



Registration of a Charge

Company name: **CITY ELECTRICAL FACTORS LIMITED**

Company number: **00336408**



X8817M6J

Received for Electronic Filing: **20/06/2019**

Details of Charge

Date of creation: **14/06/2019**

Charge code: **0033 6408 0009**

Persons entitled: **LLOYDS BANK PLC (ACTING AS SECURITY AGENT)**

Brief description:

Contains fixed charge(s).

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION**

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

GOWLING WLG (UK) LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 336408

Charge code: 0033 6408 0009

The Registrar of Companies for England and Wales hereby certifies that a charge dated 14th June 2019 and created by CITY ELECTRICAL FACTORS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 20th June 2019 .

Given at Companies House, Cardiff on 21st June 2019

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Private & Confidential

Dated 14 June 20 19

CITY ELECTRICAL FACTORS LIMITED (1)

in favour of

LLOYDS BANK PLC

as Security Agent (2)

DEBENTURE



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THIS DEED is made on 14 June 2019 by

- (1) **CITY ELECTRICAL FACTORS LIMITED** a company incorporated in England and Wales with company registration number 00336408 whose registered office is at Georgina Mackie House, 141 Farmer Ward Road, Kenilworth, Warwickshire CV8 2SU (the "**Company**").

in favour of

- (2) **LLOYDS BANK PLC** as agent and trustee for the Secured Parties (as defined below) (the "**Security Agent**") which expression shall include any person for the time being appointed as security agent or as an additional security agent.

IT IS AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed, terms defined in the Facility Agreement or in the Intercreditor Agreement shall have the same meaning when used in this Deed and in addition:

Account Bank	any bank or financial institution with whom the Company holds an account, including the Blocked Account, from time to time;
Administrator	a person appointed in accordance with Schedule B1 Insolvency Act 1986 to manage the Company's affairs, business and property;
Bank Account	in relation to the Company, all its right, title and interest from time to time in and to all present or future current, deposit or other accounts with any Account Bank, all cash at bank and balances from time to time standing to the credit of or accrued or accruing on those accounts;
Blocked Account	(a) any Mandatory Prepayment Account (and any renewal or redesignation of such account); and

(b) any other Bank Account agreed by the Company and the Security Agent in writing to be a Blocked Account;

Charged Property all the assets of the Company which from time to time are the subject of the Security created or expressed to be created in favour of the Security Agent by or pursuant to this Deed (and references to the Charged Property includes references to any part of it);

Collateral Rights all rights, powers and remedies of the Security Agent provided by or pursuant to this Deed or by law;

Confidential Information all information and records wherever located (including accounts, business plans and financial forecasts, tax records, correspondence, designs, drawings, manuals, specifications, customer, sales and supplier information, technical or commercial expertise, software, formulae, processes, trade secrets, methods, knowledge and know-how) and which (either in their entirety or in the precise configuration or assembly of their components) are not publicly available and in each case whether or not recorded;

Default Rate the rate set out in clause 12.3(a) of the Facility Agreement;

Facility Agreement the senior multicurrency revolving facility agreement dated on or about the date of this Deed and made between (1) Labora Holdings Limited (as Parent), (2) the subsidiaries of the Parent listed in Part 1 of Schedule 1 to it (as Original Borrowers), (3) the subsidiaries of the Parent listed in Part 1 of Schedule 1 to it (as Original Guarantors), (4) Lloyds Bank plc and Barclays Bank plc (as Mandated Lead Arrangers), (5) the financial institutions listed in Part 2 of Schedule 1 to it (as Original Lenders), (6) the entities listed in Part 3 of Schedule 1 to it (as Original Hedge Counterparties), (7) Lloyds Bank plc (as Agent) and (8) the Security Agent;

Financial Collateral shall have the same meaning as in the Financial Collateral

Regulations;

Financial Collateral Regulations the Financial Collateral Arrangements (No. 2) Regulations 2003 (S.I. 2003/3226);

Floating Charge Property has the meaning given in clause 3.1(n);

Holding Account has the meaning given to that term in the Facility Agreement;

Insurance Policy (a) any contract and policy of insurance or assurance and cover note in which the Company may from time to time have an interest;

(b) the Insurance Proceeds; and

(c) all Related Rights;

Insurance Proceeds has the meaning given to it under the Facility Agreement;

Intellectual Property (a) patents, utility models, trade marks, service marks, copyright and related rights, moral rights, rights in databases, registered designs, design rights, domain names, the right to sue for passing off and/or unfair competition, and any other intellectual property rights and interests, (which may subsist now or in the future), in each case whether registrable or not and whether registered or not, and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world, including those subsisting in inventions, designs, drawings, performances, computer programs, computer software, trade secrets, semiconductor topographies, Confidential Information, knowhow, business names, trade names, brand names, domain names, metatags, goodwill or the style of presentation of goods or services;

(b) the benefit of all applications (or rights to apply for and be granted) and rights to use such assets (which may

subsist now or in the future);

(c) all modification, derivatives, additions and improvements upon any such assets and all embodiments or fixations thereof;

(d) all reissues, continuations, divisionals, continuations-in-part, reexaminations, supplemental examinations, inter partes reviews, renewals, adjustments or extensions (including supplementary protection certificates and patent term extension certificates) of any such assets; and

(e) all Related Rights;

Intercreditor Agreement the intercreditor agreement dated on or about the date of this Deed and made between, amongst others, (1) the Company, (2) the Security Agent and (3) the Secured Parties;

Investments (a) any stocks, shares, loan capital, bonds or other securities, now or at any time held directly by or to the order of the Company or by any trustee, fiduciary or clearance system on its behalf; and

(b) all Related Rights (including all rights against any such trustee, fiduciary or clearance system);

Investment Derivative Rights all dividends, interest or distributions and all other rights and benefits of an income nature accruing at any time in respect of any Investment;

Issuer the issuer of any Investment;

Mandatory Prepayment Account has the meaning given to that term in the Facility Agreement;

Material Contracts (a) the agreements listed in schedule 2 (The Material

Contracts);

(b) any other contract entered into by the Company after the date of this Deed that may from time to time be identified in writing by the Security Agent as a Material Contract; and

(c) all Related Rights;

Material Real Property

Real Property title to which is acquired by the Company after the date of this Deed that is identified in writing as Material Real Property by agreement between the Security Agent and the Parent;

Notice of Assignment

a notice of assignment in substantially the form set out in schedule 2 or in such other form as may be agreed between the Security Agent and the Company;

Planning Acts

the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991 and the Planning and Compulsory Purchase Act 2004 and any regulations or subordinate legislation made (before or after this Deed) under those statutes and any other statute or regulation governing or controlling the use or development of land and buildings;

Plant and Machinery

comprises:

(a) all equipment, plant, machinery, tools and all other assets of a similar nature which are now, or at any time after the date of this Deed become, the property of the Company; and

(b) all Related Rights;

Real Property

comprises:

- (a) the Company's estates or interests in all freehold, leasehold, commonhold or other immovable property; and
- (b) any buildings, fixtures and fittings (including trade and tenant's fixtures) situated on that property, fixed plant or machinery from time to time situated on or forming part of such property; and
- (c) all Related Rights;

Receivables

- (a) all present and future book and other debts and monetary claims owing to the Company or in which the Company has an interest; and
- (b) all Related Rights;

Receiver

a receiver or receiver and manager or administrative receiver of any or all of the Charged Property;

Related Rights

in relation to any asset,

- (a) the proceeds of sale of any part of that asset;
- (b) all rights under any licence, contract, agreement for sale or agreement for lease in respect of that asset (which may subsist now or in the future);
- (c) all rights, benefits, rents, deposits, goodwill, claims, warranties, guarantees, remedies, Security, indemnities or covenants (including covenants for title) in respect of that asset (which may subsist now or in the future);
- (d) the right to bring, make, oppose, defend appeal proceedings, claims or actions and obtain relief (and to retain any damages recovered) in respect of any

infringement or alleged infringement, or any other cause of action arising from ownership of the asset, whether occurring before, on or after the date of this Deed;

- (e) any right (including future rights) to apply for, prosecute and otherwise obtain patent, trade mark, registered design or any other registration or protection throughout the world in respect of any Intellectual Property or any present or future matter relating to them;
- (f) in respect of any and each application for any and all patents comprised in the Intellectual Property:
 - (i) the right to claim priority from and to prosecute and obtain grant of patent; and
 - (ii) the right to file divisional applications based thereon and to prosecute and obtain grant of patent on each and any such divisional application;
- (g) in respect of each and any invention disclosed in any and all patents, applications or patents, confidential information or otherwise disclosed by or comprised in the Intellectual Property, the right to file an application, claim priority from such application, and prosecute and obtain grant of patent or similar protection in or in respect of any country or territory in the world;
- (h) the right to extend to or register in or in respect of any country or territory in the world each and any of the Intellectual Property, and each and any of the applications comprised in such Intellectual Property or filed as aforesaid;
- (i) the rights (including, without limitation, rights relating to the receipt of royalties, fees or other monies from time to time) vested in the Company with respect to, and the

benefit of all obligations owed from time to time by any person in relation to, any present or future agreement, document or instrument (including, without limitation, any licence, sub-licence or franchise) entered into, or the benefit of which is enjoyed, by the Company relating to the use of or licensing of or exploitation of any Intellectual Property by or to the Company or any other person whatsoever; and

- (j) its interests of whatsoever kind in or to any (including future) physical, electronic or other materials or media (including, without limitation, manuscripts, drawings, paintings, designs, source code, computer disks and computer programmes) constituting, comprising, the subject of or containing inventions, works, marks or things which are the subject of any Intellectual Property;
- (k) any income, moneys and proceeds paid or payable in respect of that asset (including interest or any judgment or order to pay a sum of money);

Secured Obligations

means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally, as principal or surety or alone or in any other capacity whatsoever) of each Obligor to the Security Agent and/or the other Secured Parties (or any of them) under or pursuant to any Finance Document (including all costs, charges, expenses and liabilities incurred by the Security Agent and/or the other Secured Parties in connection with the protection, preservation or enforcement of its respective rights under the Finance Documents or any other document evidencing or securing any such liabilities and shall include interest on the above from the date of demand until the date of payment in full (both before and after judgment) calculated on a daily basis at the rate determined in accordance with Facility Agreement);

Security 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 Financial Collateral Arrangement has the same meaning as in the Financial Collateral Regulations.

1.2 Construction

- (a) Unless a contrary indication appears, a reference in this Deed to:
- (i) the "**Agent**", the "**Arranger**", any "**Finance Party**", any "**Hedge Counterparty**", any "**Issuing Bank**", any "**Lender**", any "**Obligor**", any "**Party**", any "**Secured Party**", the "**Security Agent**" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees to or of its rights and/or obligations under the Finance Documents and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Finance Documents and this Deed shall be binding on, and enure to the benefit of, the parties to this Deed and their respective personal representations, successors, permitted assigns and permitted transferees;
 - (ii) a document in "**agreed form**" is a document which is previously agreed in writing by or on behalf of the Company and the Agent or, if not so agreed, is in the form specified by the Agent;
 - (iii) "**assets**" includes present and future properties, revenues and rights of every description;
 - (iv) a "**Finance Document**" or a "**Transaction Document**" or any other agreement or instrument is a reference to that Finance Document or Transaction Document or other agreement or instrument as amended, novated, supplemented, extended or restated from time to time in accordance with its terms;
 - (v) "**guarantee**" means any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to

make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;

- (vi) **"indebtedness"** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
 - (vii) a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
 - (viii) a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;
 - (ix) a provision of law is a reference to that provision as amended, re-enacted or restated; and
 - (x) a time of day is a reference to London time.
- (b) Section, clause and schedule headings are for ease of reference only.
- (c) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Deed.
- (d) A Default (other than an Event of Default) is 'continuing' if it has not been remedied or waived and an Event of Default is 'continuing' if it has not been remedied or waived.

1.3 Third Party Rights

- (a) Unless expressly provided to the contrary in a Finance Document, a person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.

- (b) Notwithstanding any term of any Finance Document, the consent of any person who is not a party to this Deed is not required to rescind or vary this Deed at any time.

1.4 Incorporation of Terms

Unless the context otherwise requires or unless defined in this Deed, all words and expressions defined or whose interpretation is provided for in the Facility Agreement, or in the Intercreditor Agreement shall have the same meanings in this Deed.

1.5 Effect as a Deed

This Deed is intended to take effect as a deed notwithstanding that the Security Agent may have executed it under hand only.

1.6 Conflict

In the case of any conflict between the terms of this Deed and the terms of the Facility Agreement, the terms of the Facility Agreement shall take precedence.

2 COVENANT TO PAY AND INTEREST

2.1 Secured Obligations

The Company covenants that it will on demand pay and discharge the Secured Obligations when due.

2.2 Default Interest

Any amount which is not paid under this Deed when due shall bear interest (both before and after judgment and payable on demand) from the due date until the date up to the date of actual payment (both before and after judgment) at the Default Rate. Any interest accruing under clause 2.2 (*Default Interest*) shall be immediately payable by the Company on demand by the Security Agent.

2.3 Calculation of Default Interest

Interest payable pursuant to clause 2.2 (*Default Interest*) will be calculated in accordance with clause 12.3(b) of the Facility Agreement.

3 GRANT OF SECURITY

3.1 Charges

The Company with full title guarantee charges in favour of the Security Agent as continuing security for the payment and discharge of the Secured Obligations:

- (a) by way of fixed charge, any Real Property now or at any time after the date of this Deed belonging to the Company;
- (b) by way of fixed charge, all Related Rights in relation to the Real Property charged pursuant to this Deed;
- (c) by way of fixed charge:
 - (i) all Plant and Machinery and other fixtures and fittings attached to any Real Property; and
 - (ii) all Related Rights in relation to the Plant and Machinery charged pursuant to clause 3.1(c)(i) above;
- (d) by way of fixed charge, all vehicles, computers, office and other equipment owned by the Company, both present and future and all Related Rights;
- (e) by way of fixed charge:
 - (i) each Blocked Account;
 - (ii) all present and future Bank Accounts, cash at bank and credit balances owned, operated or held by the Company or in which the Company has an interest other than any Blocked Account charged under clause 3.1(e)(i) above with any bank or other person;
 - (iii) all Related Rights in relation to the accounts charged pursuant to clauses 3.1(e)(i) and (ii) above (including but not limited to, entitlements to interest);
- (f) by way of fixed charge, all (including future) Intellectual Property;

- (g) by way of fixed charge, the goodwill of the Company;
- (h) by way of fixed charge, the uncalled capital of the Company;
- (i) by way of fixed charge, to the extent not validly and effectively assigned under clause 3.3:
 - (i) the Material Contracts specified in schedule 3;
 - (ii) all Material Contracts other than any Material Contracts charged under clause 3.1(i)(i) above;
 - (iii) all Related Rights in relation to the Material Contracts charged pursuant to clauses 3.1(i)(i) and 3.1(i)(ii) above;
- (j) by way of fixed charge, all rights, interests and claims in relation to each of the Insurance Policies, to the extent not validly and effectively assigned under clause 3.3;
- (k) by way of fixed charge, all present and future Receivables, to the extent not validly and effectively assigned under clause 3.3;
- (l) by way of fixed charge, the benefits of all licences, consents and authorisations held in connection with its business or the use of any Charged Property, and the right to any compensation in respect of any of them;
- (m) by way of fixed charge, all rights, interests and claims in any pension fund now or in the future;
- (n) by way of floating charge, the whole of the Company's undertaking and assets, present and future (including, without prejudice to the generality of the foregoing, the Investments and all Investment Derivative Rights, and heritable property and all other property and assets in Scotland) other than any assets validly and effectively mortgaged, charged or assigned by way of security (whether at law or in equity) by this Deed (the "**Floating Charge Property**").

3.2 Qualifying Floating Charge

This Deed contains a qualifying floating charge and paragraph 14 of Schedule B1 of the Insolvency Act 1986 shall apply to any floating charge created by this Deed.

3.3 Assignment

As a continuing security for the payment and discharge of the Secured Obligations, the Company with full title guarantee assigns to the Security Agent absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Obligations all of its rights, title, interest and benefit from time to time in and to:

- (a) the Material Contracts;
- (b) the Insurance Policies; and
- (c) the Receivables.

3.4 Financial Collateral

- (a) To the extent that the Charged Property constitutes Financial Collateral, the Company agrees that such Charged Property shall be held or designated so as to be under the control of the Security Agent (or by a person acting on its behalf) for the purposes of the Financial Collateral Regulations.
- (b) To the extent that the Charged Property constitutes Financial Collateral and is subject to a Security Financial Collateral Arrangement created by or pursuant to this Deed, the Security Agent shall have the right at any time after the Security constituted by this Deed becomes enforceable, to appropriate all or any part of that Charged Property in or towards the payment or discharge of the Secured Obligations.
- (c) The value of any Charged Property appropriated in accordance with this clause shall be:
 - (i) in the case of cash, the amount standing to the credit of any account, together with accrued but unposted interest, at the time the right of appropriation is exercised; and

- (ii) in the case of Investments, the market price of that Charged Property at the time the right of appropriation is exercised, as listed on any recognised market index, or as determined by such other method as the Security Agent may select (acting reasonably); and
- (iii) the Company agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of Regulation 18 of the Financial Collateral Regulations.

4 NEGATIVE PLEDGE

4.1 Negative Pledge

The Company shall not create or permit to subsist any Security or Quasi-Security over the Charged Property other than as created by this Deed or a Permitted Security.

4.2 Disposal Restrictions

The Company shall not:

- (a) enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, discount, factor, release, exchange, transfer, assign, lease, lend or otherwise dispose of any of the Charged Property other than the Floating Charge Property in the ordinary course of trading on an arms' length basis or as otherwise permitted pursuant to the Facility Agreement; or
- (b) create or grant (or purport to create or grant) any interest in the Charged Property in favour of a third party other than Permitted Security.

5 CRYSTALLISATION OF FLOATING CHARGE

5.1 Crystallisation on notice

The Security Agent may at any time by notice in writing to the Company immediately convert the floating charge created by clause 3.1(n) into a fixed charge as regards any property or assets specified in the notice if:

- (a) an Event of Default has occurred and is continuing; or

- (b) the Security Agent considers in its sole discretion that any of the Charged Property may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process; or
- (c) the Security Agent considers in its sole discretion that it is desirable in order to protect the priority of the Security.

5.2 Automatic crystallisation

If, without the prior written consent of the Security Agent:

- (a) the Company disposes of any of the Floating Charge Property other than in the ordinary course of trading on an arms' length basis or as otherwise permitted pursuant to the Facility Agreement; or
- (b) any steps are taken for any of the Charged Property to become subject to any Security or a trust in favour of any other person other than as permitted pursuant to the Facility Agreement; or
- (c) any person levies or uses or attempts to levy or use any distress, commercial rent arrears recovery procedure under section 72(1) of the Tribunals, Courts and Enforcement Act 2007, execution or other process against any of the Charged Property or other lawful taking control of goods; or
- (d) a resolution is passed, steps are taken or an order is made for the winding-up, dissolution, or re-organisation of or any steps are taken for the appointment of an administrator in respect of any Obligor,

the floating charge created under clause 3.1(n) by the Company will automatically be converted (without notice) with immediate effect into a fixed charge in respect of the relevant Floating Charge Property.

5.3 Cessation

At any time after the floating charge constituted under this Deed shall have crystallised as a fixed charge over all or part of the Charged Property pursuant to this clause 5 but before the appointment of any Receiver pursuant hereto, the said fixed charge shall upon the written

consent of the Security Agent cease to attach to the assets then subject to the fixed charge and shall again subsist as a floating charge.

5.4 Assets acquired after crystallisation

Any asset acquired by the Company after any conversion of the floating charge created under this Deed, in accordance with clauses 5.1 or 5.2 above which but for such conversion would be subject to a floating charge shall, (unless the Security Agent confirms in writing to the contrary) be charged to the Security Agent (as trustee for the Secured Parties) by way of first fixed charge.

5.5 Moratorium

The floating charge created under this Deed shall not convert into a fixed charge solely by reason of a moratorium being obtained under Schedule A1 to the Insolvency Act 1986 (or anything done with a view to obtaining such a moratorium) in respect of the Company.

6 PERFECTION OF SECURITY

6.1 Deposit of Title Documents

If the Security Agent requests, the Company shall deposit with the Security Agent:

- (a) all deeds and documents of title relating to the Charged Property (other than Real Property that is not Material Real Property);
- (b) all Insurance Policies to which the Company is entitled to possession; and
- (c) all certificates or other evidence of registration of any Intellectual Property, or records or other documents relating to applications for Intellectual Property, and physical, electronic or other materials, media or information in its possession or control or to which it has access (including, without limitation, manuscripts, drawings, paintings, designs, source codes, computer disks and computer programmes) constituting, comprising, evidencing, the subject of or containing inventions, works, marks or things which are the subject of any Intellectual Property in or to which the Company has any interest of any kind whatsoever.

6.2 Notices of Assignment

The Company shall, immediately following the execution of this Deed (and immediately upon the obtaining of any Insurance Policy or the opening of any bank account after the date of this Deed):

- (a) give notice in the form set out in schedule 2 (*Form of Notice of Assignment to Contract Counterparty*), where required by the Security Agent upon the occurrence of an Event of Default that is continuing, to each person with whom the Company has entered into a Material Contract of the assignment of the Company's rights and interest in and under such Material Contract and shall use its reasonable endeavours to procure that each addressee of such notice will promptly provide an acknowledgement to the Security Agent in the form set out in schedule 2 (*Form of Acknowledgement from Contract Counterparty*);
- (b) give notice in the form set out in of schedule 2 (*Form of Notice of Assignment to Insurers*) to each insurer with whom the Company has an Insurance Policy of the assignment of the Company's rights and interest in and under such Insurance Policy and shall use its reasonable endeavours to procure that each addressee of such notice will promptly provide an acknowledgement to the Security Agent in the form set out in schedule 2 (*Form of Acknowledgement from Insurers*);
- (c) give notice in the form set out in schedule 2 (*Form of Notice of Assignment to Account Bank (Other bank accounts)*) to each Account Bank of the charging of the Company's rights and interest in its Bank Accounts (other than any Blocked Account) and shall use its reasonable endeavours to procure that each Account Bank will promptly provide an acknowledgement to the Security Agent in the form set out in schedule 2 (*Form of Acknowledgement from Account Bank (Other bank account)*);
- (d) give notice in the form set out in schedule 2 (*Form of Notice of Assignment to Account Bank (Blocked Accounts)*) to the relevant Account Bank of the charging of the Company's rights and interest in each Blocked Account and shall use its reasonable endeavours to procure that each Account Bank will promptly provide an acknowledgement to the Security Agent substantially in the form set out in schedule 2 (*Form of Acknowledgement from Account Bank (Blocked Accounts)*).

6.3 Registration of Intellectual Property

The Company shall, if requested by the Security Agent, execute all such documents and do all acts that the Security Agent may reasonably require or that are otherwise required by the body responsible for the relevant register or that are otherwise required in law to record the interest of the Security Agent in any registers relating to any registered Intellectual Property or applications for the registration of Intellectual Property.

6.4 Land Registry restriction

- (a) Subject to clause 6.4(b), in respect of any Real Property or part of or interest in any Real Property title to which is registered at the Land Registry (or any unregistered land subject to first registration), the Company shall, where required to do so by the Security Agent, apply or consent to an application being made to the Chief Land Registrar to enter the following restriction on the Register of Title for such Real Property:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the Charge dated {date} in favour of [name of Security Agent] referred to in the charges register."

- (b) Clause 6.4(a) shall not apply to any Real Property that is not Material Real Property.

6.5 Tacking

The obligation on the part of the Finance Parties to make further advances to the Company is deemed to be incorporated in this Deed and, where requested to do so by the Security Agent in respect of any registered Material Real Property, the Company holding title to that Material Real Property shall apply to the Chief Land Registrar for a note of such obligation to be entered on the Register of Title of that Material Real Property.

7 FURTHER ASSURANCE

The Company shall at its own expense comply with the provisions of clause 25.33 (*Further Assurance*) of the Facility Agreement.

8 UNDERTAKINGS

8.1 The undertakings in this clause 8 (*Undertakings*) shall remain in force during the continuance of the Security constituted by this Deed.

8.2 Charged Property Generally

(a) The Company shall:

- (i) comply with all material covenants and obligations affecting any of the Charged Property or the manner of use of any of it;
- (ii) not except with the prior written consent of the Lender (such consent not to be unreasonably withheld or delayed), enter into any onerous or restrictive obligation affecting any of the Real Property that would be reasonably likely to have a detrimental impact on the title to such Real Property; and
- (iii) not do, cause or permit to be done or omit to do anything which would be reasonably likely to have a material adverse effect on the value or marketability or be reasonably likely to undermine the efficacy of the Security in respect of the Charged Property;

8.3 Real Property

(a) The Company shall:

- (i) notify the Security Agent within 14 days of receipt of every material notice, order or proposal given, or made in relation to, the Real Property by any competent authority and (if required by the Security Agent) immediately provide it with a copy of the same and either:
 - (A) comply with such notice, order or proposal; or
 - (B) make such objections to the same as the Security Agent may require or approve; and
 - (C) any compensation received by the Company as a result of any notice or order shall be applied in repayment of the Secured Obligations;

- (ii) duly and punctually pay all rates, rents and other outgoings owed by it in respect of the Real Property;
 - (iii) comply with all covenants and obligations affecting any of the Real Property or the manner of use of any of it;
 - (iv) maintain all buildings and erections forming part of the Real Property in a good state of repair, and in all cases subject to fair wear and tear; and
 - (v) not carry out any development within the meaning of section 55 of the Town and Country Planning Act 1990 without first obtaining such permissions as may be required under applicable legislation.
- (b) The Company will:
- (i) not do or knowingly omit or knowingly suffer to be done or omitted any act, matter or thing in, on or in respect of any Real Property required to be done or omitted by the Planning Acts or which shall contravene the provisions of the Planning Acts; and
 - (ii) indemnify the Security Agent on demand against all actions, proceedings, costs, expenses, claims and demands whatsoever suffered by the Security Agent in respect of any such act, matter or thing so contravening the provisions of the Planning Acts.
- (c) The Company will;
- (i) provide the Security Agent with all information which it may reasonably request in relation to the Real Property;
 - (ii) authorise the Security Agent to make any application which the Security Agent deems appropriate for the designation of this Deed and/or Finance Documents and/or any other document as exempt information documents under rule 136 of the Land Registration Rules 2003 and use its best endeavours to assist with any such application made by or on behalf of the Security Agent;

- (iii) notify the Security Agent in writing as soon as it receives notice of any person's application under rule 137 of the Land Registration Rules 2003 for the disclosure of this Deed or any other document, following its designation as an exempt information document and not make any application under rule 138 of the Land Registration Rules 2003 for the removal of the designation of such document as an exempt information document;
- (iv) permit the Security Agent, the Finance Parties and any person nominated by any of them at all reasonable times with reasonable notice to enter any part of the Real Property and view the state of it;
- (v) grant the Security Agent on request all reasonable facilities within the power of the Company to allow the Security Agent (or its lawyers) to carry out investigations of title to the Real Property and to make all enquiries in relation to any part of the Real Property which a prudent mortgagee might carry out;
- (vi) immediately upon demand by the Security Agent, provide the Security Agent with a report as to title of the Company to the Real Property concerning those items which may properly be sought to be covered by a prudent mortgagee in a lawyer's report of this nature;
- (vii) in respect of any Real Property which is acquired after the date of this Deed, title to which is registered at the Land Registry or which is required to be so registered:
 - (A) where requested to do so by the Security Agent, give written notice of this Deed to the Land Registry and procure that notice of this Deed is clearly noted in the Register of Title for such Real Property; and
 - (B) procure that no person (other than itself) is registered as proprietor of any such property under the Land Registration Acts 1925 to 2002 without the prior written consent of the Security Agent.

8.4 Plant and Machinery

The Company shall:

- (a) maintain at its own expense all Plant and Machinery, fixtures, fittings and other effects for the time being owned by it in good working order and condition, provided that nothing in this clause shall oblige the Company to keep any of it in a better state of repair or in better working order or condition than they are at the date of this Deed, and in all cases subject to fair wear and tear;
- (b) promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Plant and Machinery and, on demand, produce evidence of such payment to the Security Agent; and
- (c) not make any material alterations or additions to any Plant and Machinery which are reasonably likely to depreciate, jeopardise or prejudice their value or marketability.

8.5 Insurance

In addition to complying with any requirements as to insurance in the Finance Documents, the Company shall:

- (a) have the interest of the Security Agent as mortgagee noted on all Insurance Policies but without:
 - (i) any liability on the part of the Security Agent for any premium in relation to those insurances; or
 - (ii) any obligation on the part of the Security Agent to make any disclosure, or to fairly present any risk, in relation to those insurances;
- (b) not, without the prior consent of the Security Agent, disapply any provision of the Insurance Act 2015 in a manner which is prejudicial to the interests of the Company, in relation to any of the insurances;
- (c) promptly pay all premiums and comply with all other terms relating to all policies of insurance;

- (d) supply to the Security Agent on request copies of each policy of insurance required to be maintained in accordance with this Deed together with current premium receipts relating to it;
- (e) not do or permit to be done or omit to do anything which may render any insurance void, voidable or unenforceable (in whole or in part) or make available any other remedies to the insurer;
- (f) if it defaults at any time in effecting or maintaining such insurances or in producing any policy or receipt to the Security Agent on demand, authorise the Security Agent to take out or renew such policies of insurance in any sum which the Security Agent may reasonably think expedient. All moneys which are expended by the Security Agent in so doing shall be deemed to be properly paid by the Security Agent and shall be reimbursed by the Company on demand;
- (g) notify the Security Agent if any claim in excess of £500,000 arises or may be made under the insurances; and
- (h) upon the occurrence of an Event of Default that is continuing, authorise the Security Agent to give any discharge for insurance and to direct the application of all moneys received or receivable under any insurances either in making good the loss or damage in respect of which the same have been received or in or towards the discharge of the Secured Obligations.

8.6 Intellectual Property

The Company shall:

- (a) observe and comply with all material obligations and laws to which it is subject in its capacity as registered proprietor, applicant, beneficial owner, user, licensor or licensee of its Intellectual Property or any part of it;
- (b) duly register in such register(s), or with such authorities as may be available for the purpose and in such name(s) as may be required by the law and practice of the place or system of registration, such of its Intellectual Property (and all assignments, licences and mortgages of it) as may be capable of registration in such places;

- (c) not change the specification referred to in or scope of any of its registrations of Intellectual Property or permit any disclaimer, condition, restriction, memorandum or other thing to be entered on the registration of any registered Intellectual Property or any application therefore, the effect of which will be to materially and adversely affect the value of such Intellectual Property;
- (d) not grant any licence to any person to use its Intellectual Property in any manner which will materially and adversely affect the value of such Intellectual Property;
- (e) maintain a comprehensive, detailed and up-to-date centralised record of all its Intellectual Property (including details of agents engaged in relation to registrations of it) and, when reasonably requested by the Security Agent, immediately provide to the Security Agent a copy of such record and/or a summary of all its Intellectual Property created or acquired since the date of this Deed or the date of last notification.

8.7 Receivables

The Company shall:

- (a) deal with the Receivables in accordance with the Facility Agreement and, pending that dealing, shall hold the Receivables on trust for the benefit of the Security Agent;
- (b) not, other than in the ordinary course of business or otherwise with the prior written consent of the Security Agent:
 - (i) set off, vary, postpone or release any of the Receivables; or
 - (ii) do or omit to do anything which may delay or prejudice the full recovery of any Receivable;
- (c) after the Security constituted by this Deed becomes enforceable, comply with any notice served by the Security Agent on the Company prohibiting it from withdrawing all or any monies from time to time standing to the credit of its Bank Accounts;
- (d) after the Security constituted by this Deed becomes enforceable and if called upon so to do by the Security Agent, execute a legal assignment of the Receivables to the Security Agent (in a form and substance satisfactory to the Security Agent and to the extent that the Receivables have not already been legally assigned pursuant to the

provisions of clause 3.3(c)) and give notice of assignment of the Receivables (in a form and substance satisfactory to the Security Agent) to the debtors from whom the Receivables are due, owing or incurred and use reasonable endeavours to obtain an acknowledgement to such notice from each debtor;

- (e) deliver to the Security Agent such information as to the amount and nature of its Receivables as the Security Agent may from time to time reasonably require.

8.8 Investments

- (a) The Company shall:
 - (i) promptly pay all calls or other payments which may become due in respect of the Investments;
 - (ii) promptly send to the Security Agent copies of all notices, circulars, reports, accounts and other documents which are sent to the holders of any Investments;
 - (iii) at the request of the Security Agent, procure all consents, waivers and approvals which are necessary, under the articles of association of any Issuer or otherwise, for the transfer of the Investments to the Security Agent or its nominee or to a purchaser upon the enforcement of this Deed;
 - (iv) if so requested by the Security Agent after the Security constituted by this Deed becomes enforceable:
 - (A) instruct any clearance system to transfer any Investment held by it for the Company or its nominee to an account of the Security Agent or its nominee with that clearance system; and
 - (B) take whatever action the Security Agent may request for the dematerialisation or re-materialisation of any Investment held in a clearance system;
 - (v) without prejudice to the above, after the Security constituted by this Deed becomes enforceable, permit the Security Agent, at the expense of the

Company, to take whatever action it deems necessary for the dematerialisation or re-materialisation of any Investment;

(vi) after the Security constituted by this Deed becomes enforceable, ensure (as far as it is able to by the exercise of all voting rights, powers of control and other means available to it) that any issuer of the Investments that is not a public company shall not:

(A) consolidate or subdivide any of the Investments or reorganise, exchange, repay or reduce its share capital in any way;

(B) issue any new shares or stock; or

(C) refuse to register any transfer of any of the Investments that may be lodged with it for registration by, or on behalf of, the Lender or the Company in accordance with this Deed;

(vii) until the Security constituted by this Deed becomes enforceable, be entitled to:

(A) receive and retain all dividends, distributions and other moneys paid on or derived from the Investments; and

(B) exercise all voting and other rights and powers attaching to the Investments provided that it must not do so in a manner which is prejudicial to the interests of the Security Agent under this Deed;

(viii) after the Security constituted by this Deed becomes enforceable:

(A) hold all dividends, distributions and other moneys paid on or derived from the Investments on trust for the Security Agent; and

(B) comply and procure that its nominees comply with any directions from the Security Agent concerning the exercise of all voting and other rights and powers attaching to the Investments;

(ix) at any time after the Security constituted by this Deed becomes enforceable, permit the Security Agent to complete the instrument(s) of transfer for the

Investments on behalf of the Company in favour of itself or such other person as it may select.

(b) The Company shall:

- (i) within the relevant timeframe, comply with any notice it receives pursuant to Part 21A of the Companies Act 2006 from any company incorporated in the United Kingdom whose shares are the subject of the Transaction Security; and
- (ii) promptly provide the Security Agent with a copy of that notice.

8.9 Material Contracts

The Company shall:

- (a) not, without the prior written consent of the Security Agent, amend or waive any term of any Material Contract, terminate any Material Contract or release any other party from its obligations under any Material Contract;
- (b) duly perform its obligations under each Material Contract, notify the Security Agent of any material default by it or any other party under any Material Contract and not take any action which would reduce or impede recoveries in respect of any Material Contract; and
- (c) provide to the Security Agent, as soon as practicable upon receipt, copies of all notices which it may from time to time receive from any other party to any Material Contract.

8.10 Goodwill

The Company shall:

- (a) not grant any franchise, licence or other authority to any person to use its company name, trade name or business name or any other business asset which will materially and adversely affect the value of the goodwill of the Company; and

- (b) where the prior written consent of the Security Agent had been given under clause 8.10(a), comply with clause 8.7 (*Receivables*) in relation to any income or monies receivable in respect of such franchise, licence or authority as if such income or monies were Receivables.

8.11 Uncalled capital

The Company shall, after the Security constituted by this Deed becomes enforceable:

- (a) not call up, or receive in advance of its due date, any uncalled capital; and
- (b) promptly apply any paid capital towards the repayment, in full or in part, of the Secured Obligations.

8.12 Bank Accounts

- (a) No withdrawals may be made by the Company from a Blocked Account.
- (b) At any time following the occurrence of an Event of Default that is continuing, the Company shall promptly deliver to the Security Agent, and the Security Agent shall be entitled to hold, such documents relating to the Company's Bank Accounts as the Security Agent requires, including any notice to the relevant bank or financial institution of the Security over them in such form as the Security Agent requires.

9 ENFORCEMENT OF SECURITY

9.1 Enforcement

- (a) The Security constituted by this Deed shall become immediately enforceable at any time after the occurrence of an Event of Default that is continuing.
- (b) Once the Security constituted by this Deed has become enforceable, the Security Agent may with or without further notice to the Company:
 - (i) appoint an Administrator of the Company in accordance with the Insolvency Act 1986 and any secondary legislation made under or pursuant to the same; or

- (ii) appoint a Receiver to any of the Charged Property as detailed in clause 11.1.

9.2 Powers on enforcement

At any time after the Security created under this Deed becomes enforceable, the Security Agent may, without notice to the Company and whether or not it has appointed a Receiver, exercise:

- (a) all or any of the powers, authorities and discretions conferred on mortgagees and Receivers by the Law of Property Act 1925 (as varied or extended by this Deed) including the power to take possession of, receive the benefit of, or sell any of the Charged Property;
- (b) all of the powers conferred on the holder of a qualifying floating charge (as specified in paragraph 14 of Schedule B1 to the Insolvency Act 1986) and all of the powers conferred on an administrative receiver by the Insolvency Act 1986 or, otherwise by law; and
- (c) in the name of the Company (without any further consent or authority from that Company) any voting rights attached to the Investments and all powers given to trustees in respect of securities or property subject to a trust and any other powers or rights exercisable by the registered holder or bearer of the Investments; and
- (d) all or any of the powers conferred on the Security Agent or any Receiver by this Deed (including for the avoidance of doubt by clauses 10 and 12 of this Deed).

9.3 No Liability as Mortgagee in Possession

- (a) The exercise of any rights of the Security Agent or Receiver under this Deed shall not make the Security Agent or Receiver liable to account as a mortgagee in possession.
- (b) Neither the Security Agent nor any Receiver shall be liable by reason of entering into possession of any Charged Property, or for any other reason, to account as a mortgagee in possession in respect of all or any part of the Charged Property or be liable for any loss upon realisation or for any act, neglect, default or omission for which a mortgagee in possession might otherwise be liable.

10 POWERS OF THE SECURITY AGENT

10.1 Extension of Powers

The power of sale conferred on the Security Agent and on any Receiver by this Deed shall operate as a variation and extension of the statutory power of sale under Section 101 of the Law of Property Act 1925.

10.2 Statutory power of sale

- (a) The statutory power of sale shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on the date of this Deed.
- (b) The power of sale and other powers conferred by section 101 of the Law of Property Act 1925 (as varied or extended by this Deed) shall be immediately exercisable at any time after the Security constituted by this Deed has become enforceable pursuant to clause 9 (*Enforcement of Security*), or a Receiver has otherwise been appointed pursuant to clause 11.1 of this Deed, but this provision shall not affect a purchaser or require a purchaser to ask whether a demand or appointment has been made.
- (c) Section 103 of the Law of Property Act 1925 shall not apply to this Deed.

10.3 Consolidation of Mortgages

The restrictions on consolidation of mortgages in Sections 93 of the Law of Property Act 1925 shall not apply to this Deed.

10.4 Power of Leasing

At any time after the Security created by this Deed becomes enforceable, the Security Agent may lease or make arrangements to lease, at a premium or otherwise, and accept surrenders of leases without any restriction and in particular without the need to comply with any restrictions imposed by Sections 99 and 100 of the Law of Property Act 1925.

10.5 Discretion

Any liberty or power which may be exercised or any determination which may be made hereunder by the Security Agent or any Receiver may, subject to the terms and conditions of

the Intercreditor Agreement, be exercised or made in their absolute and unfettered discretion without any obligation to give reasons.

10.6 Delegation

- (a) Each of the Security Agent and any Receiver may delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Deed (including the power of attorney) on such terms and conditions as it shall see fit (including the power to sub-delegate) which delegation shall not preclude either the subsequent exercise of such power, authority or discretion by the Security Agent or the Receiver itself or any subsequent delegation or revocation thereof.
- (b) Neither the Security Agent nor any Receiver will be in any way responsible or liable to the Company or any other person for any cost, expense, loss or liability arising from any act, omission, default, or misconduct on the part of any delegate or sub-delegate.

10.7 Investigations

Following the occurrence of an Event of Default that is continuing, the Security Agent may initiate an investigation of, and/or instruct any report (accounting, legal, valuation or other) on the business and affairs of the defaulting Company which the Security Agent considers necessary to ascertain its financial position. All fees and expenses incurred by the Security Agent in connection with such investigations shall be payable by the Company and the Company consents to the provision by the Security Agent of all information in relation to the Company which the Security Agent provides to any person in relation to the preparation of any such report.

10.8 Power to Remedy

If at any time the Company does not comply with any of its obligations under this Deed, the Security Agent may (but shall not be obliged to) rectify such default and the Company irrevocably authorises the Security Agent, its employees and agents, at the Company's expense, to do all such things as are necessary or desirable to rectify such default.

11 APPOINTMENT OF RECEIVER

11.1 Appointment and Removal

At any time after the Security created under this Deed becomes enforceable, or if requested to do so by the Company, the Security Agent may (by deed or otherwise and acting through its authorised officer):

- (a) appoint one or more persons jointly or jointly and severally to be a Receiver of the whole or any part of the Charged Property;
- (b) remove (so far as it is lawfully able) any Receiver(s) so appointed;
- (c) appoint another person(s) as an additional or replacement Receiver(s); and
- (d) extend the Receiver's appointment to include Charged Property not previously included in his appointment.

11.2 Capacity of Receivers

Each Receiver shall be:

- (a) an agent of the Company which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration; and
- (b) entitled to remuneration for his services at a rate to be fixed by the Security Agent from time to time (without being limited to the maximum rate specified in Section 109(6) of the Law of Property Act 1925).

12 POWERS OF RECEIVER

12.1 General Powers

Every Receiver shall have all the powers:

- (a) conferred by the Law of Property Act 1925 on mortgagees in possession and receivers appointed under that Act but without any of the restrictions imposed upon the exercise of those powers by the Law of Property Act 1925;

- (b) set out in Schedule 1 to the Insolvency Act 1986; and
- (c) conferred from time to time on Receivers by statute.

12.2 Additional Powers

In addition to the powers referred to in clause 12.1 (*General Powers*) a Receiver shall have the power, at the cost of the Company and either in the Receiver's own name or in the name of the Company over which or in respect of whose assets the Receiver is appointed or (with the written approval of the Security Agent) in the name of the Security Agent to:

- (a) take possession of, collect and get in all or any part of the Charged Property;
- (b) carry on, manage or concur in carrying on and managing all or any part of the business of the Company;
- (c) borrow or raise money and secure the payment of any money in priority to the charges created by this Deed for the purpose of exercising his powers and/or defraying any costs or expenses incurred by him in such exercise;
- (d) sell, let, lease or concur in selling, letting or leasing and to vary the terms or determine, surrender and to accept surrenders of leases or tenancies of or grant options or licences over all or any part of the Charged Property in any manner and on such terms as he thinks fit. The consideration for any such transaction may consist of cash or of shares or securities of another company (and the amount of such consideration may be dependent on profit or turnover or be determined by a third party) and may be payable in a lump sum or in instalments;
- (e) sever any fixtures (including trade and tenants fixtures) from the property of which they form part, without the consent of the Company;
- (f) exercise all powers, rights and/or obligations under any contract or agreement forming part of the Charged Property, including, without limitation, all voting and other rights attaching to the Investments;
- (g) make and effect all repairs, renewals, improvements, and insurances which the Receiver may think fit;

- (h) redeem any prior Security in respect of all or any of the Charged Property and to settle and pass the accounts of the holder of such prior Security and any accounts so settled and passed will, in the absence of manifest error, be conclusive and binding on the Company. All moneys paid to the holder of such Security in accordance with such accounts shall form part of the Secured Obligations;
- (i) promote the formation of subsidiaries of the Company for the purpose of purchasing, leasing, licensing or otherwise acquiring interests in all or any of the assets of the Company and to arrange for any such subsidiaries to trade or cease to trade on such terms as the Receiver thinks fit;
- (j) take such proceedings and to make any arrangement or compromise which the Receiver may think fit;
- (k) appoint managers, officers and agents at such salaries and for such periods as the Receiver may determine;
- (l) exercise in relation to all or any part of the Charged Property all such powers and rights as he would be capable of exercising if he were the absolute beneficial owner of the Charged Property; and/or
- (m) do all other acts and things as may be considered by the Receiver to be incidental or conducive to the above or otherwise expedient for or incidental or conducive to the preservation, improvement or realisation of the Charged Property.

12.3 Multiple Receivers

If more than one person is appointed to act as Receiver, each person may act severally and independently of any other, except to the extent that the Security Agent states to the contrary in the appointment. References in this Deed to the Receiver are to each and all of them as appropriate.

13 APPLICATION OF MONEYS

13.1 Order of application

All moneys received or recovered by the Security Agent or any Receiver pursuant to this Deed shall (subject to the rights and claims of any person having security ranking in priority to

the security constituted by this Deed) be applied in accordance with the terms of the Intercreditor Agreement.

13.2 No obligation

Neither the Security Agent nor any Receiver shall be bound (whether by virtue of section 109(8) of the Law of Property Act 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Obligations.

13.3 Actual Receipts

Only money actually paid by the Receiver to the Security Agent, or received or recovered by the Security Agent under this Deed, shall be capable of being applied in or towards the satisfaction of the Secured Obligations and the Company shall have no rights in respect of the application by the Security Agent of any sums received, recovered or realised by the Security Agent under this Deed.

13.4 Suspense Account

Until all Secured Obligations have been irrevocably and unconditionally paid and discharged in full, the Security Agent and any Receiver may place and keep for such time as it thinks prudent any moneys received, recovered or realised under or by virtue of this Deed in a separate or suspense account to the credit of either the Company or of the Security Agent without any obligation to apply all or any part of such moneys in or towards the discharge of the Secured Obligations.

13.5 Avoidance of Payments

If the Security Agent reasonably considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation, administration or similar laws, the liability of the Company under this Deed and the Security constituted hereby shall continue and such amount shall not be considered to have been irrevocably paid.

13.6 Use of insurance proceeds

All moneys receivable by virtue of any of the Insurance Policies (excluding Excluded Insurance Proceeds) shall be paid and applied in accordance with the terms of the Facility Agreement.

14 PROTECTION OF PURCHASERS

14.1 Conclusive Discharge

The receipt of the Security Agent or its authorised delegate or any Receiver shall be conclusive discharge to a purchaser in any sale or disposal of any of the Charged Property.

14.2 Protection of Third Parties

No purchaser, mortgagee or other person dealing with the Security Agent or its authorised delegate or any Receiver shall be bound to enquire:

- (a) whether any of the Secured Obligations have become due or payable or remain unpaid or undischarged;
- (b) whether any power the Security Agent, delegate or such Receiver is purporting to exercise has arisen or become exercisable or is properly exercisable; or
- (c) how any money paid to the Security Agent or its delegate or any Receiver is to be applied.

15 POWER OF ATTORNEY

15.1 Appointment of Security Agent

The Company irrevocably by way of security and to more fully secure the performance of its obligations under this Deed, appoints the Security Agent, each person to whom the Security Agent shall from time to time have delegated the exercise of the power of attorney conferred by this clause and any Receiver jointly and severally to be its attorney, with full power to appoint substitutes and to delegate for the Company in its name and on its behalf to execute, deliver and perfect all deeds, documents and to do all acts or things which the attorney may consider to be necessary:

- (a) for carrying out any obligation imposed on the Company by this Deed that the Company has failed to perform (including the execution and delivery of any deeds, charges, assignments or other Security and any transfers of the Charged Property);
- (b) for enabling the Security Agent and any Receiver to exercise any of the powers conferred on them by or pursuant to this Deed or by law; or
- (c) to perfect or vest in the Security Agent, its nominees or any purchaser, title to any Charged Property which they deem expedient in connection with the getting in, disposal or realisation of any Charged Property or the exercise of any other power, in each case under, and strictly in accordance with, this Deed (including, in the case of Investments, the provisions of clause 8.8 (*Investments*) that place certain restrictions on the rights of the Security Agent as regards Investments prior to the Security constituted by this Deed becoming enforceable).

15.2 Ratification

The Company ratifies and confirms (and agrees to ratify and confirm) all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers.

16 CONTINUING SECURITY

16.1 Continuing nature of Security

The Security created by or pursuant to this Deed will be a continuing and independent security for the Secured Obligations notwithstanding any intermediate payment or settlement of all or any part of the Secured Obligations or other matter or thing whatsoever and will be without prejudice and in addition to and shall not merge with any other right, remedy or Security which the Security Agent or any Finance Party may hold at any time for the Secured Obligations and will not be affected by any release, reassignment or discharge of such other right, remedy or Security.

16.2 Settlements conditional

- (a) Any release, discharge or settlement between the Company, the Security Agent or any of the Finance Parties shall be conditional upon no Security, disposition or payment to the Security Agent or any of the Finance Parties by the Company or any

other person being void, set aside or ordered to be refunded pursuant to any enactment or law relating to bankruptcy or insolvency or for any other reason whatsoever, and if such condition shall not be fulfilled the Security Agent shall be entitled to enforce this Deed subsequently as if such release, discharge or settlement had not occurred and any such payment had not been made.

- (b) The Security Agent or its nominee may retain this Deed and the Security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Charged Property, for any period that the Security Agent deems necessary to provide the Security Agent with Security against any such avoidance, reduction or order for refund.

17 SET-OFF AND CURRENCY

17.1 Consolidation of accounts and set off

- (a) All amounts payable by the Company under this Deed will be paid in full without set off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).
- (b) In addition to any general lien or similar rights to which it may be entitled by operation of law, the Security Agent may at any time after the Security constituted by this Deed becomes enforceable and without notice to the Company combine or consolidate all or any of the Company's then existing accounts with and liabilities to the Security Agent (whether presently payable or not) and set off or transfer any sum or sums standing to the credit of any one of more of such accounts in or towards satisfaction of the Secured Obligations.

17.2 Currency

For the purpose of or pending the discharge of the Secured Obligations, the Security Agent may, in its sole discretion, convert any moneys received, recovered or realised in any currency under this Deed (including the proceeds of any previous conversion under this clause) from their existing currency into any other currency at such rate or rates of exchange and at such time as the Security Agent thinks fit.

18 NEW ACCOUNTS

- 18.1 If the Security Agent (or any of the other Finance Parties) at any time receives or is deemed to have received notice of any subsequent Security affecting all or any part of the Charged Property it may open a new account or accounts with the Company. Without prejudice to the Security Agent's right to combine accounts, no money paid to the credit of the Company in any such new account shall be deemed to be appropriated towards, or have the effect of discharging any part of the Secured Obligations.
- 18.2 If the Security Agent (or any of the other Finance Parties) does not open a new account or accounts it shall nevertheless be treated as if it had done so as at the time when it (or any Finance Party) received or was deemed to have received such notice and as from such time all payments made to the Security Agent shall be credited or be treated as having been credited to such new account or accounts and shall not operate to reduce the amount of the Secured Obligations.

19 EXPENSES AND INDEMNITY

19.1 Indemnity by the Company

The Company shall, notwithstanding any release or discharge of all or any part of the Security constituted by this Deed, promptly indemnify the Security Agent, its agents, attorneys and any Receiver against any action, proceeding, claim, loss, liability and cost (including but not limited to any direct, indirect or consequential losses, loss of profit and all interest, penalties and legal or other professionals' costs (including VAT)) which it may sustain:

- (a) in the taking, holding, protection, amendment or enforcement of the Transaction Security;
- (b) in the exercise (or purported exercise) of any of the rights, powers or discretions and remedies vested in them by this Deed (or by law);
- (c) as a result of any default by the Company in the performance of any of the obligations expressed to be assumed by it in the Finance Documents, and/or
- (d) in connection with or otherwise relating to this Deed or the Charged Property.

19.2 Indemnity out of Charged Property

The Security Agent may, in priority to any payment to the Secured Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this clause 19.

20 MISCELLANEOUS

20.1 Assignment and disclosure of information

- (a) At any time, without the consent of the Company, the Security Agent may novate, assign, transfer or delegate all or any of its rights and obligations under this Deed in accordance with the terms of the Facility Agreement. The Security Agent may disclose such information concerning the Company and this Deed as the Security Agent considers appropriate to any actual or proposed direct or indirect successor or to any person to whom information may be required to be disclosed by any applicable law.
- (b) The Company may not novate, assign, transfer or delegate any of its rights or obligations under this Deed.

20.2 Perpetuities

If the rule against perpetuities applies to any trust created by this Deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

20.3 Remedies and Waivers

- (a) No failure on the part of the Security Agent to exercise, or any delay on its part in exercising, any Collateral Right shall operate as a waiver thereof, or constitute an election to affirm any Collateral Right. No election to affirm any Collateral Right on the part of the Security Agent shall be effective unless it is in writing.
- (b) No single or partial exercise of any Collateral Right shall prevent any further or other exercise of that or any other Collateral Right.

- (c) The Collateral Rights are cumulative and not exclusive of any rights, powers or remedies provided by law.
- (d) Any waiver, consent or approval given by the Security Agent of or under this Deed will only be effective if given in writing. Such waiver, consent or approval shall then only apply for the purpose stated and be subject to any written terms and conditions imposed by the Security Agent.

20.4 No Liability

None of the Security Agent, its authorised delegate(s) nominee(s) or any Receiver shall be liable for any loss by reason of (a) taking any action permitted by this Deed or (b) any neglect or default in connection with the Charged Property or (c) taking possession of or realising all or any part of the Charged Property, except in the case of gross negligence or willful default upon its part.

20.5 Partial Invalidity

- (a) If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Deed or the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired; and
- (b) if any part of the Security intended to be created by or pursuant to this Deed is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the Security.

20.6 Certificates

Any certificate or determination of the Security Agent of a rate or amount due from the Company is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

20.7 No obligations

The Security Agent is not obliged to do any of the following in respect of any Charged Property:

- (a) perform any obligation of the Company;
- (b) make any payment;
- (c) make any enquiry as to the nature and sufficiency of any payment received by it or the Company;
- (d) present or file any claim or take any other action to collect or enforce the payment of any amount to which it or the Company may be entitled; or
- (e) exercise any rights to which it or the Company may be entitled.

21 NOTICES

Each communication to be made under this Deed shall be made in accordance with the provisions of clause 35 (*Notices*) of the Facility Agreement.

22 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.

23 GOVERNING LAW

This Deed and any dispute or claim (including non-contractual disputes or claims) arising out or in connection with it or its matters or formation are governed by and shall be construed in accordance with English law.

24 JURISDICTION

24.1 English Courts

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

24.2 Convenient Forum

The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes between them and, accordingly, that they will not argue to the contrary.

24.3 Exclusive Jurisdiction

Notwithstanding clause 24.1 (*English Courts*) above, the Security Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law the Security Agent may take concurrent proceedings in any number of jurisdictions.

THIS DEED has been signed on behalf of the Security Agent and **EXECUTED AS A DEED** by the Company and is delivered by them on the date first specified above.

SCHEDULE 1

Notices of Assignment

Form of Notice of Assignment to Account Bank (Other bank accounts)

To: *[Account Bank]*

Date: []

Dear Sirs

We give notice that by a Debenture dated [], we have assigned and charged to Lloyds Bank plc (the "**Security Agent**") all our right, title and interest in and to all sums which are now or may from time to time in the future stand to the credit of:

Account Number []

Account Holder []

together with all interest accrued or accruing thereto and the debts represented by those sums (the "**Account**").

- 1 Subject to the terms of the facility agreement dated [] and made between, inter alia, the Security Agent and the Company (the "**Facility Agreement**") the Company may deal with all monies credited to the Account in such manner as it sees fit until the Security Agent gives notice that an Event of Default (as defined in the Facility Agreement) which is continuing has occurred, whereupon we hereby irrevocably instruct, authorise and confirm to you:
 - 1.1 that no moneys may be released from the account without the prior written consent of the Security Agent; and
 - 1.2 that you may comply with the terms of any written notice or instructions in any way relating to the Account or the sums standing to the credit of the Account from time to time which you may receive at any time from the Security Agent.
- 2 You may disclose to the Security Agent such information relating to the Account and the sums in the Account as the Security Agent may at any time and from time to time request.

These instructions cannot be revoked or varied without the prior written consent of the Security Agent.

This notice, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning the same to the Security Agent at 11 Earl Grey Street, Edinburgh EH3 9BN for the attention of Neil Moyes with a copy to us.

Yours faithfully

.....

Director

for and on behalf of

[Company]

[On Copy Only:]

Form of Account Bank Acknowledgement (Other bank accounts)

To: [*Security Agent*]

Date: []

Dear Sirs

We acknowledge receipt of a notice (the "**Notice**") in the terms set out above and confirm that we:

- 1 have not previously received notice of any previous assignments of, charges over or trusts in respect of the Account;
- 2 have noted the restrictions imposed upon the Company and the authority of the Security Agent in respect of the Account and will not act in such a way as to breach those restrictions or to ignore the authority of the Security Agent;
- 3 will act in accordance with the terms of the Notice; and
- 4 have not and will not claim or exercise any security interest, set-off, counterclaim or other right at any time in respect of the Account.

This notice, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

Yours faithfully

.....
for and on behalf of

[Account Bank]

Form of Notice of Assignment Account Bank (Blocked Accounts)

To: [Account Bank]

Date: []

Dear Sirs

We give notice that by a Debenture dated [], we have assigned and charged to Lloyds Bank Plc (the "**Security Agent**") all our right, title and interest in and to all sums which are now or may from time to time in the future stand to the credit of:

Account Number []

Account Holder []

together with all interest accrued or accruing thereto and the debts represented by those sums (the "**Account**").

We hereby irrevocably instruct and authorise you:

- 1 to credit to the Account all interest from time to time earned on the sums of money held in the Account;
- 2 to disclose to the Security Agent such information relating to the Account and the sums in the Account as the Security Agent may, at any time and from time to time, request;
- 3 to hold all sums from time to time standing to the credit of the Account to the order of the Security Agent;
- 4 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 Agent at any time and from time to time; and
- 5 to comply with the terms of any written notice or instructions in any way relating to the Account or the sums standing to the credit of the Account from time to time which you may receive at any time from the Security Agent.

Please note we are not permitted to withdraw any amount from the Account without the prior written consent of the Security Agent.

These instructions cannot be revoked or varied without the prior written consent of the Security Agent.

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

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning the same to the Security Agent at 11 Earl Grey Street, Edinburgh EH3 9BN for the attention of Neil Moyes.

Yours faithfully

.....

Director

for and on behalf of

[Company]

[On Copy Only:]

Form of Account Bank Acknowledgement (Blocked Accounts)

To: Lloyds Bank Plc

Date: []

Dear Sirs

We acknowledge receipt of a notice (the "**Notice**") in the terms set out above and confirm that:

- 1 we have not previously received notice of any previous assignments of, charges over or trusts in respect of, the Account;
- 2 we have noted the restrictions imposed upon the Company and the authority of the Security Agent in respect of the Account and will not act in such a way as to breach those restrictions or to ignore the authority of the Security Agent;
- 3 we will act in accordance with the terms of the Notice; and
- 4 we waive all rights of set-off, combination or consolidation which we may have at any time in respect of the Account.

Yours faithfully

.....

for and on behalf of

[Account Bank]

Form of Notice of Assignment of Contract Counterparty

To: [*Counterparty to Material Contract*]

Copy: Lloyds Bank plc (as Security Agent as defined below)

Date: []

Dear Sirs

We give notice that pursuant to a debenture dated [] we have assigned to Lloyds Bank plc (the "**Security Agent**") all our right, title and interest in and to [*details of Material Contract*] (the "**Contract**") including all moneys which may be payable in respect of the Contract.

With effect from your receipt of this notice:

- 1 we will remain entitled to exercise all our rights, powers and discretions under the Contract and you may continue to deal with us in relation to the Contract and give notices under the Contract to us unless and until you receive written notice from the Security Agent that an event of default (as referred to in, and for the purposes of, the aforementioned debenture) which is continuing has occurred. Thereafter, all such rights, powers and discretions shall be exercisable by, and notices shall be given to, solely the Security Agent or as it directs and we will cease to have any right to deal with you in relation to the Contract and you must deal only with the Security Agent;
- 2 you are authorised and instructed, without requiring further approval from us, to disclose to the Security Agent such information relating to the Contract as it may from time to time request and to send it copies of all notices issued by you under the Contract to the Security Agent at 11 Earl Grey Street, Edinburgh EH3 9BN as well as to us; and
- 3 we may not initiate or agree to any amendment to, waive any obligation under or agree to any termination of the Contract without the prior written consent of the Security Agent.
- 4 We confirm that:
 - 4.1 we will remain liable under the Contract to perform all the obligations assumed by us under the Contract;

4.2 none of the Security Agent, any delegate appointed by the Security Agent or any receiver will at any time be under any obligation or liability to you under or in respect of the Contract.

Neither the Debenture nor this notice releases, discharges or otherwise affects your liability and obligations in respect of the Contract.

These instructions may not be revoked or amended without the prior written consent of the Security Agent.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning it to the Security Agent in accordance with the details stipulated in paragraph 4 of this notice.

This notice, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

Yours faithfully

.....

Director

for and on behalf of

[Company]

[On copy only:]

Form of acknowledgement from Contract Counterparty

To: Lloyds Bank plc

Copy: *[insert name of Company]*

Date: []

Dear Sirs

We acknowledge receipt of a notice dated [] (the "**Notice**") relating to the *[details of Material Contract]*.

We:

- 1 agree to the terms set out in the Notice and to act in accordance with its terms;
- 2 confirm that we have not received any prior notice that *[Company]* has assigned its rights under the Contract or created any other interest (whether by way of security or otherwise) in favour of a third party; and
- 3 agree not to exercise any right to terminate the Contract or take any action to amend or supplement the Contract without the prior written consent of the Security Agent.
- 4 agree that the Security Agent will not in any circumstances have any liability in relation to the Contract.

This notice, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

Yours faithfully

.....
For and on behalf of

[Counterparty to Material Contract]

Position: []

Address: []

Fax: []

Telephone: []

Form of Notice of Assignment to Insurers

To: [*Insurer*] (the "**Insurer**")

Copy: Lloyds Bank plc (as Security Agent as defined below)

Date: []

Dear Sirs

We give notice that pursuant to a debenture dated [] we have assigned to Lloyds Bank plc (the "**Security Agent**") all our right, title and interest in and to the proceeds of [*insert details of relevant insurance policy*] (the "**Policy**").

- 1 With effect from your receipt of this notice we instruct you to:
 - (a) note the Security Agent's interest on the Policy (other than in respect of any claim under any public liability and third party liability insurances); and
 - (b) disclose information in relation to the Policy to the Security Agent on request by the Security Agent.
- 2 With effect from your receipt of written notice from the Security Agent that an event of default (as referred to in, and for the purposes of, the aforementioned debenture) which is continuing has occurred:
 - (a) we instruct you to:
 - (i) comply with the terms of any written instructions received by you from the Security Agent relating to the Policy, without notice or reference to, or further authority from, us and without enquiring as to the justification or the validity of those instructions;
 - (ii) hold all sums from time to time due and payable by you to us under the Policy to the order of the Security Agent; and
 - (iii) pay, or release, all monies to which we are entitled under the Policy to the Security Agent, or to such persons as the Security Agent may direct; and

- (b) all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Policy (including all rights to compel performance) will belong to and be exercisable by the Security Agent.

Neither the debenture nor this notice releases, discharges or otherwise affects your liability and obligations in respect of the Policy.

This notice, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning the same to the Security Agent at 11 Earl Grey Street, Edinburgh EH3 9BN for the attention of [•] with a copy to us.

Yours faithfully

.....
Director
for and on behalf of
[Company]

.....
Authorised Signatory
for and on behalf of
Lloyds Bank plc (for the purposes of paragraph 1 above only)

ENDORSEMENT

The Policy shall contain the following provisions or endorsements:

IT IS HEREBY CONFIRMED AND AGREED:

- 1 the interest of Lloyds Bank plc (the "**Security Agent**") and any successor or assignee is noted on the Policy;
- 2 that the cover afforded by the Policy applies to *[insert short description of the properties/assets of the Insured to which the Policy relates]* (together the "**Properties and Assets**") of which *[insert name of Company]* (the "**Insured**") is the legal owner;
- 3 with effect from the Insurer's receipt of written notice from the Security Agent that an event of default (as referred to in, and for the purposes of, a debenture dated *[date]* granted by the Insured in favour of the Security Agent) which is continuing has occurred, any payments made in respect of claims in relation to the Properties and Assets shall, unless otherwise agreed by the Security Agent, be made to the Security Agent who shall be the sole loss payee and who alone shall have authority to give the Insurer a good discharge in respect of any such payment; and
- 4 that the following policy condition shall be deemed to form part of the Policy and, where necessary to give full effect to such condition, shall replace any existing contrary policy conditions:

"Waiver of Right of Recourse to Other Insurances

It is expressly understood and agreed that notwithstanding any contrary provision in this Policy, this Policy provides primary insurance for the Insured and that in the event of loss or damage to the insured property covered by this Policy which is also covered either in whole or in part under any other policy or policies of insurance effected by or on behalf of any of the parties comprising the Insured, the Insurer will indemnify the Insured as if such other policy or policies of insurance were not in force and the Insurer waives rights of recourse (to the extent it has any) arising out of any claim, recourse or any other action the Insurer may have against the insurers (or any of them) of such other policy or policies of insurance."

[On copy only:]

Form of acknowledgement from Insurer

To: Lloyds Bank plc (as Security Agent as defined below)

Copy: *[insert name of Company]*

Date: []

Dear Sirs

We acknowledge receipt of a notice dated [] relating to the Policy (the "**Notice**") and confirm that we have not received notice of any previous assignments of or charges over the Policy and that we will comply with the terms of the Notice and the endorsement attached to that Notice.

We acknowledge that the Security Agent will not in any circumstances be liable for the premiums in relation to the Policy.

This notice, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

.....
for and on behalf of
[Insurer]

SCHEDULE 2

Material Contracts

None at the date of this Deed.

SIGNATURE PAGES

THE COMPANY

EXECUTED and DELIVERED)
as a **DEED** by)
CITY ELECTRICAL FACTORS)
LIMITED)
acting by *M JACOBS* a Director,)
and *C BEDDONS* a Director)

.....
Director

MARK JACOBS

.....
Director

CHARLES BEDDONS

THE SECURITY AGENT

SIGNED for and on)
behalf of)
LLOYDS BANK PLC)

.....
Authorised signatory

Private & Confidential

Dated 14 June **20** 19

CITY ELECTRICAL FACTORS LIMITED (1)

in favour of

LLOYDS BANK PLC

as Security Agent (2)

DEBENTURE



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THIS DEED is made on 14 June 2019 by

- (1) **CITY ELECTRICAL FACTORS LIMITED** a company incorporated in England and Wales with company registration number 00336408 whose registered office is at Georgina Mackie House, 141 Farmer Ward Road, Kenilworth, Warwickshire CV8 2SU (the "**Company**").

in favour of

- (2) **LLOYDS BANK PLC** as agent and trustee for the Secured Parties (as defined below) (the "**Security Agent**") which expression shall include any person for the time being appointed as security agent or as an additional security agent.

IT IS AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed, terms defined in the Facility Agreement or in the Intercreditor Agreement shall have the same meaning when used in this Deed and in addition:

Account Bank	any bank or financial institution with whom the Company holds an account, including the Blocked Account, from time to time;
Administrator	a person appointed in accordance with Schedule B1 Insolvency Act 1986 to manage the Company's affairs, business and property;
Bank Account	in relation to the Company, all its right, title and interest from time to time in and to all present or future current, deposit or other accounts with any Account Bank, all cash at bank and balances from time to time standing to the credit of or accrued or accruing on those accounts;
Blocked Account	(a) any Mandatory Prepayment Account (and any renewal or redesignation of such account); and

(b) any other Bank Account agreed by the Company and the Security Agent in writing to be a Blocked Account;

Charged Property

all the assets of the Company which from time to time are the subject of the Security created or expressed to be created in favour of the Security Agent by or pursuant to this Deed (and references to the Charged Property includes references to any part of it);

Collateral Rights

all rights, powers and remedies of the Security Agent provided by or pursuant to this Deed or by law;

Confidential Information

all information and records wherever located (including accounts, business plans and financial forecasts, tax records, correspondence, designs, drawings, manuals, specifications, customer, sales and supplier information, technical or commercial expertise, software, formulae, processes, trade secrets, methods, knowledge and know-how) and which (either in their entirety or in the precise configuration or assembly of their components) are not publicly available and in each case whether or not recorded;

Default Rate

the rate set out in clause 12.3(a) of the Facility Agreement;

Facility Agreement

the senior multicurrency revolving facility agreement dated on or about the date of this Deed and made between (1) Labora Holdings Limited (as Parent), (2) the subsidiaries of the Parent listed in Part 1 of Schedule 1 to it (as Original Borrowers), (3) the subsidiaries of the Parent listed in Part 1 of Schedule 1 to it (as Original Guarantors), (4) Lloyds Bank plc and Barclays Bank plc (as Mandated Lead Arrangers), (5) the financial institutions listed in Part 2 of Schedule 1 to it (as Original Lenders), (6) the entities listed in Part 3 of Schedule 1 to it (as Original Hedge Counterparties), (7) Lloyds Bank plc (as Agent) and (8) the Security Agent;

Financial Collateral

shall have the same meaning as in the Financial Collateral

Regulations;

Financial Collateral Regulations the Financial Collateral Arrangements (No. 2) Regulations 2003 (S.I. 2003/3226);

Floating Charge Property has the meaning given in clause 3.1(n);

Holding Account has the meaning given to that term in the Facility Agreement;

Insurance Policy (a) any contract and policy of insurance or assurance and cover note in which the Company may from time to time have an interest;

(b) the Insurance Proceeds; and

(c) all Related Rights;

Insurance Proceeds has the meaning given to it under the Facility Agreement;

Intellectual Property (a) patents, utility models, trade marks, service marks, copyright and related rights, moral rights, rights in databases, registered designs, design rights, domain names, the right to sue for passing off and/or unfair competition, and any other intellectual property rights and interests, (which may subsist now or in the future), in each case whether registrable or not and whether registered or not, and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world, including those subsisting in inventions, designs, drawings, performances, computer programs, computer software, trade secrets, semiconductor topographies, Confidential Information, knowhow, business names, trade names, brand names, domain names, metatags, goodwill or the style of presentation of goods or services;

(b) the benefit of all applications (or rights to apply for and be granted) and rights to use such assets (which may

subsist now or in the future);

(c) all modification, derivatives, additions and improvements upon any such assets and all embodiments or fixations thereof;

(d) all reissues, continuations, divisionals, continuations-in-part, reexaminations, supplemental examinations, inter partes reviews, renewals, adjustments or extensions (including supplementary protection certificates and patent term extension certificates) of any such assets; and

(e) all Related Rights;

Intercreditor Agreement the intercreditor agreement dated on or about the date of this Deed and made between, amongst others, (1) the Company, (2) the Security Agent and (3) the Secured Parties;

Investments (a) any stocks, shares, loan capital, bonds or other securities, now or at any time held directly by or to the order of the Company or by any trustee, fiduciary or clearance system on its behalf; and

(b) all Related Rights (including all rights against any such trustee, fiduciary or clearance system);

Investment Derivative Rights all dividends, interest or distributions and all other rights and benefits of an income nature accruing at any time in respect of any Investment;

Issuer the issuer of any Investment;

Mandatory Prepayment Account has the meaning given to that term in the Facility Agreement;

Material Contracts (a) the agreements listed in schedule 2 (The Material

Contracts);

(b) any other contract entered into by the Company after the date of this Deed that may from time to time be identified in writing by the Security Agent as a Material Contract; and

(c) all Related Rights;

Material Real Property

Real Property title to which is acquired by the Company after the date of this Deed that is identified in writing as Material Real Property by agreement between the Security Agent and the Parent;

Notice of Assignment

a notice of assignment in substantially the form set out in schedule 2 or in such other form as may be agreed between the Security Agent and the Company;

Planning Acts

the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991 and the Planning and Compulsory Purchase Act 2004 and any regulations or subordinate legislation made (before or after this Deed) under those statutes and any other statute or regulation governing or controlling the use or development of land and buildings;

Plant and Machinery

comprises:

(a) all equipment, plant, machinery, tools and all other assets of a similar nature which are now, or at any time after the date of this Deed become, the property of the Company; and

(b) all Related Rights;

Real Property

comprises:

- (a) the Company's estates or interests in all freehold, leasehold, commonhold or other immovable property; and
- (b) any buildings, fixtures and fittings (including trade and tenant's fixtures) situated on that property, fixed plant or machinery from time to time situated on or forming part of such property; and
- (c) all Related Rights;

Receivables

- (a) all present and future book and other debts and monetary claims owing to the Company or in which the Company has an interest; and
- (b) all Related Rights;

Receiver

a receiver or receiver and manager or administrative receiver of any or all of the Charged Property;

Related Rights

in relation to any asset,

- (a) the proceeds of sale of any part of that asset;
- (b) all rights under any licence, contract, agreement for sale or agreement for lease in respect of that asset (which may subsist now or in the future);
- (c) all rights, benefits, rents, deposits, goodwill, claims, warranties, guarantees, remedies, Security, indemnities or covenants (including covenants for title) in respect of that asset (which may subsist now or in the future);
- (d) the right to bring, make, oppose, defend appeal proceedings, claims or actions and obtain relief (and to retain any damages recovered) in respect of any

infringement or alleged infringement, or any other cause of action arising from ownership of the asset, whether occurring before, on or after the date of this Deed;

- (e) any right (including future rights) to apply for, prosecute and otherwise obtain patent, trade mark, registered design or any other registration or protection throughout the world in respect of any Intellectual Property or any present or future matter relating to them;
- (f) in respect of any and each application for any and all patents comprised in the Intellectual Property:
 - (i) the right to claim priority from and to prosecute and obtain grant of patent; and
 - (ii) the right to file divisional applications based thereon and to prosecute and obtain grant of patent on each and any such divisional application;
- (g) in respect of each and any invention disclosed in any and all patents, applications or patents, confidential information or otherwise disclosed by or comprised in the Intellectual Property, the right to file an application, claim priority from such application, and prosecute and obtain grant of patent or similar protection in or in respect of any country or territory in the world;
- (h) the right to extend to or register in or in respect of any country or territory in the world each and any of the Intellectual Property, and each and any of the applications comprised in such Intellectual Property or filed as aforesaid;
- (i) the rights (including, without limitation, rights relating to the receipt of royalties, fees or other monies from time to time) vested in the Company with respect to, and the

benefit of all obligations owed from time to time by any person in relation to, any present or future agreement, document or instrument (including, without limitation, any licence, sub-licence or franchise) entered into, or the benefit of which is enjoyed, by the Company relating to the use of or licensing of or exploitation of any Intellectual Property by or to the Company or any other person whatsoever; and

- (j) its interests of whatsoever kind in or to any (including future) physical, electronic or other materials or media (including, without limitation, manuscripts, drawings, paintings, designs, source code, computer disks and computer programmes) constituting, comprising, the subject of or containing inventions, works, marks or things which are the subject of any Intellectual Property;
- (k) any income, moneys and proceeds paid or payable in respect of that asset (including interest or any judgment or order to pay a sum of money);

Secured Obligations

means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally, as principal or surety or alone or in any other capacity whatsoever) of each Obligor to the Security Agent and/or the other Secured Parties (or any of them) under or pursuant to any Finance Document (including all costs, charges, expenses and liabilities incurred by the Security Agent and/or the other Secured Parties in connection with the protection, preservation or enforcement of its respective rights under the Finance Documents or any other document evidencing or securing any such liabilities and shall include interest on the above from the date of demand until the date of payment in full (both before and after judgment) calculated on a daily basis at the rate determined in accordance with Facility Agreement);

Security 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 Financial Collateral Arrangement has the same meaning as in the Financial Collateral Regulations.

1.2 Construction

- (a) Unless a contrary indication appears, a reference in this Deed to:
- (i) the "**Agent**", the "**Arranger**", any "**Finance Party**", any "**Hedge Counterparty**", any "**Issuing Bank**", any "**Lender**", any "**Obligor**", any "**Party**", any "**Secured Party**", the "**Security Agent**" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees to or of its rights and/or obligations under the Finance Documents and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Finance Documents and this Deed shall be binding on, and enure to the benefit of, the parties to this Deed and their respective personal representations, successors, permitted assigns and permitted transferees;
 - (ii) a document in "**agreed form**" is a document which is previously agreed in writing by or on behalf of the Company and the Agent or, if not so agreed, is in the form specified by the Agent;
 - (iii) "**assets**" includes present and future properties, revenues and rights of every description;
 - (iv) a "**Finance Document**" or a "**Transaction Document**" or any other agreement or instrument is a reference to that Finance Document or Transaction Document or other agreement or instrument as amended, novated, supplemented, extended or restated from time to time in accordance with its terms;
 - (v) "**guarantee**" means any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to

make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;

- (vi) **"indebtedness"** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
 - (vii) a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
 - (viii) a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;
 - (ix) a provision of law is a reference to that provision as amended, re-enacted or restated; and
 - (x) a time of day is a reference to London time.
- (b) Section, clause and schedule headings are for ease of reference only.
 - (c) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Deed.
 - (d) A Default (other than an Event of Default) is 'continuing' if it has not been remedied or waived and an Event of Default is 'continuing' if it has not been remedied or waived.

1.3 **Third Party Rights**

- (a) Unless expressly provided to the contrary in a Finance Document, a person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.

- (b) Notwithstanding any term of any Finance Document, the consent of any person who is not a party to this Deed is not required to rescind or vary this Deed at any time.

1.4 Incorporation of Terms

Unless the context otherwise requires or unless defined in this Deed, all words and expressions defined or whose interpretation is provided for in the Facility Agreement, or in the Intercreditor Agreement shall have the same meanings in this Deed.

1.5 Effect as a Deed

This Deed is intended to take effect as a deed notwithstanding that the Security Agent may have executed it under hand only.

1.6 Conflict

In the case of any conflict between the terms of this Deed and the terms of the Facility Agreement, the terms of the Facility Agreement shall take precedence.

2 COVENANT TO PAY AND INTEREST

2.1 Secured Obligations

The Company covenants that it will on demand pay and discharge the Secured Obligations when due.

2.2 Default Interest

Any amount which is not paid under this Deed when due shall bear interest (both before and after judgment and payable on demand) from the due date until the date up to the date of actual payment (both before and after judgment) at the Default Rate. Any interest accruing under clause 2.2 (*Default Interest*) shall be immediately payable by the Company on demand by the Security Agent.

2.3 Calculation of Default Interest

Interest payable pursuant to clause 2.2 (*Default Interest*) will be calculated in accordance with clause 12.3(b) of the Facility Agreement.

3 GRANT OF SECURITY

3.1 Charges

The Company with full title guarantee charges in favour of the Security Agent as continuing security for the payment and discharge of the Secured Obligations:

- (a) by way of fixed charge, any Real Property now or at any time after the date of this Deed belonging to the Company;
- (b) by way of fixed charge, all Related Rights in relation to the Real Property charged pursuant to this Deed;
- (c) by way of fixed charge:
 - (i) all Plant and Machinery and other fixtures and fittings attached to any Real Property; and
 - (ii) all Related Rights in relation to the Plant and Machinery charged pursuant to clause 3.1(c)(i) above;
- (d) by way of fixed charge, all vehicles, computers, office and other equipment owned by the Company, both present and future and all Related Rights;
- (e) by way of fixed charge:
 - (i) each Blocked Account;
 - (ii) all present and future Bank Accounts, cash at bank and credit balances owned, operated or held by the Company or in which the Company has an interest other than any Blocked Account charged under clause 3.1(e)(i) above with any bank or other person;
 - (iii) all Related Rights in relation to the accounts charged pursuant to clauses 3.1(e)(i) and (ii) above (including but not limited to, entitlements to interest);
- (f) by way of fixed charge, all (including future) Intellectual Property;

- (g) by way of fixed charge, the goodwill of the Company;
- (h) by way of fixed charge, the uncalled capital of the Company;
- (i) by way of fixed charge, to the extent not validly and effectively assigned under clause 3.3:
 - (i) the Material Contracts specified in schedule 3;
 - (ii) all Material Contracts other than any Material Contracts charged under clause 3.1(i)(i) above;
 - (iii) all Related Rights in relation to the Material Contracts charged pursuant to clauses 3.1(i)(i) and 3.1(i)(ii) above;
- (j) by way of fixed charge, all rights, interests and claims in relation to each of the Insurance Policies, to the extent not validly and effectively assigned under clause 3.3;
- (k) by way of fixed charge, all present and future Receivables, to the extent not validly and effectively assigned under clause 3.3;
- (l) by way of fixed charge, the benefits of all licences, consents and authorisations held in connection with its business or the use of any Charged Property, and the right to any compensation in respect of any of them;
- (m) by way of fixed charge, all rights, interests and claims in any pension fund now or in the future;
- (n) by way of floating charge, the whole of the Company's undertaking and assets, present and future (including, without prejudice to the generality of the foregoing, the Investments and all Investment Derivative Rights, and heritable property and all other property and assets in Scotland) other than any assets validly and effectively mortgaged, charged or assigned by way of security (whether at law or in equity) by this Deed (the "**Floating Charge Property**").

3.2 **Qualifying Floating Charge**

This Deed contains a qualifying floating charge and paragraph 14 of Schedule B1 of the Insolvency Act 1986 shall apply to any floating charge created by this Deed.

3.3 **Assignment**

As a continuing security for the payment and discharge of the Secured Obligations, the Company with full title guarantee assigns to the Security Agent absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Obligations all of its rights, title, interest and benefit from time to time in and to:

- (a) the Material Contracts;
- (b) the Insurance Policies; and
- (c) the Receivables.

3.4 **Financial Collateral**

- (a) To the extent that the Charged Property constitutes Financial Collateral, the Company agrees that such Charged Property shall be held or designated so as to be under the control of the Security Agent (or by a person acting on its behalf) for the purposes of the Financial Collateral Regulations.
- (b) To the extent that the Charged Property constitutes Financial Collateral and is subject to a Security Financial Collateral Arrangement created by or pursuant to this Deed, the Security Agent shall have the right at any time after the Security constituted by this Deed becomes enforceable, to appropriate all or any part of that Charged Property in or towards the payment or discharge of the Secured Obligations.
- (c) The value of any Charged Property appropriated in accordance with this clause shall be:
 - (i) in the case of cash, the amount standing to the credit of any account, together with accrued but unposted interest, at the time the right of appropriation is exercised; and

- (ii) in the case of Investments, the market price of that Charged Property at the time the right of appropriation is exercised, as listed on any recognised market index, or as determined by such other method as the Security Agent may select (acting reasonably); and
- (iii) the Company agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of Regulation 18 of the Financial Collateral Regulations.

4 NEGATIVE PLEDGE

4.1 Negative Pledge

The Company shall not create or permit to subsist any Security or Quasi-Security over the Charged Property other than as created by this Deed or a Permitted Security.

4.2 Disposal Restrictions

The Company shall not:

- (a) enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, discount, factor, release, exchange, transfer, assign, lease, lend or otherwise dispose of any of the Charged Property other than the Floating Charge Property in the ordinary course of trading on an arms' length basis or as otherwise permitted pursuant to the Facility Agreement; or
- (b) create or grant (or purport to create or grant) any interest in the Charged Property in favour of a third party other than Permitted Security.

5 CRYSTALLISATION OF FLOATING CHARGE

5.1 Crystallisation on notice

The Security Agent may at any time by notice in writing to the Company immediately convert the floating charge created by clause 3.1(n) into a fixed charge as regards any property or assets specified in the notice if:

- (a) an Event of Default has occurred and is continuing; or

- (b) the Security Agent considers in its sole discretion that any of the Charged Property may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process; or
- (c) the Security Agent considers in its sole discretion that it is desirable in order to protect the priority of the Security.

5.2 **Automatic crystallisation**

If, without the prior written consent of the Security Agent:

- (a) the Company disposes of any of the Floating Charge Property other than in the ordinary course of trading on an arms' length basis or as otherwise permitted pursuant to the Facility Agreement; or
- (b) any steps are taken for any of the Charged Property to become subject to any Security or a trust in favour of any other person other than as permitted pursuant to the Facility Agreement; or
- (c) any person levies or uses or attempts to levy or use any distress, commercial rent arrears recovery procedure under section 72(1) of the Tribunals, Courts and Enforcement Act 2007, execution or other process against any of the Charged Property or other lawful taking control of goods; or
- (d) a resolution is passed, steps are taken or an order is made for the winding-up, dissolution, or re-organisation of or any steps are taken for the appointment of an administrator in respect of any Obligor,

the floating charge created under clause 3.1(n) by the Company will automatically be converted (without notice) with immediate effect into a fixed charge in respect of the relevant Floating Charge Property.

5.3 **Cessation**

At any time after the floating charge constituted under this Deed shall have crystallised as a fixed charge over all or part of the Charged Property pursuant to this clause 5 but before the appointment of any Receiver pursuant hereto, the said fixed charge shall upon the written

consent of the Security Agent cease to attach to the assets then subject to the fixed charge and shall again subsist as a floating charge.

5.4 Assets acquired after crystallisation

Any asset acquired by the Company after any conversion of the floating charge created under this Deed, in accordance with clauses 5.1 or 5.2 above which but for such conversion would be subject to a floating charge shall, (unless the Security Agent confirms in writing to the contrary) be charged to the Security Agent (as trustee for the Secured Parties) by way of first fixed charge.

5.5 Moratorium

The floating charge created under this Deed shall not convert into a fixed charge solely by reason of a moratorium being obtained under Schedule A1 to the Insolvency Act 1986 (or anything done with a view to obtaining such a moratorium) in respect of the Company.

6 PERFECTION OF SECURITY

6.1 Deposit of Title Documents

If the Security Agent requests, the Company shall deposit with the Security Agent:

- (a) all deeds and documents of title relating to the Charged Property (other than Real Property that is not Material Real Property);
- (b) all Insurance Policies to which the Company is entitled to possession; and
- (c) all certificates or other evidence of registration of any Intellectual Property, or records or other documents relating to applications for Intellectual Property, and physical, electronic or other materials, media or information in its possession or control or to which it has access (including, without limitation, manuscripts, drawings, paintings, designs, source codes, computer disks and computer programmes) constituting, comprising, evidencing, the subject of or containing inventions, works, marks or things which are the subject of any Intellectual Property in or to which the Company has any interest of any kind whatsoever.

6.2 Notices of Assignment

The Company shall, immediately following the execution of this Deed (and immediately upon the obtaining of any Insurance Policy or the opening of any bank account after the date of this Deed):

- (a) give notice in the form set out in schedule 2 (*Form of Notice of Assignment to Contract Counterparty*), where required by the Security Agent upon the occurrence of an Event of Default that is continuing, to each person with whom the Company has entered into a Material Contract of the assignment of the Company's rights and interest in and under such Material Contract and shall use its reasonable endeavours to procure that each addressee of such notice will promptly provide an acknowledgement to the Security Agent in the form set out in schedule 2 (*Form of Acknowledgement from Contract Counterparty*);
- (b) give notice in the form set out in of schedule 2 (*Form of Notice of Assignment to Insurers*) to each insurer with whom the Company has an Insurance Policy of the assignment of the Company's rights and interest in and under such Insurance Policy and shall use its reasonable endeavours to procure that each addressee of such notice will promptly provide an acknowledgement to the Security Agent in the form set out in schedule 2 (*Form of Acknowledgement from Insurers*);
- (c) give notice in the form set out in schedule 2 (*Form of Notice of Assignment to Account Bank (Other bank accounts)*) to each Account Bank of the charging of the Company's rights and interest in its Bank Accounts (other than any Blocked Account) and shall use its reasonable endeavours to procure that each Account Bank will promptly provide an acknowledgement to the Security Agent in the form set out in schedule 2 (*Form of Acknowledgement from Account Bank (Other bank account)*);
- (d) give notice in the form set out in schedule 2 (*Form of Notice of Assignment to Account Bank (Blocked Accounts)*) to the relevant Account Bank of the charging of the Company's rights and interest in each Blocked Account and shall use its reasonable endeavours to procure that each Account Bank will promptly provide an acknowledgement to the Security Agent substantially in the form set out in schedule 2 (*Form of Acknowledgement from Account Bank (Blocked Accounts)*).

6.3 **Registration of Intellectual Property**

The Company shall, if requested by the Security Agent, execute all such documents and do all acts that the Security Agent may reasonably require or that are otherwise required by the body responsible for the relevant register or that are otherwise required in law to record the interest of the Security Agent in any registers relating to any registered Intellectual Property or applications for the registration of Intellectual Property.

6.4 **Land Registry restriction**

- (a) Subject to clause 6.4(b), in respect of any Real Property or part of or interest in any Real Property title to which is registered at the Land Registry (or any unregistered land subject to first registration), the Company shall, where required to do so by the Security Agent, apply or consent to an application being made to the Chief Land Registrar to enter the following restriction on the Register of Title for such Real Property:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the Charge dated {date} in favour of [name of Security Agent] referred to in the charges register."

- (b) Clause 6.4(a) shall not apply to any Real Property that is not Material Real Property.

6.5 **Tacking**

The obligation on the part of the Finance Parties to make further advances to the Company is deemed to be incorporated in this Deed and, where requested to do so by the Security Agent in respect of any registered Material Real Property, the Company holding title to that Material Real Property shall apply to the Chief Land Registrar for a note of such obligation to be entered on the Register of Title of that Material Real Property.

7 **FURTHER ASSURANCE**

The Company shall at its own expense comply with the provisions of clause 25.33 (*Further Assurance*) of the Facility Agreement.

8 UNDERTAKINGS

8.1 The undertakings in this clause 8 (*Undertakings*) shall remain in force during the continuance of the Security constituted by this Deed.

8.2 Charged Property Generally

(a) The Company shall:

- (i) comply with all material covenants and obligations affecting any of the Charged Property or the manner of use of any of it;
- (ii) not except with the prior written consent of the Lender (such consent not to be unreasonably withheld or delayed), enter into any onerous or restrictive obligation affecting any of the Real Property that would be reasonably likely to have a detrimental impact on the title to such Real Property; and
- (iii) not do, cause or permit to be done or omit to do anything which would be reasonably likely to have a material adverse effect on the value or marketability or be reasonably likely to undermine the efficacy of the Security in respect of the Charged Property;

8.3 Real Property

(a) The Company shall:

- (i) notify the Security Agent within 14 days of receipt of every material notice, order or proposal given, or made in relation to, the Real Property by any competent authority and (if required by the Security Agent) immediately provide it with a copy of the same and either:
 - (A) comply with such notice, order or proposal; or
 - (B) make such objections to the same as the Security Agent may require or approve; and
 - (C) any compensation received by the Company as a result of any notice or order shall be applied in repayment of the Secured Obligations;

- (ii) duly and punctually pay all rates, rents and other outgoings owed by it in respect of the Real Property;
 - (iii) comply with all covenants and obligations affecting any of the Real Property or the manner of use of any of it;
 - (iv) maintain all buildings and erections forming part of the Real Property in a good state of repair, and in all cases subject to fair wear and tear; and
 - (v) not carry out any development within the meaning of section 55 of the Town and Country Planning Act 1990 without first obtaining such permissions as may be required under applicable legislation.
- (b) The Company will:
 - (i) not do or knowingly omit or knowingly suffer to be done or omitted any act, matter or thing in, on or in respect of any Real Property required to be done or omitted by the Planning Acts or which shall contravene the provisions of the Planning Acts; and
 - (ii) indemnify the Security Agent on demand against all actions, proceedings, costs, expenses, claims and demands whatsoever suffered by the Security Agent in respect of any such act, matter or thing so contravening the provisions of the Planning Acts.
- (c) The Company will;
 - (i) provide the Security Agent with all information which it may reasonably request in relation to the Real Property;
 - (ii) authorise the Security Agent to make any application which the Security Agent deems appropriate for the designation of this Deed and/or Finance Documents and/or any other document as exempt information documents under rule 136 of the Land Registration Rules 2003 and use its best endeavours to assist with any such application made by or on behalf of the Security Agent;

- (iii) notify the Security Agent in writing as soon as it receives notice of any person's application under rule 137 of the Land Registration Rules 2003 for the disclosure of this Deed or any other document, following its designation as an exempt information document and not make any application under rule 138 of the Land Registration Rules 2003 for the removal of the designation of such document as an exempt information document;
- (iv) permit the Security Agent, the Finance Parties and any person nominated by any of them at all reasonable times with reasonable notice to enter any part of the Real Property and view the state of it;
- (v) grant the Security Agent on request all reasonable facilities within the power of the Company to allow the Security Agent (or its lawyers) to carry out investigations of title to the Real Property and to make all enquiries in relation to any part of the Real Property which a prudent mortgagee might carry out;
- (vi) immediately upon demand by the Security Agent, provide the Security Agent with a report as to title of the Company to the Real Property concerning those items which may properly be sought to be covered by a prudent mortgagee in a lawyer's report of this nature;
- (vii) in respect of any Real Property which is acquired after the date of this Deed, title to which is registered at the Land Registry or which is required to be so registered:
 - (A) where requested to do so by the Security Agent, give written notice of this Deed to the Land Registry and procure that notice of this Deed is clearly noted in the Register of Title for such Real Property; and
 - (B) procure that no person (other than itself) is registered as proprietor of any such property under the Land Registration Acts 1925 to 2002 without the prior written consent of the Security Agent.

8.4 **Plant and Machinery**

The Company shall:

- (a) maintain at its own expense all Plant and Machinery, fixtures, fittings and other effects for the time being owned by it in good working order and condition, provided that nothing in this clause shall oblige the Company to keep any of it in a better state of repair or in better working order or condition than they are at the date of this Deed, and in all cases subject to fair wear and tear;
- (b) promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Plant and Machinery and, on demand, produce evidence of such payment to the Security Agent; and
- (c) not make any material alterations or additions to any Plant and Machinery which are reasonably likely to depreciate, jeopardise or prejudice their value or marketability.

8.5 **Insurance**

In addition to complying with any requirements as to insurance in the Finance Documents, the Company shall:

- (a) have the interest of the Security Agent as mortgagee noted on all Insurance Policies but without:
 - (i) any liability on the part of the Security Agent for any premium in relation to those insurances; or
 - (ii) any obligation on the part of the Security Agent to make any disclosure, or to fairly present any risk, in relation to those insurances;
- (b) not, without the prior consent of the Security Agent, disapply any provision of the Insurance Act 2015 in a manner which is prejudicial to the interests of the Company, in relation to any of the insurances;
- (c) promptly pay all premiums and comply with all other terms relating to all policies of insurance;

- (d) supply to the Security Agent on request copies of each policy of insurance required to be maintained in accordance with this Deed together with current premium receipts relating to it;
- (e) not do or permit to be done or omit to do anything which may render any insurance void, voidable or unenforceable (in whole or in part) or make available any other remedies to the insurer;
- (f) if it defaults at any time in effecting or maintaining such insurances or in producing any policy or receipt to the Security Agent on demand, authorise the Security Agent to take out or renew such policies of insurance in any sum which the Security Agent may reasonably think expedient. All moneys which are expended by the Security Agent in so doing shall be deemed to be properly paid by the Security Agent and shall be reimbursed by the Company on demand;
- (g) notify the Security Agent if any claim in excess of £500,000 arises or may be made under the insurances; and
- (h) upon the occurrence of an Event of Default that is continuing, authorise the Security Agent to give any discharge for insurance and to direct the application of all moneys received or receivable under any insurances either in making good the loss or damage in respect of which the same have been received or in or towards the discharge of the Secured Obligations.

8.6 Intellectual Property

The Company shall:

- (a) observe and comply with all material obligations and laws to which it is subject in its capacity as registered proprietor, applicant, beneficial owner, user, licensor or licensee of its Intellectual Property or any part of it;
- (b) duly register in such register(s), or with such authorities as may be available for the purpose and in such name(s) as may be required by the law and practice of the place or system of registration, such of its Intellectual Property (and all assignments, licences and mortgages of it) as may be capable of registration in such places;

- (c) not change the specification referred to in or scope of any of its registrations of Intellectual Property or permit any disclaimer, condition, restriction, memorandum or other thing to be entered on the registration of any registered Intellectual Property or any application therefore, the effect of which will be to materially and adversely affect the value of such Intellectual Property;
- (d) not grant any licence to any person to use its Intellectual Property in any manner which will materially and adversely affect the value of such Intellectual Property;
- (e) maintain a comprehensive, detailed and up-to-date centralised record of all its Intellectual Property (including details of agents engaged in relation to registrations of it) and, when reasonably requested by the Security Agent, immediately provide to the Security Agent a copy of such record and/or a summary of all its Intellectual Property created or acquired since the date of this Deed or the date of last notification.

8.7 **Receivables**

The Company shall:

- (a) deal with the Receivables in accordance with the Facility Agreement and, pending that dealing, shall hold the Receivables on trust for the benefit of the Security Agent;
- (b) not, other than in the ordinary course of business or otherwise with the prior written consent of the Security Agent:
 - (i) set off, vary, postpone or release any of the Receivables; or
 - (ii) do or omit to do anything which may delay or prejudice the full recovery of any Receivable;
- (c) after the Security constituted by this Deed becomes enforceable, comply with any notice served by the Security Agent on the Company prohibiting it from withdrawing all or any monies from time to time standing to the credit of its Bank Accounts;
- (d) after the Security constituted by this Deed becomes enforceable and if called upon so to do by the Security Agent, execute a legal assignment of the Receivables to the Security Agent (in a form and substance satisfactory to the Security Agent and to the extent that the Receivables have not already been legally assigned pursuant to the

provisions of clause 3.3(c)) and give notice of assignment of the Receivables (in a form and substance satisfactory to the Security Agent) to the debtors from whom the Receivables are due, owing or incurred and use reasonable endeavours to obtain an acknowledgement to such notice from each debtor;

- (e) deliver to the Security Agent such information as to the amount and nature of its Receivables as the Security Agent may from time to time reasonably require.

8.8 Investments

- (a) The Company shall:
 - (i) promptly pay all calls or other payments which may become due in respect of the Investments;
 - (ii) promptly send to the Security Agent copies of all notices, circulars, reports, accounts and other documents which are sent to the holders of any Investments;
 - (iii) at the request of the Security Agent, procure all consents, waivers and approvals which are necessary, under the articles of association of any Issuer or otherwise, for the transfer of the Investments to the Security Agent or its nominee or to a purchaser upon the enforcement of this Deed;
 - (iv) if so requested by the Security Agent after the Security constituted by this Deed becomes enforceable:
 - (A) instruct any clearance system to transfer any Investment held by it for the Company or its nominee to an account of the Security Agent or its nominee with that clearance system; and
 - (B) take whatever action the Security Agent may request for the dematerialisation or re-materialisation of any Investment held in a clearance system;
 - (v) without prejudice to the above, after the Security constituted by this Deed becomes enforceable, permit the Security Agent, at the expense of the

Company, to take whatever action it deems necessary for the dematerialisation or re-materialisation of any Investment;

(vi) after the Security constituted by this Deed becomes enforceable, ensure (as far as it is able to by the exercise of all voting rights, powers of control and other means available to it) that any issuer of the Investments that is not a public company shall not:

(A) consolidate or subdivide any of the Investments or reorganise, exchange, repay or reduce its share capital in any way;

(B) issue any new shares or stock; or

(C) refuse to register any transfer of any of the Investments that may be lodged with it for registration by, or on behalf of, the Lender or the Company in accordance with this Deed;

(vii) until the Security constituted by this Deed becomes enforceable, be entitled to:

(A) receive and retain all dividends, distributions and other moneys paid on or derived from the Investments; and

(B) exercise all voting and other rights and powers attaching to the Investments provided that it must not do so in a manner which is prejudicial to the interests of the Security Agent under this Deed;

(viii) after the Security constituted by this Deed becomes enforceable:

(A) hold all dividends, distributions and other moneys paid on or derived from the Investments on trust for the Security Agent; and

(B) comply and procure that its nominees comply with any directions from the Security Agent concerning the exercise of all voting and other rights and powers attaching to the Investments;

(ix) at any time after the Security constituted by this Deed becomes enforceable, permit the Security Agent to complete the instrument(s) of transfer for the

Investments on behalf of the Company in favour of itself or such other person as it may select.

(b) The Company shall:

- (i) within the relevant timeframe, comply with any notice it receives pursuant to Part 21A of the Companies Act 2006 from any company incorporated in the United Kingdom whose shares are the subject of the Transaction Security; and
- (ii) promptly provide the Security Agent with a copy of that notice.

8.9 **Material Contracts**

The Company shall:

- (a) not, without the prior written consent of the Security Agent, amend or waive any term of any Material Contract, terminate any Material Contract or release any other party from its obligations under any Material Contract;
- (b) duly perform its obligations under each Material Contract, notify the Security Agent of any material default by it or any other party under any Material Contract and not take any action which would reduce or impede recoveries in respect of any Material Contract; and
- (c) provide to the Security Agent, as soon as practicable upon receipt, copies of all notices which it may from time to time receive from any other party to any Material Contract.

8.10 **Goodwill**

The Company shall:

- (a) not grant any franchise, licence or other authority to any person to use its company name, trade name or business name or any other business asset which will materially and adversely affect the value of the goodwill of the Company; and

- (b) where the prior written consent of the Security Agent had been given under clause 8.10(a), comply with clause 8.7 (*Receivables*) in relation to any income or monies receivable in respect of such franchise, licence or authority as if such income or monies were Receivables.

8.11 **Uncalled capital**

The Company shall, after the Security constituted by this Deed becomes enforceable:

- (a) not call up, or receive in advance of its due date, any uncalled capital; and
- (b) promptly apply any paid capital towards the repayment, in full or in part, of the Secured Obligations.

8.12 **Bank Accounts**

- (a) No withdrawals may be made by the Company from a Blocked Account.
- (b) At any time following the occurrence of an Event of Default that is continuing, the Company shall promptly deliver to the Security Agent, and the Security Agent shall be entitled to hold, such documents relating to the Company's Bank Accounts as the Security Agent requires, including any notice to the relevant bank or financial institution of the Security over them in such form as the Security Agent requires.

9 **ENFORCEMENT OF SECURITY**

9.1 **Enforcement**

- (a) The Security constituted by this Deed shall become immediately enforceable at any time after the occurrence of an Event of Default that is continuing.
- (b) Once the Security constituted by this Deed has become enforceable, the Security Agent may with or without further notice to the Company:
 - (i) appoint an Administrator of the Company in accordance with the Insolvency Act 1986 and any secondary legislation made under or pursuant to the same; or

- (ii) appoint a Receiver to any of the Charged Property as detailed in clause 11.1.

9.2 Powers on enforcement

At any time after the Security created under this Deed becomes enforceable, the Security Agent may, without notice to the Company and whether or not it has appointed a Receiver, exercise:

- (a) all or any of the powers, authorities and discretions conferred on mortgagees and Receivers by the Law of Property Act 1925 (as varied or extended by this Deed) including the power to take possession of, receive the benefit of, or sell any of the Charged Property;
- (b) all of the powers conferred on the holder of a qualifying floating charge (as specified in paragraph 14 of Schedule B1 to the Insolvency Act 1986) and all of the powers conferred on an administrative receiver by the Insolvency Act 1986 or, otherwise by law; and
- (c) in the name of the Company (without any further consent or authority from that Company) any voting rights attached to the Investments and all powers given to trustees in respect of securities or property subject to a trust and any other powers or rights exercisable by the registered holder or bearer of the Investments; and
- (d) all or any of the powers conferred on the Security Agent or any Receiver by this Deed (including for the avoidance of doubt by clauses 10 and 12 of this Deed).

9.3 No Liability as Mortgagee in Possession

- (a) The exercise of any rights of the Security Agent or Receiver under this Deed shall not make the Security Agent or Receiver liable to account as a mortgagee in possession.
- (b) Neither the Security Agent nor any Receiver shall be liable by reason of entering into possession of any Charged Property, or for any other reason, to account as a mortgagee in possession in respect of all or any part of the Charged Property or be liable for any loss upon realisation or for any act, neglect, default or omission for which a mortgagee in possession might otherwise be liable.

10 POWERS OF THE SECURITY AGENT

10.1 Extension of Powers

The power of sale conferred on the Security Agent and on any Receiver by this Deed shall operate as a variation and extension of the statutory power of sale under Section 101 of the Law of Property Act 1925.

10.2 Statutory power of sale

- (a) The statutory power of sale shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on the date of this Deed.
- (b) The power of sale and other powers conferred by section 101 of the Law of Property Act 1925 (as varied or extended by this Deed) shall be immediately exercisable at any time after the Security constituted by this Deed has become enforceable pursuant to clause 9 (*Enforcement of Security*), or a Receiver has otherwise been appointed pursuant to clause 11.1 of this Deed, but this provision shall not affect a purchaser or require a purchaser to ask whether a demand or appointment has been made.
- (c) Section 103 of the Law of Property Act 1925 shall not apply to this Deed.

10.3 Consolidation of Mortgages

The restrictions on consolidation of mortgages in Sections 93 of the Law of Property Act 1925 shall not apply to this Deed.

10.4 Power of Leasing

At any time after the Security created by this Deed becomes enforceable, the Security Agent may lease or make arrangements to lease, at a premium or otherwise, and accept surrenders of leases without any restriction and in particular without the need to comply with any restrictions imposed by Sections 99 and 100 of the Law of Property Act 1925.

10.5 Discretion

Any liberty or power which may be exercised or any determination which may be made hereunder by the Security Agent or any Receiver may, subject to the terms and conditions of

the Intercreditor Agreement, be exercised or made in their absolute and unfettered discretion without any obligation to give reasons.

10.6 **Delegation**

- (a) Each of the Security Agent and any Receiver may delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Deed (including the power of attorney) on such terms and conditions as it shall see fit (including the power to sub-delegate) which delegation shall not preclude either the subsequent exercise of such power, authority or discretion by the Security Agent or the Receiver itself or any subsequent delegation or revocation thereof.
- (b) Neither the Security Agent nor any Receiver will be in any way responsible or liable to the Company or any other person for any cost, expense, loss or liability arising from any act, omission, default, or misconduct on the part of any delegate or sub-delegate.

10.7 **Investigations**

Following the occurrence of an Event of Default that is continuing, the Security Agent may initiate an investigation of, and/or instruct any report (accounting, legal, valuation or other) on the business and affairs of the defaulting Company which the Security Agent considers necessary to ascertain its financial position. All fees and expenses incurred by the Security Agent in connection with such investigations shall be payable by the Company and the Company consents to the provision by the Security Agent of all information in relation to the Company which the Security Agent provides to any person in relation to the preparation of any such report.

10.8 **Power to Remedy**

If at any time the Company does not comply with any of its obligations under this Deed, the Security Agent may (but shall not be obliged to) rectify such default and the Company irrevocably authorises the Security Agent, its employees and agents, at the Company's expense, to do all such things as are necessary or desirable to rectify such default.

11 APPOINTMENT OF RECEIVER

11.1 Appointment and Removal

At any time after the Security created under this Deed becomes enforceable, or if requested to do so by the Company, the Security Agent may (by deed or otherwise and acting through its authorised officer):

- (a) appoint one or more persons jointly or jointly and severally to be a Receiver of the whole or any part of the Charged Property;
- (b) remove (so far as it is lawfully able) any Receiver(s) so appointed;
- (c) appoint another person(s) as an additional or replacement Receiver(s); and
- (d) extend the Receiver's appointment to include Charged Property not previously included in his appointment.

11.2 Capacity of Receivers

Each Receiver shall be:

- (a) an agent of the Company which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration; and
- (b) entitled to remuneration for his services at a rate to be fixed by the Security Agent from time to time (without being limited to the maximum rate specified in Section 109(6) of the Law of Property Act 1925).

12 POWERS OF RECEIVER

12.1 General Powers

Every Receiver shall have all the powers:

- (a) conferred by the Law of Property Act 1925 on mortgagees in possession and receivers appointed under that Act but without any of the restrictions imposed upon the exercise of those powers by the Law of Property Act 1925;

- (b) set out in Schedule 1 to the Insolvency Act 1986; and
- (c) conferred from time to time on Receivers by statute.

12.2 **Additional Powers**

In addition to the powers referred to in clause 12.1 (*General Powers*) a Receiver shall have the power, at the cost of the Company and either in the Receiver's own name or in the name of the Company over which or in respect of whose assets the Receiver is appointed or (with the written approval of the Security Agent) in the name of the Security Agent to:

- (a) take possession of, collect and get in all or any part of the Charged Property;
- (b) carry on, manage or concur in carrying on and managing all or any part of the business of the Company;
- (c) borrow or raise money and secure the payment of any money in priority to the charges created by this Deed for the purpose of exercising his powers and/or defraying any costs or expenses incurred by him in such exercise;
- (d) sell, let, lease or concur in selling, letting or leasing and to vary the terms or determine, surrender and to accept surrenders of leases or tenancies of or grant options or licences over all or any part of the Charged Property in any manner and on such terms as he thinks fit. The consideration for any such transaction may consist of cash or of shares or securities of another company (and the amount of such consideration may be dependent on profit or turnover or be determined by a third party) and may be payable in a lump sum or in instalments;
- (e) sever any fixtures (including trade and tenants fixtures) from the property of which they form part, without the consent of the Company;
- (f) exercise all powers, rights and/or obligations under any contract or agreement forming part of the Charged Property, including, without limitation, all voting and other rights attaching to the Investments;
- (g) make and effect all repairs, renewals, improvements, and insurances which the Receiver may think fit;

- (h) redeem any prior Security in respect of all or any of the Charged Property and to settle and pass the accounts of the holder of such prior Security and any accounts so settled and passed will, in the absence of manifest error, be conclusive and binding on the Company. All moneys paid to the holder of such Security in accordance with such accounts shall form part of the Secured Obligations;
- (i) promote the formation of subsidiaries of the Company for the purpose of purchasing, leasing, licensing or otherwise acquiring interests in all or any of the assets of the Company and to arrange for any such subsidiaries to trade or cease to trade on such terms as the Receiver thinks fit;
- (j) take such proceedings and to make any arrangement or compromise which the Receiver may think fit;
- (k) appoint managers, officers and agents at such salaries and for such periods as the Receiver may determine;
- (l) exercise in relation to all or any part of the Charged Property all such powers and rights as he would be capable of exercising if he were the absolute beneficial owner of the Charged Property; and/or
- (m) do all other acts and things as may be considered by the Receiver to be incidental or conducive to the above or otherwise expedient for or incidental or conducive to the preservation, improvement or realisation of the Charged Property.

12.3 **Multiple Receivers**

If more than one person is appointed to act as Receiver, each person may act severally and independently of any other, except to the extent that the Security Agent states to the contrary in the appointment. References in this Deed to the Receiver are to each and all of them as appropriate.

13 **APPLICATION OF MONEYS**

13.1 **Order of application**

All moneys received or recovered by the Security Agent or any Receiver pursuant to this Deed shall (subject to the rights and claims of any person having security ranking in priority to

the security constituted by this Deed) be applied in accordance with the terms of the Intercreditor Agreement.

13.2 **No obligation**

Neither the Security Agent nor any Receiver shall be bound (whether by virtue of section 109(8) of the Law of Property Act 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Obligations.

13.3 **Actual Receipts**

Only money actually paid by the Receiver to the Security Agent, or received or recovered by the Security Agent under this Deed, shall be capable of being applied in or towards the satisfaction of the Secured Obligations and the Company shall have no rights in respect of the application by the Security Agent of any sums received, recovered or realised by the Security Agent under this Deed.

13.4 **Suspense Account**

Until all Secured Obligations have been irrevocably and unconditionally paid and discharged in full, the Security Agent and any Receiver may place and keep for such time as it thinks prudent any moneys received, recovered or realised under or by virtue of this Deed in a separate or suspense account to the credit of either the Company or of the Security Agent without any obligation to apply all or any part of such moneys in or towards the discharge of the Secured Obligations.

13.5 **Avoidance of Payments**

If the Security Agent reasonably considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation, administration or similar laws, the liability of the Company under this Deed and the Security constituted hereby shall continue and such amount shall not be considered to have been irrevocably paid.

13.6 Use of insurance proceeds

All moneys receivable by virtue of any of the Insurance Policies (excluding Excluded Insurance Proceeds) shall be paid and applied in accordance with the terms of the Facility Agreement.

14 PROTECTION OF PURCHASERS

14.1 Conclusive Discharge

The receipt of the Security Agent or its authorised delegate or any Receiver shall be conclusive discharge to a purchaser in any sale or disposal of any of the Charged Property.

14.2 Protection of Third Parties

No purchaser, mortgagee or other person dealing with the Security Agent or its authorised delegate or any Receiver shall be bound to enquire:

- (a) whether any of the Secured Obligations have become due or payable or remain unpaid or undischarged;
- (b) whether any power the Security Agent, delegate or such Receiver is purporting to exercise has arisen or become exercisable or is properly exercisable; or
- (c) how any money paid to the Security Agent or its delegate or any Receiver is to be applied.

15 POWER OF ATTORNEY

15.1 Appointment of Security Agent

The Company irrevocably by way of security and to more fully secure the performance of its obligations under this Deed, appoints the Security Agent, each person to whom the Security Agent shall from time to time have delegated the exercise of the power of attorney conferred by this clause and any Receiver jointly and severally to be its attorney, with full power to appoint substitutes and to delegate for the Company in its name and on its behalf to execute, deliver and perfect all deeds, documents and to do all acts or things which the attorney may consider to be necessary:

- (a) for carrying out any obligation imposed on the Company by this Deed that the Company has failed to perform (including the execution and delivery of any deeds, charges, assignments or other Security and any transfers of the Charged Property);
- (b) for enabling the Security Agent and any Receiver to exercise any of the powers conferred on them by or pursuant to this Deed or by law; or
- (c) to perfect or vest in the Security Agent, its nominees or any purchaser, title to any Charged Property which they deem expedient in connection with the getting in, disposal or realisation of any Charged Property or the exercise of any other power, in each case under, and strictly in accordance with, this Deed (including, in the case of Investments, the provisions of clause 8.8 (*Investments*) that place certain restrictions on the rights of the Security Agent as regards Investments prior to the Security constituted by this Deed becoming enforceable).

15.2 Ratification

The Company ratifies and confirms (and agrees to ratify and confirm) all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers.

16 CONTINUING SECURITY

16.1 Continuing nature of Security

The Security created by or pursuant to this Deed will be a continuing and independent security for the Secured Obligations notwithstanding any intermediate payment or settlement of all or any part of the Secured Obligations or other matter or thing whatsoever and will be without prejudice and in addition to and shall not merge with any other right, remedy or Security which the Security Agent or any Finance Party may hold at any time for the Secured Obligations and will not be affected by any release, reassignment or discharge of such other right, remedy or Security.

16.2 Settlements conditional

- (a) Any release, discharge or settlement between the Company, the Security Agent or any of the Finance Parties shall be conditional upon no Security, disposition or payment to the Security Agent or any of the Finance Parties by the Company or any

other person being void, set aside or ordered to be refunded pursuant to any enactment or law relating to bankruptcy or insolvency or for any other reason whatsoever, and if such condition shall not be fulfilled the Security Agent shall be entitled to enforce this Deed subsequently as if such release, discharge or settlement had not occurred and any such payment had not been made.

- (b) The Security Agent or its nominee may retain this Deed and the Security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Charged Property, for any period that the Security Agent deems necessary to provide the Security Agent with Security against any such avoidance, reduction or order for refund.

17 SET-OFF AND CURRENCY

17.1 Consolidation of accounts and set off

- (a) All amounts payable by the Company under this Deed will be paid in full without set off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).
- (b) In addition to any general lien or similar rights to which it may be entitled by operation of law, the Security Agent may at any time after the Security constituted by this Deed becomes enforceable and without notice to the Company combine or consolidate all or any of the Company's then existing accounts with and liabilities to the Security Agent (whether presently payable or not) and set off or transfer any sum or sums standing to the credit of any one of more of such accounts in or towards satisfaction of the Secured Obligations.

17.2 Currency

For the purpose of or pending the discharge of the Secured Obligations, the Security Agent may, in its sole discretion, convert any moneys received, recovered or realised in any currency under this Deed (including the proceeds of any previous conversion under this clause) from their existing currency into any other currency at such rate or rates of exchange and at such time as the Security Agent thinks fit.

18 NEW ACCOUNTS

- 18.1 If the Security Agent (or any of the other Finance Parties) at any time receives or is deemed to have received notice of any subsequent Security affecting all or any part of the Charged Property it may open a new account or accounts with the Company. Without prejudice to the Security Agent's right to combine accounts, no money paid to the credit of the Company in any such new account shall be deemed to be appropriated towards, or have the effect of discharging any part of the Secured Obligations.
- 18.2 If the Security Agent (or any of the other Finance Parties) does not open a new account or accounts it shall nevertheless be treated as if it had done so as at the time when it (or any Finance Party) received or was deemed to have received such notice and as from such time all payments made to the Security Agent shall be credited or be treated as having been credited to such new account or accounts and shall not operate to reduce the amount of the Secured Obligations.

19 EXPENSES AND INDEMNITY

19.1 Indemnity by the Company

The Company shall, notwithstanding any release or discharge of all or any part of the Security constituted by this Deed, promptly indemnify the Security Agent, its agents, attorneys and any Receiver against any action, proceeding, claim, loss, liability and cost (including but not limited to any direct, indirect or consequential losses, loss of profit and all interest, penalties and legal or other professionals' costs (including VAT)) which it may sustain:

- (a) in the taking, holding, protection, amendment or enforcement of the Transaction Security;
- (b) in the exercise (or purported exercise) of any of the rights, powers or discretions and remedies vested in them by this Deed (or by law);
- (c) as a result of any default by the Company in the performance of any of the obligations expressed to be assumed by it in the Finance Documents, and/or
- (d) in connection with or otherwise relating to this Deed or the Charged Property.

19.2 Indemnity out of Charged Property

The Security Agent may, in priority to any payment to the Secured Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this clause 19.

20 MISCELLANEOUS

20.1 Assignment and disclosure of information

- (a) At any time, without the consent of the Company, the Security Agent may novate, assign, transfer or delegate all or any of its rights and obligations under this Deed in accordance with the terms of the Facility Agreement. The Security Agent may disclose such information concerning the Company and this Deed as the Security Agent considers appropriate to any actual or proposed direct or indirect successor or to any person to whom information may be required to be disclosed by any applicable law.
- (b) The Company may not novate, assign, transfer or delegate any of its rights or obligations under this Deed.

20.2 Perpetuities

If the rule against perpetuities applies to any trust created by this Deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

20.3 Remedies and Waivers

- (a) No failure on the part of the Security Agent to exercise, or any delay on its part in exercising, any Collateral Right shall operate as a waiver thereof, or constitute an election to affirm any Collateral Right. No election to affirm any Collateral Right on the part of the Security Agent shall be effective unless it is in writing.
- (b) No single or partial exercise of any Collateral Right shall prevent any further or other exercise of that or any other Collateral Right.

- (c) The Collateral Rights are cumulative and not exclusive of any rights, powers or remedies provided by law.
- (d) Any waiver, consent or approval given by the Security Agent of or under this Deed will only be effective if given in writing. Such waiver, consent or approval shall then only apply for the purpose stated and be subject to any written terms and conditions imposed by the Security Agent.

20.4 **No Liability**

None of the Security Agent, its authorised delegate(s) nominee(s) or any Receiver shall be liable for any loss by reason of (a) taking any action permitted by this Deed or (b) any neglect or default in connection with the Charged Property or (c) taking possession of or realising all or any part of the Charged Property, except in the case of gross negligence or willful default upon its part.

20.5 **Partial Invalidity**

- (a) If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Deed or the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired; and
- (b) if any part of the Security intended to be created by or pursuant to this Deed is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the Security.

20.6 **Certificates**

Any certificate or determination of the Security Agent of a rate or amount due from the Company is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

20.7 **No obligations**

The Security Agent is not obliged to do any of the following in respect of any Charged Property:

- (a) perform any obligation of the Company;
- (b) make any payment;
- (c) make any enquiry as to the nature and sufficiency of any payment received by it or the Company;
- (d) present or file any claim or take any other action to collect or enforce the payment of any amount to which it or the Company may be entitled; or
- (e) exercise any rights to which it or the Company may be entitled.

21 **NOTICES**

Each communication to be made under this Deed shall be made in accordance with the provisions of clause 35 (*Notices*) of the Facility Agreement.

22 **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.

23 **GOVERNING LAW**

This Deed and any dispute or claim (including non-contractual disputes or claims) arising out or in connection with it or its matters or formation are governed by and shall be construed in accordance with English law.

24 JURISDICTION

24.1 English Courts

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

24.2 Convenient Forum

The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes between them and, accordingly, that they will not argue to the contrary.

24.3 Exclusive Jurisdiction

Notwithstanding clause 24.1 (*English Courts*) above, the Security Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law the Security Agent may take concurrent proceedings in any number of jurisdictions.

THIS DEED has been signed on behalf of the Security Agent and **EXECUTED AS A DEED** by the Company and is delivered by them on the date first specified above.

SCHEDULE 1

Notices of Assignment

Form of Notice of Assignment to Account Bank (Other bank accounts)

To: [Account Bank]

Date: []

Dear Sirs

We give notice that by a Debenture dated [], we have assigned and charged to Lloyds Bank plc (the "**Security Agent**") all our right, title and interest in and to all sums which are now or may from time to time in the future stand to the credit of:

Account Number []

Account Holder []

together with all interest accrued or accruing thereto and the debts represented by those sums (the "**Account**").

- 1 Subject to the terms of the facility agreement dated [] and made between, inter alia, the Security Agent and the Company (the "**Facility Agreement**") the Company may deal with all monies credited to the Account in such manner as it sees fit until the Security Agent gives notice that an Event of Default (as defined in the Facility Agreement) which is continuing has occurred, whereupon we hereby irrevocably instruct, authorise and confirm to you:
 - 1.1 that no moneys may be released from the account without the prior written consent of the Security Agent; and
 - 1.2 that you may comply with the terms of any written notice or instructions in any way relating to the Account or the sums standing to the credit of the Account from time to time which you may receive at any time from the Security Agent.
- 2 You may disclose to the Security Agent such information relating to the Account and the sums in the Account as the Security Agent may at any time and from time to time request.

These instructions cannot be revoked or varied without the prior written consent of the Security Agent.

This notice, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning the same to the Security Agent at 11 Earl Grey Street, Edinburgh EH3 9BN for the attention of Neil Moyes with a copy to us.

Yours faithfully

.....

Director

for and on behalf of

[Company]

[On Copy Only:]

Form of Account Bank Acknowledgement (Other bank accounts)

To: [Security Agent]

Date: []

Dear Sirs

We acknowledge receipt of a notice (the "**Notice**") in the terms set out above and confirm that we:

- 1 have not previously received notice of any previous assignments of, charges over or trusts in respect of the Account;
- 2 have noted the restrictions imposed upon the Company and the authority of the Security Agent in respect of the Account and will not act in such a way as to breach those restrictions or to ignore the authority of the Security Agent;
- 3 will act in accordance with the terms of the Notice; and
- 4 have not and will not claim or exercise any security interest, set-off, counterclaim or other right at any time in respect of the Account.

This notice, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

Yours faithfully

.....

for and on behalf of

[Account Bank]

Form of Notice of Assignment Account Bank (Blocked Accounts)

To: [Account Bank]

Date: []

Dear Sirs

We give notice that by a Debenture dated [], we have assigned and charged to Lloyds Bank Plc (the "**Security Agent**") all our right, title and interest in and to all sums which are now or may from time to time in the future stand to the credit of:

Account Number []

Account Holder []

together with all interest accrued or accruing thereto and the debts represented by those sums (the "**Account**").

We hereby irrevocably instruct and authorise you:

- 1 to credit to the Account all interest from time to time earned on the sums of money held in the Account;
- 2 to disclose to the Security Agent such information relating to the Account and the sums in the Account as the Security Agent may, at any time and from time to time, request;
- 3 to hold all sums from time to time standing to the credit of the Account to the order of the Security Agent;
- 4 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 Agent at any time and from time to time; and
- 5 to comply with the terms of any written notice or instructions in any way relating to the Account or the sums standing to the credit of the Account from time to time which you may receive at any time from the Security Agent.

Please note we are not permitted to withdraw any amount from the Account without the prior written consent of the Security Agent.

These instructions cannot be revoked or varied without the prior written consent of the Security Agent.

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

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning the same to the Security Agent at 11 Earl Grey Street, Edinburgh EH3 9BN for the attention of Neil Moyes.

Yours faithfully

.....

Director

for and on behalf of

[Company]

[On Copy Only:]

Form of Account Bank Acknowledgement (Blocked Accounts)

To: Lloyds Bank Plc

Date: []

Dear Sirs

We acknowledge receipt of a notice (the "**Notice**") in the terms set out above and confirm that:

- 1 we have not previously received notice of any previous assignments of, charges over or trusts in respect of, the Account;
- 2 we have noted the restrictions imposed upon the Company and the authority of the Security Agent in respect of the Account and will not act in such a way as to breach those restrictions or to ignore the authority of the Security Agent;
- 3 we will act in accordance with the terms of the Notice; and
- 4 we waive all rights of set-off, combination or consolidation which we may have at any time in respect of the Account.

Yours faithfully

.....

for and on behalf of

[Account Bank]

Form of Notice of Assignment of Contract Counterparty

To: *[Counterparty to Material Contract]*

Copy: Lloyds Bank plc (as Security Agent as defined below)

Date: []

Dear Sirs

We give notice that pursuant to a debenture dated [] we have assigned to Lloyds Bank plc (the "**Security Agent**") all our right, title and interest in and to *[details of Material Contract]* (the "**Contract**") including all moneys which may be payable in respect of the Contract.

With effect from your receipt of this notice:

- 1 we will remain entitled to exercise all our rights, powers and discretions under the Contract and you may continue to deal with us in relation to the Contract and give notices under the Contract to us unless and until you receive written notice from the Security Agent that an event of default (as referred to in, and for the purposes of, the aforementioned debenture) which is continuing has occurred. Thereafter, all such rights, powers and discretions shall be exercisable by, and notices shall be given to, solely the Security Agent or as it directs and we will cease to have any right to deal with you in relation to the Contract and you must deal only with the Security Agent;
- 2 you are authorised and instructed, without requiring further approval from us, to disclose to the Security Agent such information relating to the Contract as it may from time to time request and to send it copies of all notices issued by you under the Contract to the Security Agent at 11 Earl Grey Street, Edinburgh EH3 9BN as well as to us; and
- 3 we may not initiate or agree to any amendment to, waive any obligation under or agree to any termination of the Contract without the prior written consent of the Security Agent.
- 4 We confirm that:
 - 4.1 we will remain liable under the Contract to perform all the obligations assumed by us under the Contract;

4.2 none of the Security Agent, any delegate appointed by the Security Agent or any receiver will at any time be under any obligation or liability to you under or in respect of the Contract.

Neither the Debenture nor this notice releases, discharges or otherwise affects your liability and obligations in respect of the Contract.

These instructions may not be revoked or amended without the prior written consent of the Security Agent.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning it to the Security Agent in accordance with the details stipulated in paragraph 4 of this notice.

This notice, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

Yours faithfully

.....

Director

for and on behalf of

[Company]

[On copy only:]

Form of acknowledgement from Contract Counterparty

To: Lloyds Bank plc

Copy: *[insert name of Company]*

Date: []

Dear Sirs

We acknowledge receipt of a notice dated [] (the "**Notice**") relating to the *[details of Material Contract]*.

We:

- 1 agree to the terms set out in the Notice and to act in accordance with its terms;
- 2 confirm that we have not received any prior notice that *[Company]* has assigned its rights under the Contract or created any other interest (whether by way of security or otherwise) in favour of a third party; and
- 3 agree not to exercise any right to terminate the Contract or take any action to amend or supplement the Contract without the prior written consent of the Security Agent.
- 4 agree that the Security Agent will not in any circumstances have any liability in relation to the Contract.

This notice, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

Yours faithfully

.....

For and on behalf of

[Counterparty to Material Contract]

Position: []

Address: []

Fax: []

Telephone: []

Form of Notice of Assignment to Insurers

To: *[Insurer]* (the "**Insurer**")

Copy: Lloyds Bank plc (as Security Agent as defined below)

Date: []

Dear Sirs

We give notice that pursuant to a debenture dated [] we have assigned to Lloyds Bank plc (the "**Security Agent**") all our right, title and interest in and to the proceeds of *[insert details of relevant insurance policy]* (the "**Policy**").

- 1 With effect from your receipt of this notice we instruct you to:
 - (a) note the Security Agent's interest on the Policy (other than in respect of any claim under any public liability and third party liability insurances); and
 - (b) disclose information in relation to the Policy to the Security Agent on request by the Security Agent.
- 2 With effect from your receipt of written notice from the Security Agent that an event of default (as referred to in, and for the purposes of, the aforementioned debenture) which is continuing has occurred:
 - (a) we instruct you to:
 - (i) comply with the terms of any written instructions received by you from the Security Agent relating to the Policy, without notice or reference to, or further authority from, us and without enquiring as to the justification or the validity of those instructions;
 - (ii) hold all sums from time to time due and payable by you to us under the Policy to the order of the Security Agent; and
 - (iii) pay, or release, all monies to which we are entitled under the Policy to the Security Agent, or to such persons as the Security Agent may direct; and

- (b) all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Policy (including all rights to compel performance) will belong to and be exercisable by the Security Agent.

Neither the debenture nor this notice releases, discharges or otherwise affects your liability and obligations in respect of the Policy.

This notice, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning the same to the Security Agent at 11 Earl Grey Street, Edinburgh EH3 9BN for the attention of [●] with a copy to us.

Yours faithfully

.....
Director

for and on behalf of

[Company]

.....
Authorised Signatory

for and on behalf of

Lloyds Bank plc (for the purposes of paragraph 1 above only)

ENDORSEMENT

The Policy shall contain the following provisions or endorsements:

IT IS HEREBY CONFIRMED AND AGREED:

- 1 the interest of Lloyds Bank plc (the "**Security Agent**") and any successor or assignee is noted on the Policy;
- 2 that the cover afforded by the Policy applies to *[insert short description of the properties/assets of the Insured to which the Policy relates]* (together the "**Properties and Assets**") of which *[insert name of Company]* (the "**Insured**") is the legal owner;
- 3 with effect from the Insurer's receipt of written notice from the Security Agent that an event of default (as referred to in, and for the purposes of, a debenture dated *[date]* granted by the Insured in favour of the Security Agent) which is continuing has occurred, any payments made in respect of claims in relation to the Properties and Assets shall, unless otherwise agreed by the Security Agent, be made to the Security Agent who shall be the sole loss payee and who alone shall have authority to give the Insurer a good discharge in respect of any such payment; and
- 4 that the following policy condition shall be deemed to form part of the Policy and, where necessary to give full effect to such condition, shall replace any existing contrary policy conditions:

"Waiver of Right of Recourse to Other Insurances

It is expressly understood and agreed that notwithstanding any contrary provision in this Policy, this Policy provides primary insurance for the Insured and that in the event of loss or damage to the insured property covered by this Policy which is also covered either in whole or in part under any other policy or policies of insurance effected by or on behalf of any of the parties comprising the Insured, the Insurer will indemnify the Insured as if such other policy or policies of insurance were not in force and the Insurer waives rights of recourse (to the extent it has any) arising out of any claim, recourse or any other action the Insurer may have against the insurers (or any of them) of such other policy or policies of insurance."

[On copy only:]

Form of acknowledgement from Insurer

To: Lloyds Bank plc (as Security Agent as defined below)

Copy: *[insert name of Company]*

Date: []

Dear Sirs

We acknowledge receipt of a notice dated [] relating to the Policy (the "**Notice**") and confirm that we have not received notice of any previous assignments of or charges over the Policy and that we will comply with the terms of the Notice and the endorsement attached to that Notice.

We acknowledge that the Security Agent will not in any circumstances be liable for the premiums in relation to the Policy.

This notice, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

.....

for and on behalf of

[Insurer]

SCHEDULE 2

Material Contracts

None at the date of this Deed.

SIGNATURE PAGES

THE COMPANY


EXECUTED and DELIVERED)
as a DEED by)
CITY ELECTRICAL FACTORS)
LIMITED)
acting by a Director,)
and a Director)

.....
Director

.....
Director

THE SECURITY AGENT

SIGNED for and on)
behalf of)
LLOYDS BANK PLC)


.....
Authorised signatory

JOHN TOGHER
ASSOCIATE DIRECTOR