

117592-13

In accordance with Sections 859A and 859J of the Companies Act 2006

MR01



Particulars of a charge

A fee is payable with this form
Please see 'How to pay' on the last page

You can use the WebFiling service to file this form online
Please go to www.companieshouse.gov.uk

What this form is for
You may use this form to register a charge created or evidenced by an instrument

What this form is NOT for
You may not use this form to register a charge where an instrument is used. Use form MR02

For further information, please

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

THURSDAY



A06 *A5011JVE* 11/02/2016 #108
COMPANIES HOUSE

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**

1	Company details	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> For official use
Company number	0 3 0 4 8 3 6 7	<p>→ Filling in this form Please complete in typescript or in bold black capitals</p> <p>All fields are mandatory unless specified or indicated by *</p>
Company name in full	Piksel Limited	

2	Charge creation date
Charge creation date	d0 d4 m0 m2 y2 y0 y1 y6

3	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	<input checked="" type="checkbox"/> JEC II Associates, LLC
Name	<input checked="" type="checkbox"/> Prescott Group Aggressive Small Cap Master Fund, G P
Name	<input checked="" type="checkbox"/> Gralko, B V
Name	
If there are more than four names, please supply any four of these names then tick the statement below	
<input type="checkbox"/> 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	<p>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</p>	<p>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"</p> <p>Please limit the description to the available space</p>
	Brief description		

5	Other charge or fixed security	<p>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</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>	
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6	Floating charge	<p>Is the instrument expressed to contain a floating charge? Please tick the appropriate box</p> <p><input checked="" type="checkbox"/> Yes Continue</p> <p><input type="checkbox"/> No Go to Section 7</p> <p>Is the floating charge expressed to cover all the property and undertaking of the company?</p> <p><input checked="" type="checkbox"/> Yes</p>	
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7	Negative Pledge	<p>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</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	
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8	Trustee statement ¹	<p>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</p> <p><input type="checkbox"/></p>	<p>¹ This statement may be filed after the registration of the charge (use form MR06)</p>
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9	Signature	<p>Please sign the form here</p> <p>Signature</p> <p>X <i>Aswamy LLP</i> X</p> <p>This form must be signed by a person with an interest in the charge</p>	
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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 Charles Kerrigan

Company name OLSWANG LLP

Address 90 High Holborn

Post town London

Country/Region

Postcode

W	C	1	V		6	X	X
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Country

DX 37972 Kingsway

Telephone 020 7067 3000

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 £13 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.companieshouse.gov.uk or email enquires@companieshouse.gov.uk

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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 3048367

Charge code: 0304 8367 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 4th February 2016 and created by PIKSEL LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 11th February 2016

Qp

Given at Companies House, Cardiff on 16th February 2016



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

**DEED POLL
CREATING A FLOATING CHARGE
IN FAVOUR OF CERTAIN CHARGEES
BY PIKSEL LIMITED**

Certified to be a true copy
original seen by me.

Nishi A. Nandan
4 February 2016
Attorney
1250 Broadway, Suite 19
New York, NY 10001
646-553-4845

THIS DEED IS SUBJECT TO THE TERMS OF A DEED OF PRIORITY DATED 4
FEBRUARY 2016 BETWEEN, AMONG OTHERS, PIKSEL LIMITED AND JEC II
ASSOCIATES, LLC, AND TO THE TERMS OF A DEED OF PRIORITY DATED 4
FEBRUARY 2016 BETWEEN, AMONG OTHERS, PIKSEL LIMITED AND HSBC BANK PLC

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THIS FLOATING CHARGE BY WAY OF DEED POLL is executed on 4 February 2016

BY PIKSEL LIMITED (a company incorporated in England and Wales with registered number 03048367) whose registered office is situated at 1 Innovation Close, Heslington, York, North Yorkshire YO10 57D (the "Chargor")

RECITALS

(A) The Chargor enters into this Deed in order to provide security to the Chargees for the Secured Liabilities (as defined below)

(B) It is intended that this document takes effect as a deed poll

IT IS AGREED as follows

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed the following words and expressions shall have the following meanings (unless the context requires otherwise)

"Administrator" means any administrator(s) appointed over the Chargor pursuant to the provisions of the Insolvency Act 1986,

"Borrower" means Pikel, Inc, a Delaware corporation with its principal place of business located at 1250 Broadway, Suite 1902, New York, NY 10001,

"Chargee" means each of JEC, Prescott and Gralko (together the "Chargees"),

"Event of Default" means any event or circumstance specified as such in Clause 7 of this Deed,

"Gralko" means Gralko, B V with its principal offices located at Herengracht 208, 1016BS Amsterdam, The Netherlands,

"Gralko Note" means the 12% subordinated secured note dated 2 September 2015 between Pikel and Gralko,

"Group" means the Borrower and each of its Subsidiaries for the time being,

"HSBC Debentures" means the debenture dated 21 August 2001 and entered into by the Chargor and HSBC Bank plc and the debenture dated 23 October 1996 and entered into by the Chargor and Midland Bank plc,

"JEC" means JEC II Associates, LLC, a Delaware Limited liability company, with its principal offices located at 68 Mazzeo Drive, Randolph, MA 02368,

"JEC Notes" means the

- (a) 12% subordinated secured note dated 2 September 2015, and

(b) 12% subordinated secured note dated 15 January 2016,

between Pikel and JEC,

"JEC Security" means the security created by the deed poll dated 4 February 2016 in favour of JEC,

"Majority Chargees" means all the Chargees, or two of the Chargees acting together;

"Notes" means the JEC Notes, the Prescott Notes and the Gralko Note,

"Obligors" means the Chargor and the Borrower,

"Permitted Security" means any mortgage, charge, pledge, lien or other security interest securing any obligation arising

- (a) under the JEC Security,
- (b) under the HSBC Debentures,
- (c) by operation of law and in the ordinary course of trading and not as a result of any default or omission by the Chargor unless the same has been remedied or discharged within 90 days of it arising;
- (d) any security or quasi-security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to the Chargor in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by the Chargor unless the same has been remedied or discharged within 90 days of it arising, and
- (e) under any netting or set-off arrangement entered into by the Chargor in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances

"Prescott" means Prescott Group Aggressive Small Cap Master Fund, G P with its principal offices located at 1924 South Utica Avenue, Suite 1120, Tulsa, OK 74104,

"Prescott Notes" means the

- (a) 12% subordinated secured note dated 2 September 2015; and
- (b) 12% subordinated secured note dated 15 January 2016,

between Pikel and Prescott,

"Receiver" means an administrative receiver, receiver and manager or a receiver, in each case, appointed under this Deed and that term will include any appointee appointed under a joint or several appointment,

"Secured Liabilities" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of any Obligor to the Chargees under the Notes or this Deed except for any obligation which, if it were so included, would cause that obligation or liability or any security in respect thereof, to be unlawful or prohibited by any applicable law, together with all costs, charges and expenses incurred by the Chargees in connection with the protection, preservation or enforcement of their rights due under the Notes or this Deed.

"Security Assets" means all the assets of the Chargor which are the subject of this security.

"Security Period" means the period beginning on the date of this Deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full, and

"Subsidiary" means a subsidiary within the meaning of section 1159 of the Companies Act 2006

1 2 Construction

1 2 1 In this Deed (unless the context requires otherwise)

1 2 1 1 capitalised terms defined in the Notes shall have, unless expressly defined in this Deed, the same meaning,

1 2 1 2 the expressions "Chargee", "Chargees" and "Chargor" include, where the context admits, their respective successors and assigns whether immediate or derivative,

1 2 1.3 "assets" includes present and future properties, revenues and rights of every description,

1 2 1 4 the term "this Security" means any security created or constituted by this Deed,

1 2 1 5 any covenant or undertaking of the Chargor under this Deed (other than a payment obligation) remains in force during the Security Period;

1 2 1 6 any reference to a "person" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality) or two or more of the foregoing and that person's assigns, transferees or successors,

1 2 1 7 any reference to a "regulation" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or

supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation,

- 1 2 1 8 any reference to a Security Asset includes the proceeds of sale of that Security Asset;
- 1 2 1 9 use of any gender includes the other gender,
- 1 2 1 10 use of the singular includes the plural and vice versa,
- 1 2 1 11 a reference to "writing" does not include email,
- 1 2 1 12 any reference to a statute, statutory provision, subordinate legislation, code or guideline ("legislation") is a reference to such legislation as amended and in force from time to time and to any legislation which re-enacts or consolidates (with or without) modification any such legislation,
- 1 2 1 13 the ejusdem generis rule shall not apply and accordingly general words introduced by the word "other" or any similar word, or followed by the words "including", "includes", "include", "in particular" or any similar words, shall not be given a restricted meaning because they are preceded or followed by more specific words,
- 1 2.1 14 reference to any "disposal" includes any sale, lease, sub-lease, assignment or transfer, the grant of an option or similar right, the grant of any easement, right or privilege, the creation of a trust or other equitable interest or security right in favour of a third party, a sharing or parting with possession or occupation whether by way of licence or otherwise,
- 1 2 1 15 section and clause headings and the contents page are for ease of reference only and shall not affect the interpretation of this Deed, and
- 1 2 1 16 a Clause is a reference to a clause of this Deed

1 2 2 The recitals form an integral part of this Deed and shall have effect as if set out in full in the body of this Deed and any reference to this Deed includes the recitals

2 COVENANT TO PAY

The Chargor covenants that it will pay to the Chargees or discharge the Secured Liabilities

3 CREATION OF SECURITY

3.1 General

3.1.1 All the security created under this Deed

3.1.1.1 is created in favour of the Chargees for the benefit of the Chargees,

3.1.1.2 is created over present and future assets of the Chargor;

3.1.1.3 is security for the payment and satisfaction of all the Secured Liabilities,

3.1.1.4 is created by the Chargor to the extent of its interest whether joint or several, legal or beneficial, and

3.1.1.5 is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994

3.2 Creation of floating charge

3.2.1 The Chargor charges by way of first floating charge its undertaking and all its property, assets and rights whatsoever and wheresoever, both present and future

3.2.2 Paragraph 14 of schedule B1 to the Insolvency Act 1986 applies to the floating charge created by this Clause 3 which floating charge is accordingly a qualifying floating charge for such purposes

3.3 Crystallisation by notice

3.3.1 Except as provided below, the Majority Chargees may by notice to the Chargor convert the floating charge created by this Clause over all or any part of the Security Assets into a fixed charge as regards any assets specified in that notice, if

3.3.1.1 an Event of Default is outstanding, or

3.3.1.2 the Majority Chargees reasonably consider those assets to be in jeopardy, whether in danger of being seized or sold under any form of distress, execution or other similar process or otherwise

3.3.2 The floating charge created by Clause 3.1.1 may not be converted into a fixed charge solely by reason of

3.3.2.1 the obtaining of a moratorium, or

3.3.2.2 anything done with a view to obtaining a moratorium,

under the Insolvency Act 2000.

3 4 Automatic crystallisation

3 4 1 Notwithstanding anything expressed or implied in this Deed, the floating charge created by this Deed shall automatically and without notice convert into a fixed charge over the Security Assets if

3 4 1 1 save for the Permitted Security, the Chargor creates or attempts to create any security over all or any of the Security Assets without the prior written consent of the Majority Chargees or

3 4 1 2 if any person levies or attempts to levy any distress, execution, sequestration or other process against any of the Security Assets

4 REPRESENTATIONS AND WARRANTIES

4 1 General

The Chargor represents and warrants to the Chargees that.

4 1 1 it is a limited liability company, duly incorporated and validly existing under the laws of England and Wales and has power to own its own assets and carry on its business as it is being conducted,

4 1 2 it has power to enter into and perform and deliver, and has taken all necessary action to authorise its entry into, and performance and delivery of, this Deed and its obligations under this Deed and no limitation on its powers will be exceeded as a result of the execution and delivery of this Deed or the performance of its obligations under this Deed,

4 1 3 this Deed constitutes valid and legally binding obligations of the Chargor enforceable in accordance with its terms and creates the security which this Deed purports to create and that security is valid and effective and it is not liable to be avoided or otherwise set aside on the liquidation or administration of the Chargor or otherwise; and

4 1 4 the entry into and performance of its obligations under and the transactions contemplated by this Deed do not and will not

4 1 4 1 conflict with any applicable law or regulation,

4 1 4 2 conflict with any agreement or instrument binding on it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument,

4 1 4 3 conflict with its constitutional documents, or

4 1 4 4 result in the creation of or oblige the Chargor to create any security in favour of any person other than the Chargees

4 2 Times for making representations

4 2 1 The representations set out in this Deed (including, without limitation, in Clause 4 1) are made on the date of this Deed

4 2 2 Unless a representation is expressed to be given at only a specific date, each representation under this Deed is deemed to be repeated by the Chargor on the date of each advance made under Clause 1 2 of any Note When a representation is repeated, it is applied to the circumstances existing at the time of repetition

5 RESTRICTIONS ON DEALINGS

5 1 Security

Save for the Permitted Security, the Chargor shall not without the prior written consent of the Majority Chargees, which shall not be unreasonably withheld or delayed, create or attempt to create or permit to subsist in favour of any person, other than the Chargees, any security on any Security Asset

5 2 Disposals

Following the occurrence of the events set out in clauses 3 3 or 3 4, the Chargor shall not without the prior written consent of the Majority Chargees, which shall not be unreasonably withheld or delayed, sell, transfer, assign, licence, lease or otherwise dispose of or agree to sell, transfer, assign, licence, lease or otherwise dispose of any Security Asset or any part of an interest in any Security Asset or attempt or agree to do so

6 ENFORCEMENT OF SECURITY

6 1 Time of enforcement

6 1 1 On the occurrence of any Event of Default, the Secured Liabilities shall immediately become payable on demand

6 1 2 This Security will become immediately enforceable at any time after the occurrence of an Event of Default or demand having been made by any Chargee under a Note

6 2 Discretion

After this Security has become enforceable, the Majority Chargees may in their absolute discretion enforce all or any part of this Security in any manner they see fit

6 3 Statutory powers

6 3 1 The power of sale and other powers conferred by section 101 of the Law of Property Act 1925, as amended by this Deed, will be immediately exercisable at any time after this Security has become enforceable

6 3 2 For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed

6 3 3 Sections 103 (restricting the power of sale) and section 93 (restricting the right of consolidation) of the Law of Property Act 1925 shall not apply to this Security or to any security given to the Chargees pursuant to this Deed

6 4 No liability as mortgagee in possession

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

6 5 Privileges

Each Receiver and each Chargee is entitled to all the rights, powers, privileges and immunities conferred by the Law of Property Act 1925 on mortgagees and receivers duly appointed under the Law of Property Act 1925 except that section 103 of the Law of Property Act 1925 does not apply

6 6 Protection of third parties

No person (including, without limitation, a purchaser) dealing with the Chargees or a Receiver or its or his agent will be concerned to enquire

6 6 1 whether the Secured Liabilities have become payable,

6 6 2 whether any power which a Chargee or a Receiver is purporting to exercise has become exercisable or is being properly exercised

6 6 3 whether any part of the Secured Liabilities remains outstanding, or

6 6 4 how any money paid to the Chargees or to that Receiver is to be applied

6 7 Leasing

6 7 1 During the continuance of this Security the statutory and any other powers of leasing, letting, entering into agreements for leases or lettings and accepting or agreeing to accept surrenders of leases or tenancies shall not be exercisable by the Chargor in relation to the Security Assets or any part of them without the prior written consent of the Majority Chargees

6 7 2 The Chargees shall have the power to lease and make agreements for leases at a premium or otherwise to accept surrenders of leases and to grant options on such terms as the Chargees shall consider expedient and without the need to observe any of the provisions of sections 99 and 100 of the Law of Property Act 1925

6 8 Redemption of prior security

6 8 1 At any time after this Security has become enforceable, the Chargees may

6 8 1 1 redeem any prior security against any Security Asset, and/or

6 8 1 2 procure the transfer of that security to itself, and/or

6 8 1 3 settle and pass the accounts of the prior mortgagee, chargee or encumbrancer, and accounts so settled or passed will be, in the absence of manifest error, conclusive and binding on the Chargor

6 8 2 The Chargor must pay to the Chargees, immediately on demand made in writing by the Majority Chargees the reasonable costs and expenses incurred by the Chargees in connection with any such redemption and/or transfer, including, without limitation, the payment of any principal or interest

6 9 Chargee's right to remedy Chargor's default

6 9 1 If the Chargor at any time defaults in complying with any of its obligations contained in this Deed the Chargees shall, without prejudice to any other rights arising as a consequence of such default, be entitled (but not bound) to make good such default and the Chargor irrevocably authorises the Chargees and their employees and agents by way of security to do all such things (including, without limitation, entering the Chargor's property) necessary or desirable in connection with such task

6 9 2 Any monies so expended by the Chargees shall be repayable by the Chargor to the Chargees on demand together with interest accruing daily at the Default Rate (as such term is defined in the Notes) to be payable by the Chargor on unpaid sums from the date of payment by the Chargees until such repayment both before and after judgment.

6 10 Contingencies

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

7 EVENTS OF DEFAULT

Each of the events or circumstances set out in Clause 7 is an Event of Default

7 1 The Chargor fails to pay any sum or perform any obligation under this Deed, when due or comply with any provision of this Deed

7 2 There is an Event of Default (as defined in the Notes) under any Note

8 RECEIVER AND ADMINISTRATOR

8 1 Appointment of Receiver or Administrator

8 1 1 Except as provided below, the Majority Chargees may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if

8 1 1 1 this Security has become enforceable, or

8 1 1 2 the Chargor so requests the Chargees in writing at any time

8 1 2 Any appointment of a Receiver under Clause 8 1 1 may be by deed, under seal or in writing under its hand

8 1 3 Except as provided in Clauses 8 1 4 and 8 1 5, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including, without limitation, under section 109(1) of the Law of Property Act 1925) does not apply to this Deed

8 1 4 The Chargees are not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under the Insolvency Act 2000 except with the leave of the court.

8 1 5 The Chargees may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Security Assets if the Chargees are prohibited from doing so by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies

8 1 6 The Majority Chargees may appoint any one or more persons to be an Administrator if

8 1 6 1 this Security has become enforceable, or

8 1 6 2 the Chargor so requests the Chargees in writing at any time

8 2 Removal

The Majority Chargees may by writing under their hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by them and may, whenever they think fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated

8 3 Remuneration

The Majority Chargees may from time to time fix the remuneration of any Receiver appointed by it and the maximum rate specified in section 109(6) of the Law of Property Act 1925 will not apply. A Receiver shall be entitled to remuneration appropriate to the work and responsibilities involved upon the basis of charging from time to time adopted by the Receiver in accordance with the current practice of his firm

8 4 Agent of the Chargor

8 4 1 A Receiver will (save as otherwise required or provided as a matter of law) be deemed to be the agent of the Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Law of Property Act 1925. The Chargor alone shall be responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for liabilities incurred by a Receiver and for his remuneration.

8 4 2 The Chargees shall not incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

8 5 Exercise of Receiver powers by the Chargees

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

8 6 Right of appropriation

To the extent that any of the Security Assets constitute "financial collateral" and this Deed and the obligation of the Chargor under this Deed constitutes a "security financial collateral arrangement" in each case defined in and for the purpose of the provisions of the Financial Collateral Arrangements (No 2) Regulations 2003, the Chargees shall have the right, while this Security is enforceable, to appropriate all or any part of that Security Asset in or towards payment or discharge of the Secured Liabilities. The value of such Security Assets shall be determined by the Chargees as being

8 6 1 in the case of cash on account in any accounts controlled by the Chargor, the amount standing to the credit of that account, together with any accrued interest, at the time of appropriation, and

8 6 2 in the case of any stocks, shares, bonds, debentures and securities and investments, their market value determined by the Chargees by reference to a public index, independent valuation or by such other process as the Chargees may select.

9 POWERS OF RECEIVER

9 1 General

9 1 1 A Receiver has all of the rights, powers and discretions set out below in this Clause in addition to those conferred on it by any law, including without limitation

9 1 1 1 in the case of an administrative receiver, all the rights powers and discretions conferred on an administrative receiver under the Insolvency Act 1986, and

9 1 1 2 otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Law of Property Act 1925 and the Insolvency Act 1986 including, without limitation, those powers provided for in schedule 1 of the Insolvency Act 1986 (notwithstanding that such Receiver may not be an administrative receiver)

9 1 2 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver

9 2 Possession

A Receiver may take possession of, get in and collect any Security Asset

9 3 Carry on business

A Receiver may carry on any business of the Chargor in any manner he considers fit.

9 4 Employees

9 4 1 A Receiver may appoint and discharge managers, officers, agents, employees, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he thinks fit

9 4 2 A Receiver may discharge any person appointed by the Chargor

9 5 Borrow money

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

9 6 Sale of assets

9 6 1 A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any term which he thinks fit

9 6 2 The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he thinks fit

9 6 3 Plant machinery and other fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the Chargor

9 7 Leases

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

9 8 Calls on members

A Receiver may make calls conditionally or unconditionally on the members of the Chargor in respect of uncalled capital

9 9 Compromise

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

9 10 Legal actions

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

9 11 Receipts

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

9 12 Subsidiaries

A Receiver may form a Subsidiary of the Chargor and transfer to that Subsidiary any Security Asset or otherwise arrange for such Subsidiaries to trade or cease to trade and to purchase, lease, licence or otherwise acquire all or any of the Security Assets on such terms and conditions as he may think fit

9 13 Delegation

A Receiver may delegate his powers in accordance with this Deed

9 14 Lending

A Receiver may lend money or advance credit to any customer of the Chargor

9 15 Contracts

A Receiver may make any arrangement or compromise or enter into or cancel any contracts which he thinks expedient

9 16 Execution of documents

A Receiver may sign any document, execute any deed and do all such other acts and things as may be considered by him to be incidental or conducive to any of the matters or powers in this Clause 9 or to the realisation of this Security

9 17 Protection of assets

A Receiver may

9 17 1 effect any repair or insurance and do any other act which the Chargor might do in the ordinary conduct of its business to protect or improve any Security Asset,

9 17 2 commence and/or complete any building operation, and

9 17 3 apply for and maintain any planning permission, building regulation approval or any other authorisation,

in each case as he thinks fit

9 18 Property

A Receiver may without any further consent by or notice to the Chargor exercise for and on behalf of the Chargor all the powers and provisions conferred on a landlord or a tenant by the Landlord and Tenant Acts, the Rents Acts, the Housing Acts or the Agricultural Holdings Act or any other legislation from time to time in force in any relevant jurisdiction relating to rents or agriculture in respect of any part of the Properties, but without any obligation to exercise any of such powers and without any liability in respect of powers so exercised or omitted to be exercised

9 19 Other powers

A Receiver may

9 19 1 do all other acts and things which he may consider to be desirable or necessary for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law.

- 9 19 2 exercise all the powers of the Chargees under this Deed,
- 9 19 3 exercise in relation to any Security Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Security Asset, and
- 9 19 4 use the name of the Chargor for any of the above purposes

without any liability in respect of powers so exercised or omitted to be exercised

10 APPLICATION OF PROCEEDS

10 1 Any monies received by the Chargees or any Receiver on enforcement of this Security must (subject to any requirement of law to the contrary) be applied in the following order of priority

10 1 1 in or towards payment of any unpaid costs, charges and expenses of and incidental to the Receiver's appointment and the payment of his remuneration,

10 1 2 in or towards payment and discharge of any outgoings paid and liabilities incurred by the Receiver in the exercise of any of his powers,

10 1 3 in or towards payment of unpaid costs, charges and expenses incurred by the Chargees under or in connection with this Deed,

10 1 4 in or towards the satisfaction of the Secured Liabilities, on a pro rata basis, in accordance with the terms of the Notes, and

10 1 5 in payment of the surplus (if any) to the Chargor or other person entitled to it,

and section 109(8) of the Law of Property Act 1925 shall be deemed varied and extended in such respect.

10 2 This Clause is subject to the payment of any claims having priority over this Security. This Clause does not prejudice the right of the Chargees to recover any shortfall from the Chargor.

11 EXPENSES

11 1 The Chargor must pay all reasonable costs and expenses (including, without limitation, legal fees) incurred in connection with enforcement or other similar action taken pursuant to this Deed by the Chargees, any Receiver, attorney, manager, agent or other person appointed by the Chargees under this Deed on a full indemnity basis,

12 DELEGATION

12 1 Power of Attorney

The Chargees or any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed

12 2 Terms

Any such delegation may be made upon any terms (including, without limitation, power to sub-delegate) which the Chargees or that Receiver may think fit

12 3 Liability

Neither the Chargees nor any Receiver will be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate

13 FURTHER ASSURANCES

13 1 The Chargor must, at its own expense, take whatever action the Majority Chargees or a Receiver may require

13 1 1 for creating, perfecting or protecting any security created (or intended to be created) by this Deed, or

13 1 2 for facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable by the Chargees or any Receiver or any of its delegates or sub-delegates in respect of any Security Asset

14 POWER OF ATTORNEY

14 1 The Chargor by way of security irrevocably appoints each Receiver and any of its delegates or sub-delegates severally to be its attorney in its name on its behalf and as its act and deed.

14 1 1 to take any action which the Chargor is obliged to take under this Deed,

14 1 2 to execute and complete any documents or instruments which such Receiver may require for perfecting the title of the Chargees to the Security Assets or for vesting the same in the Chargees, its nominees or any purchaser,

14 1 3 to sign, execute, seal and deliver and otherwise perfect any further security document referred to in Clause 13 (Further Assurances), and

14 1 4 otherwise generally to sign, seal, execute and deliver all deeds, assurances agreements and documents and to do all acts and things which may be required for the full exercise of all or any of the powers conferred on a Receiver under this Deed or which may be deemed expedient by a Receiver in connection with any disposition, realisation or getting in by such Receiver of the Security Assets or any part of them or in connection with any other exercise of any power under this Deed

14 2 The Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 14

15 PRESERVATION OF SECURITY

15 1 Continuing security

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

15 2 Reinstatement

15 2 1 If any discharge, release or arrangement (whether in respect of the obligations of the Chargor or any security for those obligations or otherwise) is made in whole or in part on the faith of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Chargor under this Deed will continue or be reinstated as if the release or arrangement had not occurred

15 2 2 The Majority Chargees may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration

15 3 Waiver of defences

The obligations of the Chargor under this Deed will not be affected by any act, omission or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this Deed (whether or not known to the Chargor or the Chargees) This includes

15 3 1 any time, waiver or consent granted to, or composition with, the Chargor or any other person,

15 3 2 the release of any person under the terms of any composition or arrangement with any creditor of the Chargor;

15 3 3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Chargor or any other person,

15 3 4 any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to perfect, enforce or realise the full value of any security,

15 3 5 any incapacity or lack of power, authority or legal personality of or insolvency or dissolution or change in the members or status of the Chargor or any other person,

15 3 6 any amendment (however fundamental) or replacement of the Notes or any other document or security so that references to that document or security in this Clause 15 include any amendment to or replacement of that document or security,

15 3 7 any unenforceability, illegality, invalidity, voidability or non-provability of any obligation of any person under the Notes or any other document or security, or

15 3 8 any postponement, discharge, reduction, non-provability or other similar circumstance affecting the Secured Liabilities or any other obligation of the Chargor resulting from any insolvency, liquidation, dissolution or similar proceedings or from any law, regulation or order so that each obligation shall for the purposes of the Chargor's obligations under this Deed be construed as if there were no such circumstances

15 4 Immediate Recourse

The Chargor waives any right it may have of first requiring the Chargees (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Chargor under this Deed and no action taken or omitted by the Chargees in connection with such security or other means of payment shall discharge, reduce, prejudice or affect the liability of the Chargor

15 5 Appropriations

The Chargees (or any trustee or agent on their behalf) may at any time during the Security Period without affecting the liability of the Chargor under this Deed

15 5 1 refrain from applying or enforcing any other monies, security or rights held or received by the Chargees (or any trustee or agent on its behalf) in respect of those amounts,

15 5 2 apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Chargor shall not be entitled to the same, and/or

15 5 3 hold in a suspense account any monies received from the Chargor or on account of the liability of the Chargor under this Deed

15 6 Non-competition

15 6 1 Unless the Security Period has expired or the Majority Chargees otherwise request, the Chargor will not, after a claim has been made under this Deed or by virtue of any payment or performance by it under this Deed

15 6 1 1 be subrogated to any rights, security or monies held, received or receivable by the Chargees (or any trustee or agent on its behalf),

15 6 1 2 be entitled to any right of contribution or indemnity in respect of any payment made or monies received on account of the Chargor's liability under this Deed

15 6 2 The Chargees shall be entitled to direct the Chargor to prove for the whole or any part of any debt or other claim it may have to the fullest extent permitted by

law in the liquidation of any other party which has an obligation to pay all or any part of the Secured Liabilities

15.6.3 If the Chargor receives any benefit, payment or distribution in relation to any rights referred to in this Clause 15.6 or in accordance with any direction given by the Majority Chargees under this Clause 15.6 it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Chargees by the Chargor under or in connection with this Deed to be repaid in full and shall promptly pay or transfer the same to the Chargee or as the Chargee may direct for application in accordance with Clause 10 (Application of proceeds)

15.7 Additional security

This Security is in addition to and is not in any way prejudiced by any other security now or subsequently held by the Chargees

16 ASSIGNMENT AND TRANSFER

The Chargor may not assign any of its rights or transfer any of its rights or obligations under this Deed without the prior written consent of the Majority Chargees. No Chargee may assign any of its rights or transfer any of its rights or obligations under this Deed without the prior written consent of the Chargor

17 THIRD PARTY RIGHTS

17.1 Subject to Clauses 17.2, 17.3 and 17.4

17.1.1 the Receiver may rely upon and enforce the rights conferred upon it under this Deed, including, without limitation, those set out in Clauses 8.1 (Appointment of Receiver or Administrator), 8.3 (Remuneration), 9 (Powers of Receiver), 10 (Application of proceeds), 11 (Expenses and indemnity) and 14 (Power of attorney) against the Chargor, and

17.1.2 the indemnified parties may rely upon and enforce the rights conferred upon them under Clause 11 (Expenses and indemnity)

17.2 The third party rights referred to in Clause 17.1 (and any other terms of this Deed which provide that a third party may in his own right enforce a term of this Deed) may only be enforced by the relevant third party with the prior written consent of the Majority Chargees and subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999 (the "1999 Act") and all other relevant terms of this Deed, including, without limitation, Clause 21 (Applicable Law and jurisdiction)

17.3 Notwithstanding any other provision of this Deed (including, without limitation, Clause 17.1), the Chargees and the Chargor may by agreement in writing rescind or vary any of the provisions in this Deed in any way without the consent of any third party, and accordingly section 2(1) of the 1999 Act shall not apply

17 4 Except as provided in Clauses 17 1 and 17 1 2 (or insofar as this Deed otherwise expressly provides that a third party may in his own right enforce a term of this Deed), a person who is not a party to this Deed has no right under the 1999 Act to rely upon or enforce any term of this Deed but this does not affect any right or remedy of a third party which exists or is available apart from that Act

18 **MISCELLANEOUS**

18 1 **Set-off**

The Chargor agrees the Chargees may at any time after this Security has become enforceable, without notice or further demand, combine or consolidate all or any of its then existing accounts including any accounts in the name of the Chargees or of the Chargor jointly with others (whether current, deposit, loan or any other nature whatsoever subject to notice or not and whether in sterling or in any other currency) and set-off or transfer any sum standing to the credit of any one or more of those accounts in or towards satisfaction of the Secured Liabilities

18 2 **Ruling off**

18 2 1 If any subsequent charge or other interest affects any Security Asset, the Chargees may open a new account with the Chargor

18 2 2 If a Chargee does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest

18 2 3 As from that time all payments made to the Chargees will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability

18 3 **Chargee's discretion**

Any liability or power which may be exercised or any determination which may be made under this Deed by the Chargees may be exercised or made in their absolute and unfettered discretion and the Chargees shall not be obliged to give reasons

18 4 **Remedies and waivers**

No failure to exercise, nor any delay in exercising on the part of the Chargees any right, power or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise or waiver of any right, power or remedy prevent any further or other exercise of any other right, power or remedy. The rights, powers and remedies provided in this Deed are cumulative and are not, nor are they to be construed as, exclusive of any rights, powers or remedies provided by law or otherwise and may be exercised from time to time and as often as the Chargees deem expedient

18.5 Severance

If any provision of this Deed shall be found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions of this Deed which shall remain in full force and effect. If any provision of this Deed is so found to be invalid or unenforceable but would be valid or enforceable if some part of the provision were deleted, the provision in question shall apply with such deletion(s) as may be necessary to make it valid

19 RELEASE

At the end of the Security Period the Chargees must, at the request and cost of the Chargor, take whatever action is necessary to release the Security Assets from this Security

20 NOTICES

Any communication to be made under or in connection with this Deed shall be made in writing and shall be given in accordance with the Notes

21 APPLICABLE LAW AND JURISDICTION

21.1 Applicable law

The validity, construction and performance of this Deed (and any claim, dispute or matter arising under or in connection with it or its enforceability) shall be governed by and construed in accordance with the law of England

21.2 Jurisdiction

The Chargor irrevocably agrees for the exclusive benefit of the Chargees that the English Courts shall have exclusive jurisdiction over any claim, dispute or matter arising under or in connection with this Deed or its enforceability and that accordingly any proceedings in respect of any such claim, dispute or matter may be brought in such courts. Nothing in this Clause 21.2 shall limit the right of the Chargees to take proceedings against the Chargor in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not, to the extent permitted by the law of such other jurisdiction or jurisdictions

This Deed has been executed and delivered by or on behalf of the Chargor on the date at the top of page 1