



Registration of a Charge

Company name: **BIBBY FACTORS BOREHAMWOOD LIMITED**

Company number: **00388715**



X718CZIJ

Received for Electronic Filing: **07/03/2018**

Details of Charge

Date of creation: **01/03/2018**

Charge code: **0038 8715 0012**

Persons entitled: **US BANK TRUSTEES LIMITED (IN ITS CAPACITY AS SECURITY TRUSTEE)**

Brief description: **NOT APPLICABLE**

Contains fixed charge(s).

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 COMPOSITE ORIGINAL INSTRUMENT.**

Certified by:

MARC MOUTON



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 388715

Charge code: 0038 8715 0012

The Registrar of Companies for England and Wales hereby certifies that a charge dated 1st March 2018 and created by BIBBY FACTORS BOREHAMWOOD LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 7th March 2018 .

Given at Companies House, Cardiff on 9th March 2018

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

DATED: 22 February 2018

BIBBY INVOICE FINANCE UK LIMITED

and the other entities listed in Schedule 1 hereto

as Grantors

and

U.S. BANK TRUSTEES LIMITED

as Security Trustee and secured party

SUPPLEMENTAL SECURITY INTEREST AGREEMENT
in relation to contract rights

Save for material redacted pursuant to s859G of the Companies
Act 2006, I certify that this is a true and complete copy of the
composite original seen by me



Name: MARC MOUTON
Title: SOLICITOR
Date: 7/3/2018

Hogan Lovells International LLP (Ref:)
Atlantic House, Holborn Viaduct, London, EC1A 2FG

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22nd

THIS AGREEMENT is made the day of February 2018

BETWEEN:

- (1) **BIBBY INVOICE FINANCE UK LIMITED** , a company incorporated under the laws of England and Wales, registered number 09351311, whose registered office is at 105 Duke Street, Liverpool, United Kingdom L1 5JQ (the "**Master Seller**");
- (2) **EACH OF THE ENTITIES LISTED IN SCHEDULE 1** (together with the Master Seller, the "**Grantors**" and each a "**Grantor**");
- (3) **U.S. BANK TRUSTEES LIMITED** a company incorporated under the laws of England and Wales, registered number 02379632, with registered office at 125 Old Broad Street, Fifth Floor, London EC2N 1AR as security trustee for the Bibby Secured Parties (as defined below) (the "**Security Trustee**").

WHEREAS:

- (A) Each Grantor enters into this Agreement as a condition precedent to the issue of the Mezzanine Notes pursuant to the Mezzanine B Note Purchase Deed and the Mezzanine C Note Purchase Deed.
- (B) Each Grantor and the Security Trustee intend this Agreement to be a security agreement for the purposes of the Law (as defined below).

IT IS HEREBY AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement:

"advance"	has the meaning given to that word in Article 33(4) of the Law;
"after-acquired property"	has the meaning given to that expression in the Law and includes future collateral as referred to in Article 18(2)(c) and (d) of the Law;
"this Agreement"	extends to every separate and independent stipulation contained herein and includes the Recitals and Schedules and any amendment, variation, supplement, replacement, restatement or novation which is for the time being in effect;
"Bankrupt" and "Bankruptcy"	include the meanings given to those words by Article 8 of the Interpretation (Jersey) Law, 1954 as well as any other state of bankruptcy, insolvent winding up, administration, receivership, administrative receivership or similar status

under the laws of any relevant jurisdiction;

"Bibby Secured Obligations" shall have the meaning given to that term in the Master Definitions and Framework Deed and for the avoidance of doubt will include any obligations and liabilities in respect of any Further Advances;

"Bibby Secured Parties" shall have the meaning given to that term in the Master Definitions and Framework Deed and **"Bibby Secured Party"** shall be construed accordingly;

"Client Contract Rights" means all right, title and interest, benefit and powers, present and future, of each Grantor to or in or pursuant to each Jersey Factoring Agreement and each Jersey Invoice Discounting Agreement, including the payment obligations and liabilities of each Client documented or evidenced by any such Jersey Factoring Agreement and Jersey Invoice Discounting Agreement including Receivable Assets arising in relation thereto;

"Collateral" means:

- (a) the Client Contract Rights;
- (b) any proceeds of such Client Contract Rights;
- (c) the Loan Contract Rights; and
- (d) any proceeds of such Loan Contract Rights

including any after-acquired property falling within any of the above paragraphs of this definition;

"Encumbrance" includes any security interest, mortgage, charge, pledge, assignment, title retention, lien, hypothec, trust arrangement, option or other third party interest or arrangement whatsoever which has the effect of creating security or another adverse right or interest;

"Event of Default" means the delivery (or deemed delivery in accordance with the VFN Purchase Deed, the Mezzanine B Note Purchase Deed and the Mezzanine C Note Purchase Deed, Barclays Overdraft Facility Agreement or HSBC RCF Agreement (as applicable)) of a:

- a) Note Acceleration Notice or Amortisation Event Notice;
- b) notice from the O/D Provider making a demand for payment under the O/D Facility in respect of an Unarranged Overdraft (in each case only after the Standstill Period with respect to the relevant Unarranged Overdraft has ended); or
- c) Post Standstill Enforcement Notice (as defined in the HSBC RCF Agreement) initiating the exercise of acceleration rights under clause 24.17.2 of the HSBC RCF Agreement,

and, in each case, the receipt by the Security Trustee of a copy thereof, the Security Trustee shall notify each Grantor and all Bibby Secured Parties (of which it has notice details in the Transaction Documents) of such delivery;

the "Exchange Rate"	means the rate of exchange between one currency and another which is available in the market to the Security Trustee at the time that the exchange is effected;
the "Existing Security Interest Agreement"	the security agreement dated 20 October 2015 between the Grantor and the Trustee;
"Existing Security Interests"	means the security interest(s) created by or for which provision is made in the Existing Security Interest Agreement;
"Further Advance"	means "further advance" as that expression is defined in Article 33(4) of the Law;
"Grantor"	includes the successors of each person named as a Grantor above;
"Jersey Invoice Discounting Agreement"	means an Invoice Discounting Agreement (as such term is defined in the Master Definitions and Framework Deed) entered into by a Client located in Jersey;
"Jersey Factoring Agreement"	means a Factoring Agreement (as such term is defined in the Master Definitions and Framework Deed) entered into by a Client located in Jersey;
the "Law"	means the Security Interests (Jersey) Law 2012;

"Loan Contract Rights"	means all right, title and interest and powers, present and future, of the Master Seller to or in or pursuant to the Subordinated Loan Agreement including the payment obligations and liabilities of the Issuer documented or evidenced by the Subordinated Loan Agreement;
"Master Definitions and Framework Deed"	means the master definitions and framework deed dated 20 October 2015 entered into between, among others, the Master Seller and the Security Trustee on or about the date of this Agreement as amended and restated on 23 March 2017 and as further amended and restated in the form in which such document is to be amended and restated by the Second Deed of Amendment and Restatement between, among others, the parties hereto with effect on and from the Second Amendment Effective Date;
"Mezzanine Closing Date"	means 1 March 2018;
"Note Acceleration Notice"	shall have the meaning given to that term in the Master Definitions and Framework Deed;
"proceeds"	has in relation to the (other) Collateral the meaning given to that word in the Law;
"Required Currency"	means the currency or currencies in which the Bibby Secured Obligations are for the time being expressed;
"Second Amendment Effective Date"	means (subject to the due satisfaction or waiver of any conditions thereto set out in the Second Deed of Amendment and Restatement on such date) the Mezzanine Closing Date;
"Security Interests"	means the security interest(s) created by or for which provision is made in this Agreement;
"Security Period"	means the period beginning on Second Amendment Effective Date and ending on the date on which the Security Trustee is satisfied that the Bibby Secured Obligations have been irrevocably and unconditionally satisfied in full and the Bibby Secured Parties are under no further actual or contingent obligation to make any advance or provide any further financial accommodation to a Grantor;
the "Security Trustee"	shall include the successors and permitted assigns of the person named as the Security Trustee above and all other

persons for the time being acting, their successors or permitted assigns, as the security trustee pursuant to this Agreement for and on behalf of the Bibby Secured Parties in accordance with the terms of this Agreement and the Bibby Deed of Charge);

"Subordinated Agreement" **Loan** means the subordinated loan agreement between the Master Seller (as lender), the Issuer (as borrower) and U.S. Bank Trustees Limited (as security trustee) and dated 20 October 2015.

1.2 In this Agreement, unless the context otherwise requires:

- 1.2.1 the singular includes the plural and the masculine includes the feminine and neuter genders and *vice versa*;
- 1.2.2 references to a "Recital", "Clause" or "Schedule" are to a recital, clause or schedule of or to this Agreement;
- 1.2.3 references to any other agreement, instrument or document shall be construed as references to such agreement, instrument or document in force for the time being and as amended, varied, supplemented, replaced, restated or novated from time to time in accordance with its terms or, as the case may be, with the agreement of the relevant parties;
- 1.2.4 references to any statutory provision are to such statutory provision as modified or re-enacted for the time being in force and include any analogous provision or rule under any applicable law;
- 1.2.5 references to a "person" include 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);
- 1.2.6 words and expressions not otherwise defined in this Agreement shall be construed in accordance with the Master Definitions and Framework Deed and words and expressions not otherwise defined in this Agreement or in the Master Definitions and Framework Deed shall, if defined in the Law, be construed in accordance with the Law;
- 1.2.7 the Security Trustee is "**the secured party**", each Grantor is "**a grantor**", the Collateral is the "**collateral**" and this Agreement is a "**security agreement**", for the purposes of the Law;
- 1.2.8 the Recitals and Schedules form part of this Agreement and shall have the same force and effect as if they were expressly set out in the body of this Agreement;

- 1.2.9 a reference in this Agreement to any assets includes, unless the context otherwise requires, present and future/after-acquired property; and
 - 1.2.10 to the extent that there is a conflict or inconsistency between the provisions of the Master Definitions and Framework Deed and this Agreement, the provisions of this Agreement shall prevail;
 - 1.2.11 this Agreement is the Bibby Security Interest Agreement referred to in the Master Definitions and Framework Deed.
- 1.3 The parties agree that, with immediate effect following the RCF Discharge Date:
- 1.3.1 paragraph (c) of the definition of "Event of Default" in the Existing Security Interest Agreement and this Agreement shall be disapplied with the consequence that such provisions shall cease to have effect; and
 - 1.3.2 references to "HSBC RCF Agreement", "RCF Discharge Date", "RCF Facility", "RCF Liabilities" and "RCF Provider" in the Existing Security Interest Agreement and this Agreement shall no longer be applicable.
- 1.4 Clause headings are inserted for convenience only and shall not affect the construction of this Agreement.

2. **INCORPORATION OF COMMON TERMS**

The Common Terms as set out in Section 2 of the Master Definitions and Framework Deed (the "Common Terms") apply to this Agreement and shall be binding on the parties to this Agreement as if set out in full in this Agreement. For the purpose of this Agreement, Clause 3.1 of the Common Terms applies to this Agreement as if set out in full in this Agreement and as if each Grantor were an Obligor and the Security Trustee were the Obligee for the purposes of such Clause.

3. **CONFLICT WITH COMMON TERMS**

If there is any conflict between the provisions of the Common Terms and the provisions of this Agreement, the provisions of this Agreement shall prevail.

4. **CREATION, ATTACHMENT AND PERFECTION OF SECURITY INTERESTS**

- 4.1 With effect from the Second Amendment Effective Date, each Grantor and the Security Trustee hereby agree that the Security Trustee as security trustee for the Bibby Secured Parties shall have continuing first priority security interests (subject only to the Existing Security Interests) in the Collateral as security for the Bibby Secured Obligations in accordance with the Law and that such security is hereby created with effect from the Second Amendment Effective Date.
- 4.2 To the intent that the Security Interests shall attach to the Collateral, each Grantor and the Security Trustee hereby agree that the Security Interests shall attach to such Collateral at a later time than

when the conditions under Article 18(1)(a) to (c)(ii) of the Law are satisfied, such time as set out in Clause 4.3.

4.3 In accordance with Articles 18 (*Attachment: general rule*) and 19 (*After-acquired property*) of the Law, the Security Trustee and each Grantor hereby agrees that the Security Interests shall attach:

4.3.1 to the extent that the Collateral does not constitute after-acquired property, to such Collateral on the Second Amendment Effective Date; and

4.3.2 to the extent that the Collateral constitutes after-acquired property, to such Collateral immediately on the acquisition of rights in such Collateral by that Grantor without the need for any specific appropriation of the property by that Grantor.

4.4 To the intent that the Security Interests shall be perfected in accordance with the Law the Security Trustee and each Grantor hereby agree that:

4.4.1 the Security Interests in Collateral that is not proceeds shall be perfected by registration of a financing statement in accordance with Article 22(4) of the Law; and

4.4.2 the Security Interests in proceeds shall, without prejudice to the operation of Article 26 (*Temporary perfection of security interests in proceeds*) of the Law, be perfected by registration of a financing statement in accordance with Article 25 (*Continuous perfection of security interests in proceeds*) of the Law.

4.5 Each Grantor hereby agrees that the Security Trustee may at any time and from time to time without the consent of the relevant Grantor take any such further action as the Security Trustee may deem necessary or desirable in order to give the Security Trustee a continuing first priority security interest or interests, subject only to the Existing Security Interests, in the Collateral under the Law that satisfies the requirements of the Law as to attachment and perfection.

4.6 Each Grantor covenants with and undertakes to the Security Trustee for itself and on behalf of the other Bibby Secured Parties to pay and discharge the Bibby Secured Obligations when due.

5. FURTHER ASSURANCE AND POWER OF ATTORNEY

5.1 Each Grantor hereby agrees that from time to time forthwith upon the written request of the Security Trustee that it shall, at its expense, do all acts and promptly execute and deliver to the Security Trustee all further instruments and documents and do any act or thing which the Security Trustee may require for the purpose of obtaining the full benefit or intended benefit of this Agreement.

5.2 For the purpose of facilitating the exercise of the powers of the Security Trustee under the Law and pursuant to this Agreement, each Grantor hereby irrevocably appoints the Security Trustee as its attorney (with full power of substitution) and in its name of and on its behalf to sign, execute, seal, deliver, acknowledge, file, register and perfect any and all assurances, documents, deeds,

instruments, agreements, transfers, certificates and consents whatsoever and to do any and all such acts and things whatever which it has capacity to do in relation to any matters dealt with in or the subject of this Agreement and which the Security Trustee may deem necessary or advisable in order to give full effect to the purposes of this Agreement, including, without limitation, anything referred to in Clause 9.

- 5.3 Each Grantor covenants with and undertakes to the Security Trustee to ratify and confirm any lawful exercise or purported exercise of the power of attorney constituted in Clause 5.2.

6. REPRESENTATIONS AND WARRANTIES

- 6.1 Each Grantor represents and warrants to the Security Trustee on the date of this Agreement and represents on each day with reference to the facts and circumstances then existing, and continues to warrant, until the Security Trustee's security interest in the Collateral is wholly discharged:

6.1.1 that for the purposes of Article 18(1)(a) of the Law, value has been given;

6.1.2 that for the purposes of Article 18(1)(b) of the Law and subject only to the Existing Security Interests, it has rights in the relevant Collateral and the power to grant rights in that Collateral to the Security Trustee;

6.1.3 that it has good cause and full power, authority and competence to enter into and perform this Agreement and that it has duly obtained any authority, consent and approval which is necessary for it properly to do so;

6.1.4 that no governmental or regulatory approval, filing or registration (other than any registration of a financing statement under the Law in accordance with Clause 2) is required in order to give the Security Trustee the full benefit of a continuing first priority security interest (subject only to the Existing Security Interests) in all of the Collateral pursuant to the terms of this Agreement;

6.1.5 that it has taken all necessary steps in accordance with the laws and regulations of the jurisdiction in which the asset(s) concerned is/are located or which have been declared applicable to such asset(s), as the case may be, to enable it to charge or (to the extent capable of doing so) assign as security its property charged by or pursuant to Clause 4 and that it has taken no action or steps to prejudice its right, title and interest in and to its property secured by or pursuant to Clause 4;

6.1.6 that it:

(a) has disclosed all of its previous names (if any) to the Security Trustee; and

(b) is not in the process of changing its name.

- 6.2 Each Grantor acknowledges that the Security Trustee has entered into this Agreement in reliance on the representations and warranties set out in this Clause 6.

7. COVENANTS AND UNDERTAKINGS

- 7.1 Each Grantor covenants with and undertakes to the Security Trustee to the intent that the same shall be continuing covenants and undertakings until the Security Trustee's security interest in the Collateral is wholly discharged:

7.1.1 that it shall immediately on request provide to the Security Trustee all information that the Security Trustee requires in order to register any financing statement or financing change statement in accordance with Clause 4.4 or any other provision of this Agreement and pay on demand the costs of registering such financing statement or financing change statement for such period or periods as the Security Trustee shall in its discretion deem appropriate;

7.1.2 to perform and comply with all the obligations and undertakings from time to time incumbent upon it in respect of the Security Interests created by or pursuant to this Agreement;

7.1.3 save as permitted by the Transaction Documents, not to (and not to attempt to) sell, create any Encumbrance over, withdraw, disburse, pay, assign, transfer or otherwise dispose of or deal with the Collateral or any interest in the Collateral (other than by or pursuant to this Agreement or pursuant to the Existing Security Interest Agreement);

7.1.4 so long as any of the Bibby Secured Obligations owed by it remains outstanding, it shall not, without the prior written consent of the Security Trustee, permit any party to any of the Transaction Documents whose obligations form part of the Security Interests to be released from such obligations, except as may be permitted by this Agreement or the terms of such Transaction Documents or with the consent of the Security Trustee;

7.1.5 that it shall not change its name without first notifying the Security Trustee in writing of the proposed new name not less than ten business days before the change takes effect; and

7.1.6 that unless the Security Trustee otherwise agrees in writing, it shall forthwith procure the discharge of the registration of any security interest that is registered against it in relation to any Collateral (other than registration in respect of any Security Interest).

- 7.2 Each Grantor acknowledges that the Security Trustee has entered into this Agreement in reliance on the covenants and undertakings set out in this Clause 7.

8. CONFLICT OF INTERESTS

8.1 Subject to Clause 3.14(c) and (d) of the Master Definitions and Framework Deed in respect of any Mezzanine Entrenched Rights Modification, if in the Security Trustee's opinion there is or might be a conflict in connection with the exercise of its powers, trusts, authorities or discretions (including those in relation to any proposed modification, waiver, authorisation or substitution but excluding any Mezzanine Entrenched Rights Modification, in respect of which Clause 3.14(c) and (d) of the Master Definitions and Framework Deed shall prevail):

8.1.1 between the interests of (i) the Note Purchasers and the Mezzanine Note Purchasers and (ii) any of the other Bibby Secured Parties, the Security Trustee will, to the extent permitted by applicable law, have regard only to the interests of the Note Purchasers and the Mezzanine Note Purchasers; or

8.1.2 on or prior to the Notes Discharge Date, between the interests of (i) the Note Purchasers and (ii) any of the other Bibby Secured Parties (including, for the avoidance of doubt the Mezzanine Note Purchasers), the Security Trustee will, to the extent permitted by applicable law, have regard only to the interests of the Note Purchasers; or

8.1.3 between the interests of (i) the Mezzanine B Note Purchasers(s) and (ii) the Mezzanine C Note Purchasers(s), the Security Trustee will, to the extent permitted by applicable law, have regard only to the interests of the Mezzanine B Note Purchasers; or

8.1.4 following the Notes Discharge Date but while there are Mezzanine B Notes remaining outstanding, between the interests of (i) the Mezzanine B Note Purchasers and (ii) any of the other Bibby Secured Parties, the Security Trustee will, to the extent permitted by applicable law, have regard only to the interests of the Mezzanine B Note Purchasers; or

8.1.5 following the Mezzanine B Notes Discharge Date but while there are Mezzanine C Notes remaining outstanding, between the interests of (i) the Mezzanine C Note Purchasers and (ii) any of the other Bibby Secured Parties, the Security Trustee will, to the extent permitted by applicable law, have regard only to the interests of the Mezzanine C Note Purchasers; or

8.1.6 if the Notes and the Mezzanine Notes are no longer outstanding, between any of the remaining Bibby Secured Parties, have regard only to the interests of whichever of them ranks higher in the Bibby Enforcement Priority of Payment,

and the Security Trustee is not required to have regard to the interests of any Bibby Secured Party other than those specified above and in that order.

8.2 In having regard to the interests of the Note Purchasers or any class of Mezzanine Note Purchasers, the Security Trustee shall be entitled to rely solely on a written confirmation from the Required Note Purchasers (or, from the Funding Agents on the Note Purchasers' behalf) or the Required Mezzanine B Note Purchasers or Required Mezzanine C Note Purchasers (as applicable) as to

whether any matter, action or omission is or is not in the interests of or is or is not materially prejudicial to the interests of the Note Purchasers' or the relevant class of Mezzanine Note Purchasers, respectively, and such written confirmation shall be conclusive as between the Security Trustee and the Bibby Secured Parties.

8.3 Where the Security Trustee is required to have regard to the interests of any Bibby Secured Party (other than the Note Purchasers and the Mezzanine Note Purchasers), the Security Trustee may consult with that Bibby Secured Party and shall be entitled to rely solely on a written confirmation from that Bibby Secured Party as to whether, in the opinion of that Bibby Secured Party, any matter, action or omission is or is not in the interests of, or is or is not materially prejudicial to the interests of, that Bibby Secured Party without enquiry.

8.4 Without prejudice either to the validity of any of the actions of the parties already taken in reliance on the provisions of such clause or to the continuing application of all other provisions of the Existing Security Interest Agreement, with immediate effect from the Second Amendment Effective Date, Clauses 8 to 10 (inclusive) of the Existing Security Interest Agreement shall cease to apply and this Clause 8 shall instead prevail for all purposes.

9. ENFORCEMENT BY THE SECURITY TRUSTEE

9.1 The Security Trustee's power of enforcement over the Collateral shall become exercisable immediately upon the occurrence of an Event of Default, provided that the Security Trustee has served on each Grantor written notice specifying the Event of Default.

9.2 Subject to Clause 11.1, for the avoidance of doubt, the Security Trustee shall not be required to, and shall not have any responsibility to, take any action in respect of the Security Interests created pursuant to this Agreement prior to the Security Interests becoming enforceable (including the registration of the financing statements) and thereafter shall only be required to act in accordance with Clause 11 (*Instructions*).

9.3 Subject only to the Law, the Security Trustee may exercise the power of enforcement in respect of the Security Interests in any manner permitted by or not in conflict with the Law, including, without limitation, by the Security Trustee or some person on its behalf:

9.3.1 appropriating all or some of the Collateral (whether in one or a number of transactions and whether simultaneously or in series);

9.3.2 selling all or some of the Collateral (whether in one or a number of transactions and whether simultaneously or in series);

9.3.3 by taking any one or more of the following ancillary actions:

(a) taking control or possession of all or any of the Collateral;

(b) exercising any rights of a Grantor in relation to all or any of the Collateral;

- (c) instructing any person who has an obligation in relation to all or any of the Collateral to carry out that obligation for the benefit of the Security Trustee (or to its order); and
- 9.3.4 exercising or applying any remedy set out in this Clause 9.3.4 (such remedies being exercisable pursuant to the power of enforcement) to the extent that such remedy is not in conflict with the Law:
 - (a) directing from time to time any Grantor as to how it shall exercise or cause to be exercised all or any rights attaching to all or any of the Collateral;
 - (b) directing any Grantor as to the disposal of all or any of the Collateral, including, where appropriate specifying the person(s) who are to acquire such Collateral, the terms upon and manner in which such disposal(s) shall take place, including the price or other *cause* or consideration (whether payable immediately, by instalments or otherwise deferred); and directing the mode of application of the proceeds of such disposal(s) in such manner as the Security Trustee shall in its absolute discretion determine, including by way of sale to a third party, to the Security Trustee or to an associate or nominee of the Security Trustee.
- 9.4 (Subject only to the Law) for the purposes of this Agreement, references to the exercise of a "**power of enforcement**" shall include any method or process by which value is given, allowed or credited by the Security Trustee for the Collateral against the Bibby Secured Obligations.
- 9.5 Where the power of appropriation or sale is exercised in relation to any non-monetary obligation, the "monetary value" (as referred to in Article 51 (*When does a surplus exist?*) of the Law) of such obligation shall be the loss or losses suffered by the Security Trustee or by any other person by reason of non-performance of such obligation (including as such obligation is owed, or also owed, to any other person), including, without limitation, any such loss(es) as calculated and set out in a certificate submitted to a Grantor by the Security Trustee.
- 9.6 The Security Trustee may at any time and from time to time exercise one or more than one of the powers set out in Clause 9.3, in whatever order and combination as the Security Trustee thinks fit.
- 9.7 In accordance with Article 44(4) of the Law, the Security Trustee and each Grantor hereby agrees that notice need not be given under Article 44 (*Notice of appropriation or sale of collateral*) of the Law to the Grantors.
- 9.8 Subject only to the Law, the Security Trustee may at its discretion:
 - 9.8.1 exercise its power of enforcement in respect of the Security Interests over any part of the Collateral without reference to the time, manner, *cause*, consideration or Exchange Rate that may be/has been applicable to such exercise in respect of any other part of the Collateral; and

- 9.8.2 refrain from exercising its power of enforcement in respect of the Security Interests over any one part of the Collateral notwithstanding that it shall have exercised such power over any other part of the Collateral.
- 9.9 No person dealing with the Security Trustee shall be concerned to enquire as to the propriety of exercise of any power of enforcement in respect of the Security Interests (including, without limitation, whether any Security Interest has become enforceable, whether any of the Bibby Secured Obligations remain due, as to the necessity or expediency of any conditions to which a sale or other disposition is made subject or generally as to the application of any monies representing the proceeds of enforcement of the Security Interests in respect of the Collateral). Each such dealing shall be deemed in favour of such person to be valid, binding and effectual.
- 9.10 To the fullest extent permitted by law, the Security Trustee shall be under no liability to any Grantor for any failure to apply and distribute any monies representing the proceeds of enforcement of the Security Interests in respect of the Collateral in accordance with the Law if the Security Trustee applies and distributes such monies in good faith without further enquiry and in accordance with the information expressly known to it at the time of application and distribution.
- 9.11 In accordance with Article 54(5)(a) of the Law, the Security Trustee and each Grantor hereby agrees that the Grantors shall not have any right of reinstatement pursuant to Article 54(4) of the Law or otherwise.
- 9.12 The Security Trustee is not obliged to marshal, enforce, apply, appropriate, recover or exercise any security, guarantee or other right held by it, or any moneys or property that it holds or is entitled to receive, before the power of enforcement is exercised.
- 9.13 The Security Trustee will be accountable (and the Grantors are entitled to be credited) only for actual value or proceeds realised by the Security Trustee arising from the appropriation, sale or other realisation of any Collateral by the Security Trustee.
- 10. APPLICATION OF FUNDS FOLLOWING AN EVENT OF DEFAULT**
- 10.1 Following an Event of Default, the Security Trustee shall (subject to the Law) apply (or instruct any Appointee acting on its behalf) to apply all monies received or recovered by it under this Agreement, available for distribution in or towards the satisfaction of the amounts due and payable in accordance with the Bibby Enforcement Priority of Payments (as defined in the Bibby Deed of Charge) including clause 11.2 of the Bibby Deed of Charge.
- 10.2 Until the Securitisation Liabilities payable to the Issuer or any Issuer Secured Creditor that is not a Bibby Transaction Party are fully determined and paid in full, amounts payable under the Bibby Enforcement Priority of Payments will be applied as and when such Securitisation Liabilities are so determined and, pending such application, will be held in accordance with Clause 14 of this Agreement before any payments or distributions are made pursuant to Clauses (c) to (e) of the Bibby Enforcement Priority of Payments.

11. INSTRUCTIONS

11.1 Subject to Clause 8.1 (*Conflict of Interests*) of this Agreement, but notwithstanding any other provision of the Transaction Documents, the Security Trustee will not be required to take any steps, institute any proceedings, exercise its rights and/or take any other action (including, without limitation, enforcing or releasing the Security Interests) under or in connection with any of the Transaction Documents (including, without limitation, this Agreement) unless the Security Trustee is directed to do so by written instructions of the Controlling Creditor (for these purposes, (the "Instructing Party")), in which case the Security Trustee will be bound to take such action in the manner instructed by the Instructing Party; provided that the Security Trustee:

11.1.1 will not be bound to take such action unless it has been indemnified and/or secured and/or prefunded to its satisfaction against all loss to which it may render itself liable or which it may incur by so doing and, for this purpose, the Security Trustee may demand, prior to taking any such action, that there be paid to it in advance such sums as it considers (without prejudice to any further demand) shall be sufficient so to indemnify it; and

11.1.2 may at all times, whether or not so directed, take such action in respect of any right, power or discretion which is personal to the Security Trustee or is to preserve or protect the Security Trustee's position or is of a purely administrative nature.

11.2 For the avoidance of doubt, where the Security Trustee is required under any of the Transaction Documents to act "reasonably" or in a "reasonable" manner or is referred to as coming to any opinion or determination that is "reasonable" (or any similar or analogous wording), the Security Trustee shall be entitled to seek the instructions of the Instructing Party and shall be deemed to be acting reasonably or coming to a reasonable opinion or determination by acting on such instructions and the Security Trustee shall be under no obligation to consider or determine the reasonableness of such instructions from the Instructing Party or to determine whether in giving such instructions the relevant parties are acting in a reasonable manner.

11.3 The Security Trustee shall not be liable to any Bibby Secured Party, to any Grantor, or to any other party for any action it may take in accordance with any instructions received pursuant to this Clause 11. The Security Trustee shall be entitled to seek clarification from the Instructing Party with regard to any such instructions and may in its discretion elect not to act pending receipt of such clarification to its satisfaction from such Instructing Party and shall not be liable to any party for any delay in so acting.

11.4 Without prejudice either to the validity of any of the actions of the parties already taken in reliance on the provisions of such clause or to the continuing application of all other provisions of the Existing Security Interest Agreement, with immediate effect from the Second Amendment Effective Date, Clause 13 (*Instructions*) of the Existing Security Interest Agreement shall cease to apply and this Clause 11 shall instead prevail for all purposes.

12. PROVISIONS RELATING TO THE SECURITY TRUSTEE

The provisions relating to the Security Trustee set out in clauses 14 and 15 of the Bibby Deed of Charge apply to this Agreement and shall be binding on the parties to this Agreement as if set out in full in this Agreement.

13. ASSIGNMENT, SUCCESSION, APPOINTMENT, RETIREMENT AND REMOVAL OF SECURITY TRUSTEE

13.1 The Security Trustee may grant a participation in or make an assignment or transfer or otherwise dispose of, the whole or any part of its rights and benefits under this Agreement and in particular (without limitation) the benefit of any Security Interest.

13.2 The provisions relating to the appointment, retirement and removal of the Security Trustee as set out in clause 16 of the Bibby Deed of Charge apply to this Agreement and shall be binding on the parties to this Agreement as if set out in full in this Agreement provided that any reference to "this Deed of Charge" in the Bibby Deed of Charge shall be construed as a reference to "this Agreement".

13.3 The Security Interests and other rights of the Security Trustee arising under this Agreement shall remain valid and binding notwithstanding any amalgamation, reorganisation, merger or redomiciliation by or involving the Security Trustee and shall inure for the benefit of the Security Trustee's successors.

13.4 A Grantor may not assign or transfer all or any part of its rights, benefits and or obligations under this Agreement.

14. INVESTMENTS

Until the Final Discharge Date, the Security Trustee may, at its discretion, hold any monies received from a Grantor or on account of the Bibby Secured Obligations pending application thereof in accordance with the Bibby Enforcement Priority of Payments in an account or accounts or invested in Eligible Investments. The proceeds of redemption or sale of such Eligible Investments and the moneys in such account or accounts, the income therefrom, together with any other funds held by the Security Trustee (after deduction of, or provision for, any applicable taxes) shall be applied as specified in the Bibby Enforcement Priority of Payments. Moneys held by the Security Trustee may be invested in its name or under its control in any Eligible Investments. The Security Trustee shall not be responsible for any loss, depreciation in value, or otherwise in respect of any investment in Eligible Investments.

15. EXTINGUISHMENT OF SECURITY INTEREST(S)

15.1 The Security Interests shall not be extinguished prior to the expiry of the Security Period.

15.2 Where the Bibby Secured Obligations include obligations as to any Further Advance the Security Interests shall not be extinguished by the repayment of any current advance.

15.3 Upon expiry of the Security Period, the Security Trustee shall, at the request and cost of a Grantor, take such steps as may be reasonably required to release the Security Interests and return any documentation delivered to the Security Trustee pursuant to Clause 2.

15.4 Prior to the expiry of the Security Period, a Grantor shall not serve a demand that the Security Trustee register a financing change statement discharging a registration of a financing statement in respect of a Security Interest made by the Security Trustee under or in connection with this Agreement.

16. MISCELLANEOUS

16.1 The Security Trustee may exchange or convert to the Required Currency any currency held or received at the Exchange Rate.

16.2 The Security Interests shall take effect as a security for the whole and every part of the payment or performance of the Bibby Secured Obligations.

16.3 The security created by this Agreement is independent of, and in addition to and will not merge with, be prejudicially affected by, or prejudicially affect, any other Security Interest or guarantee for any of the Bibby Secured Obligations now or subsequently held by the Security Trustee or any person on its behalf or any other Bibby Secured Party.

16.4 The rights and remedies of the Security Trustee under this Agreement may be exercised from time to time and as often as the Security Trustee deems expedient and are in addition to and shall neither prejudice nor be prejudiced by any other security or right or remedy which is at any time available to the Security Trustee (or any other Bibby Secured Party) (whether at law or pursuant to this Agreement, another agreement or the order of any court).

16.5 Any settlement or discharge between the Security Trustee and a Grantor in respect of the Bibby Secured Obligations shall be conditional upon no security provided, or payment made, to the Security Trustee or any other Bibby Secured Party by a Grantor or any other person being avoided or reduced by virtue of any provision of any enactment or law relating to Bankruptcy, winding-up or insolvency, including without limitation any such provision concerning "transactions at an undervalue", "fraudulent or voidable preferences", "preferences" or any provision similar or analogous thereto. If any such security or payment shall be so avoided or reduced, the Security Trustee shall be entitled to recover the value or amount thereof from such Grantor as if no such settlement or discharge had taken place.

16.6 No delay, omission, time or indulgence on the part of the Security Trustee (or any other Bibby Secured Party) in exercising any right or remedy under this Agreement shall impair that right or remedy or (in the absence of an express reservation to that effect) operate as or be taken to be a waiver of it; nor shall any single partial or defective exercise of any such right or remedy preclude any other or further exercise of that or any other right or remedy. Without prejudice to the

generality of the foregoing, the Security Trustee may exercise or refrain from exercising any of its rights and remedies independently in respect of different parts of the Collateral.

- 16.7 Where a Grantor comprises more than one person the liability of each of them shall be joint and several and every agreement, covenant and undertaking contained in this Agreement shall be construed accordingly.
- 16.8 Save as otherwise expressly provided in this Agreement and subject always to the Law, any liberty or power which may be exercised or any determination which may be made by the Security Trustee may be exercised or made in the absolute and unfettered discretion of the Security Trustee which shall not be under any obligation to give reasons.
- 16.9 Each Grantor acknowledges that the Security Trustee has no obligation to perform any of the obligations of such Grantor, including in respect of the Collateral, or to make any payments or to enquire as to the nature or sufficiency of any payments made by or on behalf of such Grantor or to take any other action to collect or enforce payment of amounts the Security Trustee is entitled to under or pursuant to this Agreement in respect of any Collateral.
- 16.10 Each Grantor may not direct the application by the Security Trustee of any sums received by the Security Trustee under, or pursuant to, any of the terms of this Agreement or in respect of the Bibby Secured Obligations.
- 16.11 The Security Trustee shall without prejudice to its other rights and powers under this Agreement be entitled (but not bound) at any time and as often as may be necessary to take any such action as it may in its discretion think fit for the purpose of protecting the Security Interests.
- 16.12 Any certificate submitted by the Security Trustee to a Grantor as to the amount of the Bibby Secured Obligations or any other amount referred to in or arising under this Agreement shall, in the absence of manifest error, be conclusive and binding on such Grantor.
- 16.13 The Security Trustee shall at no time be deemed to authorise impliedly or otherwise any dealing in the Collateral for the purposes of Article 24 (*Continuation of security interests in proceeds*) of the Law.
- 16.14 In accordance with Article 65 (*Applicant to pass on verification statement*) of the Law, each Grantor hereby irrevocably waives the right to receive a copy of any verification statement relating to any financing statement or financing change statement registered in respect of any Security Interest.
- 16.15 In accordance with Article 78 (*No fee for compliance with demand*) of the Law and without prejudice to any other obligation under the Transaction Documents, each Grantor shall pay to the Security Trustee on demand the Security Trustee's fees (calculated in accordance with its standard scale of fees and charges from time to time), costs and expenses including, but not limited to, legal fees and expenses on solicitor and own client basis, in connection with any demand for registration of a financing change statement relating to a Security Interest served or purported to be served by

any person at any time under or pursuant to Article 75 (*Demand for registration of financing change statement*) of the Law.

16.16 Each Grantor hereby irrevocably consents and agrees to the processing by the Security Trustee or any person on its behalf of any personal data (as defined in the Data Protection (Jersey) Law 2005) and inclusion of such information in any financing statement or financing change statement registered pursuant to the Law in connection with the Security Interests and/or this Agreement.

16.17 The Security Trustee shall hold the benefit of this Agreement inclusive of, *inter alia*, the security interests, confirmations, representations and warranties and undertakings and covenants given by the Grantors in and pursuant to this Agreement upon trust for the Bibby Secured Parties.

16.18 The Grantor confirms that the Existing Security Interest Agreement remains in full force and effect notwithstanding this Agreement.

17. **MODIFICATION AND WAIVER**

17.1 Subject as provided in Clauses 17.2 and 17.3, this Agreement may be amended or any provision herein relating to any obligation of any Grantor may be waived by the Security Trustee acting as directed by the Controlling Creditor in accordance with Clause 11 (*Instructions*).

17.2 All amendments and supplements to this Agreement must be made by written agreement of all parties to this Agreement in order to be valid.

17.3 Other than as expressly provided in the Transaction Documents, no modification, amendment or waiver of this Agreement may increase or reduce in any manner the amount of, or accelerate or delay the timing of, or change the allocation or priority of, collections or distributions that are required to be made for the benefit of the Bibby Secured Parties without the consent of all of the affected Bibby Secured Parties.

18. **GOVERNING LAW AND JURISDICTION**

18.1 This Agreement shall be governed by and construed in accordance with the laws of the Island of Jersey and the parties hereby irrevocably agree for the exclusive benefit of the Security Trustee that the courts of the Island of Jersey are to have jurisdiction to settle any disputes which arise out of or in connection with this Agreement and that accordingly any suit, action or proceeding arising out of or in connection with this Agreement ("**Proceedings**") may be brought in such court.

18.2 Nothing contained in this Agreement shall limit the right of the Security Trustee to take Proceedings, serve process or seek the recognition or enforcement of a judgment or any similar or related matter against a Grantor in any convenient, suitable or competent jurisdiction nor shall the taking of any action in one or more jurisdiction preclude the taking of action in any other jurisdiction, whether concurrently or not.

18.3 Each Grantor irrevocably waives (and hereby irrevocably agrees not to raise) any objection which it may have now or hereafter to laying of the venue of any Proceedings in any such court as referred to in this Clause, any claim that any such Proceedings have been brought in an inconvenient forum and any right it may have to claim for itself or its assets immunity from suit, execution, attachment or other legal process.

18.4 Each Grantor further hereby irrevocably agrees that a judgment in any Proceedings brought in any such court as is referred to in this Clause shall be conclusive and binding upon the Grantors and may be enforced in the court of any other jurisdiction.

19. **AGENT FOR SERVICE**

Each Grantor irrevocably appoints BFS Funding I Limited of 44 Esplanade, St Helier, Jersey JE4 9WG to act as its agent to receive and accept on its behalf any process or other document relating to Proceedings brought in the courts of the Island of Jersey.

20. **EFFECTIVE DATE**

Notwithstanding any other provision of this Agreement, the parties agree that the rights and obligations of each party under this Agreement shall not take effect until, and such rights and obligations shall take automatic effect from, the Second Amendment Effective Date.

Schedule

The Grantors

COMPANY NAME	REGISTRATION NUMBER	REGISTERED OFFICE AND ADDRESS FOR NOTICES
Bibby ACF Limited	02885198	105 DUKE STREET LIVERPOOL L1 5JQ
Bibby Factors Bedford Limited	04290368	105 DUKE STREET LIVERPOOL L1 5JQ
Bibby Factors Borehamwood Limited	00388715	105 DUKE STREET LIVERPOOL L1 5JQ
Bibby Factors Bristol Limited	03171249	105 DUKE STREET LIVERPOOL L1 5JQ
Bibby Factors Limited	00584342	105 DUKE STREET LIVERPOOL L1 5JQ
Global Management Services Limited	04331246	105 DUKE STREET LIVERPOOL L1 5JQ
Bibby Factors International Limited	04081220	105 DUKE STREET LIVERPOOL L1 5JQ
Bibby Invoice Discounting Limited	04105467	105 DUKE STREET LIVERPOOL L1 5JQ
Bibby Factors Leicester Limited	02989348	105 DUKE STREET LIVERPOOL L1 5JQ

COMPANY NAME	REGISTRATION NUMBER	REGISTERED OFFICE AND ADDRESS FOR NOTICES
Bibby Factors Manchester Limited	04296744	105 DUKE STREET LIVERPOOL L1 5JQ
Bibby Factors Northeast Limited	03653980	105 DUKE STREET LIVERPOOL L1 5JQ
Bibby Factors Northwest Limited	00557149	105 DUKE STREET LIVERPOOL L1 5JQ
Bibby Revolving Finance Limited	07693461	105 DUKE STREET LIVERPOOL L1 5JQ
Bibby Factors Slough Limited	02617760	105 DUKE STREET LIVERPOOL L1 5JQ
Bibby Factors Sussex Limited	03847904	105 DUKE STREET LIVERPOOL L1 5JQ
Bibby Factors Scotland Limited	SC199049	1ST FLOOR, UNIT 2, BLOCK B KITTLE YARDS CAUSEWAYSIDE EDINBURGH EH9 1PJ
Bibby Trade Factors Limited	05303859	105 DUKE STREET LIVERPOOL L1 5JQ
Bibby Transactional Finance Limited	07693401	105 DUKE STREET LIVERPOOL L1 5JQ
Bibby Factors Wessex Limited	04918703	105 DUKE STREET LIVERPOOL L1 5JQ

COMPANY NAME	REGISTRATION NUMBER	REGISTERED OFFICE AND ADDRESS FOR NOTICES
Bibby Factors Yorkshire Limited	04918173	105 DUKE STREET LIVERPOOL L1 5JQ

[SIGNATURE PAGES FOLLOW]

IN WITNESS whereof the parties have duly executed this Agreement the day and year first above written

The Grantors

SIGNED by

for and on behalf of

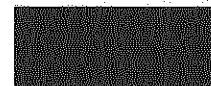
BIBBY INVOICE FINANCE UK LIMITED



SIGNED

for and on behalf of

BIBBY ACF LIMITED



SIGNED

for and on behalf of

BIBBY FACTORS BEDFORD LIMITED



SIGNED by

for and on behalf of

BIBBY FACTORS BOREHAMWOOD LIMITED



SIGNED by

for and on behalf of

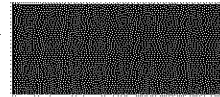
BIBBY FACTORS BRISTOL LIMITED



SIGNED by

for and on behalf of

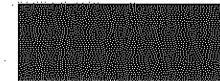
BIBBY FACTORS LIMITED



SIGNED by

for and on behalf of

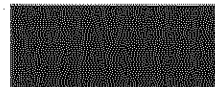
GLOBAL MANAGEMENT SERVICES LIMITED



SIGNED by

for and on behalf of

BIBBY FACTORS INTERNATIONAL LIMITED



SIGNED by

for and on behalf of

BIBBY INVOICE DISCOUNTING LIMITED



SIGNED by

for and on behalf of

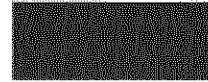
BIBBY FACTORS LEICESTER LIMITED



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for and on behalf of

BIBBY FACTORS MANCHESTER LIMITED

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for and on behalf of

BIBBY FACTORS NORTHEAST LIMITED

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for and on behalf of

BIBBY FACTORS NORTHWEST LIMITED

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for and on behalf of

BIBBY REVOLVING FINANCE LIMITED

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BIBBY FACTORS SLOUGH LIMITED

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BIBBY FACTORS SUSSEX LIMITED

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for and on behalf of

BIBBY FACTORS SCOTLAND LIMITED

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for and on behalf of

BIBBY TRADE FACTORS LIMITED

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for and on behalf of

BIBBY TRANSACTIONAL FINANCE LIMITED

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for and on behalf of

BIBBY FACTORS WESSEX LIMITED



SIGNED by

for and on behalf of

BIBBY FACTORS YORKSHIRE LIMITED



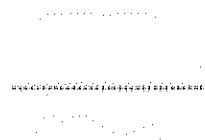
The Security Trustee

SIGNED

for and on behalf of

U.S. BANK TRUSTEES LIMITED

by:



SIGNED by

for and on behalf of

BIBBY FACTORS WESSEX LIMITED

SIGNED by

for and on behalf of

BIBBY FACTORS YORKSHIRE LIMITED

The Security Trustee

SIGNED

for and on behalf of

U.S. BANK TRUSTEES LIMITED

by:

[Redacted Signature]

David Harnett
Authorised Signatory

[Redacted Signature]

Chris Voss
Authorised Signatory