

DATED 27 August

2021

(1) BLUEROCK DIAMONDS PLC

AND

(2) THE SUBSCRIBERS LISTED IN  
SCHEDULE 1

---

LOAN NOTE SUBSCRIPTION  
AGREEMENT

relating to  
Simple Loan Notes 2021  
and  
Convertible Loan Notes 2024

---

## CONTENTS

	Page No.
1 INTERPRETATION.....	1
2 INITIAL COMPLETION.....	2
3 CLN COMPLETION.....	3
4 PAYMENT FOR THE SL NOTES AND THE CL NOTES.....	3
5 MISCELLANEOUS.....	3
6 NOTICES.....	4
7 GOVERNING LAW.....	5
SCHEDULE 1.....	6
Subscribers, Notes and Instalments.....	6
SCHEDULE 2.....	8
Form of Simple Loan Note Instrument.....	8
SCHEDULE 3.....	15
Form of Convertible Loan Note Instrument.....	15

THIS AGREEMENT is made on 27 August

2021

**BETWEEN:**

- (1) **BLUEROCK DIAMONDS PLC**, a company incorporated in England and Wales (company number 08248437) and with its registered office at 4th Floor Reading Bridge House, George Street, Reading, Berkshire RG1 8LS ("**Company**"); and
- (2) **THE SUBSCRIBERS LISTED IN COLUMN 1 OF SCHEDULE 1** ("**Subscribers**" and each a "**Subscriber**").

**BACKGROUND**

- A The Company is a public company with shares traded on AIM.
- B The Subscriber holds ordinary shares of the Company.
- C The Subscribers have agreed to subscribe an aggregate principal amount of £1,610,000 (one million six hundred and ten thousand pounds sterling) of Notes upon the terms and subject to the conditions contained in this Agreement.

**1 INTERPRETATION**

- 1.1 In this Agreement the following words and expressions shall have the following meanings:

<b>"Business Day"</b>	means a day (other than a Saturday or Sunday) on which banks generally are open in London for normal business;
<b>"Circular"</b>	means a circular to the Company's shareholders pursuant to Rule 9 of the Takeover Code;
<b>"CL Notes"</b>	means the £1,610,000 14.5% Convertible Loan Notes 2024 to be constituted pursuant to the CLNI.
<b>"CLN Completion"</b>	means the carrying out by the parties of their obligations pursuant to Clause 3.1;
<b>"CLNI"</b>	means the convertible loan note instrument in the agreed form attached as Schedule 3 constituting the CL Notes.
<b>"Company's Account"</b>	means the Company's bank account at Arbuthnot Latham (account number: 11904401, sort code: 30-13-93, IBAN GB87 ARBU 3013 9311 9044 01);
<b>"Consent"</b>	means the passing of resolutions to be set out in the notice of meeting which will form part of the Circular giving the directors authority to allot the CL Notes, disapplying statutory pre-emption rights relating to the allotment of the CL Notes and approving a dispensation from the obligation that might otherwise arise on the exercise of the conversion rights under the CLN Instrument for the holders of CLNs to make a mandatory offer for the Company in accordance with Rule 9 of the Takeover Code;

<b>“Initial Completion”</b>	means the carrying out by the parties of their obligations pursuant to Clause 2.1;
<b>“Note Documents”</b>	means this Agreement, the SLNI and the CLNI;
<b>“Noteholder”</b>	means a holder of Notes;
<b>“Notes”</b>	means the CL Notes and/or the SL Notes;
<b>“SL Notes”</b>	means the £1,610,000 Simple Loan Notes 2021 to be constituted pursuant to the SLNI;
<b>“SLN Redemption Date”</b>	means 31 October 2021; and
<b>“SLNI”</b>	means the loan note instrument in the agreed form attached as Schedule 2 constituting the SL Notes.

- 1.2 Words and expressions defined in the Companies Act 2006 shall have the same meaning when used in this Agreement unless the context otherwise requires.
- 1.3 Unless the context otherwise requires, any reference to a statutory provision shall be interpreted as including a reference to any statutory amendment, modification, consolidation or re-enactment (whether before or after the date of this Agreement) from time to time in force.
- 1.4 References in this Agreement to a Clause or Schedule are to a clause of or a schedule to this Agreement.
- 1.5 Words importing the singular include the plural and vice versa and words importing a gender include every gender and references to persons include bodies corporate or unincorporate.
- 1.6 References in this Agreement to the Subscriber shall, where the context permits, be deemed to include reference to the Subscriber’s transferees which hold any Notes from time to time following a transfer in accordance with clause 10 of the CLNI.

## **2 INITIAL COMPLETION**

- 2.1 Initial Completion shall take place on a Business Day at the offices of the Company or such other place as the parties shall otherwise agree (and for the avoidance of doubt the Initial Completion may occur remotely) immediately following execution of this Agreement.
- 2.2 At the Initial Completion:
- 2.2.1 the Subscribers shall:
- 2.2.1.1 subscribe (or procure the subscription) for the SL Notes in the amounts set out opposite their names in column 3 of Part 1 of Schedule 1; and
- 2.2.1.2 pay as the initial instalment for the SL Notes the amount set out opposite their names in Part 2 of Schedule 1 in cash (by same day telegraphic transfer of immediately available funds to the Company’s Account);
- 2.2.2 the Company shall execute the SLNI;



2.2.3 a board meeting shall be convened at which the Company shall issue the SL Notes subscribed pursuant to Clause 2.2.1 to the Subscriber, make the necessary entries in its register of Noteholders and issue the appropriate SL Note certificates to the Subscriber as set out in column 2 of Schedule 1 forthwith upon receipt by the Company of payment in full of the subscription for the SL Notes;

2.2.4 the Company shall execute the CLNI.

2.3 As soon as reasonably practicable after the Initial Completion the Company shall issue the Circular.

### **3 CLN COMPLETION**

3.1 CLN Completion shall take place at the offices of the Company or such other place as the parties shall otherwise agree (and for the avoidance of doubt the CLN Completion may occur remotely) on the SLN Redemption Date.

3.2 If the Consent has been obtained, then at CLN Completion:

3.2.1 the Subscribers shall subscribe for the CL Notes;

3.2.2 the Company shall issue CL Notes;

3.2.3 the SL Notes shall be redeemed and cancelled

3.2.4 a board meeting shall be convened at which the Company shall:

3.2.4.1 issue the CL Notes subscribed pursuant to Clause 3.2.1 to the Subscribers in substitution for their SL Notes;

3.2.4.2 redeem the SL Notes in accordance with the terms of clause 4 (*Redemption*) of the SLNI;

3.2.4.3 make the necessary entries in its register of Noteholders and issue the appropriate CL Note certificates to the Subscriber cancel the SL Notes.

3.3 If the Consent has not been obtained, then the Company shall redeem the SL Notes in accordance with the terms of subclause 4.4 or subclause 4.5 as appropriate of clause 4 (*Redemption*) of the SLNI.

### **4 PAYMENT FOR THE SL NOTES AND THE CL NOTES**

The Subscribers shall pay for the SL Notes, or (following the CLN Completion) the CL Notes, as the case may be, in instalments on the dates and in the amounts set out in Schedule 1. Amounts paid in respect of the SL Notes shall, with effect from CLN Completion, be deemed to have been paid in respect of the CL Notes.

### **5 MISCELLANEOUS**

5.1 Any liability to the Subscriber under the Note Documents may in whole or in part be released, compounded or compromised and time or indulgence may be given by the Subscriber in its absolute discretion as regards the Company without in any way prejudicing or affecting its rights against any other party.

5.2 Nothing contained in this Agreement shall be deemed to constitute a partnership between the parties.

- 5.3 The Note Documents constitute the entire agreement between the parties and supersedes any previous agreements, understandings and arrangements between them and representations by them, whether oral or written, which relate to the subject matter of this Agreement.
- 5.4 No failure or delay in exercising on the part of any of the parties any right, power or privilege hereunder shall operate as a waiver thereof. The right and remedies provided in this Agreement are in addition to and not exclusive of any rights or remedies otherwise provided by law.
- 5.5 Save for any of the persons set out below, a person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.
- 5.6 This Agreement may be executed in two or more counterparts, each of which will constitute an original but which, when taken together, will constitute one agreement.

## 6 NOTICES

- 6.1 Any notice required to be given under this Agreement shall be deemed duly served if left at or sent by pre-paid first class post to:
- 6.1.1 in the case of any individuals who are party to this Agreement, the address set out in this Agreement or any other address notified to the other parties for that purpose;
- 6.1.2 in the case of any companies who are party to this Agreement, its registered office from time to time or any other address notified to the other parties for that purpose;
- 6.1.3 in the case of any partnership which is a party to this Agreement, at the principal place of business of that partnership or any other address notified to the other parties for that purpose.
- Any such notice shall be deemed to be served at the time when the same is handed to or left at the address (including in a letter box at such address) of the party to be served, if served by post from within the United Kingdom on the day (not being a Sunday or public holiday) next following the day of posting.
- 6.2 In proving the giving of a notice it shall be sufficient to prove that the notice was left or that the envelope containing such notice was properly addressed and posted.
- 6.3 Any notice required to be given under any of the Note Documents, if sent by email shall be deemed duly served at the time of sending provided that:
- 6.3.1 In the case of the Subscribers, an email is sent the following recipient:  
Claude Holton - [claukeh@teichmanngrp.com](mailto:claukeh@teichmanngrp.com), and
- 6.3.2 In the case of the Company an email is sent to each of the following recipient:  
David Facey - [dfacey@bluerockdiamonds.co.uk](mailto:dfacey@bluerockdiamonds.co.uk);
- 6.3.3 receipt shall not occur if the sender receives an automated message indicating that the email has not been delivered to the recipient.

**7 GOVERNING LAW**

- 7.1 This Agreement (and any non-contractual obligation arising in connection with it) shall be governed by and interpreted in accordance with English law.
- 7.2 Each of the parties to this Agreement irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to hear and decide any suit, action or proceedings, and/or to settle any disputes, which may arise out of or in connection with this Agreement and, for these purposes, each party irrevocably submits to the jurisdiction of the courts of England and Wales.

**THIS AGREEMENT HAS BEEN SIGNED** as a Deed by the parties on the day and year written above.

**SCHEDULE 1****Subscribers and Subscriptions****Part 1  
The Subscribers**

<b>Column 1 Subscriber Name and Address</b>	<b>Column 2 Subscriber Address</b>	<b>Column 3 Number of Notes £</b>
TEICHMANN COMPANY LIMITED, incorporated in Mauritius with number 103528 C1/GBL	No. 2, Quartier des Terminalias, Labourdonnais, Mapou, Rivière du Rempart, 31803, Mauritius	1,095,544.56
T-Three Drilling (Mauritius) Limited	6th Floor, Dias Pier Building, Le Caudan Waterfront, Caudan, Port Louis 11307, Mauritius	442,266.24
Claude Holton	6th Floor, Dias Pier Building, Le Caudan Waterfront, Caudan, Port Louis 11307, Mauritius	28,893.48
Alan McKinney	6th Floor, Dias Pier Building, Le Caudan Waterfront, Caudan, Port Louis 11307, Mauritius	24,044.04
Brett Nicolay	6th Floor, Dias Pier Building, Le Caudan Waterfront, Caudan, Port Louis 11307, Mauritius	19,251.72
		£1,610,000.04



**Part 2**  
**Subscribers, Notes and Instalments**

Instalment Date	Subscriber and Instalment Amount					TOTAL
	Teichmann Company Limited	T-Three Drilling (Mauritius) Limited	Claude Holton	Alan McKinney	Brett Nicolay	
Initial Completion	91,295.38	36,855.52	2,407.79	2,003.67	1,604.31	£134,166.67
1.7.2021	91,295.38	36,855.52	2,407.79	2,003.67	1,604.31	£134,168.57
1.8.2021	91,295.38	36,855.52	2,407.79	2,003.67	1,604.31	£134,168.67
1.9.2021	91,295.38	36,855.52	2,407.79	2,003.67	1,604.31	£134,168.77
1.10.2021	91,295.38	36,855.52	2,407.79	2,003.67	1,604.31	£134,167.97
1.11.2021	91,295.38	36,855.52	2,407.79	2,003.67	1,604.31	£134,167.98
1.12.2021	91,295.38	36,855.52	2,407.79	2,003.67	1,604.31	£134,167.99
1.1.2022	91,295.38	36,855.52	2,407.79	2,003.67	1,604.31	£134,167.97
1.2.2022	91,295.38	36,855.52	2,407.79	2,003.67	1,604.31	£134,168.07
1.3.2022	91,295.38	36,855.52	2,407.79	2,003.67	1,604.31	£134,168.17
1.4.2022	91,295.38	36,855.52	2,407.79	2,003.67	1,604.31	£134,168.27
1.5.2022	91,295.38	36,855.52	2,407.79	2,003.67	1,604.31	£134,168.37
<b>TOTAL</b>	<b>£1,095,544.56</b>	<b>£442,266.24</b>	<b>£28,893.48</b>	<b>£24,044.04</b>	<b>£19,251.72</b>	<b>£1,610,000.04</b>

**SCHEDULE 2**

**Form of Simple Loan Note Instrument**

**DATED**

**2021**

**BLUEROCK DIAMONDS PLC**

---

**NOTE INSTRUMENT CONSTITUTING  
£1,610,000 SIMPLE UNSECURED NOTES  
DUE 2021**

---

## CONTENTS

	<b>Page No.</b>
1	DEFINITIONS AND INTERPRETATION..... 3
2	FORM, STATUS, SUBSCRIPTION AND PURPOSE..... 4
3	CERTIFICATES ..... 5
4	REDEMPTION ..... 5
5	PAYMENT..... 6
6	REPRESENTATIONS..... 6
7	SECURITY ..... 7
8	COVENANTS..... 8
9	NOTES NOT TO BE QUOTED ..... 8
10	DEFAULT ..... 8
11	TRANSFER..... 9
12	REGISTER..... 9
13	FREEDOM FROM EQUITIES ..... 9
14	NOTICES ..... 9
15	MEETINGS OF NOTEHOLDERS ..... 10
16	MODIFICATIONS..... 10
17	ENFORCEMENT AND THIRD PARTY RIGHTS..... 10
18	GOVERNING LAW AND JURISDICTION ..... 11
	SCHEDULE 1 ..... 12
	Form of Certificate ..... 12
	SCHEDULE 2 ..... 13
	Provisions for Meetings of Noteholders ..... 13

THIS DEED is made on

2021

BY:

**BLUEROCK DIAMONDS PLC** (company number 08248437) whose registered office is at 4<sup>th</sup> Floor Reading Bridge House, George Street, Reading, Berkshire, RG1 8LS ("**Company**").

**WHEREAS** the Company by resolution of its board of directors has authorised the Notes to be constituted by this deed.

**NOW THIS DEED WITNESSES AND IT IS DECLARED** as follows:

## 1 DEFINITIONS AND INTERPRETATION

1.1 In this Deed:

<b>"Business Day"</b>	means a day (other than a Saturday or Sunday) on which banks generally are open in London for normal business;
<b>"Certificate"</b>	has the meaning ascribed to it in Clause 3.1;
<b>"CLN Conditions"</b>	means the conditions set out in Clause 4.2;
<b>"CLN Instrument"</b>	means the convertible loan note instrument executed by the Company on the date of this Deed;
<b>"CLN"</b>	means a convertible loan note constituted by the CLN Instrument;
<b>"Condition Date"</b>	means 30 September 2021;
<b>"Default Redemption Date"</b>	means the date on which a redemption payment is made following an Default Redemption Event;
<b>"Default Redemption Event"</b>	has the meaning ascribed to it in Clause 10;
<b>"Directors"</b>	means the directors of the Company;
<b>"Group"</b>	means collectively the Company and every company which is from time to time a subsidiary or holding company of the Company or a subsidiary of any such holding company and " <b>Group Company</b> " shall be construed accordingly;
<b>Majority Noteholders"</b>	means Noteholders holding not less than 75% per cent. of the Notes in issue and outstanding;
<b>"Note Documents"</b>	means this Deed, the Subscription Agreement, the CLN Instrument and any Certificate;
<b>"Noteholder"</b>	means a person whose name is entered in the Register as a holder of Notes;
<b>"Notes"</b>	means £1,610,000 (one million six hundred and ten thousand) Simple Unsecured Notes due 2021 constituted by this Deed, or the principal amount thereof for the time being outstanding, as the case

requires;

**“Register”**

has the meaning ascribed to it in Clause 12.1;

**“SLN Redemption Date”**

means 31 October 2021;

**“Special Resolution”**

means a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the provisions of this Deed and carried by a 75% majority of the votes cast on such poll (representing no less than 75% of the Notes in issue and outstanding) or a written resolution passed by the Noteholders holding not less than 75% of the Notes in issue and outstanding;

**“Subscription Agreement”**

means the Loan Notes Subscription Agreement between the Company and the Subscriber identified therein and dated on or about the date of this Deed; and

**“Tax”**

means all forms of taxation whether of the United Kingdom or elsewhere.

1.2 Words and expressions defined in the Companies Act 2006 shall have the same meaning when used in this Deed unless the context otherwise requires.

1.3 Any reference, express or implied, to an enactment includes references to:

1.3.1 that enactment as re-enacted, amended, extended or applied by or under any other enactment before or after the date of this Deed;

1.3.2 any enactment which that enactment re-enacts (with or without modification); and

1.3.3 any subordinate legislation made (before or after the date of this Deed) under that enactment, as re-enacted, amended, extended or applied as described in Clause 1.3.1, or under any enactment referred to in Clause 1.3.1,

and **enactment** includes any legislation in any jurisdiction.

1.4 References to Clauses and schedules are to the clauses of and schedules to this Deed, references to paragraphs are to paragraphs of the relevant schedule and references to **this Deed** are to this Deed and the schedules and include any deed supplemental to this Deed.

1.5 Clauses 1.1 to 1.4 apply unless the contrary intention appears.

1.6 The headings in this Deed do not affect its interpretation.

## 2 FORM, STATUS, SUBSCRIPTION AND PURPOSE

2.1 The principal amount of the Notes is £1,610,000 (one million six hundred and ten thousand pounds sterling) unsecured Notes and shall be designated as Simple Unsecured Notes 2021.

2.2 The Notes are in registered form in denominations of £10,000 each.

2.3 The Notes represent direct unsecured obligations of the Company for the due and punctual payment of the principal in respect of them and performance of all the obligations of the Company with respect to them and will rank *pari passu* amongst themselves in all respects except to the extent provided by law.



### 3 CERTIFICATES

- 3.1 Each Noteholder shall be entitled to a certificate stating the amount of Notes held by him ("**Certificate**") and a copy of this Deed. Joint holders of Notes will be entitled to only one Certificate in respect of their jointly held Notes and one copy of this Deed in respect of their joint holding and the Certificate and the Deed shall be delivered to that one of the joint holders who is first named in the Register in respect of the joint holding.
- 3.2 Each Certificate shall be substantially in the form set out in Schedule 1.
- 3.3 The Notes and the Certificates shall be held subject to the terms of this Deed which shall be binding on the Company and the Noteholders and all persons claiming through or under them.
- 3.4 If a Certificate is defaced, lost or destroyed it may be renewed on payment by the Noteholder of the expenses of a renewal and on such terms (if any) as to evidence and indemnity as the Directors may require but, in the case of defacement, the defaced Certificate shall be surrendered before a new Certificate is issued. An entry as to the issue of a new Certificate and indemnity (if any) shall be made in the Register.

### 4 REDEMPTION

- 4.1 It is the intention of the Company that the Notes shall be refinanced by the issue of CLNs of the same face value as the Notes to the Noteholders.
- 4.2 The issue of CLNs is conditional on the occurrence on or before the Condition Date of the following (the "**CLN Conditions**"):
- 4.2.1 Approval by the Company's shareholders to the allotment of the of the CLNs;
- 4.2.2 The disapplication of the statutory pre-emption rights which would otherwise apply on the allotment of the CLNs;
- 4.2.3 The approval of the Company's shareholders to a dispensation from the obligation that might otherwise arise on the exercise of the conversion rights under the CLN Instrument for the holders of CLNs to make a mandatory offer for the Company in accordance with Rule 9 of the Takeover Code; and
- 4.2.4 The consent of the Takeover Panel to the dispensation referred to in Clause 4.2.3.
- 4.3 If the CLN Conditions have been satisfied in full, then on the SLN Redemption Date:
- 4.3.1 the Notes then in issue shall be redeemed at the principal amount on the SLN Redemption Date; and
- 4.3.2 the Company will issue the CLNs in accordance with the CLN Instrument.
- 4.4 Subject to Clause 4.5, if the CLN Conditions have not been satisfied in full, then the Notes shall be redeemed on the SLN Redemption Date at the amount actually received from the Subscriber in respect of the principal plus the greater of:
- 4.4.1 £976,099; and
- 4.4.2 the Market Value of 6,465,247 ordinary shares in the Company, less £1,610,000, allocated across the Notes pro rata, where:

the "**Market Value**" is the mid market closing price of the Company's ordinary shares on the Condition Date.

- 4.5 If the CLN Conditions are not met due to the Subscriber having failed to provide information or documentation requested by the Takeover Panel in a timely manner, then the Notes shall be redeemed on the SLN Redemption Date at the principal amount only.
- 4.6 If the SLN Redemption Date or Default Redemption Date would otherwise fall on a day which is not a Business Day it shall be brought forward to the immediately preceding day which is a Business Day.
- 4.7 Every Noteholder shall, not later than the date on which they are redeemed, deliver the Certificate representing such Notes to the Company or as it shall direct.
- 4.8 All Notes redeemed pursuant to this Clause 4 or otherwise repaid shall be cancelled and the Company may not reissue the same.

## **5 PAYMENT**

- 5.1 Payments in respect of any Notes will be made to the person shown in the Register as the holder of those Notes at the close of business on the fifth Business Day before the relevant payment date ("**Record Date**").
- 5.2 All payments to be made by the Company to a Noteholder shall be made without any set-off or counterclaim and free and clear of, and without deduction or withholding for or on account of, Tax unless the Company is required by law to make payment subject to the deduction or withholding of Tax.
- 5.3 Payments in respect of any Notes shall be made by electronic transfer to the account specified for such purpose by the Noteholder or joint Noteholders in writing to the Company or failing which by cheque or banker's draft sent through the post to the registered address of the Noteholder or, in the case of joint Noteholders, to the registered address of that one of them who is first named on the Register on the Record Date (or to such person and to such address as the Noteholder or joint Noteholders may in writing to the Company direct prior to the Record Date). Every such cheque or banker's draft shall be made payable to the person to whom it is sent (or to such person as the Noteholder or joint Noteholders may in writing to the Company direct prior to the Record Date) and payment of the cheque or banker's draft shall be a good discharge to the Company. Every such cheque or draft shall be sent through the post not later than two Business Days preceding the due date for payment.

## **6 REPRESENTATIONS**

The Company makes the representations and warranties set out in this Clause 6 to each of the Noteholders.

### **6.1 Status**

- 6.1.1 It is a limited liability corporation, duly incorporated and validly existing under the laws of its jurisdiction of incorporation.
- 6.1.2 It has the power to own its assets and carry on its business as it is being conducted.

### **6.2 Binding obligations**

The obligations expressed to be assumed by it in each Note Document, are legal, valid, binding and enforceable obligations.

### 6.3 **Non-conflict with other obligations**

The entry into and performance by it of, and the transactions contemplated by, the Note Documents to which it is a party do not and shall not conflict with:

- 6.3.1 any law or regulation applicable to it;
- 6.3.2 its constitutional documents; or
- 6.3.3 in any material respect, any agreement or instrument binding upon it or any of its assets.

### 6.4 **Power and authority**

- 6.4.1 It has the requisite corporate power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Note Documents and the transactions contemplated by the Note Documents.
- 6.4.2 The execution and delivery of this Deed and the performance of the obligations of the Company under the Note Documents have been duly authorised by all necessary corporate action on the part of the Company and by all other persons (other than the Noteholders) whose approval and consent is required for the Company to enter into and perform its obligations under the Note Documents.
- 6.4.3 Save for any corporate actions taken to authorise its entry into, performance and delivery of, the Note Documents and the transactions contemplated by the Note Documents, no consent, authorisation, licence or approval of the members of the Company or of any governmental, administrative, judicial or regulatory body, authority or organisation having jurisdiction over it is required to authorise the execution, delivery, validity, enforceability or admissibility in evidence of the Note Documents or the performance by the Company of its obligations under the Note Documents.

### 6.5 ***Pari passu* ranking**

Its payment obligations under the Note 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 companies generally.

## 7 **SECURITY**

The Notes are unsecured.

## 8 **COVENANTS**

The Company shall, at all times while the Notes or any of them are outstanding or capable of issue:

- 8.1 not amend or waive any provision of a Note Document without the prior written consent of the Noteholders by Special Resolution; and
- 8.2 make available to the Noteholders by publication on a website concurrently with the issue to the members of the Company a copy of the annual report and accounts of the Company and its subsidiaries.



## 9 NOTES NOT TO BE QUOTED

No application has been, or is intended to be, made to any listing authority, stock exchange or other market for the Notes to be listed or otherwise traded.

## 10 DEFAULT

The Notes then in issue shall be immediately redeemable at the principal amount if any of the following events ("**Default Redemption Event**") occur in connection with the Company being in financial distress:

- 10.1 an administration order is made in relation to the Company or any of its subsidiaries; or
- 10.2 an order is made, or an effective resolution is passed, for the winding-up, liquidation, administration or dissolution of the Company or any of its material subsidiaries (except for the purpose of reorganisation or amalgamation of the Company or any of its subsidiaries); or
- 10.3 an encumbrancer takes possession or a receiver is appointed of the whole or the major part of the assets or undertaking of the Company or any of its subsidiaries or if distress, execution or other legal process is levied or enforced or sued out on or against the whole or the major part of the assets of the Company or any of its subsidiaries and is not discharged, paid out, withdrawn or removed within 20 Business Days; or
- 10.4 the Company or any of its material subsidiaries stops (or threatens to stop) payment of its debts generally or ceases (or threatens to cease) to carry on its business or a substantial part of its business (except where such business or substantial part of its business is transferred to another subsidiary or Group Company for the purposes of reorganisation or amalgamation of the Company or any of its subsidiaries); or
- 10.5 the Company or any of its subsidiaries is deemed for the purposes of section 123 Insolvency Act 1986 to be unable to pay its debts or compounds or proposes or enters into any reorganisation or special arrangement with its creditors generally; or
- 10.6 a change of Control (as defined in section 995 of the Income Tax Act 2007) of the Company occasioned by the making of a general offer to buy more than 50% of the shares in the Company where the offer goes unconditional and/or the completion of any other sale (whether structured as a general offer, a scheme of arrangement or otherwise) of more than 50% of the issued share capital of the Company to any person or group of persons regarded as acting in concert for the purposes of the City Code on Takeovers and Mergers; or
- 10.7 the acquisition by any person or group of persons regarded as acting in concert for the purposes of the City Code on Takeovers and Mergers, whether by a series of transactions over a period of time or not, of an interest in shares in the Company which carry in aggregate more than 50% of the voting rights of the Company.

## 11 TRANSFER

- 11.1 No Noteholder may transfer his interest in any Notes.
- 11.2 The Company shall not be entitled to assign or transfer any of its rights or obligations under this Deed.

## 12 REGISTER

- 12.1 The Company shall cause a register ("**Register**") to be maintained at its registered office showing the amount of the Notes for the time being in issue, the date of issue

and all subsequent transfers or changes of ownership of the Notes and the names and addresses of the Noteholders and the amounts of Notes held by them respectively.

- 12.2 The Company shall promptly amend the Register to record any change to the name or address of a Noteholder that is notified in writing to the Company by that Noteholder.
- 12.3 The Company shall not be bound to register more than four persons as the joint holders of any Notes.
- 12.4 A Noteholder and any person authorised in writing by him may at all reasonable times during office hours inspect the Register and take copies of or extracts from the Register or any part of it. The Register may be closed at such times and for such periods as the Company may think fit provided that it shall not be closed for more than 30 days in any one year.

### **13 FREEDOM FROM EQUITIES**

- 13.1 Notwithstanding any notice the Company may have of the right, title, interest or claim of any other person, to the fullest extent permitted by law, the Company:
  - 13.1.1 may treat the registered holder of any Notes as the absolute owner of them;
  - 13.1.2 shall not enter notice of any trust on the Register or otherwise be bound to take notice or see to the execution of any trust to which any Notes may be subject; and
  - 13.1.3 may accept the receipt of the registered holder for the time being of any Notes for the interest from time to time due or for any other moneys payable in respect of them as a good discharge to the Company.
- 13.2 The Company will recognise every Noteholder as entitled to his Notes free from any equity, set-off or counterclaim on the part of the Company against the original or any intermediate holder of the Notes.

### **14 NOTICES**

- 14.1 Notices and other communications to Noteholders may be given by personal delivery or pre-paid letter by first class post (airmail in the case of an address outside the United Kingdom) or, subject to Clause 14.2, by email. In proving service of any notice or other communication sent by post or airmail it shall be sufficient to prove that the envelope or wrapper containing the notice or other communication was properly addressed and stamped and was deposited in a post box or at the post office.
- 14.2 A notice sent by email to a Noteholder must be sent to each of the persons and email addresses confirmed by the Noteholder either in a subscription agreement relating to the Notes or in writing at any other time.
- 14.3 A notice or other communication given pursuant to Clause 14.1 shall be deemed to have been served:
  - 14.3.1 at the time of delivery, if delivered personally;
  - 14.3.2 on the second day following its posting, if sent by pre-paid letter by first class post to an address in the United Kingdom;



14.3.3 on the fifth day following its posting, if sent by pre-paid airmail letter to an address outside the United Kingdom;

14.3.4 at the time of sending, if sent by email in accordance with Clause 14.2, provided that receipt shall not occur if the sender receives an automated message indicating that the email has not been delivered to the recipient.

14.4 All notices and other communications with respect to Notes standing in the names of joint registered holders shall be given to whichever of such persons is named first in the Register and such notice so given shall be sufficient notice to all the registered holders of such Notes.

14.5 Any person who, whether by operation of law, transfer or other means whatsoever, shall become entitled to any Notes shall be bound by every notice in respect of such Notes which prior to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such Notes.

## **15 MEETINGS OF NOTEHOLDERS**

Meetings of the Noteholders shall be convened and held in accordance with the provisions of Schedule 2.

## **16 MODIFICATIONS**

16.1 Subject to Clause 16.2, this Deed and the rights of the Noteholders may be modified, abrogated, compromised or extinguished with the sanction of a Special Resolution.

16.2 Modifications to this Deed which are of a minor nature or made to correct a manifest error may be effected by way of deed poll executed by the Company and expressed to be supplemental to this Deed.

16.3 The Company shall, within 10 Business Days of making any variation pursuant to this Clause 16, send to each Noteholder (or, in the case of joint holders, to the Noteholder named first in the Register) a copy of the deed poll (or other document) effecting the variation.

16.4 Any modification, alteration or abrogation made pursuant to Clause 16.1 or Clause 16.2 shall be binding on all the Noteholders.

## **17 ENFORCEMENT AND THIRD PARTY RIGHTS**

17.1 From and after the date of this Deed, and for so long as any Notes are outstanding or any amount is payable or repayable by the Company in respect of the Notes, the Company undertakes to duly perform and observe its obligations under this Deed.

17.2 Except as expressly provided in Clause 17.3, a person who is not a party to this Deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed.

17.3 This Deed shall operate for the benefit of all Noteholders and each Noteholder shall be entitled to sue for the performance or observance of the provisions of this Deed in their own right so far as their own holding of Notes is concerned. Where the Noteholder is a bare nominee, the beneficial owner of the Notes will be entitled to sue for the performance or observance of the provisions of this Deed in respect of the Noteholder so far as the Noteholders holding of Notes is concerned.

**18 GOVERNING LAW AND JURISDICTION**

- 18.1 This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by English law.
- 18.2 The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed and/or the Notes (including a dispute relating to any non-contractual obligations arising out of or in connection with this Deed and/or the Notes) and the Company and the Noteholders submit to the exclusive jurisdiction of the English courts.
- 18.3 The Company and the Noteholders waive any objection to the English courts on grounds that they are an inconvenient or inappropriate forum to settle any such dispute.

**IN WITNESS** of which this Deed has been executed as a deed and has been delivered on the date which appears first on page 1.