

Dated 12 February 2020

ALLIA SOCIAL IMPACT INVESTMENTS LIMITED

(as Issuer)

and

WRIGLEYS TRUSTEES LIMITED

(as Security Trustee and Bond Trustee)

KING'S SCHOOL BOND ISSUE 1 2020

DEED OF CHARGE

relating to

Up to £2,250,000 Limited Recourse Bonds due 2027
with an issue date on or around 5 February 2020

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This Deed of Charge is made on 12 February 2020 between:

- (1) **ALLIA SOCIAL IMPACT INVESTMENTS LIMITED**, a registered society under the Co-operative and Community Benefit Societies Act 2014, whose registered number is 32151R and whose registered office is situated at Future Business Centre, King's Hedges Road, Cambridge, CB4 2HY (the "**Issuer**"); and
- (2) **WRIGLEYS TRUSTEES LIMITED** as security trustee and bond trustee (the "**Security Trustee**" and "**Bond Trustee**", respectively) whose registered number is 06657231 and whose principal office is at 19 Cookridge Street, Leeds, LS2 3AG.

Whereas:

- (A) The Issuer proposes to issue up to an aggregate of £2,250,000:
 - (i) 3 per cent. Interest Limited Recourse Bonds ("**3 Per Cent Bonds**");
 - (ii) 4 per cent. Interest Limited Recourse Bonds ("**4 Per Cent Bonds**"),in each case due 2027 and secured as set out in this Deed of Charge (together, the "**Bonds**") on or around the date of this agreement.
- (B) In connection with the issue of the Bonds, the Issuer proposes to enter into the other Transaction Documents.
- (C) In order to secure its obligations under the Bonds, the Trust Deed and the Deed of Charge, the Issuer proposes to grant security over certain of its assets on the terms of, and as set out in, this Deed.
- (D) In connection with the issue of the Bonds and the entry into the other Transaction Documents, the Security Trustee has agreed to act as security trustee on the following terms and conditions.

This Deed witnesses and it is declared as follows:

1 Definitions and Interpretation

1.1 Definitions: Terms defined in the trust deed dated the date of this Deed between, amongst others, the Issuer and the Bond Trustee (the "**Trust Deed**") have the same meanings in this Deed except where otherwise defined in this Deed. In addition:

"**Acceleration Notice**" means a notice given by the Bond Trustee to the Issuer pursuant to Condition 8 (*Events of Default*) that the Bonds are due and payable;

"**Account**" means account number 95953035 with sort code 60-04-23 held with the Account Bank, or any successor account; provided that such account is subject to the same Security (*mutatis mutandis*) as the Account;

"**Account Bank**" means National Westminster Bank plc;

"**Affiliate**" means, in respect of a company, a Subsidiary or a Holding Company of such company or any other Subsidiary of such Holding Company (as each such term is defined in Section 1159 of the Companies Act 2006);

"**Applicant**" means a potential investor in the Bonds that has paid Subscription Proceeds to the Issuer;

“Borrower” means The King’s School, Gloucester a charitable company limited by guarantee registered in England and Wales, with company number 03834841 and registered charity number 1080641, whose registered office is at Pitt Street, Gloucester, GL1 2BG;

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

“Companies Act” means Companies Act 2006;

“Conditions” means the terms and conditions set out in Schedule 2 (*Terms and Conditions of the Bonds*) of the Trust Deed as from time to time modified in accordance with the Trust Deed and any reference to a particularly numbered Condition shall be construed accordingly;

“Contractual Currency” means, in relation to any payment obligation arising under any transaction, pounds sterling or such other currency as may be agreed between the Issuer and the Security Trustee from time to time;

“Enforcement Event” means (i) while any Bond remains outstanding, the service of an Acceleration Notice to the Issuer and (ii) if there are no Bonds outstanding, a default in payment of any other Secured Liability on its due date;

“Enforcement Notice” has the meaning given to it in Clause 7.2 (*Notification of Enforcement*);

“EU Insolvency Regulation” means Council Regulation (EC) No. 1346/2000 of 29 May 2000;

“Event of Default” has the meaning given to it in Condition 8 (*Events of Default*);

“Extraordinary Resolution” has the meaning given to it in the Trust Deed;

“Floating Charge” means the floating charge created by Clause 3.3 (*Floating Charge*);

“FCA” means the Financial Conduct Authority;

“Insolvency Act” means the Insolvency Act 1986;

“Issue Date” has the meaning given to it in the Trust Deed;

“Loan” has the meaning given to it in the Trust Deed;

“Loan Proceeds” means all monies received from or on behalf of the Borrower under the terms of the Loan;

“LPA” means the Law of Property Act 1925;

“Master Facility Agreement” has the meaning given to it in the Trust Deed;

“Outstanding” has the meaning given to it in the Trust Deed;

“Party” means a party to this Deed;

“Post-Enforcement Priority of Payments” has the meaning given to it in Clause 6.2 (*Post-Enforcement Priority of Payments*);

“Potential Event of Default” has the meaning given to it in the Trust Deed;

“Pre-enforcement Priority of Payments” has the meaning given to it in Clause 5.3 (*Application of Proceeds if Payment in Full is not possible*);

“Priority of Payments” means either Pre-enforcement Priority of Payments or Post-Enforcement Priority of Payments;

“Proceeds” means Loan Proceeds;

“Receiver” means a receiver and manager or other receiver (and may be a person or persons) appointed in respect of the Secured Property and shall, if allowed by law, include an administrative receiver;

“Repayment Date” has the meaning given to it in the Conditions;

“Registrar” means Wrigleys Solicitors LLP;

“Registrar Agreement” means the registrar agreement entered into by the Issuer and the Registrar on or about the date of this Deed of Charge;

“Secured Creditors” means the Bondholders, the Bond Trustee, the Registrar, and the Security Trustee in respect, in each case, of liabilities arising in connection with the Bonds;

“Secured Document” means the Trust Deed, this Deed of Charge and the Registrar Agreement;

“Secured Liabilities” means all present and future moneys, debts and liabilities due, owing or incurred by the Issuer to the Secured Creditors under or in connection with any Secured Document (in each case, whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently and whether as principal, surety or otherwise);

“Secured Property” means the assets from time to time subject, or expressed to be subject, to the Security, or any part of those assets;

“Security” means all or any of the Security Interests created or expressed to be created by or pursuant to this Deed;

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

“Security Power of Attorney” means the power of attorney granted by the Issuer to the Security Trustee pursuant to Clause 14 (*Power of Attorney*);

“Subscription Proceeds” means monies paid to the Issuer by Applicants in respect of a potential investment in the Bonds;

“Tax” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same);

“Transaction Documents” means the Loan, the Master Facility Agreement, the Registrar Agreement, the Trust Deed, this Deed and the Security Power of Attorney;

“Trust Deed” means the deed so named dated the date hereof between the Issuer and the Bond Trustee; and

1.2 Interpretation: In this Deed, except to the extent that the context requires otherwise:

1.2.1 references to:

- (i) this Deed:
 - (a) are to this Deed (as from time to time altered in accordance with this Deed) and any other document executed in accordance with this Deed (as from time to time so altered) and expressed to be supplemental to this Deed; and
 - (b) include its Schedules and references to paragraphs, Clauses, Recitals, or Schedules are (unless specified otherwise) references to such provisions of this Deed;
- (ii) an agreement, deed, instrument, licence, code or other document (including this Deed), or to a provision contained in any of these, shall be construed, at the particular time, as a reference to it as it may then have been amended, varied, supplemented, modified, suspended, assigned or novated;
- (iii) any party to any Transaction Document include its successors in title, permitted assigns and permitted transferees;
- (iv) “Bonds” are to the Bonds for the time being outstanding and include any replacement Bonds issued pursuant to the Conditions;
- (v) fees, costs, charges or expenses include any value added, turnover or similar tax charged in respect thereof;
- (vi) a statute or statutory provision include that statute or provision as from time to time modified, re-enacted or consolidated;
- (vii) a “judgment” include any order, injunction, determination, award or other judicial or arbitral measure in any jurisdiction;
- (viii) a “person” include any company, partnership or unincorporated association (whether or not having separate legal personality);
- (ix) a “company” include any company, corporation, any body corporate, or any registered society (as defined in section 1 of the Co-operative and Community Benefit Societies Act 2014), wherever incorporated;
- (x) “assets” include present and future properties, revenues and rights of every description;
- (xi) “indebtedness” include any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent; and
- (xii) a “regulation” include any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental body, agency, department or regulatory, self-regulatory or other authority or organisation.

1.2.2 use of the singular shall include the plural and vice versa;

1.2.3 headings are for ease of reference only and shall be ignored in interpreting this Deed;

1.2.4 all notices to be given by any Party and all other communications and documentation which are in any way relevant to this Deed or the performance or termination of this Deed shall be in the English language;

1.2.5 the words "include" and "including" are to be construed without limitation; and

1.2.6 time shall be of the essence of this Deed.

2 **Covenant to Pay**

The Issuer undertakes to the Security Trustee (on behalf of itself and as trustee for the other Secured Creditors) that it shall pay each of the Secured Liabilities when due in accordance with its terms or, if they do not specify a time for payment, immediately on demand by the Security Trustee.

3 **Security**

3.1 **Account:** The Issuer, with full title guarantee and as continuing security for the payment of all Secured Liabilities, charges by way of first fixed charge to the Security Trustee all the Issuer's right, title, interest and benefit present and future in, to and under the Account.

3.2 **Contractual Rights:** The Issuer, with full title guarantee and as continuing security for the payment of all Secured Liabilities, assigns by way of security to the Security Trustee all the Issuer's right, title, interest and benefit present and future in, to and under the Transaction Documents.

3.3 **Floating Charge:** The Issuer, with full title guarantee and as continuing security for the payment of all Secured Liabilities, charges in favour of the Security Trustee by way of first floating charge its assets expressed to be charged by way of fixed charge and assigned by way of security pursuant to Clause 3.1 (*Account*) and Clause 3.2 (*Contractual Rights*).

3.4 **Acknowledgements and Undertakings:** Each of the Secured Creditors hereby acknowledges the Security Interests made or granted by the foregoing provisions of this Clause 3 and undertakes to the Security Trustee not to do anything inconsistent with the Security given under or pursuant to this Deed or knowingly to prejudice the Security granted to the Security Trustee pursuant to this Clause 3 or the Secured Property or the Security Trustee's interest therein provided that, without prejudice to Clause 8 (*Receiver*), nothing herein shall be construed as limiting the rights exercisable by the aforesaid parties in accordance with and subject to the terms of the other Transaction Documents.

3.5 **Notice of Assignment:** Immediately upon the execution of this Deed, the Issuer shall deliver a notice of assignment substantially in the forms set out in Schedule 2 (*Forms of Notice of Assignment and Acknowledgement of Receipt*) and Schedule 3 (*Form of Bank Account Notice and Acknowledgement of Receipt*) to each of the persons named in those notices and shall use all reasonable endeavours to procure the delivery to the Security Trustee on the date hereof of a copy of each such notice signed by the addressees in acknowledgment of their receipt thereof.

3.6 **Declaration of Trust:** The Security Trustee hereby declares itself trustee of all the covenants, undertakings and Security Interests made or given or to be made or given under or pursuant to this Deed and the other Transaction Documents to which it is a party for itself and the other Secured Creditors in respect of the Secured Liabilities owed to each of them respectively upon and subject to the terms and conditions of this Deed.

- 3.7 Security Trustee's Discretion:** Without prejudice to the rights of the Security Trustee after the Security has become enforceable, the Issuer hereby authorises the Security Trustee, prior to the Security becoming enforceable, to exercise, or refrain from exercising, all rights, powers, authorities, discretions and remedies under or in respect of the Transaction Documents in such manner as the Security Trustee in its absolute discretion shall think fit.

4 Discharge of Security

- 4.1 Final Redemption:** Subject to Clause 4.2 (*Retention of Security*), if the Security Trustee is satisfied that all the Secured Liabilities have been irrevocably paid in full, the Security Trustee shall, at the written request and cost of the Issuer, release, reassign or discharge (as appropriate) the Secured Property from the Security to or to the order of the Issuer.
- 4.2 Retention of Security:** If the Security Trustee considers that any amount paid or credited to it under any Transaction Document is capable of being avoided or otherwise set aside, that amount shall not be considered to have been paid for the purposes of determining whether all the Secured Liabilities have been irrevocably paid in full.
- 4.3 Consolidation:** Section 93 of the LPA shall not apply to the Security.

5 Application of the Secured Property Prior to Enforcement

This Clause 5 shall apply provided that an Enforcement Notice has not been served.

- 5.1 Payment of the Proceeds into the Account:** The Issuer shall procure that all Loan Proceeds shall be paid directly into the Account and if any such Loan Proceeds are otherwise received it shall promptly pay such Loan Proceeds into the Account.
- 5.2 Application of the Proceeds for Payment in Full:** Provided that there are sufficient funds in the Account each holder of the Bonds will be paid interest in full on each Interest Payment Date and each Bondholder will be repaid in full on the Repayment Date from the Proceeds. On the Repayment Date the Issuer shall, in respect of each Bond, make a payment to the holder of such Bond (or as the holder of such Bond may direct) in an amount equal to the principal amount outstanding of that Bond. Any sums remaining in the Account following the making of such payments in full (including amounts arising from the accrual of any interest) (if applicable) shall be for the Issuer absolutely.
- 5.3 Application of the Proceeds if Payment in Full is not Possible:** If there are not sufficient Proceeds for each holder of the Bonds to be paid interest in full on each Interest Payment Date or for each Bondholder to be repaid in full on the Repayment Date from the Proceeds, then the Issuer shall apply the Proceeds as set out in Clause 6.2 (*Post-Enforcement Priority of Payments*) (the "**Pre-Enforcement Priority of Payments**").
- 5.4 Account Balances subject to Fixed Charges:** If an amount is withdrawn from the Account as permitted by this Clause 5, that amount shall be automatically released from the Security over that account referred to in Clause 3.1 (*Account*) on that withdrawal being made.
- 5.5 Withdrawals:** The Issuer shall not, without the prior written consent of the Security Trustee, withdraw any sums standing to the credit of the Account, other than in accordance with this Deed.

6 Application of Secured Property Upon Enforcement

This Clause 6 shall apply after an Enforcement Notice has been served.

- 6.1 Account:** Upon the service of an Enforcement Notice on the Issuer, no amount may be withdrawn from the Account without the prior written consent of the Security Trustee.
- 6.2 Post-Enforcement Priority of Payments:** Upon the service of an Enforcement Notice on the Issuer, the Security Trustee shall apply all moneys received by it under this Deed in connection with the realisation or enforcement of the Security, as follows (such order of application being the “**Post-Enforcement Priority of Payments**”):
- 6.2.1** *firstly*, in payment or satisfaction, *pari passu* and *pro rata*, of:
- (i) the costs, charges, expenses and liabilities due and payable to the Bond Trustee under the Trust Deed; and
 - (ii) the costs, charges, expenses and liabilities due and payable to the Security Trustee and any receiver appointed by the Security Trustee under this Deed;
 - (iii) the costs, charges, expenses and liabilities due and payable to the Registrar under the Registrar Agreement;
- 6.2.2** *secondly*, in applying any remaining Loan Proceeds after payments in Clause 6.2.1 above (if any) for the payment or satisfaction, *pari passu and pro rata*, of amounts of principal due and payable in respect of the Bonds;
- 6.2.3** *thirdly*, in applying any remaining Loan Proceeds after payments in Clause 6.2.2 above (if any) for the payment or satisfaction, *pari passu and pro rata*, of amounts of interest due and payable in respect of the Bonds; and
- 6.2.4** *fourthly*, subject to all obligations owed to the Bondholders having been discharged in full, in payment of any excess to the Issuer absolutely.
- 6.3 Subordination:** Each of the Secured Creditors hereby agrees to be bound by the orders of priority set out in the Post-Enforcement Priority of Payments. Each of the Secured Creditors (other than the Security Trustee) further agrees with each other party to this Deed that, notwithstanding any other provision contained herein or in any other Transaction Document:
- 6.3.1** it will not demand or receive payment of any distribution in respect of, or on account of, any amounts payable by the Issuer or the Security Trustee to that Secured Creditor under the Transaction Documents, in cash or in kind, and will not apply any money or assets in discharge of any such amounts payable to it (whether by set-off or by any other method), unless all amounts then due and payable by the Issuer to all other Secured Creditors ranking higher in the order of priority set out in the applicable Priority of Payments have been paid in full; and
- 6.3.2** without prejudice to the foregoing, whether in the liquidation of the Issuer or any other party to the Transaction Documents or otherwise, if any payment or distribution (including by way of set-off) is received by a Secured Creditor in respect of any amount payable by the Issuer or the Security Trustee to that Secured Creditor under the relevant Transaction Document at a time when, by virtue of the provisions of the relevant Transaction Document and this Deed, no payment or distribution should have been made, the amount so received shall be held by the Secured Creditor upon trust for (prior to the occurrence of an

Enforcement Event) the Issuer or (upon the occurrence of an Enforcement Event) the Security Trustee and shall be paid over to the Issuer or, as applicable, the Security Trustee as soon as is reasonably practicable following the earlier of, (i) receipt of written notice from the Issuer or, as applicable, the Security Trustee and (ii) actual knowledge of such Secured Creditor, in each case, that such payment or distribution should not have been made (whereupon the relevant payment or distribution shall be deemed not to have been made or received).

7 The Security Trustee's Powers

7.1 Enforceable: Without prejudice to the provisions of Clause 7.4 (*Powers Additional to the LPA*) and Clause 8.1 (*Appointment*), (i) the Security shall be enforceable and (ii) the statutory power of sale and of appointing a Receiver and the other statutory powers conferred on mortgagees by Section 101 of the LPA (as varied and extended by this Deed) shall be exercisable by the Security Trustee at any time following the occurrence of an Enforcement Event on the basis that this Deed constitutes a mortgage within the meaning of the LPA and the Security Trustee is a mortgagee exercising the power of sale conferred on mortgagees by the LPA with limited title guarantee. Section 103 of the LPA shall not apply to this Deed.

7.2 Notification of Enforcement: Promptly upon any enforcement of the Security, the Security Trustee shall give notice to the Issuer in writing of such enforcement (such notice being an “**Enforcement Notice**”) and shall promptly send a copy of such Enforcement Notice to each Secured Creditor (other than the Bondholders).

7.3 Amounts Due: Notwithstanding any other provision of this Deed:

7.3.1 all amounts comprising the Secured Liabilities shall become due for the purposes of Section 101 of the LPA on the date of this Deed; and

7.3.2 the statutory power of sale and of appointing a Receiver and the other statutory powers conferred on mortgagees by Section 101 of the LPA (as varied and extended by this Deed) shall be deemed to arise on the date of this Deed but shall only become enforceable in accordance with Clause 7.1 (*Enforceable*) above.

7.4 Powers Additional to the LPA: The powers conferred by this Deed in relation to the Secured Property on the Security Trustee or on any Receiver shall be in addition to those conferred on any mortgagees or receivers under the LPA. If there is any ambiguity or conflict between the powers contained in the LPA and those conferred by this Deed, the terms of this Deed shall prevail. In particular:

7.4.1 the statutory powers of leasing conferred on the Security Trustee are extended so as to authorise the Security Trustee to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Trustee may think fit and without the need to comply with any provision of Section 99 or Section 100 of the LPA; and

7.4.2 the provisions of the LPA relating to the power of sale and the other powers conferred by Section 101(1) and (2) of the 1925 Act are hereby extended in relation to the Issuer (as if such extensions were contained therein) to authorise the Security Trustee at its absolute discretion at any time following the service of an Enforcement Notice and subject to the Security Trustee being satisfied as to the

indemnification and/or security available to it in relation to the exercise of such powers:

- (i) to make demand in the name of the Secured Creditors or in its own right for any moneys and liabilities in respect of the Secured Property;
- (ii) to sell the Issuer's title to or interest in the Secured Property, and to do so for any shares, debentures or other securities whatsoever, or in consideration of an agreement to pay all or part of the purchase price at a later date or dates, or an agreement to make periodical payments, whether or not such agreement is secured or guaranteed, or for such other consideration whatsoever as the Security Trustee may think fit, and also to grant any option to purchase, and to effect exchanges of, any of the Secured Property;
- (iii) with a view to or in connection with the sale of the Secured Property, to carry out any transaction, scheme or arrangement which the Security Trustee may, in its absolute discretion, consider appropriate;
- (iv) to insure the Secured Property against such risks and for such amounts as the Security Trustee may decide; and
- (v) to do all or any of the things or exercise all or any of the powers which are mentioned or referred to in Clause 8.7 (*Powers of a Receiver*) as if each of them was expressly conferred on the Security Trustee by this Deed and which may not be included in paragraphs (i) to (iv) above.

7.5 Delegation to Receiver: In addition and without prejudice to any of its statutory powers, the Security Trustee may at any time by deed delegate to the Receiver all or any of the extended powers of leasing, surrendering or accepting surrenders of leases conferred on the Security Trustee by this Deed.

7.6 Insurance: The Security Trustee shall have the power to insure against any liabilities or obligations arising:

- 7.6.1 as a result of the Security Trustee acting or failing to act in a certain way (other than which may arise from its fraud, negligence or wilful default or that of its officers or employees);
- 7.6.2 as a result of any act or failure to act by any person or persons to whom the Security Trustee has delegated any of its trusts, rights, powers, duties, authorities or discretions, or appointed as its agent (other than which may arise from such person's fraud, negligence or wilful default);
- 7.6.3 in connection with the Secured Property; or
- 7.6.4 in connection with or arising from the enforcement of the Security.

The Security Trustee shall not be under any obligation to insure in respect of such liabilities and/or obligations or to require any other person to maintain or monitor the adequacy of any such insurance and the Security Trustee shall not be responsible for any liability or inconvenience suffered by any person as a result of the lack of or inadequacy of any such insurance. However, to the extent that the Security Trustee does so insure, the Issuer shall quarterly and on written request pay all insurance premiums and expenses which the Security Trustee may properly incur in relation to such insurance.

7.7 Application to the Court: The Security Trustee may at any time after the occurrence of an Enforcement Event apply to the court for an order that the powers and trusts of this Deed be exercised or carried into execution under the direction of the court and for the appointment of a Receiver of the Secured Property or any part thereof and for any other order in relation to the execution and administration of the powers and trusts hereof as the Security Trustee shall deem expedient, and it may assent to or approve any application to the court made at the instance of any of the Bondholders and/or the other Secured Creditors.

7.8 Investments: Any moneys which under the trusts of this Deed ought to or may be invested by the Security Trustee may be invested in its name or under its control in any investments or other assets in any part of the world for the time being authorised by English law for the investment of trust moneys whether or not they produce income or placed on deposit in the name or under the control of the Security Trustee at such bank or other financial institution and in such currency as the Security Trustee may, in its absolute discretion think fit and the Security Trustee will not be responsible for any resulting loss whether by depreciation in value, change in exchange rates or otherwise. If a bank or institution with which any monies placed on deposit in accordance with this Clause 7.8 is the Security Trustee or an Affiliate of the Security Trustee, the Security Trustee need only account for an amount of interest equal to the standard amount of interest payable by it on such a deposit to an independent customer.

7.9 Deficiency or Additional Payment: The Security Trustee shall have no responsibility whatsoever to any Secured Creditor as regards any deficiency or additional payment, as the case may be, which might arise because the Security Trustee is subject to any stamp, issue, registration, documentary and other fees, duties and taxes, including interest and penalties in respect of the Secured Property or any part thereof or any income therefrom or any proceeds thereof or is required to make any withholding or deduction from any payment to any Secured Creditor.

8 Receiver

8.1 Appointment: At any time after the occurrence of an Enforcement Event, the Security Trustee may in writing appoint one or more persons to be a Receiver of all or part of the Secured Property.

8.2 Removal and Replacement: Except as otherwise required by statute, the Security Trustee may by writing remove a Receiver and appoint another in its place or appoint another to act with a Receiver.

8.3 Extent of Appointment: The exclusion of any part of the Secured Property from the appointment of the Receiver shall not preclude the Security Trustee from subsequently extending its appointment (or that of the Receiver replacing it) to that part of the Secured Property or appointing another Receiver over any other part of the Secured Property. If the Security Trustee appoints more than one person as Receiver, the Security Trustee may give those persons power to act either jointly or severally.

8.4 Notice of appointment: Pursuant to section 66 of the Co-operative and Community Benefit Societies Act 2014, any Receiver appointed by the Security Trustee under this Deed must give notice of his appointment to the FCA and comply with the returns provisions set out in such section.

- 8.5 Agent of the Issuer:** Any Receiver shall be the agent of the Issuer for all purposes. If a liquidator of the Issuer is appointed, the Receiver shall act as principal and not as agent for the Security Trustee. The Issuer alone shall be responsible for the acts, defaults and misconduct of any Receiver and none of the Security Trustee nor any other Secured Creditor shall incur any liability therefore and none of the Security Trustee nor any other Secured Creditor shall be responsible for any misconduct or negligence on the part of any Receiver. Nevertheless, any Receiver shall, in the exercise of its powers, authorities and discretions conform to any regulations from time to time provided to it in writing by the Security Trustee.
- 8.6 Remuneration:** The Security Trustee may determine the remuneration of any Receiver and direct payment of that remuneration out of moneys it receives as Receiver. The Issuer alone shall be liable for the remuneration and all other costs, liabilities and expenses of the Receiver.
- 8.7 Powers of a Receiver:** In addition to any powers conferred on an administrative or other receiver by statute or common law, a Receiver shall have the following powers (save that where a Receiver has been appointed in respect of a part only of the Secured Property, references below to the Secured Property shall, in respect of such a Receiver, be deemed to be references only to such part of the Secured Property):
- 8.7.1** to take possession of, get in and collect the Secured Property or any part thereof including income whether accrued before or after the date of its appointment;
 - 8.7.2** to carry on, manage, concur in or authorise the management of, or appoint a manager of, the whole or any part of the business of the Issuer;
 - 8.7.3** to sell, exchange, license, surrender, release, disclaim, abandon, return or otherwise dispose of or in any way whatsoever deal with the Secured Property or any interest in the Secured Property or any part thereof for such consideration (if any) and upon such terms as it may think fit and to concur in any such transaction;
 - 8.7.4** to sell or concur in selling the whole or any part of the Issuer's business whether as a going concern or otherwise;
 - 8.7.5** to appoint, engage, dismiss or vary the terms of employment of any employees, officers, managers, agents and advisers of the Issuer upon such terms and for such periods as it may determine;
 - 8.7.6** to insure, protect, maintain, repair, alter, improve, replace, exploit, add to and develop or concur in so doing, the Secured Property or any part thereof in any manner and for any purpose whatsoever;
 - 8.7.7** in connection with the exercise or the proposed exercise of any of its powers or in order to obtain payment of its remuneration (whether or not it is already payable), to borrow or raise money from any person without security or on the security of any of the Secured Property and generally in such manner and on such terms as it may think fit;
 - 8.7.8** to bring, defend, submit to arbitration, negotiate, compromise, abandon and settle any claims, disputes and proceedings concerning the Secured Property or any part thereof;

- 8.7.9** to transfer all or any of the Secured Property and/or any of the liabilities of the Issuer to any other company or body corporate, whether or not formed or acquired for the purpose and to form a subsidiary or subsidiaries of the Issuer;
- 8.7.10** to call up or require the directors of the Issuer to call up all or any portion of the uncalled capital for the time being of the Issuer and to enforce payment of any call by action (in the name of the Issuer or the Receiver as it may think fit);
- 8.7.11** to redeem, discharge or compromise any Security Interest from time to time having priority to or ranking *pari passu* with this Deed;
- 8.7.12** to effect or maintain indemnity insurance and other insurance and obtain bonds and performance guarantees;
- 8.7.13** in connection with the exercise of any of its powers, to execute or do, or cause or authorise to be executed or done, on behalf of or in the name of the Issuer or otherwise, as it may think fit, all documents, receipts, registrations, acts or things which it may consider appropriate;
- 8.7.14** to exercise any powers, authorities, discretions, voting, conversion or other rights or entitlements in relation to any of the Secured Property which it would be capable of exercising if it were solely and absolutely entitled to the Secured Property or which are incidental to the ownership of or rights in or to any of the Secured Property;
- 8.7.15** to complete or effect any transaction entered into by the Issuer and complete, disclaim, abandon or modify all or any of the outstanding contracts or arrangements of the Issuer relating to or affecting the Secured Property;
- 8.7.16** to exercise all powers as are described in Schedule 1 to the Insolvency Act, whether or not the Receiver is an "administrative receiver" as defined in the Insolvency Act;
- 8.7.17** to delegate in any manner to any person, any right, power or discretion exercisable by it under this Deed on the terms (including the power to sub-delegate) and subject to any regulations which it may think fit;
- 8.7.18** generally to carry out, or cause or authorise to be carried out, any transaction, scheme or arrangement whatsoever, whether similar or not to any of the foregoing, in relation to the Secured Property which it may consider expedient as effectually as if it were solely and absolutely entitled to the Secured Property;
- 8.7.19** to do all other acts and things which it may consider desirable or necessary for realising any Secured Property or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed and to use the name of the Issuer for any of purposes set out in this Clause 8.7; and
- 8.7.20** to pay and discharge out of the profits and income of the relevant Secured Property and the moneys to be made by it in carrying on the business of the Issuer the expenses incurred in and about the carrying on and management of the business or in the exercise of any of the powers conferred by this Clause 8.7 or otherwise in respect of such Secured Property and all outgoings which it shall think fit to pay and to apply the residue of the said profits, income or moneys in accordance with the Post-Enforcement Priority of Payments.

The Security Trustee may pay over to the Receiver any moneys constituting part of the Secured Property to the extent that the same is to be applied by the Receiver in accordance with the Post-Enforcement Priority of Payments and the Security Trustee may from time to time determine what funds the Receiver shall be at liberty to keep in hand with a view to the performance of its duties as Receiver.

9 Protection of Third Parties

9.1 Dealings with the Security Trustee: No one dealing with the Security Trustee or any Receiver need enquire whether any of the powers, authorities and discretions conferred by or pursuant to this Deed in relation to the Secured Property are or may be exercisable by the Security Trustee or such Receiver or as to the propriety or regularity of acts purporting or intended to be in exercise of any such powers. The protection to purchasers contained in Sections 104 and 107 of the LPA shall apply to anyone dealing with the Security Trustee or such Receiver as if the statutory powers of sale and of appointing a receiver in relation to the Secured Property had not been varied or extended by this Deed.

9.2 Receipts: The receipt of the Security Trustee or the Receiver for any moneys paid to it shall discharge the person paying them and such person shall not be responsible for their application.

10 Protection of the Security Trustee and the Receiver

10.1 Liability of Trustee: Neither the Security Trustee nor any Receiver or any attorney or agent of the Security Trustee shall by reason of taking possession of any Secured Property or any other reason and whether or not as mortgagee in possession be liable to account for anything except actual receipts or be liable for any loss or damage arising from the realisation of such Secured Property or from any act or omission in relation to such Secured Property or otherwise unless such loss or damage shall be caused by its own fraud.

10.2 Possession: Without prejudice to the generality of Clause 10.3 (*Mortgagee in Possession*), entry into possession of the Secured Property shall not render the Security Trustee or the Receiver liable to account as mortgagee in possession. If and whenever the Security Trustee or the Receiver enters into possession of the Secured Property, it shall be entitled at any time to go out of such possession.

10.3 Mortgagee in Possession: None of the Security Trustee, the Receiver or the Secured Creditors will, by reason of the creation of the Security, be or be deemed to be a mortgagee in possession nor shall they take any action (other than, in the case of the Secured Creditors, with the Security Trustee's prior written consent) which would be likely to lead to the Secured Creditors, the Receiver or the Security Trustee becoming a mortgagee in possession in respect of any property referred to in this Deed.

10.4 Disposal of the Security by the Security Trustee: Neither the Security Trustee nor any Receiver will be liable for any decline in the value, or any loss realised upon any sale or other disposition made pursuant to this Deed or any of the other Transaction Documents, of any Security or any other property which is charged to the Security Trustee. Without prejudice to the foregoing, and without limitation, neither the Security Trustee nor any Receiver shall be liable for any such decline or loss directly or indirectly arising from its acting, or failing to act, as a consequence of an opinion reached by it in good faith based

on advice received by it in accordance with Condition 13 (*Indemnification of the Bond Trustee*).

11 Stamp Duties and Taxes

The Issuer shall pay any stamp, issue, documentary or other taxes and duties, including interest and penalties, payable in the United Kingdom in respect of the creation of the Security and the execution or delivery of this Deed. The Issuer will also indemnify the Security Trustee on an after tax basis from and against all stamp, issue, documentary or other taxes paid by the Security Trustee or any Receiver in any jurisdiction in connection with any action taken by or on behalf of the Security Trustee or any Receiver to enforce the Issuer's obligations under this Deed or the other Transaction Documents.

12 Further Assurance

The Issuer shall (at its own cost) promptly do whatever the Security Trustee requires to perfect or protect the Security or the priority of the Security or to facilitate the realisation of the Secured Property or the exercise of any rights vested in the Security Trustee or any Receiver, including executing any transfer, conveyance, charge, assignment or assurance of the Secured Property (whether to the Security Trustee or its nominees or otherwise), making any registration and giving any notice, order or direction.

13 Crystallisation

13.1 Notice: In addition and without prejudice to any other event resulting in a crystallisation of the Floating Charge or any other right the Security Trustee may have, the Security Trustee may at its absolute discretion, at any time, if:

13.1.1 any Event of Default is subsisting and has not been waived; or

13.1.2 the Security Trustee reasonably believes that the Secured Property or any part thereof is in danger of being seized or sold under any form of distress, attachment, diligence, or execution levied or threatened or is otherwise in jeopardy or imperilled or any circumstance shall occur which in the opinion of the Security Trustee, imperils or will imperil the Security created by this Deed or the Issuer takes or threatens to take any action that would be prejudicial to the Security or would be inconsistent with the Security created hereby,

by notice in writing to the Issuer declare that the Floating Charge shall be converted into a first fixed charge over the assets expressed to be under a Floating Charge pursuant to Clause 3.3 (*Floating Charge*) of the Issuer and by way of further assurance the Issuer, at its own expense, shall execute all documents in such form as the Security Trustee shall require and shall deliver to the Security Trustee all conveyances, deeds, certificates and documents which may be necessary to perfect such first fixed charge.

13.2 Automatic Crystallisation: In addition and without prejudice to any other event resulting in a crystallisation of the Floating Charge, the Floating Charge contained herein shall automatically be converted into a fixed charge over the undertaking and all the assets or undertaking of the Issuer if and when:

13.2.1 an Enforcement Notice is served on the Issuer;

13.2.2 the Issuer takes any step to create any Security in breach of Clause 18.2.1 (*No Security*) over any of the Secured Property not subject to a fixed charge;

- 13.2.3 any person takes any step to effect any expropriation, attachment, sequestration, distress or execution against any of the Secured Property not subject to a fixed charge;
- 13.2.4 the Issuer ceases to carry on all or substantially all of its business or ceases to be a going concern or thereafter to do any of the foregoing;
- 13.2.5 the Issuer stops making payments to its creditors or gives notice to creditors that it intends to stop payment;
- 13.2.6 the holder of any other Security Interest in relation to the Issuer (whether ranking in priority to, *pari passu* with or after the Security) appoints a Receiver; or
- 13.2.7 any floating charge granted by the Issuer to any other person (whether permitted by the Transaction Documents or not) crystallises for any reason whatsoever.

14 Power of Attorney

Immediately upon execution of this Deed, the Issuer shall execute and deliver to the Security Trustee a power of attorney substantially in the form set out in Schedule 1 (*Form of Security Power of Attorney*).

15 Other Security

- 15.1 **No Merger:** The Security is in addition to, and shall neither be merged in, nor in any way exclude or prejudice any other Security Interest, right of recourse, set-off or other right whatsoever which the Security Trustee or any Secured Creditor may now or at any time hereafter hold or have (or would apart from this Deed or any Security Interest created pursuant to this Deed hold or have) as regards the Issuer or any other person in respect of the Secured Liabilities, and neither the Security Trustee nor any Secured Creditor shall be under any obligation to take any steps to call in or to enforce any such Security Interest, right of recourse, set-off or other right and shall not be liable to the Issuer for any loss arising from any omission on the part of the Security Trustee or any Secured Creditor to take any such steps or for the manner in which the Security Trustee or any Secured Creditor shall enforce or refrain from enforcing any such Security Interest, right of recourse, set-off or other right.
- 15.2 **Ruling Off:** If the Security Trustee receives notice of (i) any Security Interest affecting the Secured Property in contravention of the provisions hereof or (ii) the presentation of a petition or the passing of a resolution in relation to the winding-up of the Issuer:
 - 15.2.1 the Security Trustee may open a new account in respect of the Issuer and, if it does not, it shall nevertheless be deemed to have done so at the time it received such notice; and
 - 15.2.2 all payments made by the Issuer to the Security Trustee after the Security Trustee receives such notice shall be credited or deemed to have been credited to the new account, and in no circumstances whatsoever shall such payments operate to reduce the Secured Liabilities as at the time the Security Trustee received such notice.
- 15.3 **Change of Name:** This Deed shall remain valid and enforceable notwithstanding any change in the name, composition or constitution of the Security Trustee or the Issuer or any amalgamation or consolidation by the Security Trustee or the Issuer with any other

corporation (whether, in the case of the Issuer, permitted by the Transaction Documents or not).

16 Savings Provisions

16.1 Continuing Security: Subject to Clause 4.1 (*Final Redemption*), the Security is 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.

16.2 No Release: No assurance, security or payment which may be avoided or adjusted under the law, including under any enactment relating to bankruptcy or insolvency and no release, settlement or discharge given or made by the Security Trustee or any Secured Creditor on the faith of any such assurance, security or payment, shall prejudice or affect the right of the Security Trustee or any Secured Creditor to recover the Secured Liabilities from the Issuer (including any monies which it may be compelled to pay or refund under the provisions of the Insolvency Act and any costs payable by it pursuant to or otherwise incurred in connection therewith) or to enforce the Security to the full extent of the Secured Liabilities.

16.3 Retention of Security: If the Security Trustee has grounds for believing that the Issuer may be insolvent or deemed to be insolvent pursuant to the provisions of the Insolvency Act (and the production of a solvency certificate of a duly authorised officer of the Issuer will be *prima facie* evidence of the solvency of the Issuer) at the date of any payment made by the Issuer to the Security Trustee and that as a result, such payment may be capable of being avoided or clawed back, the Security Trustee will be at liberty to retain the Security until the expiry of a period of one month plus such statutory period within which any assurance, security, guarantee or payment can be avoided or invalidated after the payment and discharge in full of all Secured Liabilities notwithstanding any release, settlement, discharge or arrangement which may be given or made by the Security Trustee on, or as a consequence of, such payment or discharge provided that, if at any time within such period, a petition is presented to a competent court for an order for the winding up or the Issuer commences being wound up or any proceedings analogous to the Issuer being wound up or to a body corporate being put into administration are commenced by or against the Issuer, the Security Trustee will be at liberty to continue to retain the Security for such further period as the Security Trustee may determine and the Security shall be deemed to continue to have been held as security for the payment and discharge to the Security Trustee of all Secured Liabilities.

17 Set Off

The Security Trustee may at any time following the service of an Enforcement Notice (without notice and notwithstanding any settlement of account or other matter whatsoever) combine or consolidate all accounts of the Issuer created pursuant to the Transaction Documents whether in its own name or jointly with others and held by it or any Secured Creditor and may set off or transfer all or any part of any credit balance or any sum standing to the credit of any such account (whether or not the same is due to the Issuer from the Security Trustee or relevant Secured Creditor and whether or not the credit balance and the account in debit or the Secured Liabilities are expressed in the same currency in which case the Security Trustee is hereby authorised to effect any necessary conversions at the prevailing rates of exchange) in or towards satisfaction of any of the Secured Liabilities and may in its absolute discretion estimate the amount of any liability of

the Issuer which is contingent or unascertained and thereafter set off such estimated amount and no amount shall be payable by the Security Trustee to the Issuer unless and until all Secured Liabilities have been ascertained and fully repaid or discharged.

18 Representations, Warranties and Covenants

18.1 Representations and Warranties: The Issuer represents and warrants to the Security Trustee (on behalf of the Secured Creditors) as at the date of this Deed that:

- 18.1.1 Incorporation:** it is a registered society registered with the FCA under the Co-operative and Community Benefit Societies Act 2014 and is validly existing under the laws of England and Wales with full power and authority to own its own property and assets and conduct its business;
- 18.1.2 Management and Administration:** its management and the place at which meetings of its board of directors are held are all situated in England and Wales;
- 18.1.3 Binding obligations;** the obligations expressed to be assumed by it in each Transaction Document are legal, valid, binding and enforceable obligations.
- 18.1.4 Centre of Main Interests:** it has its “centre of main interests”, as that term is used in Article 3(1) of the EU Insolvency Regulation, in England and Wales;
- 18.1.5 No Establishment:** it has no “establishment”, as that term is used in Article 2(h) of the EU Insolvency Regulation, or branch office in any jurisdiction other than England and Wales;
- 18.1.6 Taxes:** it is, and has been since the date of its registration, resident for tax purposes solely in the United Kingdom and it has filed all tax returns required to be filed in any applicable jurisdiction within applicable time limits and has paid all taxes payable by it to the extent they have become due;
- 18.1.7 No filing or stamp taxes:** under the law of its jurisdiction of incorporation, it is not necessary that any stamp, registration or similar tax be paid on or in relation to the Transaction Documents or the transactions contemplated by the Transaction Documents;
- 18.1.8 Pari passu ranking:** its payment obligations under the Transaction Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to registered societies (as defined in section 1 of the Co-operative and Community Benefit Societies Act 2014) generally;
- 18.1.9 Corporate Power:** it has the requisite power to enter into this Deed and the other Transaction Documents to which it is expressed to be a party and to perform its obligations under this Deed and the other Transaction Documents to which it is expressed to be a party;
- 18.1.10 Authorisation:** the entry by the Issuer into this Deed and the other Transaction Documents to which it is expressed to be a party and the performance of its obligations under this Deed and the Transaction Documents to which it is expressed to be a party have been duly authorised by the Issuer;
- 18.1.11 Validity of Transaction Documents:** this Deed has been duly executed and delivered by the Issuer and constitutes, and the other Transaction Documents to

which it is expressed to be a party will on the date they are entered into constitute, valid, legally binding and enforceable obligations of the Issuer;

- 18.1.12 Beneficial Owner:** assuming execution and delivery of the other Transaction Documents, the Issuer is the beneficial owner of each of the assets over which it purports to grant security pursuant to this Deed, free from any encumbrances (save for those created by this Deed);
- 18.1.13 Litigation:** there are no pending actions, suits or proceedings against or affecting the Issuer which, if determined adversely to the Issuer, would individually or in the aggregate have an adverse effect on the condition (financial or other), prospects, results or operations or general affairs of the Issuer, or would adversely affect the ability of the Issuer to perform its obligations under the Transaction Documents to which it is a party or the Bonds or which are otherwise material in the context of the issue of the Bonds and, to the best of the Issuer's knowledge, no such actions, suits or proceedings are threatened or contemplated;
- 18.1.14 Events of Default:** no event has occurred or circumstance arisen which, had the Bonds already been issued, might (whether or not with the giving of notice and/or the passage of time and/or the fulfilment of any other requirement) constitute an event of default under the Bonds;
- 18.1.15 Solvency:** it is able to pay its debts as they fall due and will not become unable to do so in consequence of the execution by it of the Transaction Documents to which it is a party and the performance by it of the transactions envisaged herein and thereby, and there exists in relation to the Issuer no court order or effective resolution for the liquidation, winding up or bankruptcy of the Issuer, nor, to the best of its knowledge and belief, having made all reasonable enquiries, have any other steps been taken or legal proceedings been started against it for its winding up, dissolution, arrangement, reconstruction, suspension of payments, bankruptcy or reorganisation or for the appointment of a liquidator, receiver or similar officer of it or of any of its assets or revenues;
- 18.1.16 Security:** (a) upon execution of this Deed and subject to the registration referred to in Clause 18.3.15 (*Registration of Security*) the Secured Liabilities will be secured by and in accordance with this Deed, (b) no other Security Interest exists over or in respect of any of the Secured Property, and (c) the creation by the Issuer of the security over the Secured Property in accordance with the provisions of this Deed will not render the Issuer liable to offer or extend the benefit of such security to any persons other than the Security Trustee (as trustee on behalf of the Secured Creditors);
- 18.1.17 Consents:** it does not require the consent of any other party or the consent, licence, approval or authorisation of any governmental authority in the United Kingdom in connection with the execution and delivery by the Issuer of the Transaction Documents to which it is expressed to be a party, the performance by the Issuer of its obligations under the Transaction Documents to which it is expressed to be a party and the compliance by it with their terms, except for those which have been obtained and are in full force and effect; and
- 18.1.18 Compliance:** the execution and delivery by the Issuer of the Transaction Documents to which it is expressed to be a party, the performance by the Issuer of its obligations under the Transaction Documents to which it is expressed to be a

party and the compliance by it with their terms do not and will not (a) conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, the documents constituting the Issuer, or any indenture, trust deed, mortgage or other agreement or instrument to which the Issuer is a party or by which it or any of its assets is bound, or (b) infringe any existing applicable law, rule, regulation, judgment, order or decree of any governmental authority, regulatory body or court, domestic or foreign, having jurisdiction over the Issuer or any of its assets.

18.2 Negative Covenants: So long as any Secured Liabilities are outstanding, the Issuer covenants and undertakes with the Security Trustee (on behalf of the Secured Creditors) that it shall not (save with the prior written consent of the Security Trustee):

18.2.1 No Security: create or permit to subsist, or have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the Secured Property (other than as envisaged by this Deed);

18.2.2 Disposal of Assets: transfer, sell, lend, invest, part with or otherwise dispose of or deal with or grant any option over or any present or future right to acquire the Secured Property (other than as envisaged by this Deed);

18.2.3 Equitable Interests: permit any person, other than the Security Trustee, to have any equitable or beneficial interest in the Secured Property;

18.2.4 Tax Residence: do any act or thing, the effect of which would be to make the Issuer resident for tax purposes in any jurisdiction other than the United Kingdom; or

18.2.5 Amendments, Waiver or Consent:

(i) permit any of the Transaction Documents to which it is a party or the Loan to become invalid or ineffective or the priority of any Security created thereby to be reduced, amended, terminated or discharged;

(ii) consent to, or permit any person to vary, amend, cancel, supplement, novate or exercise any powers of consent or waiver pursuant to, the terms of any of the Transaction Documents to which it is a party or the Loan;

(iii) consent to, or permit any person to cancel, release, discharge or surrender any Secured Property or any rights relating thereto; or

(iv) permit any party to any of the Transaction Documents to which it is a party or the Loan, or any other person whose obligations form part of the Secured Property, to be released from its respective obligations or dispose of any part of the Security, save as envisaged by the Transaction Documents to which it is a party or the Loan.

18.3 Positive Covenants: So long as any Secured Liabilities are outstanding, the Issuer covenants and undertakes with the Security Trustee (on behalf of the Secured Creditors) that it shall:

18.3.1 Conduct: at all times carry on and conduct its affairs in a proper and efficient manner and in accordance with its constitutive documents and all laws and regulations applicable to it;

18.3.2 Relevant Authorisations: obtain and maintain all relevant authorisations required from time to time to comply with the provisions of the Transaction Documents;

- 18.3.3 Books of Account:** keep proper books of account and, at any time after an Event of Default or Potential Event of Default has occurred or if the Security Trustee reasonably believes that such an event has occurred, so far as permitted by applicable law, allow the Security Trustee and anyone appointed by it access to its books of account at all reasonable times during normal business hours;
- 18.3.4 Notice of Events of Default:** notify the Security Trustee in writing immediately on becoming aware of the occurrence of any Event of Default or Potential Event of Default or of any circumstances which may lead to an Event of Default;
- 18.3.5 Notice of claims:** notify the Security Trustee of any action, claim or demand made by or against the Issuer in connection with the Secured Property or of any fact, matter or circumstance which may give rise to the same;
- 18.3.6 Information:** so far as permitted by applicable law, give the Security Trustee such information as it reasonably requires to perform its functions;
- 18.3.7 Financial Statements etc.:** send to the Security Trustee at the time of their issue and in the case of annual financial statements in any event within 180 days of the end of each financial year two copies in English of every balance sheet, profit and loss account, report or other notice, statement or circular issued, or which legally or contractually should be issued, to the members or creditors (or any class of them) of the Issuer generally in their capacity as such;
- 18.3.8 Certificate from the Issuer:** send to the Security Trustee, within 14 days of the annual audited consolidated balance sheet and profit and loss account of the Issuer being made available to its members and also within 14 days of any request by the Security Trustee a certificate of the Issuer signed by any two of its directors that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Issuer as at a date (the “**Certification Date**”) not more than five days before the date of the certificate, no Event of Default or Potential Event of Default or any circumstances which may lead to an Event of Default had occurred since the Certification Date of the last such certificate or (if none) the date of this Deed or, if such an event had occurred, giving details of it;
- 18.3.9 Further Acts:** so far as permitted by applicable law, do such further things as may be necessary in the opinion of the Security Trustee to give effect to this Deed;
- 18.3.10 Compliance with Transaction Documents:** comply with all provisions of this Deed and comply, and use its reasonable endeavours to procure that each of the other parties thereto complies, with its respective obligations under each of the other Transaction Documents to which the Issuer is a party;
- 18.3.11 Taxes:** at all times use its best efforts to minimise taxes and any other costs arising in connection with its activities and it will duly and promptly pay and discharge all taxes imposed upon it or its assets unless such taxes are, in the opinion of the Security Trustee, being contested in good faith by the Issuer;
- 18.3.12 Payment into Account:** pay all amounts it receives under the Transaction Documents into the Account;
- 18.3.13 Centre of Main Interests:** conduct its business and affairs such that, at all times, (i) its “centre of main interests”, as that term is used in Article 3(1) of the EU Insolvency Regulation, is in England and Wales and (ii) it has no “establishment”,

as that term is used in Article 2(h) of the EU Insolvency Regulation, or branch office other than in England and Wales;

- 18.3.14 Transfer of Monies:** on the Issue Date apply all funds standing to the credit of the Account in the order and manner set out in Clause 2(ii) (*Declaration of Trust*) of the Declaration of Trust entered into by the Issuer and the Account Bank on or around 16 December 2019;
- 18.3.15 Registration of Security:** within 21 days of the date hereof, deliver to the FCA a certified copy of this Deed and a duly completed “Notification of Charges Form” for registration in accordance with the Co-operative and Community Benefit Societies Act 2014; and
- 18.3.16 No Defaults:** pay promptly all sums from time to time due under the Secured Property and shall not do or suffer anything to be done or omitted to be done whereby any of the Secured Property shall be or become void, voidable, cancelled or may otherwise be terminated or any increased payment shall become payable by reason thereof;
- 18.3.17 Prejudice to value of the Security:** The Issuer shall not do, cause or permit to be done anything which may, in the Security Trustee’s reasonable opinion, in any way depreciate, jeopardise or otherwise prejudice the value of this Security to the Secured Creditors;
- 18.3.18 Notices to Bondholders:** send to the Security Trustee before the date of posting, the form of each notice to be given to the Bondholders in accordance with Condition 11 (such notice to be approved in writing by the Trustee such approval, unless so expressed, not to constitute approval for the purposes of section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”) of a communication within the meaning of section 21 of the FSMA) and upon posting two copies of each notice so posted; and
- 18.3.19 Deposit of title documents:** deposit with and permit the Security Trustee, for the duration of the Security, to retain the Loan and such other documents relating to the Secured Property as the Security Trustee may request from time to time.

19 Indemnification of the Security Trustee

- 19.1 Expenses:** The Issuer will also on demand by the Security Trustee pay or discharge all costs, charges, liabilities and expenses properly incurred by the Security Trustee in connection with any legal proceedings reasonably brought or contemplated by the Security Trustee against the Issuer to enforce any provision of this Deed or the other Transaction Documents.
- 19.2 Indemnity:** Subject to Clause 21 (*Security Trustee Liable for Negligence*), the Issuer shall indemnify the Security Trustee on an after tax basis in respect of all liabilities and expenses properly incurred by it or by anyone appointed by it or to whom any of its functions may be delegated by it in the carrying out of its functions and against any loss, liability, cost, claim, action, demand or expense (including, but not limited to, all costs, charges and expenses paid or properly incurred in disputing or defending any of the foregoing) that any of them may incur or that may be made against any of them arising out of or in relation to or in connection with, its appointment or the exercise of its functions.

19.3 Continuing Effect: Clauses 19.1 (*Expenses*) and 19.2 (*Indemnity*) will continue in full force and effect as regards the Security Trustee even if it no longer is Security Trustee.

20 Provisions Supplemental to the Trustee Act 1925 and the Trustee Act 2000

20.1 Advice: The Security Trustee may act on the opinion or advice of, or information obtained from, any expert and will not be responsible to anyone for any loss occasioned by so acting whether such advice is obtained or addressed to the Issuer, the Security Trustee or any other person and whether or not the liability of such expert in respect thereof is limited by monetary cap or otherwise. Any such opinion, advice or information may be sent or obtained by letter, fax, electronic mail or other written format and the Security Trustee will not be liable to anyone for acting in good faith on any opinion, advice or information purporting to be conveyed by such means even if it contains some error or is not authentic.

20.2 Security Trustee to Assume Performance: The Security Trustee need not notify anyone of the execution of this Deed or any of the other Transaction Documents or do anything to find out if an Event of Default or Potential Event of Default has occurred. Until it has actual knowledge or express notice to the contrary, the Security Trustee may assume that no such event has occurred and that the Issuer and each of the other parties hereto and thereto is performing all its obligations under this Deed and the other Transaction Documents.

20.3 Security Trustee to Assume Accuracy: With the exception of Recital (D), the Security Trustee assumes no responsibility for the correctness of the recitals to this Deed, which shall be taken as statements of the Issuer, nor shall it, by the execution of this Deed, be deemed to make any representation as to the adequacy, sufficiency, validity or enforceability of this Deed. The Security Trustee shall not be responsible for the scope or accuracy of any representations, warranties or statements of any party (other than the Security Trustee) contained herein or in any other Transaction Document or any other document entered into in connection therewith and may assume the accuracy and correctness thereof and shall not be responsible for the execution, legality, effectiveness, adequacy, genuineness, validity or enforceability or admissibility in evidence of any such document or any trust or security thereby constituted or evidenced.

20.4 Resolutions of Bondholders: The Security Trustee will not be responsible for having acted in good faith on a resolution purporting to have been passed at a meeting of Bondholders in respect of which minutes have been made and signed even if it is later found that there was a defect in the constitution of the meeting or the passing of the resolution or that the resolution was not valid or binding on the Bondholders.

20.5 Certificate from the Issuer: If the Security Trustee, in the exercise of its functions, requires to be satisfied or to have information as to any fact or the expediency of any act, it may call for and accept as sufficient evidence of that fact or the expediency of that act a certificate signed by any two directors of the Issuer as to that fact or to the effect that, in their opinion, that act is expedient and the Security Trustee need not call for further evidence and will not be responsible for any loss occasioned by acting on such a certificate.

20.6 Deposit of Documents: The Security Trustee may appoint as custodian, on any terms, any bank or entity whose business includes the safe custody of documents or any lawyer or firm of lawyers believed by it to be of good repute and may deposit this Deed and any

other documents with such custodian and pay all sums due in respect thereof. The Security Trustee is not obliged to appoint a custodian of securities payable to bearer.

- 20.7 Discretion:** Save as expressly provided otherwise in this Deed, the Security Trustee will have absolute and uncontrolled discretion as to the exercise of its functions and will not be responsible for any loss, liability, cost, claim, action, demand, expense or inconvenience which may result from their exercise or non-exercise.
- 20.8 Agents:** Whenever it considers it expedient in the interests of the Secured Creditors, the Security Trustee may, in the conduct of its trust business, instead of acting personally, employ and pay an agent selected by it, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Security Trustee (including the receipt and payment of money).
- 20.9 Delegation:** Whenever it considers it expedient in the interests of the Secured Creditors, the Security Trustee may delegate to any person on any terms (including power to sub-delegate) all or any of its functions.
- 20.10 Nominees:** In relation to any asset held by it under this Deed, the Security Trustee may appoint any person to act as its custodian or nominee on any terms.
- 20.11 Responsibility for Agents, etc.:** If the Security Trustee exercises reasonable care in selecting any agent, delegate, custodian or nominee appointed under this Clause 20 (an “**Appointee**”), it will not have any obligation to supervise the Appointee or be responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of the Appointee’s misconduct or default or the misconduct or default of any substitute appointed by the Appointee.
- 20.12 Forged Bonds:** The Security Trustee will not be liable to the Issuer or any Secured Creditor by reason of having accepted as valid or not having rejected any Bond purporting to be such and later found to be forged or not authentic.
- 20.13 Confidentiality:** Unless ordered to do so by a court of competent jurisdiction, the Security Trustee shall not be required to disclose to any Secured Creditor any confidential financial or other information made available to the Security Trustee by the Issuer.
- 20.14 Determinations Conclusive:** As between itself and the Secured Creditors, the Security Trustee may determine all questions and doubts arising in relation to any of the provisions of this Deed. Such determinations, whether made upon such a question actually raised or implied in the acts or proceedings of the Security Trustee, shall be conclusive and shall bind the Security Trustee and the Secured Creditors.
- 20.15 Currency Conversion:** Where it is necessary or desirable to convert any sum from one currency to another, it will (unless otherwise provided hereby or required by law) be converted at such rate or rates, in accordance with such method and as at such date as may reasonably be specified by the Security Trustee but having regard to current rates of exchange, if available. Any rate, method and date so specified will be binding on the Issuer and the Secured Creditors.
- 20.16 Material Prejudice:** The Security Trustee may determine whether or not an event, matter or thing is materially prejudicial to the interests of one or more Secured Creditor. Any such determination will be conclusive and binding on the Issuer and the Secured Creditors.

- 20.17 Bonds Held by the Issuer, etc.:** In the absence of knowledge or express notice to the contrary, the Security Trustee may assume without enquiry (other than requesting a certificate under Clause 20.5 (*Certificate from the Issuer*)) that no Bonds are for the time being held by or on behalf of the Issuer.
- 20.18 Consent of the Security Trustee:** Any consent or approval given by the Security Trustee may be on such terms and subject to such conditions as the Security Trustee reasonably thinks fit.
- 20.19 Entitlement of the Security Trustee:** In connection with the exercise of its functions under this Deed:
- 20.19.1 Secured Creditors as a Class:** save as expressly provided otherwise in this Deed, the Security Trustee shall have regard to the interests of the Secured Creditors as a class and shall not have regard to the consequences of such exercise for individual Secured Creditors;
- 20.19.2 Reliance upon Opinion of Secured Creditor:** when required to have regard to the interests of any Secured Creditor (other than the Bondholders), the Security Trustee may consult with such Secured Creditor and shall be entitled to rely upon a direction from such Secured Creditor; and
- 20.19.3 Consents and Approvals:** if requested pursuant to a Transaction Document to give its consent or approval to any event, matter or thing:
- (i) if any Transaction Document specifies that the Security Trustee is required to give such consent or approval provided certain conditions are satisfied and the Security Trustee (acting reasonably) determines that such conditions have been satisfied, the Security Trustee shall give such consent or approval; and
 - (ii) in any other case, the provisions of Clause 20.20 (*Conflicts*) shall apply.
- 20.20 Conflicts:** As regards all the powers, trusts, authorities, duties and discretions vested in the Security Trustee by this Deed and except where expressly provided otherwise:
- 20.20.1 Bonds Still Outstanding:** for so long as any Bonds remain outstanding and subject to Condition 5(d), the Security Trustee shall have regard to the interests of the Secured Creditors equally, provided that where in the opinion of the Security Trustee there is a conflict between the interests of the Bondholders and the other Secured Creditors, the Security Trustee shall have regard solely to the interests of the Bondholders; and
- 20.20.2 Bonds No Longer Outstanding:** where no Bonds remain outstanding, the Security Trustee shall have regard to the interests of the remaining Secured Creditors equally, provided that if in the opinion of the Security Trustee there is a conflict between the interests of two or more Secured Creditors, the Security Trustee shall have regard solely to the interests of the Secured Creditor who ranks highest in the order of priority of payments set out in Clause 6.2 (*Post-Enforcement Priority of Payments*); and
- 20.20.3 Acknowledgement:** each of the Secured Creditors (other than the Bondholders) hereby acknowledges and concurs with the provisions of this Clause 20.20 and each of them agrees that it shall have no claim against the Security Trustee as a result of the application thereof.

- 20.21 Title of the Issuer to the Secured Property:** The Security Trustee shall accept without investigation, requisition or objection such right and title as the Issuer has to any of the Secured Property and need not examine or enquire into or be liable for any defect or failure in the right or title of the Issuer to the Secured Property or any part of it whether such defect or failure was known to the Security Trustee or might have been discovered upon examination or enquiry and whether capable of remedy or not.
- 20.22 No Liability for Value of Secured Property:** The Security Trustee will not be liable for any decline in value, nor any loss realised upon any sale or other disposition pursuant to this Deed of, any of the Secured Property.
- 20.23 Deficiency Arising from Tax:** The Security Trustee shall have no responsibility to the Issuer or any Secured Creditor as regards any deficiency which might arise because the Security Trustee is subject to any tax in respect of any of the Secured Property, income therefrom or the proceeds thereof.
- 20.24 Validity of Security:** The Security Trustee assumes no responsibility for the validity, sufficiency or enforceability (which the Security Trustee has not investigated) of the Security. The Security Trustee shall not be liable for any failure, omission or defect in perfecting the Security intended to be constituted hereby.
- 20.25 No Duty to Monitor:** The Security Trustee has no duty to monitor the performance by any party to a Transaction Document of its obligations to the Issuer under any Transaction Document nor is it obliged (unless indemnified and/or secured to its satisfaction) to take any other action which may involve the Security Trustee in any personal liability or expense.
- 20.26 Indemnity:** Without prejudice to the right of indemnity by law given to trustees and subject to the provisions of Section 750 of the Companies Act 2006, the Security Trustee and every Receiver, attorney, manager, agent or other person appointed by the Security Trustee hereunder shall be entitled to be indemnified on an after tax basis out of the Secured Property in respect of all liabilities and expenses properly incurred by them or him in the execution or purported execution of the trusts hereof or of any functions vested in them or him pursuant to this Deed and against all actions, proceedings, costs, claims and demands in respect of any acts or omissions relating to the Secured Property, and the Security Trustee may retain any part of any moneys in its hands arising from the trusts of this Deed all sums necessary to effect such indemnity and also the remuneration of the Security Trustee. The Security Trustee shall have a lien on such Secured Property for all moneys payable to it under this Clause 20.26 or otherwise.

21 Security Trustee Liable for Negligence

Section 1 of the Trustee Act 2000 shall not apply to any function of the Security Trustee, provided that if the Security Trustee fails to show the degree of care and diligence required of it as trustee, nothing in this Deed shall relieve or indemnify it from or against any liability which would otherwise attach to it in respect of any fraud, gross negligence, wilful default, wilful breach of duty or wilful breach of trust of which it may be guilty.

22 Security Trustee not Precluded from Entering into Contracts

The Security Trustee and any other person, whether or not acting for itself, may acquire, hold or dispose of any Bond or other security (or any interest therein) of the Issuer or any other person, may enter into or be interested in any contract or transaction with any such

person and may act on, or as depositary or agent for, any committee or body of holders of any securities of any such person in each case with the same rights as it would have had if the Security Trustee were not acting as Security Trustee and need not account for any profit.

23 Modification and Waiver

23.1 Modification: The Security Trustee shall only agree to any modification to this Deed, the Conditions or any other Transaction Document if:

23.1.1 for so long as any Bonds remain outstanding, it is so directed by the Bond Trustee; and

23.1.2 where no Bonds remain outstanding, it is so directed by all of the remaining Secured Creditors.

23.2 Waiver: The Security Trustee shall only waive or authorise any breach or proposed breach by the Issuer or any other party of this Deed, the Conditions or any other Transaction Document if:

23.2.1 for so long as any Bonds remain outstanding, it is so directed by the Bond Trustee; and

23.2.2 where no Bonds remain outstanding, it is so directed by all of the remaining Secured Creditors.

No such direction or request will affect a previous waiver, authorisation or determination. Any such waiver, authorisation or determination will be binding on the Secured Creditors and, if the Security Trustee so requires, the Issuer will arrange for it to be notified to the Secured Creditors as soon as practicable.

24 Appointment, Retirement and Removal of the Security Trustee

24.1 Appointment: Subject as provided in Clause 24.2 (*Retirement and Removal*) below, the Issuer has the power of appointing a new Security Trustee but no-one may be so appointed unless previously approved:

24.1.1 for so long as any Bonds remain outstanding, by the Bond Trustee; and

24.1.2 where no Bonds remain outstanding, by the Secured Creditor who ranks highest in the order of priority of payments set out in Clause 6.2 (*Post-Enforcement Priority of Payments*).

A trust corporation will at all times be a Security Trustee and may be the sole Security Trustee. Any appointment of a new Security Trustee will be notified by the Issuer to the Secured Creditors as soon as practicable.

24.2 Retirement and Removal: Any Security Trustee may retire at any time on giving at least three months' written notice to the Issuer without giving any reason or being responsible for any costs occasioned by such retirement and the Bondholders may by an Extraordinary Resolution remove any Security Trustee provided that the retirement or removal of a sole trust corporation will not be effective until a trust corporation is appointed as successor Security Trustee. If a sole trust corporation gives notice of retirement or an Extraordinary Resolution of the Bondholders is passed for its removal, the Issuer will use all reasonable endeavours to procure that another trust corporation be appointed as Security Trustee but

if it fails to do so before the expiry of such three month notice period, the Security Trustee shall have the power to appoint a new Security Trustee.

24.3 Co-Trustees: The Security Trustee may, despite Clause 24.1 (*Appointment*), by written notice to the Issuer (but without the consent of the Issuer or the Bondholders) appoint anyone to act as an additional Security Trustee jointly with the Security Trustee:

24.3.1 if the Security Trustee considers the appointment to be in the interests of the Secured Creditors;

24.3.2 to conform with a legal requirement, restriction or condition in a jurisdiction in which a particular act is to be performed; or

24.3.3 to obtain a judgment or to enforce a judgment or any provision of this Deed or any other Transaction Document in any jurisdiction.

Subject to the provisions of this Deed, the Security Trustee may confer on any person so appointed such functions as it thinks fit. The Security Trustee may by written notice to the Issuer and that person remove that person. At the Security Trustee's request, the Issuer will forthwith do all things as may be required to perfect such appointment or removal and it irrevocably appoints the Security Trustee as its attorney in its name and on its behalf to do so.

25 Further Provisions

25.1 Evidence of Indebtedness: In any action, proceedings or claim relating to this Deed or the charges contained in this Deed, a statement as to any amount due to any Secured Creditor or of the Secured Liabilities or any part thereof or a statement of any amounts which have been notified to the Security Trustee as being amounts due to any Secured Creditor which is certified as being correct by an officer of the Security Trustee or an officer of the relevant Secured Creditor shall, save in the case of manifest error, be conclusive evidence that such amount is in fact due and payable.

25.2 Demands and Payments: Any demand for payment made by the Issuer shall be valid and effective even if it contains no statement of the relevant Secured Liabilities or an inaccurate or incomplete statement of them. All payments by the Issuer under this Deed (including damages for its breach) shall be made in the Contractual Currency and to such account, with such financial institution and in such other manner as the Security Trustee may direct.

25.3 Partial Invalidity: If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any 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 will in any way be affected or impaired.

25.4 Remedies and Waivers: No failure to exercise, nor any delay in exercising, on the part of the Security Trustee or any Receiver of any right or remedy under this Deed or the other Transaction Documents shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed and the other Transaction Documents are cumulative and not exclusive of any rights or remedies provided by law.

25.5 Indemnities Separate: Each indemnity in this Deed shall constitute a separate and independent obligation from the other obligations in this Deed, will give rise to a separate

and independent cause of action, will apply irrespective of any indulgence granted by the Security Trustee and/or any Receiver and/or any other Secured Creditor and will continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under this Deed or any other Transaction Document or any other judgment or order.

25.6 Contracts (Rights of Third Parties) Act 1999: A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed except and to the extent (if any) that this Deed expressly provides for such Act to apply to any of its terms.

25.7 Counterparts: This Deed 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 Deed.

26 Currency Indemnity

26.1 Currency of Account and Payment: The Contractual Currency is the sole currency of account and payment for all sums payable by the Issuer under or in connection with this Deed and the other Transaction Documents, including damages.

26.2 Extent of Discharge: An amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise), by the Security Trustee, any Receiver or any other Secured Creditor in respect of any sum expressed to be due to it from the Issuer will only discharge the Issuer to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

26.3 Indemnity: If that Contractual Currency amount is less than the Contractual Currency amount expressed to be due to the recipient under this Deed or any other Transaction Document, the Issuer will indemnify it on an after tax basis against any loss sustained by it as a result. In any event, the Issuer will indemnify the recipient on an after tax basis against the cost of making any such purchase.

27 Communications

All communications relating to this Deed shall be by letter, fax (except for communications sent to the Issuer) or electronic communication as follows:

to the Issuer: **Allia Social Impact Investments Limited**
Future Business Centre
King's Hedges Road
Cambridge
CB4 2HY
Attention: Briony Maritz
email address: communications@allia.org.uk

to the Security Trustee: **Wrigleys Trustees Limited**
19 Cookridge Street
Leeds
West Yorkshire
LS2 3AG
Attention: Sylvie Nunn
Facsimile No: 0113 244 6101
email address: sylvie.nunn@wrigleys.co.uk

or any other address of which written notice has been given to the parties in accordance with this Clause 27. Such communications will take effect, in the case of a letter, when delivered or, in the case of fax, when the relevant delivery receipt is received by the sender or, in the case of an electronic communication when the relevant receipt of such communication being read is given, or where no read receipt is requested by the sender, at the time of sending, provided that no delivery failure notification is received by the sender within 24 hours of sending such communication; provided that any communication which is received (or deemed to take effect in accordance with the foregoing) outside business hours or on a non-business day in the place of receipt shall be deemed to take effect at the opening of business on the next following business day in such place. Any communication delivered to any party under this Deed which is to be sent by fax or electronic communication will be written legal evidence.

28 Enforcement and Non-Petition

28.1 No Enforcement by Secured Creditors: Each Secured Creditor agrees that:

28.1.1 only the Security Trustee may enforce the Security over the Secured Property in accordance with this Deed;

28.1.2 (other than the Bond Trustee, who may take such action as permitted pursuant to the Trust Deed and the Conditions) only the Security Trustee may institute proceedings against the Issuer as it may think fit to enforce the rights of the Secured Creditors against the Issuer, whether the same arise under general law, this Deed or the other Transaction Documents or otherwise and none of the other Secured Creditors shall be entitled to proceed directly against the Issuer,

unless the Security Trustee, having become bound to proceed in accordance with the terms of this Deed, fails or neglects to do so.

28.2 Enforcement of Security: At any time after the Security has become enforceable, the Security Trustee:

28.2.1 upon receipt of an Acceleration Notice, shall; and

28.2.2 otherwise in its discretion, may,

(and in each case subject to it having been indemnified and/or secured to its satisfaction against any loss, liability, cost, claim, action, demand or expense which may be incurred or made against it in connection therewith) enforce the Security. To do this, the Security Trustee may in its discretion sell, call in, collect and convert into money all or part of the Secured Property in such manner and on such terms as it shall think fit. Promptly upon giving any Acceleration Notice to the Issuer, the Bond Trustee undertakes to provide the Security Trustee with a copy thereof

28.3 Limited Recourse: Each Secured Creditor agrees that if, or to the extent that, after the Security over the Secured Property has been enforced and as fully as practicable realised and the proceeds thereof have been applied in accordance with the Post-Enforcement Priority of Payments the amounts recovered on realisation of the Secured Property are insufficient to pay or discharge amounts due from the Issuer to the Secured Creditors in full for any reason, the Issuer will have no liability to pay or otherwise make good any such insufficiency and any such unsatisfied obligations shall be extinguished.

28.4 Non-Petition: Each Secured Creditor (other than the Security Trustee) agrees that it shall not take any corporate action or other steps or legal proceedings for the winding-up, dissolution, arrangement, reconstruction or reorganisation of the Issuer or for the appointment of a liquidator, receiver, administrative receiver, administrator, trustee, manager or similar officer in respect of the Issuer or over any or all of its assets or undertaking.

29 Governing Law and Jurisdiction

29.1 Governing Law: This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

29.2 Jurisdiction: The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Deed and accordingly any legal action or proceedings arising out of or in connection with this Deed ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are for the benefit of the Security Trustee and shall not limit the right of the Security Trustee to take Proceedings 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).

Schedule 1 Form of Security Power of Attorney

(King's School Bond Issue 1 2020)

This Power of Attorney is made on [●] February 2020 by Allia Social Impact Investments Limited (registered number 32151R) whose registered office is at Future Business Centre, King's Hedges Road, Cambridge CB4 2HY (the "**Issuer**").

Whereas:

- (A) By a deed of charge (the "**Deed of Charge**") dated on or around the date of this power of attorney between, amongst others, the Issuer and Wrigleys Trustees Limited as security trustee, provision was made for the execution by the Issuer of this Power of Attorney.
- (B) Except where otherwise defined in this Power of Attorney, terms defined in the Deed of Charge dated the date of this Agreement between, amongst others, the Issuer and Wrigleys Trustees Limited (the "**Deed of Charge**") have the same meanings in this Power of Attorney. This Power of Attorney shall be construed and interpreted in accordance with the provisions of Clause 1.2 (*Interpretation*) of the Deed of Charge.

This Power of Attorney witnesses and it is declared as follows:

1. The Issuer hereby irrevocably and by way of security for the performance of the covenants, obligations and undertakings on the part of the Issuer contained in the Deed of Charge appoints Wrigleys Trustees Limited in its capacity as Security Trustee, and any other person or persons for the time being the security trustee or security trustees of and under the Deed of Charge (the "**Attorney**") and any Receiver appointed from time to time by the Attorney or on its behalf its true and lawful attorney for and in the Issuer's name or otherwise jointly and severally to do any act matter or thing which the Attorney or Receiver considers in each case *bona fide* necessary for the protection or preservation of the Attorney's interests and rights in and to the Secured Property or which ought to be done under the covenants, undertakings and provisions contained in the Deed of Charge on or at any time after the occurrence of an Enforcement Event, including (without limitation) any or all of the following:
 - (a) to do every act or thing which the Attorney or Receiver may deem to be necessary, proper or expedient for fully and effectually vesting, transferring or assigning the Security and/or the Secured Property or any part thereof and/or the Issuer's estate, right, title, benefit and/or interest therein or thereto in or to the Attorney and its successors in title or other person or persons entitled to the benefit thereof in the same manner and as fully and effectually in all respects as the Issuer could have done; and
 - (b) the power by writing under its hand by an officer of the Attorney or any Receiver from time to time to appoint a substitute attorney (each a "**Substitute**") who shall have power to act on behalf of the Issuer as if that Substitute had been originally appointed attorney by this Power of Attorney and/or to revoke any such appointment at any time without assigning any reason therefore.
2. In favour of the Attorney and/or any Receiver and/or Substitute, or a person dealing with any of them and the successors and assigns of such a person, all acts done and documents executed or signed by the Attorney, a Receiver or a Substitute in the purported

exercise of any power conferred by this Power of Attorney shall for all purposes be valid and binding on the Issuer and its successors and assigns.

3. The Issuer irrevocably and unconditionally undertakes to indemnify the Attorney and each Receiver and/or Substitute appointed from time to time by the Attorney and their respective estates on an after tax basis against all actions, proceedings, claims, costs, expenses and liabilities of every description arising from the exercise, or the purported exercise, of any of the powers conferred by this Power of Attorney, save where the same arises as the result of the fraud, negligence or wilful default of the relevant indemnified party or its officers or employees.
4. The provisions of paragraph 3 above shall continue in force after the revocation or termination, howsoever arising, of this Power of Attorney.
5. The laws of England shall apply to this Power of Attorney and the interpretation thereof and to all acts of the Attorney and each Receiver and/or Substitute carried out or purported to be carried out under the terms hereof.
6. The Issuer hereby agrees at all times hereafter to ratify and confirm whatsoever the Attorney or any Receiver or Substitute shall properly and lawfully do or cause to be done in and concerning the Security and/or the Secured Property.

This Power of Attorney has been executed and delivered as a deed on the date stated at the beginning.

The Issuer

EXECUTED AS A DEED by

Allia Social Impact Investments Limited

By:

.....
Authorised Signatory

.....
Authorised Signatory

Schedule 2
Form of Notice of Assignment and Acknowledgement of Receipt in respect of
the Loan

(King's School Bond Issue 1 2020)

To: The King's School, Gloucester

[●] February 2020

For the attention of The Manager:

Dear Sirs,

We hereby give you notice that by a Deed of Charge dated on or around the date of this notice, between Allia Social Impact Investments Limited (the "**Issuer**") and Wrigleys Trustees Limited (the "**Security Trustee**") as trustee for itself and the Secured Creditors, the Issuer has assigned to the Security Trustee absolutely all of its benefit, right, title and interest in, to and under the loans granted by Allia Social Impact Investments Limited as lender to The King's School, Gloucester as borrower on or around the date of this notice (the "**Loan**") including all monies which may be receivable in respect of the Loan and the right to make demand, take any action (including that for specific performance) or to exercise any remedies available at law or equity to the Issuer.

In connection therewith the Security Trustee and the Issuer hereby irrevocably and unconditionally instruct and authorise you (notwithstanding any previous instructions whatsoever which we may have given you to the contrary):

- (a) to disclose to the Security Trustee without any reference to or further authority from the Issuer and without any enquiry by you as to the justification for such disclosure, such information relating to the Loan as the Security Trustee may, at any time and from time to time, request you to disclose to it;
- (b) to comply with the terms of any written notice, statement or instructions in any way relating or purporting to relate to the Loan which you receive at any time and from time to time from the Security Trustee without any reference to or further authority from the Issuer and without any enquiry by you as to the justification for such notice, statement or instructions or the validity thereof; and
- (c) to transfer all monies payable to the Issuer under the Loan to the following account: number: 95953035 with sort code: 60-04-23 (the "**Account**").

The instructions and authorisations which are contained in this letter shall remain in full force and effect until the Security Trustee gives you notice in writing revoking or amending them. Further, the terms of the Loan may not be amended, waived or varied without the prior written consent of the Security Trustee.

Notwithstanding the assignment referred to above, the Issuer remains liable to perform all the obligations (if any) assumed by the Issuer under the Loan.

Please confirm your agreement to the above by signing the attached acknowledgement and returning it to the Security Trustee, with a copy to the Issuer.

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

Yours faithfully,

.....
for and on behalf of
Allia Social Impact Investments Limited

.....
for and on behalf of
Wrigleys Trustees Limited

Form of Acknowledgement

(King's School Bond Issue 1 2020)

To: Allia Social Impact Investments Limited
Future Business Centre
King's Hedges Road
Cambridge
CB4 2HY

and: Wrigleys Trustees Limited
19 Cookridge Street
Leeds
West Yorkshire
LS2 3AG

[●] February 2020

Dear Sirs,

Allia Social Impact Investments Limited

We, The King's School, Gloucester, hereby acknowledge receipt of a letter (a copy of which is attached hereto) dated on or around the date of this acknowledgment and hereby accept the instructions and authorisations contained therein and undertake to act in accordance and comply with the terms thereof. Capitalised terms used but not defined herein have the meanings given to them in such letter.

We hereby acknowledge and confirm to each of the Issuer and the Security Trustee that:

- (a) no rights of counterclaim, rights of set-off or any other equities whatsoever have arisen in our favour against the Issuer in respect of the Loan and we will not make any claim or demands or exercise any rights of counterclaim, rights of set-off or any other equities whatsoever against the Issuer in respect of the Loan;
- (b) we have not, as at the date hereof, received any notice that any third party has or will have any right or interest whatsoever in or has made or will be making any claim or demand or taking any action whatsoever with respect to the Loan; and
- (c) we confirm that no amendments, variations or waivers to the Loan will be effective without the prior written consent of the Trustee.

We undertake that in the event of us becoming aware at any time that any person or entity other than the Security Trustee has or will have any right or interest whatsoever resulting from the Loan we will forthwith give written notice of the terms thereof to both the Security Trustee and the Issuer.

We have made the acknowledgements and confirmations and have given the undertakings set out in this letter in the knowledge that they are required by the Security Trustee in connection with the security which has been constituted by the Issuer in favour of the Security Trustee under a Deed of Charge dated on or around the date of this acknowledgment.

Yours faithfully,

.....
For and on behalf of
The King's School, Gloucester

Schedule 3
Form of Bank Account Notice and Acknowledgement of Receipt

(King's School Bond Issue 1 2020)

To: National Westminster Bank plc
Commercial Banking
First Floor, Conqueror House
Vision Park
Histon
Cambridge
CB24 9NL

[●] February 2020

Dear Sirs,

We hereby give you notice that by a deed of charge dated on or around the date of this notice (the "**Deed of Charge**") made between Allia Social Impact Investments Limited (the "**Issuer**") and Wrigleys Trustees Limited (the "**Security Trustee**") as trustee for itself and the Secured Creditors, the Issuer has charged to the Security Trustee absolutely all of its benefit, right, title and interest in and to all sums of money which may now or in the future be held with you for the account of the Issuer in the following account: number: 95953035 with sort code: 60-04-23 (the "**Account**"), together with all interest from time to time earned thereon and the debts represented by such sums and interest, as well as all book and other debts owed to the Issuer.

The Security Trustee and the Issuer hereby irrevocably and unconditionally instruct and authorise you (notwithstanding any previous instructions whatsoever which we may have given you to the contrary), subject to compliance with all applicable laws and regulations:

- (a) to disclose to the Security Trustee without any reference to or further authority from the Issuer and without any enquiry by you as to the justification of such disclosure, such information relating to the Account and the sums therein as the Security Trustee may at any time and from time to time request;
- (b) upon receipt of a notice from the Security Trustee that an Enforcement Event has occurred and is continuing or that it is enforcing the security granted to it by the Issuer including a copy of this notice sent to the Account Bank (together the "**Bank Enforcement Notice**"), to hold all sums from time to time standing to the credit of the Account to the order of the Security Trustee;
- (c) upon receipt of a Bank Enforcement Notice from the Security Trustee that an Enforcement Event has occurred and is continuing or that it is enforcing the security granted to it by the Issuer, to pay or release all or any part of the sums from time to time standing to the credit of the Account in accordance with the written instructions of the Security Trustee at any time or times;
- (d) upon receipt of a Bank Enforcement Notice from the Security Trustee that an Enforcement Event has occurred and is continuing or that it is enforcing the security granted to it by the Issuer, to comply with the terms of any written notice or instructions in any way relating to, or purporting to relate to, the Account which you receive at any time from the Security Trustee without any reference to or further authority from the Issuer and without any

enquiry by you as to the justification for such notice or instruction until notified by the Security Trustee to the contrary;

- (e) to pay all monies received by you in relation to the King's School Bond Issue 1 2020 for the account of the Issuer to (and only to) the credit of the Account of the Issuer unless otherwise instructed to by the Security Trustee; and
- (f) prior to the receipt of a Bank Enforcement Notice to act on the instructions of the Issuer in relation to the Account (unless otherwise instructed by the Security Trustee) and after the receipt of a Bank Enforcement Notice to act on the instructions of the Security Trustee in relation to the Account.

We enclose a copy of the Deed of Charge.

We agree that the Bank Enforcement Notice will be sent to the address specified above or to another account manager of the Issuer or a different address of the Account Bank, if notified in writing by the Account Bank to the Security Trustee and Issuer.

Please also note that these instructions are not to be revoked or varied without the prior written consent of the Security Trustee.

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

Terms defined in the Deed of Charge (as amended from time to time) shall have the same meaning when used herein.

Please confirm your agreement to the above by sending the attached acknowledgement to the Security Trustee with a copy to us, thereby giving to the Security Trustee for the Secured Creditors the further undertakings therein set out.

Yours faithfully,

.....
for and on behalf of
Allia Social Impact Investments Limited

.....
for and on behalf of
Wrigleys Trustees Limited

Form of Acknowledgement of Receipt

(King's School Bond Issue 1 2020)

To: Allia Social Impact Investments Limited (the "**Issuer**")
Future Business Centre
King's Hedges Road
Cambridge
CB4 2HY

and: Wrigleys Trustees Limited (the "**Security Trustee**")
19 Cookridge Street
Leeds
West Yorkshire
LS2 3AG

[●] February 2020

Dear Sirs,

We confirm receipt from Allia Social Impact Investments Limited (the "**Issuer**") and Wrigleys Trustees Limited of a notice dated on or around the date of this acknowledgment (the "**Notice**") relating to the charging of the Account (as defined below) by the Issuer in favour of the Security Trustee.

We note that the Issuer is free to continue to operate the Account until such time as the Security Trustee provides us with notice to the contrary (and as such that the charge over the Account is a floating charge). Any such notice must be provided to National Westminster Bank plc, Commercial Banking, First Floor, Conqueror House, Vision Park, Histon, Cambridge, CB24 9NL.

We confirm that:

- (g) we accept the instructions and authorisations contained in the Notice and we undertake to act in accordance with the terms of the Notice, subject to the terms of any court order to the contrary;
- (h) if you provided a copy of the charge document, we have not reviewed this and are not on notice of any provision contained in it, other than any provisions set out in the notice of charge detailed above;
- (i) we have not received, at the date of this Notice, any notice of the interest of any third party in or any previous assignments of, charges over or trusts in respect of the Account and we are under no obligation to update the Security Trustee of any assignments of charges over or trusts in respect of the Account after the date hereof;
- (j) we will be entitled to rely upon any instruction or notice purporting to be from the Security Trustee in relation to any Account without further enquiry or investigation into: (a) the identity of individuals providing such instruction or notice; or (b) whether a default or other event allowing the Security Trustee to provide such instruction or notice has in actual fact occurred;

- (k) from the date of this acknowledgement, we agree that we will not claim or exercise any security interest, set-off, combination/consolidation counter-claim or other rights in respect of the Account, the sums therein or the debts represented thereby without the prior written consent of the Security Trustee;
- (l) following receipt of a notice from the Security Trustee that an enforcement event has occurred and is continuing or that the Security Trustee is enforcing the security granted to it by the Issuer (together the "**Bank Enforcement Notice**"), we shall not, unless required to do so by a court order, permit any amount to be withdrawn from the Account without the prior written consent of the Security Trustee, providing that such Bank Enforcement Notice is received to the correct department as specified above; and
- (m) following receipt of a Bank Enforcement Notice, we shall, following receipt of a request from the Security Trustee, send all statements and notices given by us relating to the Account to the Security Trustee, providing that such Bank Enforcement Notice is received to the correct department as specified above.

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

Yours faithfully,

.....

For and on behalf of

National Westminster Bank plc

The **Account** means:

Account No.: 95953035 Sort Code: 60-04-23

This Deed has been executed and delivered as a deed on the date stated at the beginning.

The Issuer

**EXECUTED AS A DEED by
ALLIA SOCIAL IMPACT INVESTMENTS LIMITED**

By:



.....

Authorised Signatory



.....

Authorised Signatory

The Security Trustee and Bond Trustee

**EXECUTED AS A DEED by
WRIGLEYS TRUSTEES LIMITED**

By:

.....

Director

in the presence of:.....

Name:

Address:

Occupation:

This Deed has been executed and delivered as a deed on the date stated at the beginning.

The Issuer

**EXECUTED AS A DEED by
ALLIA SOCIAL IMPACT INVESTMENTS LIMITED**

By:


.....
Authorised Signatory

.....
Authorised Signatory

The Security Trustee and Bond Trustee

**EXECUTED AS A DEED by
WRIGLEYS TRUSTEES LIMITED**

By:


.....
Director

in the presence of: .....

Name: SOPHIE HENSON
Address: 19 COOKRIDGE ST, LEEDS LS2 3AG
Occupation: SOLICITOR