

Insurance Charge

Dated: _____

BETWEEN:

(1) _____

_____ (“**you/your/yours**”); and

(2) **Cynergy Bank Limited**, (Company Registration Number 04728421), of 4th Floor, One New Change, London EC4M 9AF (“**we/our/us**”).

1. Definitions and Interpretation

1.1 Unless defined or construed in this Charge, a term defined or construed in the Facility Letter, or any conditions expressed to be incorporated into the Facility Letter, has the same meaning in this Charge and in any notice given under or in connection with this Charge.

1.2 In this Charge the expression:

“Borrower” means _____

“Business Day” means a day (other than a Saturday or Sunday) on which banks are open for general business in London.

“Confidential Information” has the meaning given to it in a Facility Letter or any conditions expressed to be incorporated into that Facility Letter.

“Enforcement Event” means the occurrence of an Event of Default which is continuing.

“Facility Letter” means any facility letter dated on or about the date hereof between each Borrower and us as lender in connection with which this Charge is granted.

“Insurance Policies” means any policy for insurance described in Schedule 1Part I (*Insurance Policies*).

“Liabilities” means all of your, and each Borrower's, present and future obligations and liabilities of any kind and in any currency (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) to us under or pursuant to the Facility Documents or any other document evidencing or securing any such liabilities, together with all costs, charges and expenses incurred by us in connection with the protection, preservation or enforcement of our rights.

“Party” means a party to this Charge.

“Receiver” means an administrative receiver, receiver and manager or a receiver, in each case appointed under this Charge.

“Security” means any mortgage, charge, pledge, lien, assignment by way of security or any other security interest securing any obligation of any person or any arrangement having similar effect.

“Security Period” means the period beginning on the date of this Charge and ending on the date on which we are satisfied that the Liabilities have been irrevocably and unconditionally discharged in full and all Facilities have been cancelled in full.

1.3 Unless a contrary indication appears, a reference in this Charge to:

- 1.3.1 us, you or any other person shall be construed so as to include, where relevant, our/its successors in title, permitted assigns and permitted transferees;
- 1.3.2 a clause or Schedule, is to a Clause of, or a Schedule to, this Charge;
- 1.3.3 a Facility Document or any other agreement or instrument is a reference to that Facility Document or other agreement or instrument as amended, novated, supplemented or restated (however fundamentally) or replaced;
- 1.3.4 a provision of law is a reference to a provision of any statute, treaty, legislation, regulation, decree, order or by-law and any secondary legislation enacted under a power given by that provision, as amended, applied or re-enacted or replaced whether before or after the date of this Charge and all subordinate legislation made from time to time under that statute or other provision of law;
- 1.3.5 a regulation includes any regulation, rule, official derivative, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- 1.3.6 one gender shall include a reference to the other genders; and
- 1.3.7 a time of day is a reference to London time.

1.4 Clause and Schedule headings are for ease of reference only.

1.5 Words importing the plural shall include the singular and vice versa.

1.6 Words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

1.7 This Charge is an unregulated agreement for the purposes of the Financial Services and Markets Act 2000 and related legislation and, as a result, you understand that you are not entitled to the regulatory protections that would otherwise apply if this Charge was regulated by such legislation.

2. Your agreement to pay

2.1 You agree with us to pay, discharge and satisfy all the Liabilities when due in accordance with their respective terms (or, if the relevant terms do not specify time for payment, immediately on written demand by us) and to indemnify us against any losses, costs, charges, expenses and liabilities arising from any breach of any Facility Document or failure to pay, discharge and satisfy the Liabilities in accordance with their respective terms.

3. Charging Provisions

3.1 You grant us with full title guarantee Security over all your Insurance Policies present and future.

3.2 In our favour you hereby:

- 3.2.1 assign by way of security all of your rights in respect of any Insurance Policies, all proceeds paid or payable thereunder;
- 3.2.2 to the extent that they are not the subject of an assignment by way of security under Clause 3.2 above you hereby grant us a fixed charge over all the benefit of your current and future rights and interest in and claims under all Insurance Policies and assurance you hold now or in the future during the duration of this Charge; and
- 3.2.3 grant a first floating charge over all the Insurance Policies which have not been assigned or charged by way of fixed charge under this Clause 3.2

3.3 Subject to the Insolvency Act 1983, the floating charge created by Clause 3.2.3 will automatically and immediately (without notice) convert into a fixed charge over all of your Insurance Policies if:

- 3.3.1 you grant or attempt to grant Security over an Insurance Policy in favour of another;
- 3.3.2 you fail to do any of the actions set out in Clause 6.1;
- 3.3.3 an administrator or liquidator is appointed in respect of you or a person entitled to appoint an administrator or liquidator in respect of you gives notice of its intention to do so or files a notice of appointment with a court; or
- 3.3.4 you cease to carry on business or to be a going concern or any corporate action legal proceedings or other procedure or step is taken in relation to the suspension of payments, winding-up, dissolution or re-organisation of you other than a winding-up petition which is stayed within 14 days of its commencement; or
- 3.3.5 the holder of any other security interest over the Assets whether ranking in priority or *pari passu* with the Security in our favour or you appointing, or requesting the appointment of an administrator or receiver, provided that if a request is made by any other holder of security and that request is vexatious such request shall not give rise to automatic crystallisation as set out in this Clause 3.3.

3.4 Any specific Security that you create at a later date in our favour shall have priority over the floating charge unless we inform you otherwise.

4. Negative Pledge

4.1 Without our prior written consent, you must not:

- 4.1.1 create in anyone else's favour any Security over any of the Insurance Policies;
- 4.1.2 take any action that will allow any entity to take or hold any of the Insurance Policies as payment of a debt or take priority over our charge on the Insurance Policies; or
- 4.1.3 sell, lease, transfer, assign or otherwise dispose of any part of such undertaking and Insurance Policies.

4.2 Any Security you create after signing this Charge (other than in our favour) shall be expressed to be subject to this Charge.

5. Security documents

5.1 You agree that on the date of this Charge you will give us copies of the Insurance Policies.

5.2 We may ask you to sign, at your cost, any other Security in such form as we may require over any of the Insurance Policies together with any other document which we may require for securing the payment or discharge to us of the Liabilities.

6. General representations, warranties and covenants

6.1 For the duration of the Security Period you agree that you will:

6.1.1 pay on time all premiums and other amounts due under the Insurance Policies and provide us with proof of such payments if we request them;

6.1.2 ensure that each Insurance Policy remains valid or is renewed or replaced on or before the date that it would expire;

6.1.3 hold all monies that you receive on trust for us;

6.1.4 not do anything that would make an Insurance Policy invalid, or would increase the premium on an Insurance Policy, or make it more difficult for us to receive the benefit of an Insurance Policy;

6.1.5 at all times comply with the terms of any Facility Document or any other agreement between us;

6.1.6 keep all Confidential Information confidential and you will not disclose any Confidential Information to anyone except with our prior written consent; and

6.1.7 to inform us as soon as you take out any Insurance Policy or become a beneficiary under any Insurance Policy and at your own cost, take such steps as we (acting reasonably) may require to create or perfect Security over such Insurance Policy.

6.2 If any Insurance Policy becomes invalid, you must immediately take action to make the policy valid or put it back in force or you must take out a new policy satisfactory to us for at least the same sum assured, and with a surrender value (that is a cash-in value) at least the same as the policy that was invalid. The new policy will then become the policy transferred to us under this Assignment..

6.3 For the duration of the Security Period you represent that:

6.3.1 this Charge creates the Security it purports to create and it is not liable to be avoided or otherwise set aside on liquidation, bankruptcy, insolvency or administration or otherwise;

6.3.2 this Charge is your legal, valid and binding obligation and is enforceable against you in accordance with its terms;

6.3.3 if you are not an individual, you have the power to own the Insurance Policies and carry on your business as it is being conducted;

- 6.3.4 if you are not an individual, the entry into and performance by you of, and the transactions contemplated by, this Charge do not and will not conflict with any law or regulation applicable to you or your constitutional documents or any agreement or instrument binding on you or any of your Insurance Policies or constitute a default or termination event (however described) under any such agreement or instrument;
 - 6.3.5 if you are not an individual, you have the power to enter into, perform and deliver, and have taken all necessary action to authorise entry into, performance and delivery of this Charge and the transactions contemplated by this Charge;
 - 6.3.6 if you are not an individual, no limit on your powers will be exceeded as a result of creating any Security or giving any indemnity contemplated by this Charge;
 - 6.3.7 unless otherwise agreed by us in writing, this Charge creates first ranking Security in our favour; and
 - 6.3.8 except for Security constituted by this Charge or as otherwise agreed by us in writing, no Security in favour of anyone else exists in respect of any of the Insurance Policies.
- 6.4** Without our prior written consent, you shall not (nor agree to) enter into a single transaction or series of transactions (whether related or not and whether voluntary or involuntary) to transfer, assign or otherwise dispose of any of your interest in any Insurance Policy.
- 6.5** You shall not take any action (or permit any action to be taken) which results or could result in any of your rights relating to any Insurance Policy being impaired or which could prejudice the Security constituted or expressed to be constituted by this Charge.

7. Insurances

7.1 Rights

- 7.1.1 Subject to our rights under Clause 7.1.2 below, you must, to the extent commercially reasonable, diligently pursue your rights under each of your Insurance Policies, but only if and to the extent that the exercise of those rights in the manner proposed would not result in an Event of Default under the terms of the Facility Documents.
- 7.1.2 After the occurrence of an Enforcement Event:
 - 7.1.2.1 we may exercise (without any further consent or authority on your part) any of your rights in connection with any amounts payable to us under any of your Insurance Policies;
 - 7.1.2.2 you must take such steps (at your own cost) as we may require to enforce those rights; this includes initiating and pursuing legal or arbitration proceedings in your name; and
 - 7.1.2.3 you must hold any payment received by you under any of your Insurance Policies (excluding proceeds of any third party liability insurances paid to you to meet third party claims) on trust for us.

8. Provisions as to Security

- 8.1** It shall be implied in respect of Clause 3 (*Charging provisions*) that you are disposing of your interests in the Insurance Policies free from all charges and encumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment).

9. Security Notices

You will:

- 9.1** immediately on the date of this Charge give notice to each insurer party to each of the Insurance Policies by sending a notice substantially in the form set out in Part II (*Notice of Assignment to Insurer*) of Schedule 1 (*Insurance Policies*); and
- 9.2** use all reasonable endeavours to procure that each such insurer delivers a letter undertaking to us in the form set out in Part III (*Acknowledgement of Assignment*) of Schedule 1 (*Insurance Policies*) within 14 Business Days of the date of this Charge or, if later, the date of service of any notice under Clause 9.1.

10. Enforcement of Security

10.1 Timing

The Security created by this Charge will be immediately enforceable at any time on or after:

- 10.1.1 the occurrence of an Enforcement Event; or
- 10.1.2 a request being made by you to us that we exercise any of our powers under this Charge.

10.2 Enforcement

After the Security created by this Charge has become enforceable, we may, without notice to you or prior authorisation from any court, in our absolute discretion:

- 10.2.1 cash in any or all of the Insurance Policies;
- 10.2.2 make any or all of the Insurance Policies paid-up (where no more premiums are paid on it);
- 10.2.3 transfer or sell any or all of the Insurance Policies; and
- 10.2.4 otherwise enforce all or any part of the Security (at the times, in the manner and on the terms we think fit).

10.3 Effect of a moratorium

We shall not be entitled to exercise our rights under Clause 10 (*Enforcement of Security*) to the extent that such exercise would be contrary to the provisions of paragraph 13 of Schedule A1 of the Insolvency Act 1986.

11. Effectiveness of Security

11.1 The Security constituted by this Charge shall remain in full force and effect as continuing Security for the Liabilities until they have been irrevocably discharged in full and no further Liabilities are capable of arising and shall not be released before then by an intermediate payment, discharge of all or any of the Liabilities or for any other reason.

11.2 Cumulative rights

The Security created by or pursuant to this Charge and our rights, powers and remedies under this Charge shall be cumulative and shall be in addition to and independent of every other Security, right, power or remedy which we may at any time have in connection with the Liabilities, including all rights, powers and remedies provided by law, and accordingly, we shall not be obliged before exercising any such rights, powers or remedies:

11.2.1 to make any demand of, or take any action or obtain any judgment in any court against, you;

11.2.2 to make for file any claim or proof in winding-up or dissolution in respect of you; or

11.2.3 to enforce or seek to enforce any other Security held by us in respect of the Liabilities.

11.3 No merger of Security

No prior Security held by us over the any of the Insurance Policies shall merge into the Security constituted by this Charge.

11.4 No prejudice

The Security created by or pursuant to this Charge shall not be prejudiced by any enforceability or invalidity of any other agreement or document or by any time or indulgence granted to you or any person, or us or by any variation of the terms of the trust upon which we hold the Security created by or pursuant to this Charge or by any other thing which might otherwise prejudice that Security.

11.5 Remedies and waivers

11.5.1 No failure to exercise, nor any delay in exercising, on our part of any rights or remedy under this Charge shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent and further or other exercise of right or remedy.

11.5.2 No election to affirm this Charge on our part shall be effective unless in writing.

11.6 Partial invalidity

11.6.1 If, at any time, any provision of this Charge is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired.

- 11.6.2 If any part of the Security intended to be created by or pursuant to this Charge is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the Security constituted under this Charge.

11.7 Waiver of defences

The obligations of, and the Security created by you under this Charge will not be affected by any act, omission or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under, or the Security created by, this Charge and whether or not known to you or us including:

- 11.7.1 any time, waiver or consent granted or agreed to be granted to, or composition with you or any other person;
- 11.7.2 the release of you or any other person under the terms of any composition or arrangement with any of your creditors;
- 11.7.3 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 your assets or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- 11.7.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of you or any other person;
- 11.7.5 any amendment, novation supplement, extension (whether at maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature, and whether or not onerous) or replacement of a Facility Document or of any document or Security or of the Liabilities (including any change in the purpose of, any extension of, or any variation or increase in any Facility or amount made available under any Facility or the addition of any new Facility under any Facility Document or other documents);
- 11.7.6 any unenforceability, illegality or invalidity of any obligation of any person under any Facility Document or any other document or security or of the Liabilities; or
- 11.7.7 any insolvency or similar proceedings relating to you or any other person.

11.8 Chargor intent

Without prejudice to the generality of Clause 11.7 (*Waiver of defences*), you expressly confirm that you intend that the Security created by you under this Charge shall extend from time to time to any variation, increase, extension or addition (in each case however fundamental and of whatsoever nature, and whether or not onerous) of or to any of the Facility Documents and any Facility or amount made available under any of the Facility Documents for the purposes of or in connection with any of the following:

- 11.8.1 acquisitions of any nature;
- 11.8.2 increasing working capital;
- 11.8.3 enabling investor distributions to be made;
- 11.8.4 carrying out restructurings;

- 11.8.5 refinancing existing facilities;
- 11.8.6 refinancing any other indebtedness;
- 11.8.7 any other variation or extension of the purposes for which any such facility or amount may be available from time to time; and
- 11.8.8 any fees, costs and/or expenses associated with any of the foregoing.

11.9 Immediate recourse

You waive any right you may have of first requiring us (or any trustee or agent on our behalf) to proceed against or enforce any other rights or Security or claim payment from any person before claiming from you under this Charge. This waiver applies irrespective of any law or provision of this Charge to the contrary.

11.10 Further assurance

- 11.10.1 You shall promptly, at your own cost, do whatever we require:
 - 11.10.1.1 to create, perfect, better perfect, protect and/or better protect the Security created or intended be created by this Charge;
 - 11.10.1.2 to create, perfect, better perfect, protect and/or better protect the priority of the Security created or intended be created by this Charge;
 - 11.10.1.3 to facilitate the exercise of any rights, powers and remedies vested in us or any Receiver by this Charge and/or by law; and/or
 - 11.10.1.4 to facilitate realisation of the Insurance Policies.
- 11.10.2 In order to satisfy your obligations under Clause 11.10.1 above, you shall immediately, upon request execute any transfer, conveyance, mortgage, charge, assignment or assurance over all or any of the Insurance Policies constituting, or intended to constitute, the Insurance Policies (whether in favour of us or nominee or otherwise) and make any registration or notarisation and give any notice, instructions, order or direction in respect of such Insurance Policies.

12. Order of application

12.1 Application of proceeds

Unless otherwise determined by us or a Receiver, all amounts received or recovered by us or any Receiver in exercise of their rights under this Charge will, subject to the rights of any creditors having priority, be applied in the order provided in Clause 12.2 (*Order of application*).

12.2 Order of application

The order referred to in Clause 12.1 (*Application of proceeds*) is:

- 12.2.1 in or towards payment of, or the provision for, all the costs, expenses and losses incurred, and payments made, by us and/or any Receiver under or in connection with this Charge and all remuneration due to any Receiver under or in connection with this Charge;

12.2.2 in or towards the payment or discharge of the Liabilities; and

12.2.3 in payment of any surplus to you or other person entitled to it.

12.3 This Clause 12 (*Order of application*) applies and cannot be excluded by any other agreement you have with us unless the agreement specifically refers to the exclusion of this Clause 12.

13. Appointing a Receiver

13.1 If you have asked us to, or at any time after this Charge has become enforceable in accordance with Clause 10 (*Enforcement of Security*), we may appoint someone as a Receiver when we choose over all or any part of the Insurance Policies. We may appoint different Receivers to deal with different Insurance Policies. If we appoint more than one Receiver, they will act jointly or separately at our discretion. The Receiver may be an officer of ours. The Receiver's role and powers are explained in Clause 13.5.

13.2 We may (subject to the provisions of Section 45 of the Insolvency Act 1986) remove the Receiver. Once he has vacated office or stopped acting we may at any time appoint another in his place over all or any part of the Insurance Policies.

13.3 We may from time to time decide the Receiver's fees. The Receiver shall not at any time act as an agent for us and we will not incur any liability by reason of the appointment of a Receiver or for any other reason. For all purposes each Receiver is deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Law of Property Act 1925. Every Receiver shall be your agent and you will be personally liable for the Receiver's actions and costs. If you go into liquidation the Receiver will no longer be your agent and will become the principal.

13.4 In addition to those conferred by the Law of Property Act 1925 on any receiver appointed under that Act, each Receiver has, and is entitled to exercise, all of the rights, powers and discretions set out in this Charge. The powers, authorities and discretions conferred by or pursuant to this Charge in relation to the Assets or us or any Receiver shall be in addition to, and not in substitution for, the powers conferred on mortgagees or receivers under the Law of Property Act 1925, and, where there is any ambiguity or conflict between the powers, authorities and discretions contained in that Act and those conferred by or pursuant to this Charge, the terms of this Charge shall prevail.

13.5 A Receiver may, in your name, if he so wishes:

13.5.1 do all other acts and things which he may consider necessary or desirable for realising any Assets or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Charge; and

13.5.2 do and exercise in relation to any Assets all the powers, authorities and things which he would be capable of exercising as if he were its absolute beneficial owner.

13.6 At any time after the Security created under this Charge has become enforceable in accordance with Clause 10 (*Enforcement of Security*), and subject to the provisions of the Insolvency Act 1986, we may appoint one or more qualified persons to be your administrator, to act individually (and to the exclusion of any other administrator) or together with any other administrators so appointed or substituted. For the purposes of this Clause 13, a "qualified person" is a person qualified to act as an administrator under the Insolvency Act 1986.

13.7 The powers given to us in this Clause 13 and all the rights below will apply whether or not we have given you enough or any time to satisfy any demand.

13.8 Clause 12 (*Order of application*) applies and cannot be excluded by any other agreement you have with us unless the agreement specifically refers to the exclusion of this Clause.

14. Power to sell

No person dealing with us or with our appointed Receiver of the Accounts or any part of it is required to enquire whether any of the powers, authorities and discretions given to us under this Charge have become exercisable. All the protection to purchasers contained in Sections 104 and 107 of the Law of Property Act 1925 apply to any person purchasing from or dealing with us or the Receiver as if the statutory powers of sale and of appointing the Receiver in relation to the Accounts or any part had not been varied or extended by this Charge.

15. Power of attorney

15.1 By way of Security for the performance of your obligations under this Charge you irrevocably appoint us and each Receiver as your attorney (that is to act for you). You do so whether or not we have appointed a Receiver under Clause 12. You also, as a separate appointment, appoint each Receiver to act as your attorney. We and any such Receiver can, either in your name or in our own or the Receiver's name, negotiate and enter into and sign or execute any deed, assurance, agreement or other document necessary under this Charge and may carry out any other action under this Charge.

15.2 We may exercise all powers that the Receiver has whether or not we are acting as your attorney and whether or not a Receiver has been appointed.

15.3 You shall ratify and confirm all things done and all documents executed by any attorney in the exercise or the purported exercise of all or any of its powers.

15.4 You covenant (for the purpose of the irrevocable nature of the power of attorney granted in this Clause 15 with each Receiver appointed under this Charge, to join in and concur with the exercise by such Receiver of any powers of such Receiver to act on your behalf.

16. Giving you more time to pay

If we see fit, we may grant you more time or make any arrangements or variations to pay any Liabilities. We may also release any person(s) (whether or not they are jointly and separately liable) from any Liabilities secured under this Charge. We can do this without it affecting this Charge or any money you owe us and any liabilities it secures.

17. Investigation

If requested by us you must, at your own cost, appoint an accountant or a firm of accountants chosen by us to investigate your financial affairs and/or any subsidiary or subsidiary undertaking of yours and report to us. The appointment will be made on your behalf. We can make or guarantee payment of the fees and expenses or ask you to pay at the time of the appointment.

18. Generally

18.1 In no circumstances will we or the Receiver be liable to you for any monies which either we or the Receiver do not actually receive.

18.2 We will not be liable for any loss you suffer as a result of us exercising our rights under this Charge.

19. Using money received by us or the Receiver

Any money we or the Receiver recover or receive will be used in the following order:

19.1 first to pay all costs, charges and expenses we have incurred and any payments we or the Receiver have made and the Receiver's fee;

19.2 then to pay off the amount owed by you and secured by this Charge;

19.3 and finally, if any amount is left, to pay the person(s) entitled to it.

20. Our costs

20.1 You are responsible for paying all costs, charges, losses and expenses and other amounts we or any Receiver incur or have to pay or will have to pay in connection with this Charge. This includes the cost of taking any action against you in relation to the Liabilities, any administrative costs and the cost of using a Receiver under Clause 13. All legal costs will be charged on a full indemnity basis. You must pay our costs immediately on demand. Also, we may add our costs to the amount you owe without first giving you notice and we will charge you interest on those amounts.

20.2 If you request an amendment, waiver or consent in connection with this Charge, you shall within three Business Days of demand, reimburse us for the amount of all costs and expenses (including but not limited to legal fees) reasonably incurred by us or by any Receiver in responding to evaluating, negotiating or complying with that request or requirement.

20.3 You shall within three Business Days of demand, pay to us the amount of all costs and expenses (including legal fees) incurred by us in connection with the enforcement or preservation of any rights under this Charge and with any proceedings instituted by or against us as a consequence of taking or holding the Security constituted by this Charge or enforcing those rights.

21. Indemnity

You shall promptly indemnify us and every Receiver against any cost, loss or liability incurred by any of us as a result of:

21.1 the taking, holding, protection or enforcement of the Security constituted by this Charge;

21.2 the exercise of any of the rights, powers, discretions and remedies vested in us as lender, each Receiver and any delegates thereof or by law; or

21.3 any default by you in the performance of any of the obligations expressed to be assumed by this Charge.

22. Assignment and transfer

22.1 You consent to the assignment and/or transfer by us of any one or more of our rights and/or obligations under this Charge.

22.2 You may not assign or transfer any one or more of your rights and/or obligations under this Charge.

22.3 We shall be entitled to disclose such information relating to you or this Charge as we consider appropriate to (a) any person proposing to take an assignment and/or transfer from us; and (b) enter into contractual relations with us with respect to this Charge.

23. Notices

23.1 Any notice, request, demand for payment or other demand we make under this Charge may be made by any manager or officer of ours and delivered by the following methods:

23.1.1 by hand;

23.1.2 by fax;

23.1.3 by post; or

23.1.4 by electronic communication, such as e-mail.

23.2 The notice, request or demand must be in writing and addressed to you at the last contact address, fax number or e-mail address you provided to us. If you provided to us more than one such address or number we can send or deliver the demand, request or notice to any one of the addresses or numbers you gave us.

23.3 Any notice, request or demand will be considered to have been delivered to you as follows:

23.3.1 if delivered by hand, on the day of actual delivery;

23.3.2 if sent by post, on the Business Day following the day on which it was dispatched by pre-paid post;

23.3.3 if given or made by fax or other electronic communication and sent before 5:00 pm, at the time of transmission; or

23.3.4 if given or made by fax or other electronic communication and sent after 5:00 pm, on the following Business Day.

24. Validity

24.1 This Charge will remain enforceable valid and binding for all purposes whether any of the Parties, their successors or assignees in the course of running their business:

24.1.1 changes their name;

24.1.2 amalgamates or consolidates with another company;

24.1.3 becomes absorbed by another company; or

24.1.4 changes their constitution.

25. Counterparts

This Charge may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Charge.

26. Third party rights

- 26.1** Unless expressly provided to the contrary in a Facility Document, a person who is not a party to this Charge has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Charge.
- 26.2** Notwithstanding any term of any Facility Document, the consent of any person who is not a Party is not required to rescind or vary this Charge at any time.
- 26.3** Any Receiver may enforce and enjoy the benefit of any Clause which expressly confers rights on it, subject to paragraph 26.2 above and the provisions of the Contracts (Rights of Third Parties) Act 1999.

27. Variations

No variation of the terms of this Charge shall be valid unless such variation is in writing and signed by all parties to this Charge.

28. Release of Security

Following the date on which all of the Liabilities have been irrevocably discharged in full and no further Liabilities are capable of arising and the Security Period has ended, we shall at your request and cost release and cancel the Security constituted by this Charge and procure the reassignment to you of the Insurance Policies assigned to us pursuant to this Charge, in each case without recourse to, or any representation or warranty by us. If we are of the opinion that any payment made in or towards the discharge of any of the Liabilities is capable of being avoided or set aside under any law applicable to liquidation, administration, receivership or insolvency, we may defer taking the action contemplated by this Clause 28 for such period as we may deem appropriate.

29. Preservation of Security

This Charge is in addition to any other rights or Security, now and in the future, held by us in respect of the Liabilities and will not merge with or prejudice or be prejudiced by any such rights or Security.

30. Set-off

We may set-off any matured obligation due from you under this Charge against any matured obligation owed by us to you, regardless of the place of payment, booking branch or currency of either obligation.

31. Governing Law

- 31.1** This Charge and any non-contractual obligations arising out of or in connection with it are governed by, and shall continue to be construed in accordance with, English law.
- 31.2** The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Charge (including a dispute relating to the existence, validity or termination of this Charge) (a "**Dispute**"). The Parties to this Charge agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party to this Charge will argue to the contrary.

31.3 This Clause 31 is for our benefit. We will not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, we may take concurrent proceedings in any number of jurisdictions.

THIS CHARGE has been executed by you as a Deed and signed by us and is delivered and will take effect on the date set out on the first page.

Schedule 1

INSURANCE POLICIES

Part I **Insurance Policies**

| Chargor | Details of Insurance Policy | Insurer | Policy Number |
|----------------|------------------------------------|----------------|----------------------|
| | | | |
| | | | |
| | | | |

Part II
Notice of Assignment to Insurer

To: _____

Date: _____

Dear Sirs,

We give you notice that, by a Charge dated _____ (the "**Charge**"), we have assigned to Cynergy Bank Limited (the "**Bank**") all of our rights, interests and benefits in, to and under the _____ policy number effected by us or whomsoever in relation to the risk to _____ (including all monies payable thereunder, proceeds of all claims, awards and judgments) and all other insurances entered into supplemental to or in replacement of such policy of insurance (the "**Policy**").

We will remain liable to perform all our obligations under the Policy and the Bank is under no obligation of any kind whatsoever neither under the Policy nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Policy.

We irrevocably instruct and authorise you to pay all payments under or arising under the Policy to our account called " _____ **Account**", Account number _____ sort code _____. It is very important that you make all immediate arrangements for all sums payable by you under the Policy to be paid to this account.

Please note that:

1. all remedies provided for under the Policy or available at law or in equity are exercisable by the Bank;
2. all rights to compel performance of the Policy are exercisable by the Bank; and
3. all rights, interests and benefits whatsoever accruing to or for the benefit of us arising under the Policy belong to the Bank.

This letter is governed by and shall continue to be construed in accordance with English law. Would you please confirm your agreement to the above by sending the enclosed acknowledgement to the Bank with a copy to us.

Yours faithfully

.....

Part III

Acknowledgement of Assignment

To: Cynergy Bank Limited (the "Bank")

Date: _____

Dear Sirs

We confirm receipt from _____ (the "Chargor") of a notice dated _____ of an assignment upon the terms of a Charge dated _____ (the "Charge") to Cynergy Bank Limited of all the Chargor's right, interest and benefit in, to and under the Policy (as specified in that notice) to which we are a party.

We confirm that we have not received notice of:

- (a) any assignment or charge of or over any of the rights, interests and benefits specified in such notice; or
- (b) the interest of any third party in any of the rights, interests and benefits specified in such notice.

We further confirm that:

1. no amendment, waiver or release of any such rights, interests and benefits will be effective without the prior written consent of the Bank;
2. no termination of such rights, interests or benefits will be effective unless we have given the Bank 21 days' written notice of the proposed termination and specifying the action necessary to avoid such termination;
3. the Chargor will remain liable to perform all its obligations under the Policy and the Bank is under no obligation of any kind whatsoever under the Policy nor under any liability whatsoever in the event of any failure by the Chargor to perform its obligations under the Policy; and
4. no breach or default on the part of the Chargor of any of the terms of such Policy will be deemed to have occurred unless we have given notice of such breach to the Bank specifying how to make good such breach.

We confirm that we have made all necessary arrangements for all future payments payable under such Policy to be made into the account specified in the notice.

We unconditionally and irrevocably waive all rights of set-off, lien, combination of accounts and similar rights (however described) which we may have now or in the future to the extent that such rights relate to amounts owed to us by the Chargor (and the proceeds thereof) and we will send you copies of all statements, orders and notices given by us relating to such debt.

This letter is governed by and shall continue to be construed in accordance with the laws of England.

Yours faithfully

.....

CC. _____

EXECUTION PAGE

EXECUTED as a DEED and DELIVERED)
by)
in the presence of:)
) Print name:

Signature of witness
Print name (in BLOCK
CAPITALS):
Address:
.....
.....
.....
Occupation:

OR

EXECUTED as a DEED by)
)
) Director
acting by a director in the presence of:) Print name:

Signature of witness
Print name (in BLOCK
CAPITALS):
Address:
.....
.....
Occupation:

OR

EXECUTED as a DEED by)
)
)
acting by a member in the presence) [Member/duly authorised by [name of corporate
of:) member] to sign on its behalf as a Member]
)
Print name:

Signature of witness
Print name (in BLOCK
CAPITALS):
Address:
.....
.....
.....
Occupation:

OR

EXECUTED as a DEED by)
)
)
acting by its [general] partner in the) [General] partner duly authorised by [name of
presence of:) partnership] to sign on its behalf as a [general
) partner]
)
Print name:

Signature of witness
Print name (in BLOCK
CAPITALS):
Address:
.....
.....
.....
Occupation:

SIGNED by)
for and on behalf of)
CYNERGY BANK LIMITED) Authorised signatory
) Print name:
)
)
) Authorised signatory
) Print name: