such action as the Security Agent or any Receiver may reasonably require:

(i) to improve, preserve, perfect or protect the security created (or intended to be created) by this Security Agreement or the priority of it; or

(ii) to facilitate the realisation or enforcement of any Security Asset or the exercise any of the rights of any Secured Party in relation to the same.

(b) The action required under Clause 5.2(a) may include the execution of any Security Interest, any assignment or transfer over or of any asset, any notice of this Security or any other document.

6. NEGATIVE PLEDGE AND DISPOSALS

6.1 Negative pledge

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

6.2 No disposals

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

7. OTHER COVENANTS OF GENERAL APPLICATION

7.1 Information, access and remedy
(a) Each Chargor shall promptly deliver to the Security Agent:

(i) any title deeds and documents relating to the Security Assets which the Security Agent may request;

(ii) any copy document or other information which the Security Agent may request relating to its business or any Security Asset; and

(iii) any evidence which the Security Agent may request of its compliance with the terms of this Security Agreement.

(b) Each Chargor shall permit the Security Agent and/or its representatives, agents or contractors free access at all reasonable times to the Security Assets and any books, accounts and records relating to them:

(i) to examine the state and condition of those assets;

(ii) to inspect and take copies and extracts from those books, accounts and records; and

(iii) to comply with or object to any direction or notice or other matter served on it.

(c) The Security Agent may take any action (including the carrying out of repairs, the provision of information or the payment of money) which it considers necessary or desirable to remedy any failure by a Chargor to comply with any of its obligations under the Finance Documents.

(d) The Security Agent shall have no obligation to exercise any of its rights under Clause 7.1(c) or otherwise in relation to any Security Asset.

7.2 Compliance with obligations

Each Chargor shall:

(a) observe, perform and otherwise comply with all covenants and other obligations and matters (whether or not contained in any Lease, agreement or other document) from time to time affecting any of the Security Assets or their use or enjoyment;

(b) comply with all (and not permit any breach of any) bye-laws and other laws and regulations (whether relating to planning, building or any other matter) affecting any of the Security Assets; and

(c) pay (or procure the payment of) all rents, rates, taxes, charges, assessments, impositions and other outgoings of any kind which are from time to time payable (whether by the owner or the occupier) in respect of any of the Security Assets.
7.3 **Enforcement of rights**

Each Chargor shall at its own cost use its reasonable endeavours to enforce any rights and institute, continue or defend any proceedings relating to any of the Security Assets which the Security Agent may from time to time require.

7.4 **Management of Security Assets**

Each Chargor shall manage its Security Assets in a proper and efficient manner. In particular, it shall:

(a) keep its Security Assets in good and substantial repair and working order;

(b) obtain, maintain and comply with the terms of any Authorisation required or desirable in connection with any Security Asset;

(c) not without the prior written consent of the Security Agent make, permit or allow any alterations or additions of a material nature to any of its Security Assets or carry out any works of demolition on them;

(d) not do, permit or allow to be done anything which might in any way depreciate, jeopardise or otherwise prejudice the security held by the Security Agent or the value of any of that Chargor's Security Assets; and

(e) immediately inform the Security Agent of anything which occurs which might have the effect referred to in Clause 7.4(d).

7.5 **Default in relation to insurance**

If any Chargor fails to comply with any of its obligations as to insurance under the Facilities Agreement, the Security Agent may, but shall not be required to, take out, renew or maintain the relevant insurance on the terms, in the name(s) and in the amount(s) which it considers appropriate or desirable.

8. **LAND**

8.1 **Registration at Land Registry**

(a) The Chargors shall:

(i) do all things requested by the Security Agent to facilitate the registration of this Security against any Land Registry title comprised in the Mortgaged Properties from time to time. In particular, each Chargor shall:

(A) apply to the Chief Land Registrar for a restriction to be entered on each such title in the following terms: "No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the Security Agreement dated [●] in favour of [●] referred to in the charges register or, if appropriate, signed on such proprietor's behalf by its secretary or conveyancer"; and
(B) if the Security Agent so requests, certify that the security over the Mortgaged Properties created by this Security Agreement does not contravene any of the provisions of its constitutional documents.

(b) No Chargor shall permit any other person to be registered at the Land Registry as proprietor of any of the Mortgaged Properties (or of any interest in any of the Mortgaged Properties).

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

8.2 Deposit of Mortgaged Property title documents

(a) Each Chargor shall effect or procure the deposit with (or to the order of) the Security Agent of all title deeds and documents (including all local land charges, land charges, Land Registry search certificates and planning and other statutory consents) relating to the Mortgaged Properties.

(b) On completion of the registration of this Security Agreement against any Land Registry title comprised in the Mortgaged Properties, the relevant Chargor shall supply the Security Agent with a copy of the title information document for that title.

8.3 Future acquisitions

(a) Each Chargor shall notify the Security Agent immediately of any proposal, contract, conveyance, transfer or other disposition for or effecting the acquisition by it or any nominee on its behalf of any rights in any land.

(b) If a Chargor acquires any rights in any land, it shall at its own cost promptly on request by the Security Agent execute and deliver to the Security Agent a Security Interest in favour of the Security Agent over those rights in any form which the Security Agent may reasonably require.

9. BANK ACCOUNTS AND RECEIVABLES

9.1 Maintenance of bank accounts

(a) Each Chargor shall ensure that the Security Agent has signing rights on the English Collection Accounts.

(b) Each English Collection Account shall be governed by a mandate and/or other agreement in form and substance satisfactory to the Security Agent, in each case conferring sole control over such English Collection Account on the Security Agent.

(c) Except as expressly permitted in the Facilities Agreement, no Chargor shall close, open, maintain or vary the terms applicable to any English Collection Account without the prior written consent of the Security Agent.
9.2 Realisation of Receivables

(a) No Chargor shall create a Security Interest, dispose, release, set off, exchange, compound, grant time or indulgence, subordinate its rights in respect of any of its Receivables to the rights of any other person in relation to receivables owed to such person or otherwise deal over, of or with its Receivables (nor, in each such case, purport to do so) otherwise than by getting in and realising them in the ordinary and proper course of its business (and for this purpose the realisation of Receivables by means of block discounting, factoring or the like shall not be regarded as dealing in the ordinary and proper course of its business).

(b) All monies received by or on behalf of a Chargor in respect of its Receivables:

(i) shall be paid into an English Collection Account; and

(ii) shall until such payment be held on trust for the Security Agent.

(c) No Chargor shall release, set-off, compound or otherwise deal over, of or with its Receivables otherwise than in accordance with Clause 9.2(a) and Clause 9.2(b).

9.3 Withdrawals from accounts

(a) Each Chargor agrees that, prior to the occurrence of any of the circumstances set out in Clause 9.3(b), the only way in which monies may be withdrawn from any English Collection Account is (i) by (or on the express authorisation or instruction of) the Security Agent in order to apply them in accordance with Clause 7.6 (Cash Dominion) of the Facilities Agreement and no Chargor shall be entitled to withdraw the whole or any part of any amount standing to the credit of any English Collection Account.

(b) Following the earlier of:

(i) the Termination Date; or

(ii) the Loans becoming immediately due and repayable under the Facilities Agreement,

the Security Agent may apply the monies standing to the credit of any English Collection Account or other bank account of any Chargor in or towards repayment of the Secured Liabilities in accordance with the terms of Clause 32.6 (Partial payments) of the Facilities Agreement.

(c) The Security Agent may delegate its powers of withdrawal under this Clause 9.3 to any Administrator, Receiver and/or manager.

(d) If any time deposit matures on any account of a Chargor with any Finance Party after this Security has become enforceable, the time deposit shall automatically be renewed for a further period of a duration determined by that Finance Party in its discretion. This is without prejudice to Clause 9.3(a) and Clause 9.3(b) and to any set-off rights of the relevant Finance Party.
10. **THE INVESTMENTS**

10.1 **Delivery of documents and information**

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

(i) any share certificate or other document of title to or representing it;

(ii) an instrument of transfer or assignment of it in a form specified by the Security Agent, duly executed by each person in whose name it is registered or held (with the name of the transferee or assignee, the consideration and the date left blank); and

(iii) any other documents (including duly executed waivers of pre-emption and other rights) which the Security Agent may request to enable it (or its nominee) to:

(A) obtain legal title to (or otherwise be registered as the owner of) the Investment; or

(B) be in a position to exercise any rights under this Security Agreement in respect of it.

(b) The Security Agent may at any time have any of each Chargor's Investments registered in its name or in the name of a nominee specified by it acting on its behalf.

(c) Each Chargor shall send a copy of any notice or other document received by it relating to any of its Investments promptly to the Security Agent.

10.2 **Income on Investments**

(a) All dividends, interest and other income received by a Chargor in relation to its Investments prior to this Security becoming enforceable:

(i) shall to the extent clause 23.18 (Dividends and share redemption) of the Facilities Agreement applies be paid into the relevant accounts in accordance with that Clause; and

(ii) subject to Clause 10.2(a)(i), shall be paid into bank accounts of the relevant Chargor (other than an English Collection Account) without any set-off or deduction and until that payment is made shall be held on trust for the Security Agent.

(b) All income received or payable to a Chargor (or received by the Security Agent or its nominee) in relation to that Chargor's Investments after this Security has become enforceable shall be paid to (or, as applicable, retained by) the Security Agent and until that payment is made shall be held on trust for the Security Agent.
10.3 Voting and other rights

(a) Subject to Clause 10.2 and the remainder of this Clause 10.3:

(i) each Chargor may exercise all voting and other rights attached to its Investments; and

(ii) if any of those rights are exercisable by the Security Agent or its nominee, the relevant Chargor may direct in writing how they are to be exercised.

(b) No Chargor shall exercise, or direct the exercise of, any rights attached to its Investments in any manner which in the Security Agent’s opinion is prejudicial to the value of the Transaction Security or its realisation.

(c) No Chargor shall without the prior written consent of the Security Agent permit or agree to any variation of the rights attaching to its Investments.

(d) No Chargor shall make any nomination, or permit to continue in effect any nomination it may have made, to permit another person to enjoy or exercise any of its rights in relation to any of its Investments.

(e) If at any time following the occurrence of an Event of Default which is continuing the Security Agent gives notice to the Chargors that this Clause 10.3(e) applies, then from the date of that notice and to the extent specified in it:

(i) the Security Agent (or its nominee) may at the Security Agent’s discretion (and in the name of the relevant Chargor or otherwise) exercise, or refrain from exercising, any voting or other rights attached to the Investments; and

(ii) no Chargor shall exercise any of those rights.

10.4 Calls and other obligations

(a) Each Chargor shall duly and promptly pay (or ensure that there are paid) all calls, instalments or other monies which may from time to time become due in respect of any of its Investments, without deduction or set-off.

(b) Each Chargor shall comply with all reasonable requests for information relating to any of its Investments made in accordance with any law or regulation or its constitutional documents or by any listing or other authority, sending a copy of the information to the Security Agent.

10.5 Issue of shares

(a) Each Chargor shall ensure that no shares or other securities in or of any Company will be issued or allotted and no agreement, option or arrangement to make or call for such issue or allotment will be made or granted without the Security Agent’s prior written consent.
(b) Each Chargor shall execute any document and take any other step reasonably required by the Security Agent to ensure that any shares in any Company issued or allotted to any Chargor (or any of its Affiliates) promptly become subject to this Security as Secured Assets or in the case of shares issued or allotted to an Affiliate, are charged by that Affiliate to the Security Agent in terms acceptable to the Security Agent.

10.6 The Companies

Each Chargor shall ensure that none of the Companies shall, unless the prior written consent of the Security Agent has been obtained:

(a) in any way modify the rights attached to any of the shares in its issued share capital;

(b) increase, consolidate, sub-divide or reduce its share capital;

(c) alter its memorandum or articles of association;

(d) purchase its own shares or reduce its share capital; or

(e) take any step to place itself in liquidation or pass any resolution to wind itself up.

10.7 Waivers of pre-emption rights

Each Chargor shall ensure that all shareholders of each Company from time to time enter into waivers of, or make any necessary amendments to (in each case in a form and on terms satisfactory to the Security Agent), all pre-emption rights and restrictions in the articles of association of each Company from time to time or otherwise which may in any respect vary, restrict or affect the exercise of any rights which may arise in connection with the enforcement of this security or the transfer of the shares in the relevant Company to the Security Agent or such other person as the Security Agent may so direct.

11. ASSIGNED DOCUMENTS

No Chargor shall waive any rights under, amend, novate, repudiate, rescind or otherwise terminate or permit to be terminated any Assigned Document without the prior written consent of the Security Agent.

12. PLANT, MACHINERY AND OTHER CHATTELS

Each Chargor shall:

(a) maintain all of its Equipment in good and serviceable condition in compliance with all relevant manufacturer and other instructions and recommendations as to servicing and maintenance;

(b) promptly renew and replace any obsolete, worn out or damaged Equipment or parts with items of a similar or better quality and of equal or greater value;
(c) if so requested by the Security Agent, attach to a visible part of each item of Equipment owned by it in a permanent manner in a conspicuous position a clear, distinctive and legible label, no smaller than five (5) inches in size comprising the following notice: "This piece of Equipment is subject to a first fixed charge in favour of MIDCAP Financial (Ireland) Limited as security trustee for itself and others (the "Security Agent") and may not be removed or sold without the prior written consent of the Security Agent";

(d) not without the prior written consent of the Security Agent make any modification or permit any modification to be made to the Equipment if the effect of such modification would be to reduce the value of the Equipment;

(e) not permit or procure any Equipment:
   (i) (other than a vehicle) to be taken out of England and Wales; and
   (ii) (which is a vehicle) to be taken out of the European Union,

without the prior written consent of the Security Agent and then subject only to such further terms as the Security Agent may require;

(f) promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Equipment and on demand produce evidence of such payment to the Security Agent;

(g) obtain all authorisations from time to time required for the use and operation of the Equipment and not to do or permit to be done any act or omission whereby the Equipment or the use of it would contravene regulations for the time being in force;

(h) as soon as it becomes so aware, notify the Security Agent of any loss, theft, damage or destruction to the Equipment; and

(i) use its reasonable endeavours to procure in favour of the Security Agent from any person with a proprietary interest or encumbrance (including any owner, leaseholder or chargee) in any real or personal property to which the Equipment might become affixed, or with which title to the Equipment might merge, an acknowledgement prior to such fixing or merger that their rights or remedies will only be exercised subject to the Secured Parties' rights in the Equipment and, in particular, but without limitation to the generality of the foregoing, the right of the Security Agent, its servants or agents to enter upon any such property to remove the Equipment notwithstanding that it might be affixed to, or have merged with, any real or personal property.

13. **ENFORCEMENT – GENERAL PROVISIONS**

13.1 **Enforcement**

(a) On or at any time after the occurrence of an Event of Default which is continuing, this Security shall become immediately enforceable and the
Security Agent may enforce this Security, and its rights under this Security Agreement, in the manner and on the terms it thinks fit.

(b) In particular, it may without further notice exercise in relation to the Security Assets:

(i) the power of sale and all other powers conferred on mortgagees by the LPA or otherwise by law, in each case as extended or otherwise amended by this Security Agreement;

(ii) to the extent that Clause 14 (Right of appropriation) applies, the power to appropriate the relevant Security Assets in accordance with Clause 14.2 (Exercise of right of appropriation); and

(iii) (whether or not it has appointed a Receiver) any or all of the rights which are conferred by this Security Agreement (whether expressly or by implication) on a Receiver.

13.2 LPA provisions

(a) The Secured Liabilities shall be deemed for the purposes of all powers implied by statute to have become due and payable within the meaning of s101 LPA immediately on the execution of this Security Agreement.

(b) The Security Agent and any Receiver is entitled to all of the privileges, immunities and other rights conferred on mortgagees and receivers respectively under the LPA.

(c) s93(1) LPA (restriction on the consolidation of mortgages), s103 LPA (restricting the power of sale), ss105, 107(2), 109(6) and 109(8) LPA (application of proceeds of sale) and s109(1) LPA (restricting the power to appoint a receiver) shall not apply to this Security.

13.3 Protection of third parties

(a) No purchaser, mortgagee or other person dealing with a Security Enforcement Party shall:

(i) be bound to enquire whether its entitlement to exercise any of its rights has arisen or become exercisable or whether any Secured Liabilities remain outstanding; or

(ii) be concerned as to the application of any money paid, raised or borrowed or as to the propriety or regularity of any sale by or other dealing with that Security Enforcement Party.

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

(a) The Security Agent and (to the extent his or her appointment so permits) a Receiver (the "Appointor") may delegate to any person or persons all or any of the rights which are exercisable by it under this Security Agreement. A delegation under this Clause may be made in any manner (including by power of attorney) and on any terms (including power to sub-delegate) which the Appointor may think fit.

(b) A delegation under Clause 13.4(a) shall not preclude the subsequent exercise of the relevant rights by the Appointor nor preclude the Appointor from making a subsequent delegation of them to another person or from revoking that delegation.

(c) Neither the Security Agent nor any Receiver shall be liable or responsible to any Chargor for any loss or damage arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.

13.5 No liability

(a) No Security Enforcement Party or Administrator shall:

(i) owe any duty to any Chargor to exercise any of its rights under this Security Agreement; or

(ii) be liable or responsible to any Chargor for any Losses arising out of any exercise, purported exercise or non-exercise of any of its rights under this Security Agreement.

(b) Neither a Security Enforcement Party nor any Administrator shall be liable as a mortgagee in possession or otherwise to account in relation to all or any part of the Security Assets for any loss on realisation or for any other action, default or omission for which it might otherwise be liable as a mortgagee in possession.

13.6 Grant of Intellectual Property license

For the purpose of enabling the Security Agent to exercise the rights and remedies under this Clause 13, each Chargor hereby:

(a) grants to the Security Agent for the benefit of the Security Agent and the other Secured Parties, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to the relevant Chargor) to use, license or sublicense any intellectual property rights of its present or future, wherever the same may be located, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof; and

(b) irrevocably agrees that the Security Agent may sell any of the relevant Chargor's Inventory directly to any person including, without limitation, persons who have previously purchased the relevant Chargor's Inventory from that Chargor and in
connection with any such sale or other enforcement of the Security Agent's rights under this Security Agreement, may sell Inventory which bears any trademark owned by or licensed to the relevant Chargor and any Inventory that is covered by any copyright owned by or licensed to the relevant Chargor and the Security Agent may finish any work in process and affix any trademark owned by or licensed to the relevant Chargor and sell such Inventory as provided in this Security Agreement.

14. RIGHT OF APPROPRIATION

14.1 Application of right of appropriation

This Clause 14 applies to the extent the Security Assets constitute "financial collateral" and this Security Agreement constitutes a "financial collateral arrangement" (within the meaning of the Financial Collateral Arrangements (No. 2) Regulations 2003).

14.2 Exercise of right of appropriation

(a) If and to the extent that this Clause 14 applies, the Security Agent may appropriate the Security Assets in or towards discharge of the Secured Liabilities in such order as the Security Agent may (subject to any specific provisions of the Finance Documents in this regard) determine.

(b) If the Security Agent exercises its right of appropriation then it shall for these purposes value:

(i) any relevant English Collection Account or other bank account at the amount standing to the credit of that account, together with any accrued interest not credited to the account, at the time of the appropriation; and

(ii) any other relevant Security Asset by reference to an independent valuation or other procedure determined by the Security Agent, acting reasonably, at the time of the appropriation.

15. RECEIVERS

15.1 Appointment of Receiver

(a) Subject to the remainder of this Clause 15.1, the Security Agent may appoint one or (at the same or different times) more persons as a receiver of all or any part of the Security Assets if:

(i) this Security has become enforceable; or

(ii) the relevant Chargor or the Parent so requests in writing at any time.

(b) No appointment may be made pursuant to Clause 15.1:

(i) solely as a result of the obtaining of, or with a view to obtaining, a moratorium under s1A IA; or
(ii) of an administrative receiver if that appointment would contravene s72A IA.

(c) If at any time two or more persons hold office as Receivers, each of those Receivers shall (subject to the terms of his or her appointment) be entitled to exercise individually all of the rights conferred on Receivers under this Security Agreement to the exclusion of the other or others.

15.2 Remuneration

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

15.3 Removal and replacement

The Security Agent may:

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

(b) replace (by appointment pursuant to Clause 15.1) any Receiver whose appointment has terminated.

15.4 Agent of the relevant Chargor

(a) Any Receiver appointed under this Security Agreement whether acting solely or jointly shall be deemed to be the agent of the relevant Chargor and to be in the same position as a receiver appointed under the LPA.

(b) The relevant Chargor shall be solely responsible for the acts, omissions, defaults, losses and misconduct of any Receiver and for his or her remuneration. The Security Agent shall not be in any way liable or responsible either to the relevant Chargor or to any other person for any Receiver.

16. POWERS OF SECURITY ENFORCEMENT PARTIES

16.1 General

(a) A Receiver has:

(i) all of the rights set out below in this Clause 16;

(ii) all of the rights granted by the LPA to any receiver or mortgagor or mortgagee in possession; and

(iii) whether or not it is an administrative receiver, all of the rights granted by the IA to any administrative receiver,

in each case as such rights are varied and extended by this Security Agreement.

(b) The Security Agent has after this Security has become enforceable the rights referred to in Clause 16.1(a), whether or not it has appointed a Receiver.
A Delegate has the rights referred to in Clause 16.1(a) to the extent provided in its, his or her appointment.

Any reference in this Clause 16 to any Security Assets includes, in the case of a Receiver or Delegate, only those Security Assets over or in respect of which it, he or she has been appointed.

A Security Enforcement Party may exercise its, his or her rights under this Clause 16 in such manner and on such terms as it, he or she thinks fit.

16.2 Collection, leasing and disposal of Security Assets

(a) The right to enter into, take possession of, give up possession of, get in and collect any Security Asset.

(b) The right to grant, vary, surrender or accept the surrender of Leases, easements or other rights over or in respect of Security Assets on such terms as the Security Enforcement Party may think fit, without the need to comply with ss99 and 100 LPA.

(c) The right to sell or otherwise dispose of any Security Asset on any terms and for any consideration as the Security Enforcement Party may think fit. This consideration may include cash, debentures, obligations, shares or other security and may be payable in a lump sum or instalments.

(d) The right to sever any plant, machinery or other fixtures from the premises to which they are attached and the right to dispose of them separately in accordance with Clause 16.2(c).

(e) The right, in connection with or to facilitate any disposal, to release or discharge, whether or not for any consideration, any Debts comprised in the Security Assets.

(f) The right to give a valid receipt for any money and execute any discharge, assurance or other document which may be proper or desirable to realise any Security Asset.

16.3 Upkeep of Security Assets

(a) The right to repair, decorate, furnish, maintain, alter, improve, replace, renew or add to the Security Assets.

(b) The right to develop any Security Asset and for that purpose to apply for any Authorisations, enter into any documents and carry out any works.

(c) The right to insure any Security Assets.

16.4 Carrying on business

(a) The right to carry on any business of any Chargor.
(b) The right to appoint or dismiss officers, employees, agents, contractors, advisors and others.

(c) The right to purchase, lease or otherwise acquire any assets.

(d) The right to borrow or otherwise raise money either unsecured or on the security of the Security Assets (whether ranking in priority to, pari passu with or behind this Security).

(e) The right to lend money or advance credit to any customer of a Chargor.

16.5 **Contracts and proceedings**

(a) The right to perform, repudiate, terminate, amend or enter into any contract or other document relating to any Security Asset.

(b) The right to bring, prosecute, defend, enforce and discontinue any action, suit, arbitration or other proceedings relating to any Security Assets.

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

16.6 **Other rights**

(a) The right to form a subsidiary of a Chargor and the right to lease, license or transfer any Security Asset to it.

(b) The right to do any other act or thing which the Security Enforcement Party may consider:

   (i) desirable or necessary to protect, preserve or realise any Security Asset; or

   (ii) incidental or conducive to any rights conferred on the Security Enforcement Party under or by virtue of this Security Agreement or by law.

(c) The right to exercise and do in relation to any Security Asset all the rights and things which the Security Enforcement Party would be capable of exercising or doing if it, he or she were the absolute beneficial owner of that Security Asset.

(d) The right to use the name of any Chargor to exercise any of the rights referred to in this Clause 16.

17. **APPOINTMENT OF ADMINISTRATOR**

17.1 **Appointment of Administrator**

(a) The Security Agent may without notice appoint any one or more persons to be an administrator of any Chargor pursuant to Schedule B1, Paragraph 14 IA at any time after this Security has become enforceable.
(b) Clause 17.1(a) shall not apply to any Chargor if Schedule B1, Paragraph 14 IA does not permit an administrator of that Chargor to be appointed.

(c) Any appointment under Clause 17.1(a) shall be made in the prescribed form by the Security Agent.

17.2 Replacement of an Administrator

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

18. DEALING WITH PROCEEDS

18.1 Application of proceeds of enforcement, etc

(a) Any monies received by the Security Agent or any Receiver under this Security Agreement after this Security has become enforceable shall be applied in the following order of priority:

(i) in or towards payment of, or provision for, all amounts due to or Losses incurred by any Security Enforcement Party under or in connection with this Security Agreement and all remuneration due to any Receiver under or in connection with this Security Agreement;

(ii) in payment to the Agent to be applied in accordance with Clause 32 (Payment Mechanics) of the Facilities Agreement; and

(iii) if no Chargor is under any further actual or contingent liability under the Finance Documents, in payment of the surplus (if any) to the person or persons entitled to it.

(b) Notwithstanding Clause 18.1(a), until the Discharge Date the Security Agent or any Receiver may:

(i) refrain from applying or enforcing any other monies, Security Interests or other rights held or received by it in respect of the Secured Liabilities or apply and enforce them in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and no Chargor shall be entitled to the benefit of the same; and

(ii) hold in an interest-bearing suspense account any monies received from any Chargor or on account of the Secured Liabilities.

(c) Clause 18.1(a) is without prejudice to the right of the Security Agent to recover any shortfall from the Chargers.
19. **GENERAL SECURITY PROVISIONS**

19.1 **Continuing security**

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

19.2 **Additional security**

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

19.3 **Waiver of defences**

The obligations of each Chargor under this Security Agreement will not be discharged, impaired or otherwise affected by any act, omission, matter or thing which, but for this Clause 19.3, would reduce, release or prejudice any of its obligations under this Security Agreement, including (whether or not known to it or any Secured Party):

(a) any time, waiver or consent granted to, or composition with, any Obligor or any other person;

(b) the release of any Obligor or any other person under the terms of any composition or arrangement with any creditor;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security Interest over the assets of, any Chargor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any document or any failure to take, or failure to realise the full value of, any Security Interest;

(d) any supplement, extension, restatement, other amendment or novation or replacement of any Finance Document or any other security or other document, however fundamental that amendment, novation and replacement may be and whether or not more onerous, including any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other Security Interest or other document;

(e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Obligor or any other person;

(f) any unenforceability, illegality or invalidity of any of the Secured Liabilities or any other obligation of any person under any Finance Document or any other document or Security Interest; or

(g) any Insolvency Event in relation to any person.
19.4 Non-competition

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

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

Each Chargor shall hold any payment or other benefit received by it contrary to this Clause 19.4 on trust for the Security Agent and promptly pay or transfer the same to the Security Agent for application in accordance with Clause 18.1 (Application of proceeds of enforcement, etc).

19.5 Immediate recourse

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

19.6 Redemption of prior Security Interests

(a) The Security Agent may at any time:

(i) redeem, or procure the transfer to itself of, any prior Security Interest over any Security Assets; or

(ii) settle and pass the accounts of the holder of any prior Security Interest. Any accounts so settled and passed shall in the absence of manifest error be conclusive and binding on the relevant Chargor.

(b) All principal monies, interest, costs, expenses and other amounts incurred in and incidental to any redemption, transfer or settlement under Clause 19.6(a) shall be paid by the Chargors to the Security Agent on demand, in each case together with interest calculated in the manner referred to in accordance with the Facilities Agreement.
19.7 **Subsequent Security Interests**

(a) At any time following:

(i) the receipt by any Finance Party of notice (either actual or constructive) of any subsequent Security Interest affecting any Security Assets;

(ii) an Insolvency Event occurring in relation to any Chargor; or

(iii) any disposal of any Security Assets in breach of Clause 6.2 *(No disposals)*,

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

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

20. **POWER OF ATTORNEY**

Each Chargor irrevocably and by way of security appoints each Security Enforcement Party severally to be its attorney, in its name or otherwise, on its behalf and as its act and deed to execute, deliver and perfect any document and do any other act or thing which may be required or which the attorney may consider desirable:

(a) to carry out any obligation imposed on that Chargor by this Security Agreement; or

(b) in the exercise of any rights conferred on any Security Enforcement Party by this Security Agreement or by applicable law and regulation.

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

21. **RELEASE OF SECURITY**

21.1 **Definitions relating to release of this Security**

(a) In this Security Agreement, "Discharge Date" means the date on which the Security Agent (with any necessary approval from the Agent) determines that:

(i) all of the Secured Liabilities have been unconditionally and irrevocably paid or discharged in full; and

(ii) no further Secured Liabilities are capable of arising or being outstanding.
For this purpose, a Secured Liability will not be considered to have been irrevocably paid or discharged if the Security Agent, acting reasonably, considers that any payment made in respect of it is capable of being avoided.

(b) In this Clause 21:

(i) "avoided" means avoided, restored or adjusted in whole or part under any law relating to insolvency (and "avoidance" shall be construed accordingly); and

(ii) "settlement" means a release, settlement, discharge, re-assignment or arrangement.

21.2 Release of this Security

(a) Clause 6 (Negative pledge and disposals) to Clause 12 (Plant, machinery and other chattels) shall cease to apply on the Discharge Date.

(b) If any Chargor so requests on or following the Discharge Date, the Security Agent shall as soon as reasonably practicable release and discharge this Security and re-assign the assets assigned to the Security Agent under this Security Agreement without recourse, representation or warranty and subject to the rights of any person having prior rights over those assets.

(c) Any settlement made by the Security Agent on the faith of any assurance, security or payment shall be conditional on that assurance, security or payment not being avoided.

(d) If any avoidance occurs as referred to in Clause 21.2(c) (including by reason of a concession or compromise referred to in Clause 21.2(e)), then the settlement given by the Security Agent shall have no effect and shall not prejudice the right of the Security Agent to enforce this Security in respect of the Secured Liabilities. As between the Chargors and the Security Agent, this Security shall (notwithstanding the settlement) be deemed to have remained at all times in effect and held by the Security Agent as security for the Secured Liabilities.

(e) Any Finance Party may concede or compromise any claim that an assurance, security or payment is liable to avoidance.

22. SECURITY AGENT PROVISIONS

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

(b) By entering into or acceding to the Facilities Agreement or any other Finance Document, each of the Finance Parties authorises the Security Agent:

(i) to perform the duties, obligations and responsibilities given to it under or in connection with the Finance Documents; and

(ii) to exercise the powers, authorities, discretions and other rights specifically given to the Security Agent under or in connection with the
Finance Documents, together with any other incidental powers, authorities, discretions and other rights.

23. **COSTS**

23.1 **Release costs**

The Chargors shall, within three Business Days of demand (in addition to the costs payable in Clause 18.2 of the Facilities Agreement), pay to the Security Agent the amount of all costs and expenses (including legal fees and together with any applicable VAT) incurred by it in connection with the release of any rights under any Finance Document and the Transaction Security and any proceedings instituted by or against the Security Agent as a consequence of enforcing these rights.

24. **CHANGES TO THE PARTIES**

24.1 **Security Agent**

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

24.2 **Accession of Additional Chargors**

(a) If the Parent and the Security Agent so agree, a person may accede to this Security Agreement as an Additional Chargor by delivering to the Security Agent an Accession Deed duly executed by the Additional Chargor and the Parent.

(b) The accession shall take effect upon the Security Agent executing the Accession Deed delivered pursuant to Clause 24.2(a). The Additional Chargor shall from then assume the same obligations and become entitled to the same rights as if it had been an original Party as a Chargor.

24.3 **Chargors**

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

25. **COMMUNICATIONS**

25.1 **Communications in writing**

Any communication to be made or delivered under or in connection with this Security Agreement (including any notices, waivers, consents or other documents) shall be made or delivered in English and in writing and, unless otherwise stated, may be delivered by fax or letter.

25.2 **Addresses**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication in the Facilities
Agreement or below to be made or delivered under or in connection with this Security Agreement is:

(a) that applicable to it under the Facilities Agreement or identified with its name in this Security Agreement; or

(b) any substitute address, fax number or department or officer as the Party may notify to the Security Agent (or the Security Agent may notify to the other Parties, if a change is made by the Security Agent) by not less than five Business Days’ notice.

25.3 Delivery

(a) Any communication made or delivered by one Party to another under or in connection with this Security Agreement will only be effective:

(i) if by way of fax, when received in legible form; or

(ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 25.2 if addressed to that department or officer.

(b) Any communication to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of the department or officer specified as part of its address details provided under Clause 25.2.

(c) Any communication made or delivered to the Parent in accordance with this Clause 25 will be deemed to have been made or delivered to each Chargor.

(d) Any communication which becomes effective, in accordance with Clause 25.3(a) to Clause 25.3(c), after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

26. CONDUCT OF BUSINESS

No provision of this Security Agreement will:

(a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;

(b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or

(c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of taxes.
27. **PROVISIONS OF THE FACILITIES AGREEMENT**

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

(b) In addition, and without limitation to paragraph (a), Clauses 11.3 (*Default interest*), 14 (*Tax gross-up and indemnities*), 16.1 (*Currency indemnity*), 18 (*Costs and expenses*), 30 (*Conduct of business by the Finance Parties*), 33 (*Set-off*), 34 (*Notices*), 35 (*Calculations and certificates*), 36 (*Partial invalidity*), 38 (*Remedies and waivers*), 39 (*Amendments and waivers*), 39.2 (*Disclosure of Confidential Information*), 42 (*Counterparts*) and 45 (*Enforcement*) of the Facilities Agreement shall apply to this Security Agreement as if they were set out in full again here, with references to the Agent or the Lenders including the Security Agent and with any other changes which are necessary to fit this context.

28. **GOVERNING LAW**

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

29. **ENFORCEMENT**

29.1 **Jurisdiction of English courts**

(a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Security Agreement (including a dispute relating to the existence, validity or termination of this Security Agreement or any non-contractual obligations arising out of or in connection with this Security Agreement) (a *"Dispute"*).

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

29.2 **Benefit**

Clause 29.1 is for the benefit of the Security Agent and the other Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

**EXECUTION:**

The parties have shown their acceptance of the terms of this Security Agreement by executing it, in the case of each Chargor as a deed, at the end of the Schedules.
<table>
<thead>
<tr>
<th>Full corporate name of Chargor</th>
<th>Jurisdiction of incorporation</th>
<th>Registration number</th>
<th>Registered office/principal place of business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arlington Industries Group Limited</td>
<td>England &amp; Wales</td>
<td>08741590</td>
<td>Suite 15b Styal Road Manchester International Office Centre Manchester M22 5WB</td>
</tr>
<tr>
<td>Arlington Automotive Holdings Limited</td>
<td>England &amp; Wales</td>
<td>08554259</td>
<td>79 Torrington Avenue Coventry CV4 9AQ</td>
</tr>
<tr>
<td>Arlington Automotive NE Limited</td>
<td>England &amp; Wales</td>
<td>01797394</td>
<td>Arlington Automotive Ne Limited Gurney Way Aycliffe Business Park Newton Aycliffe County Durham DL5 6UJ</td>
</tr>
<tr>
<td>Arlington Automotive Limited</td>
<td>England &amp; Wales</td>
<td>08554261</td>
<td>79 Torrington Avenue Coventry CV4 9AQ</td>
</tr>
<tr>
<td>Magal Engineering Limited</td>
<td>England &amp; Wales</td>
<td>04407738</td>
<td>47 Castle Street Reading RG1 7SR</td>
</tr>
<tr>
<td>Dauphinoise Holding Limited</td>
<td>England &amp; Wales</td>
<td>04624403</td>
<td>47 Castle Street Reading RG1 7SR</td>
</tr>
<tr>
<td>AIM Design Co. Limited</td>
<td>England &amp; Wales</td>
<td>04752004</td>
<td>Southmoor Industrial Estate, Southmoor Road, Manchester, M23 9XD</td>
</tr>
<tr>
<td>AIM Engineering Limited</td>
<td>England &amp; Wales</td>
<td>02744531</td>
<td>Southmoor Industrial Estate, Southmoor Road, Manchester, M23 9XD</td>
</tr>
<tr>
<td>Arlington Aerospace Limited</td>
<td>England &amp; Wales</td>
<td>06353995</td>
<td>Southmoor Industrial Estate, Southmoor Road, Manchester, M23 9XD</td>
</tr>
<tr>
<td>Company Name</td>
<td>Country &amp; Region</td>
<td>Phone Number</td>
<td>Address</td>
</tr>
<tr>
<td>------------------------------------</td>
<td>------------------</td>
<td>--------------</td>
<td>------------------------------------------</td>
</tr>
<tr>
<td>Magal AWT Limited</td>
<td>England &amp; Wales</td>
<td>04824345</td>
<td>47 Castle Street, Reading, England, RG1 7SR</td>
</tr>
<tr>
<td>Magal Cables Limited</td>
<td>England &amp; Wales</td>
<td>05115514</td>
<td>47 Castle Street, Reading, England, RG1 7SR</td>
</tr>
<tr>
<td>North West Precision Limited</td>
<td>England &amp; Wales</td>
<td>07341603</td>
<td>3a And 3b Ebenezer Street, Birkenhead, England, CH42 1NH</td>
</tr>
<tr>
<td>Arlington Management Services Ltd.</td>
<td>England &amp; Wales</td>
<td>08296565</td>
<td>Suite 15b Styal Road, Manchester International Office Centre, Manchester, England, M22 5WB</td>
</tr>
<tr>
<td>Magal Engineering Far East Ltd.</td>
<td>England &amp; Wales</td>
<td>09499948</td>
<td>47 Castle Street, Reading, England, RG1 7SR</td>
</tr>
<tr>
<td>Magal Metallufacture Limited</td>
<td>England &amp; Wales</td>
<td>05115521</td>
<td>47 Castle Street, Reading, England, RG1 7SR</td>
</tr>
<tr>
<td>Woolford Properties Limited</td>
<td>England &amp; Wales</td>
<td>04623971</td>
<td>47 Castle Street, Reading, England, RG1 7SR</td>
</tr>
</tbody>
</table>
**SCHEDULE 2**
**PROPERTIES**

**Part 1**
Registered land

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

<table>
<thead>
<tr>
<th>Description of Property</th>
<th>Name of Chargor</th>
<th>Title Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trident Automotive (UK) Ltd, Baldwin Road, Stourport-On-Severn, DY13 9BB</td>
<td>Woolford Properties Limited</td>
<td>WR76447</td>
</tr>
<tr>
<td>Land and factory premises on the south side of Torrington Avenue (79 Torrington Avenue, Coventry CV4 9AQ)</td>
<td>Arlington Automotive Limited</td>
<td>WK72284</td>
</tr>
<tr>
<td>Unit 3a Ebenezer Street, Birkenhead, CH42 1NH</td>
<td>North West Precision Limited</td>
<td>MS334420</td>
</tr>
<tr>
<td>Unit 3b Ebenezer Street, Birkenhead, CH42 1RX</td>
<td>North West Precision Limited</td>
<td>MS327808</td>
</tr>
<tr>
<td>Adwest Engineering Limited, Headley Road East, Woodley, Reading, RG5 4SN</td>
<td>Magal AWT Limited</td>
<td>BK480141</td>
</tr>
<tr>
<td>Land on the south side of Viscount Way, Woodley, Reading, RG5 4BY</td>
<td>Magal AWT Limited</td>
<td>BK480140</td>
</tr>
</tbody>
</table>

**Part 2**
Unregistered land

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

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

<table>
<thead>
<tr>
<th>Description of Property</th>
<th>Name of Chargor</th>
<th>Date</th>
<th>Document</th>
<th>Parties</th>
</tr>
</thead>
</table>
## SCHEDULE 3
### SPECIFIED ASSETS

#### Part 1
**English Collection Accounts**

<table>
<thead>
<tr>
<th>Chargor</th>
<th>Currency</th>
<th>Account number/IBAN</th>
<th>Sort Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIM Design Co. Limited</td>
<td>GBP</td>
<td></td>
<td>30-15-99</td>
</tr>
<tr>
<td>AIM Engineering Limited</td>
<td>GBP</td>
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<td>30-15-99</td>
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<tr>
<td>Arlington Automotive NE Limited</td>
<td>GBP</td>
<td></td>
<td>30-95-42</td>
</tr>
<tr>
<td></td>
<td>EUR</td>
<td></td>
<td>30-95-42</td>
</tr>
<tr>
<td>Magal AWT Limited</td>
<td>GBP</td>
<td></td>
<td>30-67-99</td>
</tr>
<tr>
<td></td>
<td>EUR</td>
<td></td>
<td>30-67-99</td>
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<tr>
<td>Magal Cables Limited</td>
<td>GBP</td>
<td></td>
<td>30-67-99</td>
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<tr>
<td></td>
<td>EUR</td>
<td></td>
<td>30-67-99</td>
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<tr>
<td>North West Precision Limited</td>
<td>GBP</td>
<td></td>
<td>30-95-11</td>
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<td></td>
<td>EUR</td>
<td></td>
<td>30-95-11</td>
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<tr>
<td>Chargor</td>
<td>Company</td>
<td>Description of shares/share certificate(s) number</td>
<td>Percentage of company charged</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>--------------------------------</td>
<td>--------------------------------------------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>Magal Engineering Limited</td>
<td>Adwest Engineering Limited</td>
<td>101 shares of £1.00 each</td>
<td>100%</td>
</tr>
<tr>
<td>Arlington Aerospace Limited</td>
<td>AIM Design Co. Limited</td>
<td>100,000 units of £0.001 each</td>
<td>100%</td>
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<tr>
<td>Arlington Aerospace Limited</td>
<td>AIM Engineering Limited</td>
<td>4,800 units of £1.00 each</td>
<td>100%</td>
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<td>Arlington Industries Group Ltd</td>
<td>Arlington Management Services Limited</td>
<td>9,250,001 units of £1.00 each</td>
<td>100%</td>
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<td>Arlington Management Services Ltd</td>
<td>Arlington Aerospace Limited</td>
<td>4 units of £1.00 each</td>
<td>100%</td>
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<td>Arlington Management Services Ltd</td>
<td>Arlington Automotive Holdings Limited</td>
<td>1 unit of £1.00 each</td>
<td>100%</td>
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<td>Arlington Automotive Holdings Ltd</td>
<td>Arlington Automotive NE Limited</td>
<td>66 units of £1.00 each</td>
<td>100%</td>
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<tr>
<td>Magal Engineering Limited</td>
<td>Dauphinois Holdings Limited</td>
<td>100 units of £1.00 each</td>
<td>100%</td>
</tr>
<tr>
<td>Arlington Automotive Holdings Limited</td>
<td>Arlington Automotive Limited</td>
<td>1 unit of £1.00 each</td>
<td>100%</td>
</tr>
<tr>
<td>Magal Engineering Limited</td>
<td>Magal AWT Ltd</td>
<td>100,001 units of £1.00 each</td>
<td>100%</td>
</tr>
<tr>
<td>Magal Engineering Limited</td>
<td>Magal Cables Limited</td>
<td>1000 units of £1.00 each</td>
<td>100%</td>
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<td>Arlington Automotive Holdings Limited</td>
<td>Magal Engineering Limited</td>
<td>850 ordinary A units of £1.00 each</td>
<td>100%</td>
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<tr>
<td>Company Name</td>
<td>Company Name</td>
<td>Shares/Units Details</td>
<td>Percentage</td>
</tr>
<tr>
<td>------------------------------------</td>
<td>------------------------------------</td>
<td>-----------------------------------------------------------</td>
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</tr>
<tr>
<td>Arlington Automotive Holdings Ltd.</td>
<td>Magal Engineering Limited</td>
<td>150 ordinary B units of £1.00 each</td>
<td>100%</td>
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<tr>
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<td>Magal Engineering Limited</td>
<td>2 Ordinary C units of £0.001 each</td>
<td>100%</td>
</tr>
<tr>
<td>Arlington Automotive Holdings Ltd.</td>
<td>Magal Engineering Limited</td>
<td>2 Ordinary D units of £0.001 each</td>
<td>100%</td>
</tr>
<tr>
<td>Arlington Automotive Holdings Ltd.</td>
<td>Magal Engineering Far East Ltd.</td>
<td>1 unit of £1.00 each</td>
<td>100%</td>
</tr>
<tr>
<td>Ampco 106 Ltd</td>
<td>North West Precision Ltd.</td>
<td>200 Ordinary A units of £1.00 each</td>
<td>100%</td>
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<tr>
<td>Ampco 106 Ltd</td>
<td>North West Precision Ltd.</td>
<td>15 Ordinary B units of £1.00 each</td>
<td>100%</td>
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<tr>
<td>Ampco 106 Ltd</td>
<td>North West Precision Ltd.</td>
<td>43 Ordinary C units of £1.00 each</td>
<td>100%</td>
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<tr>
<td>Magal Engineering Limited</td>
<td>Woolford Properties Limited</td>
<td>320,964 units of £1.00 each</td>
<td>100%</td>
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SCHEDULE 4
FORM OF NOTICES OF SECURITY

Part I
Notice of assignment of Assigned Document

[On relevant Chargor’s notepaper]

To:  [Name and address of other party]

[Date]

Dear Sirs

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

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

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

Please note the following:

(a) we shall at all times remain solely liable to you for the performance of all of the obligations assumed by us under or in respect of the Assigned Document;

(b) we irrevocably and unconditionally instruct and authorise you (despite any previous instructions which we may have given to the contrary) to pay any monies payable by you to us under the Assigned Document to such bank account as the Security Agent may from time to time specify in writing;

(c) all of the powers, discretions, remedies and other rights which would, but for the Security Agreement, be vested in us under and in respect of the Assigned Document are exercisable by the Security Agent;

(d) we have agreed not to waive any rights under, amend, novate, repudiate, [for an Assigned Document other than an Occupational Lease: rescind or otherwise terminate or permit to be terminated the Assigned Document][for an Occupational Lease: rescind, forfeit, determine or agree to the forfeiture, determination or surrender of the Assigned Document] without the prior written consent of the Security Agent;

(e) we agree that:

5 User Note: You can include here details of the account into which sums are to be paid.
(i) none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Security Agent’s prior written consent; and

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

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

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

Yours faithfully

.............................................

[Name of relevant Chargor]
By: [Name of signatory]
To: Security Agent

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

We confirm that:

(a) we consent to the assignment of the Assigned Document and will comply with the terms of that notice;

(b) we have not, as at the date of this acknowledgement, received any notice that any third party has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of, any rights of the Chargor in, to, under, in respect of or derived from the Assigned Document;

(c) if the Chargor is in breach of any of its obligations, express or implied, under the Assigned Document or if any event occurs which would permit us to terminate, cancel or surrender the Assigned Document we will:

(i) immediately on becoming aware of it, give you written notice of that breach; and

(ii) accept as an adequate remedy for that breach, performance by you of those obligations within 30 days of that notice; and

(d) we confirm that neither a waiver of any of the Chargor's rights, in, to, under, in respect of or derived from the Assigned Document nor an amendment, novation, [for an Occupational Lease only: determination, acceptance of surrender, forfeiture,] rescission or other termination by the Chargor of the Assigned Document shall be effective without your prior written consent.

[Name of other party]

By: [Name of signatory]

Dated:

..............................................................
Part 2
Notice of assignment of Insurance

[On relevant Chargor's notepaper]

To: [Name and address of insurer]

[Date]

Dear Sirs

Policy number [●]

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

Please note the following:

(a) we irrevocably and unconditionally instruct and authorise you (despite any previous instructions which we may have given to the contrary) to pay all monies payable by you to us under the Policy, including the proceeds of all claims, to such bank account as the Security Agent may from time to time specify in writing⁴;

(b) all of the powers, discretions, remedies and other rights which would, but for the Security Agreement, be vested in us under and in respect of the Policy are exercisable by the Security Agent; and

(c) we agree that:

(i) none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Security Agent’s prior written consent; and

(ii) you are authorised to disclose any information in relation to the Policy to the Security Agent at the Security Agent’s request.

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

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

⁴ User Note: You can include here details of the account into which sums are to be paid.
Yours faithfully

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

Details of Policy

Name of insured: [●]
Nature of policy: [●]
Policy number: [●]
Expiry date: [●]
To: Security Agent

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

We confirm that:

(a) we consent to the assignment of the Policy and will comply with the terms of that notice;

(b) we have not, as at the date of this acknowledgement, received any notice that any third party has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of, any rights of the Chargor in, to, under, in respect of or derived from the Policy;

(c) if the Chargor is in breach of any of its obligations, express or implied, under the Policy or if any event occurs which would permit us to terminate, cancel or surrender the Policy we will:

(i) immediately on becoming aware of it, give you written notice of that breach; and

(ii) accept as an adequate remedy for that breach, performance by you of those obligations within 30 days of that notice; and

(d) we confirm that neither a waiver of any of the Chargor’s rights in, to, under, in respect of or derived from the Policy, nor an amendment, novation, rescission or other termination by the Chargor of the Policy, shall be effective without the prior written consent of the Security Agent.

.................................................................
[Name of insurer]
By: [Name of signatory]

Dated:
Part 3
Notice of charge of English Collection Account

[On relevant Chargor’s notepaper]

To: [Name and address of English Collection Account bank]

[Date]

Dear Sirs

English Collection Account number(s) [●]

[Name of Chargor] (the "Company") hereby gives notice to [Name of English Collection Account bank] (the "Bank") that by an English security agreement dated [●] 2019 (the "Deed"), the Company charged to MIDCAP Financial (Ireland) Limited as Security Agent by way of first fixed charge all the Company's rights, title, interest and benefit in and to the following account(s) held with the Bank and all amounts standing to the credit of such account(s) from time to time:

Account No. [●], sort code [●]

Account No. [●], sort code [●]

[Repeat as necessary]

(the "Blocked Account(s)").

Please acknowledge receipt of this letter by returning a copy of the attached letter on the Bank's headed notepaper with a receipted copy of this notice forthwith, to MIDCAP Financial (Ireland) Limited at address [●], Attention: [●] and to the Company at the address given above, attention [●].

The attached acknowledgement letter constitutes our irrevocable instruction to you. Without prejudice to the generality thereof, we hereby agree in your favour to be bound by (a) the limitations on your responsibility under paragraph (b) of the acknowledgement letter, and (b) the provisions of paragraph (j) of the acknowledgement letter, in each case as if we had signed it in your favour.

Yours faithfully

..............................

for and on behalf of

[the relevant Chargor]
[On copy letter only:]

To:     Security Agent

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

Dear Sirs,

[Name of Chargor] (the "Company")

We [Name of English Collection Account Bank] (the "Bank") refer to the notice dated [●] 2019 from the Company with respect to the fixed charge which it has granted to the Security Agent over the Blocked Account(s) (the "Notice").

Terms not defined in this letter shall have the meanings given to them in the Notice.

The Bank hereby acknowledges that the Company has charged to the Security Agent by way of a first fixed charge all of its rights, title, interest and benefit in and to the Blocked Account(s).

The Bank hereby irrevocably undertakes to the Security Agent that until receipt by us of notice from the Security Agent confirming that the Security Agent no longer has any interest in the Blocked Account(s) we shall:

(a)     not exercise any right of combination, consolidation, merger or set-off which we may have in respect of, or otherwise exercise any other right which we may have to apply any monies from time to time standing or accruing to the credit of the Blocked Account(s) save for fees and charges payable to us for the operation of the Blocked Account(s);

(b)     promptly notify you of any renewal, renumbering or redesignation of any and all of the Blocked Accounts;

(c)     promptly send to the Security Agent copies with respect to all the Blocked Accounts of all statements and, if requested by the Security Agent, copies of all credits, debits and notices given or made by us in connection with such account;

(d)     not permit or effect any withdrawal or transfer from the Blocked Account(s) by or on behalf of the Company save for withdrawals and transfers requested by the Security Agent pursuant to the terms of this letter;

(e)     comply with all instructions received by the Bank from the Security Agent from time to time with respect to the conduct of the Blocked Account(s) provided that such instructions are given in accordance with the terms of this letter;

(f)     comply with all instructions received by the Bank from the Security Agent from time to time with respect to the movement of funds from the Blocked Account(s) provided that:
(i) all instructions are received in accordance with the terms and conditions which apply from time to time to the relevant account and/or electronic banking system;

(ii) all instructions must be received by 2pm if they are to be complied with on the same Business Day. Instructions received outside such hours will be complied with on the next Business Day following such receipt. Facsimile instructions will be deemed received at the time of transmission

(iii) all instructions are given in compliance with the mandate entered into by the Security Agent stipulating who may give instructions to us; and

(iv) to the extent that an instruction is given which would in our opinion cause [any of] the Blocked Account(s) to become overdrawn we will transfer the cleared balance in the account

(g) the Bank shall not be obliged to comply with any instructions received from the Security Agent where:

(i) due to circumstances not within our direct control we are unable to comply with such instructions; and

(ii) that to comply with such instructions will breach a Court Order or be contrary to applicable law;

and in each case we shall, if legally possible, give notice thereof to the Company and the Security Agent as well as reasons why we cannot comply with such instructions;

(h) in the event that the Bank is unable to comply with any instructions due to circumstances set out in paragraph (g) we shall not be responsible for any loss caused to the Security Agent or to the Company and in any event the Bank shall not be liable for any consequential, special, secondary or indirect loss of or damage to goodwill, profits or anticipated savings (however caused);

(i) the Security Agent acknowledges that we are obliged to comply with the terms of this letter and that we have no notice of the particulars of the charge granted to the Security Agent by the Company other than as set out in the Notice and this letter. The Security Agent further acknowledges that subject to the terms of this letter we shall not be liable to the Security Agent in any respect if the Company operates the Blocked Account(s) in breach of any agreement entered into by the Company with the Security Agent; and

(j) the Security Agent irrevocably authorises the Bank to follow any instructions received from the Security Agent in relation to the Blocked Account(s) from any person that we reasonably believe to be an authorised officer of the Security Agent without further inquiry as to the Security Agent's right or authority to give such instructions and we shall be fully protected in acting in accordance with such instructions.
We note that, for the purposes of this letter, all notices, copy notices, advices and correspondence to be delivered to the Security Agent shall be effectively delivered if sent by facsimile to the Security Agent at number [●] or by post at the address at the top of this letter, in both cases marked for the attention of [●].

This letter and any non-contractual obligations arising out of or in connection with it shall be governed by English law and all parties hereby submit to the jurisdiction of the English courts.

Yours faithfully

........................

for and on behalf of

[English Collection Account bank]

MIDCAP FINANCIAL (IRELAND) LIMITED acting in its capacity as Security Agent

By: Apollo Capital Management, L.P., its investment manager

By: Apollo Capital Management LLC, its general partner

By: ______________
Name: ______________
Title: ______________
Part 4
Notice of charge over other bank accounts

[On relevant Chargor's notepaper]

To:    [Name and address of other bank]

[Date]

Dear Sirs

Account number: [●]

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

We give you notice that by a Security Agreement (the "Security Agreement") dated [●] 20[●] and entered into by us in favour of [Name of Security Agent] (as Security Agent, as defined in the Security Agreement) we have charged all our rights in, to, under, in respect of or derived from any credit balances on the Account (the "Balances") and the indebtedness represented by the Account.

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

(a) to disclose to the Security Agent (without any reference to or further authority from us and without any enquiry by you as to the justification for the disclosure), any information relating to the Account which the Security Agent may, at any time and from time to time, request;

(b) at any time and from time to time on receipt by you of any written instruction from the Security Agent, to release any amount of the Balances and to act in accordance with that instruction (without any reference to or further authority from us and without any enquiry by you as to the justification for the instruction or the validity of the same); and

(c) to comply with the terms of any written notice, statement or instruction in any way relating or purporting to relate to the Account, the Balances or the indebtedness represented by it or them which you may receive at any time and from time to time from the Security Agent (without any reference to or further authority from us and without any enquiry by you as to the justification for the notice, statement or instruction or the validity of it).

We agree that:

(i) none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Security Agent’s prior written consent; and

(ii) you are authorised to disclose any information in relation to the Account to the Security Agent at the Security Agent’s request.
Please acknowledge receipt of this notice, and confirm your agreement to it, by signing the acknowledgement on the enclosed copy letter and returning it to the Security Agent at [●] marked for the attention of [●].

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

Yours faithfully

........................................
[Name of relevant Chargor]
By: [Name of signatory]
[On copy letter only:]

To: Security Agent

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

We confirm that:

(a) we consent to the charge of the Account and will comply with the terms of that notice;

(b) there does not exist in our favour, and we undertake not to create, assert, claim or exercise, any mortgage, fixed or floating charge, assignment or other security interest of any kind or any agreement or arrangement having substantially the same economic or financial effect as any of the above (including any rights of counter-claim, rights of set-off or combination of accounts over or with respect to all or any part of the Account and/or the Balances (as defined in that notice));

(c) we have not, as at the date of this acknowledgement, received any notice that any third party has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Chargor in, to, under, in respect of or derived from the Account or the Balances; and

(d) we undertake that, on our becoming aware at any time that any person other than the Security Agent has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of the Account or the Balances, we will immediately give written notice of that to the Security Agent.

........................................
for and on behalf of
[Name of bank]

By: [Name of signatory]

Dated:
Part 5

Notice of security over Receivables

[On relevant Chargor’s notepaper]

To: [Name and address of other party]

[Date]

Dear Sirs

[Name and date of Receivable]

We refer to an agreement dated [●] between us and you (as amended or novated from time to time, the "Agreement").

We give you notice that by a security agreement (the "Security Agreement") dated [●] 20[●] and entered into by us in favour of [●] (as Security Agent, as defined in the Security Agreement), we have [assigned] [charged] all our rights in the book debts [(and other rights to receive payments (and enforce the payment of amounts)] arising out of the Agreement.

Please note the following:

(a) we shall at all times remain solely liable to you for the performance of all of the obligations assumed by us under or in respect of the Agreement;

(b) we irrevocably and unconditionally instruct and authorise you (despite any previous instructions which we may have given to the contrary) to pay any monies payable by you to us under the Agreement to [●] or such other account as the Security Agent may from time to time notify to you in writing;

(c) we agree that:

(i) none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Security Agent’s prior written consent; and

(ii) you are authorised to disclose any information in relation to the Agreement to the Security Agent at the Security Agent's request.

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

Yours faithfully

[Name of relevant Chargor]
By: [Name of signatory]
SCHEDULE 5
FORM OF ACCESSION DEED

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

(1) [●] a company incorporated in [●] (registered number [●]) whose registered office is at [●] (the "Additional Chargor");

(2) [●] a company incorporated in [●] (registered number [●]) whose registered office is at [●] (the "Parent"); and

(3) [NAME OF SECURITY AGENT] [as trustee for the Secured Parties] (the "Security Agent").

BACKGROUND:

(A) By a Security Agreement dated [●] and made between [amongst others] (1) [●] as [●] and (2) the Security Agent (the "Security Agreement"), the Chargors granted security interests to the Security Agent as security for the Secured Liabilities (as defined in the Security Agreement).

(B) The Additional Chargor has agreed to enter into this Deed of Accession and to become a Chargor under the Security Agreement. The Additional Chargor will also, by execution of a separate document, become a party to the Intercreditor Agreement as an Obligor.

(C) [The Parent enters into this Deed of Accession for itself and as agent for the other Chargors.]

(D) This Deed of Accession is a Security Document (as defined in the Security Agreement).

(E) The Security Agent holds the benefit of this Deed of Accession, including the security created and other rights granted in it, on trust for the Secured Parties on the terms referred to in Recital C of the Security Agreement.

(F) This document is the deed of the Additional Chargor, even if it has not been duly executed by each other party to it or has been executed by one or both of them but not as a deed.

THIS DEED WITNESSES that:

2. DEFINITIONS AND INTERPRETATION

2.1 Incorporation of definitions

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

Clause 1.3 (Construction) of the Security Agreement (including its incorporation of Clause 1.2 (Construction) of the Facilities Agreement) shall apply as if set out in full again here, with references to "this Security Agreement" being construed as references to this Deed of Accession and with such other changes as are appropriate to fit this context.

2.3 Disposition of land

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

2.4 Inconsistency

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

3. ACCESSION

The Additional Chargor:

(a) on the date of this Deed of Accession grants the Security Interests referred to in Clause 3 (Creation of Security Interests); and

(b) with effect from the date of this Deed of Accession will become a party to the Security Agreement as a Chargor and have the same rights as if it had been an original party to the Security Agreement as a Chargor.

4. CREATION OF SECURITY INTERESTS

4.1 Land

(a) The Additional Chargor charges:

(i) by way of first legal mortgage, all estates or interests owned by it at the date of this Security Agreement in the properties brief details of which are set out in Schedule 1 (Properties) and any other land in England and Wales; and

(ii) by way of first fixed charge, all of its other rights in any land.

(b) The Additional Chargor assigns absolutely all of its rights in any Occupational Lease, including rights to rental income and other payments, and any guarantee or other right relating to an Occupational Lease.

4.2 Bank Accounts

The Additional Chargor charges by way of first fixed charge all of its rights:
(a) in any credit balances on any bank accounts listed or referred to in Schedule 2, Part 1 (English Collection Accounts) and the indebtedness represented by them; and

(b) in any credit balances on any other bank accounts and the indebtedness represented by them.

4.3 Receivables

The Additional Chargor charges by way of first fixed charge all of its rights in its Receivables (but only if and to the extent the rights in question have not been effectively assigned pursuant to Clause 4.6 (Assignment of documents) or such rights have been assigned but such assignment has not been perfected by the service of the appropriate Notice of Security over Receivables).

4.4 Investments

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

4.5 Insurances

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

4.6 Assignment of documents

The Additional Chargor assigns absolutely all of its rights in:

(a) any Hedging Agreement (without prejudice and subject to any netting or set-off provisions contained in it);

(b) [etc –] list any other documents to be assigned; and

(c) any other document from time to time designated as an Assigned Document by the Additional Chargor (or the Parent on its behalf) and the Security Agent.

4.7 Miscellaneous fixed charges

The Additional Chargor charges by way of first fixed charge, in each case to the extent not otherwise charged or assigned in Clause 3.1 to Clause 3.6:

(a) all of its rights in any Equipment;

(b) any goodwill and uncalled capital from time to time and all of its rights to future calls in respect of capital;

(c) all of its rights in its Intellectual Property, including any listed or referred to in Schedule 2, Part 4 (Specified Intellectual Property);
(d) all licences, consents and other Authorisations held in connection with its business or the use of any Security Assets and all of its rights in connection with them; and

(e) all of its rights in any security interests, guarantees, indemnities, covenants for title, agreements, reports and other documents including those relating to all or any part of the Security Assets.

4.8 Floating charge

(a) The Additional Chargor charges by way of first floating charge the whole of its undertaking and assets (including Inventory) (other than assets validly and effectively charged or assigned (whether at law or in equity) from time to time pursuant to Clause 3.1 to Clause 3.7).

(b) Schedule B1, Paragraph 14 1A shall apply to the floating charge created by the Additional Chargor in Clause 3.8(a).

5. RELATIONSHIP WITH OTHER FINANCE DOCUMENTS

5.1 Security Document and Finance Document

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

5.2 Incorporation into the Security Agreement

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

(a) Clause 3.1 (General provisions regarding Security Interests) of the Security Agreement shall apply to the Security Interests created under this Deed of Accession; and

(b) any reference in the Security Agreement in whatever form of words to an assignment, fixed charge or floating charge created under the Security Agreement shall include any assignment, fixed charge or floating charge created under this Deed of Accession.

6. COMMUNICATIONS

The Additional Chargor confirms that its contact details for communications in relation to Clause 28 (Communications) of the Security Agreement are those applicable to it under the Facilities Agreement or set out below.

7. GOVERNING LAW

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

The parties have shown their acceptance of the terms of this Deed of Accession by executing it, in the case of the Chargor as a deed, at the end of the Schedules.
SCHEDULE 1
PROPERTIES

Part 1
Registered land

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

<table>
<thead>
<tr>
<th>Chargor</th>
<th>Address</th>
<th>Title Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frehold Property</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leasehold Property</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Part 2
Unregistered land

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

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

<table>
<thead>
<tr>
<th>Description of Property</th>
<th>Date</th>
<th>Document</th>
<th>Parties</th>
</tr>
</thead>
</table>
SCHEDULE 2
SPECIFIED ASSETS

Part 1
English Collection Accounts

Part 2
Specified Receivables

Part 3
Specified Investments

Part 4
Specified Intellectual Property

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

The Chargers

SIGNED as a deed by Simon Greenough, Director, duly authorised for and on behalf of ARLINGTON INDUSTRIES GROUP LIMITED in the presence of:

Witness's signature: 

Witness's name (in capitals): 

Witness's address:

SIGNED as a deed by Simon Greenough, Director, duly authorised for and on behalf of ARLINGTON AUTOMOTIVE HOLDINGS LIMITED in the presence of:

Witness's signature: 

Witness's name (in capitals): 

Witness's address:

SIGNED as a deed by Simon Greenough, Director, duly authorised for and on behalf of ARLINGTON AUTOMOTIVE NE LIMITED in the presence of:

Witness's signature: 

Witness's name (in capitals): 

Witness's address:

Signature page to the English Security Agreement
SIGNED as a deed by Simon Greannagh, Director, duly authorised for and on behalf of ARLINGTON AUTOMOTIVE LIMITED in the presence of:

Witness's signature: [Redacted]
Witness's name (in capitals): MELANIE CHISNALL
Witness's address: Brown Jackson LLP 14th floor, No. 1 Springfields 1 Hardman Square, Springfields, Manchester, M3 3EB

SIGNED as a deed by Simon Greannagh, Director, duly authorised for and on behalf of MAGAL ENGINEERING LIMITED in the presence of:

Witness's signature: [Redacted]
Witness's name (in capitals): MELANIE CHISNALL
Witness's address: Brown Jackson LLP 14th floor, No. 1 Springfields 1 Hardman Square, Springfields, Manchester, M3 3EB

SIGNED as a deed by Simon Greannagh, Director, duly authorised for and on behalf of DAUPHINOISE HOLDINGS LIMITED in the presence of: [Redacted]

Witness's signature: [Redacted]
Witness's name (in capitals): MELANIE CHISNALL
Witness's address: Brown Jackson LLP 14th floor, No. 1 Springfields 1 Hardman Square, Springfields, Manchester, M3 3EB

Signature page to the English Security Agreement
SIGNED as a deed by Simon Greenough, )
Director, duly authorised for and on behalf )
of AIM DESIGN CO. LIMITED in the )
presence of:

Witness's signature: [redacted]
Witness's name (in capitals): Melanie Chisnall
Witness's address:

Browne Jacobson LLP
14th floor, No. 1 Spinningfields
1 Harman Square, Spinningfields
Manchester, M3 3EB

SIGNED as a deed by Simon Greenough, )
Director, duly authorised for and on behalf )
of AIM ENGINEERING LIMITED in )
the presence of:

Witness's signature: [redacted]
Witness's name (in capitals): Melanie Chisnall
Witness's address:

Browne Jacobson LLP
14th floor, No. 1 Spinningfields
1 Harman Square, Spinningfields
Manchester, M3 3EB

SIGNED as a deed by Simon Greenough, )
Director, duly authorised for and on behalf )
of ARLINGTON AEROSPACE )
LIMITED in the presence of:

Witness's signature: [redacted]
Witness's name (in capitals): Melanie Chisnall
Witness's address:

Browne Jacobson LLP
14th floor, No. 1 Spinningfields
1 Harman Square, Spinningfields
Manchester, M3 3EB
SIGNED as a deed by Simon Greenhalgh
Director, duly authorised for and on behalf
of MAGAL AWT LIMITED in the
presence of:

Witness's signature: 

Witness's name (in capitals): MELANIE CHISNALL

Witness's address: Borea Jacobson LLP
14th Floor, No. 1 Springfield
1 Hardman Square, Springfields,
Manchester, M3 3EB

SIGNED as a deed by Simon Greenhalgh
Director, duly authorised for and on behalf
of MAGAL CABLES LIMITED in the
presence of:

Witness's signature: 

Witness's name (in capitals): MELANIE CHISNALL

Witness's address: Borea Jacobson LLP
14th Floor, No. 1 Springfield
1 Hardman Square, Springfields,
Manchester, M3 3EB

SIGNED as a deed by Simon Greenhalgh
Director, duly authorised for and on behalf
of NORTH WEST PRECISION LIMITED in the presence of:

Witness's signature: 

Witness's name (in capitals): MELANIE CHISNALL

Witness's address: Borea Jacobson LLP
14th Floor, No. 1 Springfield
1 Hardman Square, Springfields,
Manchester, M3 3EB
IGNED as a deed by Simon Greenhalgh, )
Director, duly authorised for and on behalf )
of ARLINGTON MANAGEMENT )
SERVICES LIMITED in the presence of: )

Witness's signature: [signature]

Witness's name (in capitals): MELANIE CHISNALL

Witness's address: Browne Jacobson LLP
14th floor, No. 1 Spinningfields
1 Hardman Square, Spinningfields
Manchester M3 3EB

IGNED as a deed by Simon Greenhalgh, )
Director, duly authorised for and on behalf )
of MAGAL ENGINEERING FAR )
EAST LIMITED in the presence of: )

Witness's signature: [signature]

Witness's name (in capitals): MELANIE CHISNALL

Witness's address: Browne Jacobson LLP
14th floor, No. 1 Spinningfields
1 Hardman Square, Spinningfields
Manchester M3 3EB

IGNED as a deed by Simon Greenhalgh, )
Director, duly authorised for and on behalf )
of MAGAL METALLIFACTURE )
LIMITED in the presence of: )

Witness's signature: [signature]

Witness's name (in capitals): MELANIE CHISNALL

Witness's address: Browne Jacobson LLP
14th floor, No. 1 Spinningfields
1 Hardman Square, Spinningfields
Manchester M3 3EB

Signature page to the English Security Agreement
SIGNED as a deed by Simon Greenhalgh, Director, duly authorised for and on behalf of WOOLFORD PROPERTIES LIMITED in the presence of:

Witness's signature: [Redacted]

Witness's name (in capitals): MELOAN CHISNALL

Witness's address: Browne Jacobson LLP 14th Floor, No.1 Spinningfields Hardman Square, Spinningfields, Manchester M3 3EB
The Security Agent

SIGNED as a deed by Maurice Amsellem, Authorized Signatory, duly authorised for and on behalf of MIDCAP FINANCIAL (IRELAND) LIMITED in the presence of:

Witnesses:

Witnesses' signature:

Witnesses' address:

By: Apollo Capital Management, L.P., its investment manager
By: Apollo Capital Management LLC, its general partner

By: 

Name: Maurice Amsellem
Title: Authorized Signatory