



**Registration of a Charge**

Company name: **WEILBURGER COATINGS (UK) LIMITED**

Company number: **01564257**



X71DIW7S

Received for Electronic Filing: **09/03/2018**

---

**Details of Charge**

Date of creation: **02/03/2018**

Charge code: **0156 4257 0011**

Persons entitled: **DUKE ROYALTY UK LIMITED**

Brief description: **THE FREEHOLD PROPERTY KNOWN AS 9 STUART ROAD MANOR PARK RUNCORN WA7 1SF WITH LAND REGISTRY TITLE NUMBER CH319050.**

**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:

**CHARLES RUSSELL SPEECHLYS LLP**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 1564257

Charge code: 0156 4257 0011

The Registrar of Companies for England and Wales hereby certifies that a charge dated 2nd March 2018 and created by WEILBURGER COATINGS (UK) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 9th March 2018 .

Given at Companies House, Cardiff on 13th 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

I certify that save for the material redacted pursuant to section 859G of the Companies Act 2006, this copy is a correct copy of the original instrument.

**CRS**  
Charles Russell  
Speechlys

Signed: *Charles Russell Speechlys LLP*  
Dated: *7 March 2018*

DATED *2 MARCH* 2018

**THE ENTITIES LISTED IN Schedule 10**

(as Chargors)

and

**DUKE ROYALTY UK LIMITED**

(as Security Agent)

---

**DEBENTURE**

---

## CONTENTS

1	DEFINITIONS	1
2	CONSTRUCTION	7
3	UNDERTAKING TO PAY	8
4	SECURITY	9
5	NEGATIVE UNDERTAKINGS	13
6	REAL PROPERTY	13
7	INVESTMENTS	15
8	CHATTELS	19
9	ACCOUNTS	19
10	MONETARY CLAIMS	20
11	CONTRACTS	21
12	INSURANCES	22
13	INTELLECTUAL PROPERTY	24
14	THE LAND REGISTRY	25
15	NOTICES OF ASSIGNMENT AND CHARGE	26
16	POWERS, PROTECTION AND DISCRETIONS OF THE SECURITY AGENT	27
17	ENFORCEMENT OF SECURITY	28
18	RECEIVER	31
19	POWERS OF RECEIVER	32
20	APPLICATION OF PROCEEDS	37
21	PROTECTION OF PURCHASERS	38
22	LIABILITY OF SECURITY AGENT AND RECEIVER	39
23	POWER OF ATTORNEY	40
24	DELEGATION AND DISCRETION	41
25	EFFECTIVENESS OF SECURITY	41
26	PRIOR SECURITY INTERESTS	43
27	SUBSEQUENT SECURITY INTERESTS	44
28	SUSPENSE ACCOUNT	44
29	RELEASE OF SECURITY	44
30	SET-OFF	45
31	FINANCIAL COLLATERAL	45
32	CURRENCY	45
33	PAYMENTS TO BE MADE WITHOUT DEDUCTION	46
34	CERTIFICATES AND DETERMINATIONS	47
35	ASSIGNMENT AND TRANSFER	47
36	INDEMNITY TO THE SECURITY AGENT	47

37	COSTS AND EXPENSES	48
38	MISCELLANEOUS	48
39	NOTICES	49
40	GOVERNING LAW AND JURISDICTION	50
41	SERVICE OF PROCESS	51
	SCHEDULE 1 - MORTGAGED PROPERTY	61
	SCHEDULE 2 - ACCOUNT DETAILS	62
	Part 1 - Blocked Accounts	62
	Part 2 - Other Accounts	62
	SCHEDULE 3 - CONTRACTS	64
	SCHEDULE 4 - INSURANCE POLICIES	65
	SCHEDULE 5 - FORM OF LEGAL MORTGAGE	66
	SCHEDULE 6 - FORM OF NOTICE AND ACKNOWLEDGEMENT FOR TENANT	74
	Part 1 - Form of Notice to Tenant	74
	Part 2 - Form of Acknowledgement from Tenant	76
	SCHEDULE 7 - FORM OF NOTICE AND ACKNOWLEDGEMENT FOR ACCOUNT BANK	78
	Part 1 - Form of Notice to Account Bank	78
	Part 2 - Form of Acknowledgement from Account Bank	80
	Part 3 - Form of Notice to Account Bank (other than a Blocked Account)	82
	Part 4 - Form of Acknowledgement from Account Bank - other than a Blocked Account	84
	SCHEDULE 8 - FORM OF NOTICE AND ACKNOWLEDGEMENT FOR COUNTERPARTY	86
	Part 1 - Form of Notice to Counterparty	86
	Part 2 - Form of Acknowledgement from Counterparty	88
	SCHEDULE 9 - FORM OF NOTICE AND ACKNOWLEDGEMENT FOR INSURER	90
	Part 1 - Form of Notice to Insurer	90
	Part 2 - Form of Acknowledgement from Insurer	92
	SCHEDULE 10 - CHARGORS	94
	SCHEDULE 11 – SHARES	95

THIS DEED is dated

2 MARCH

2018

**BETWEEN:**

(1) THE ENTITIES LISTED IN SCHEDULE 10 (each a "Chargor" and collectively the "Chargors");

and

(2) DUKE ROYALTY UK LIMITED incorporated and registered in England (company number 10223638) whose registered office is at C/O McCarthy Tetrault, 26th Floor, 125 Old Broad Street, London EC2N 1AR, England in its capacity as security trustee for the Secured Parties (the "Security Agent").

**BACKGROUND:**

Each Chargor enters into this Deed in connection with the Facility Agreements (as defined below).

**IT IS AGREED** as follows:

**1. DEFINITIONS**

In this Deed:

**Account Bank**

each bank, financial institution or other person with whom an Account is maintained;

**Accounts**

the account(s) the details of which are specified in Parts 1 and 2 of Schedule 2 (*Account Details*) and all other accounts held with any Account Bank at any time owned or operated by a Chargor as renumbered or redesignated from time to time, each replacement account or sub-account relating to any of them, all money from time to time standing to the credit of those accounts and all interest accruing in relation to them and the debt or debts represented thereby;

**Administrator**

any administrator appointed in respect of any Chargor whether by the Security Agent, a court or otherwise;

**Assigned Contracts**

each of the contracts described in Schedule 3 (*Contracts*);

**Authorisation**

means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;

**Blocked**

the account(s) the details of which are specified in Part 1 of Schedule 2 (*Account Details*) and all other

<b>Account(s)</b>	Accounts in respect of which a Chargor has granted an assignment pursuant to Clause 4.5 ( <i>Accounts</i> );
<b>Borrower</b>	means Trimite Bid Co Limited a company registered pursuant to the laws of England and Wales (registered number 11060343);
<b>Business Day</b>	means any day other than a Saturday, Sunday or any other day which is a legal holiday in London, England;
<b>Chattels</b>	all plant, machinery, vehicles, tools, computers, equipment, furniture and other chattels (excluding any for the time being forming part of a Chargor's stock in trade or work in progress) and any renewals or replacements of them together with the benefit of all warranties, guarantees, maintenance contracts, consents and licences relating to them;
<b>Contracts</b>	all present and future contracts and agreements entered into by a Chargor (including, but not limited to, the Assigned Contracts) and all guarantees, warranties and indemnities issued in relation to any Contract and any other contract designated in writing as a "Contract" by the Security Agent;
<b>Delegate</b>	means any delegate, agent, attorney or co-trustee appointed by the Security Agent and/or any Receiver (as appropriate);
<b>Discharge Date</b>	the date on which the Security Agent confirms in writing to each Chargor that all the Secured Liabilities have been irrevocably discharged in full and no further Secured Liabilities are capable of arising;
<b>Dividends</b>	all dividends and distributions of any kind, interest and any other income received or receivable by a Chargor in relation to any of the Shares;
<b>Event of Default</b>	any event or circumstance specified as such in the Facility Agreements and/or a guarantor does not pay on the due date any amount payable pursuant to the Investment Guarantee;
<b>Facility Agreements</b>	means the Loan Agreement and the Investment Guarantee;
<b>Finance</b>	means each Facility Agreement, and a "Finance Document" as that term is defined in the Loan



<b>Document</b>	Agreement;
<b>Finance Party</b>	means the "Lender" as defined in the Loan Agreement and the "Beneficiary" as defined in the Investment Guarantee ;
<b>General Account</b>	means each account specified in Part 2 of Schedule 2 ( <i>Accounts Details</i> ), as renumbered or redesignated from time to time, each replacement account or sub-account relating to it; all money from time to time standing to the credit of that account and all interest accruing in relation to it and the debt or debts represented thereby;
<b>Intercreditor Agreement</b>	has the meaning given to it in the Loan Agreement;
<b>Investment Guarantee</b>	means the guarantee dated on or about the date of this Deed provided by, among others, the Borrower in favour of the Preference Shareholder (as defined in the Loan Agreement) in relation to certain payment obligations of Trimite pursuant to the Preference Shares (as defined in the Loan Agreement) and any other guarantee of similar effect granted by any person after the date of this Deed;
<b>Insolvency Act</b>	the Insolvency Act 1986;
<b>Intellectual Property</b>	<p>(a) all present and future patents, trademarks, service marks, designs, business and trade names, copyrights, design rights, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests whether registered or unregistered; and</p> <p>(b) the benefit of all applications, licences and rights to use the assets listed in paragraph (a) above;</p>
<b>Investments</b>	the Shares and Dividends;
<b>Legal Mortgage</b>	a charge by way of legal mortgage granted by a Chargor in favour of the Security Agent and in the form of Schedule 5 ( <i>Form of Legal Mortgage</i> ) in respect of all or any part of the Real Property

	acquired by a Chargor after the date of this Deed;
<b>Lender</b>	means Duke Royalty UK Limited incorporated and registered in England (registered number 10223638) whose registered office is at 26th Floor, 125 Old Broad Street, London EC2N 1AR, England;
<b>Loan Agreement</b>	means the loan agreement dated on or about the date of this Deed between, among others, the Lender (as lender) and the Borrower (as borrower);
<b>LPA</b>	the Law of Property Act 1925;
<b>Monetary Claims</b>	all book and other debts and monetary claims of any nature and however arising at any time owing to a Chargor or in which it has an interest and all proceeds of those debts and claims together with the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to the same;
<b>Mortgaged Property</b>	any freehold, leasehold or immovable property specified in Schedule 1 ( <i>Mortgaged Property</i> ) and any freehold, leasehold or immovable property specified in the schedule to any Legal Mortgage;
<b>Obligor</b>	means each of the Chargors, an "Obligor" as that term is defined in the Loan Agreement and each guarantor under the Investment Guarantee ;
<b>Party</b>	a party to this Deed;
<b>Planning Legislation</b>	any legislation regulating the development or use of land or the erection and demolition of buildings and other structures on such land and all orders, regulations and permissions made, issued or granted under such legislation;
<b>Policies</b>	<ul style="list-style-type: none"> <li>(a) each of the insurance policies described in Schedule 4 (<i>Insurance Policies</i>);</li> <li>(b) each other insurance policy taken out at any time by or on behalf of a Chargor or in respect of which it has an interest or a right to claim; and</li> <li>(c) any other insurance policy designated as a "Policy" by the Security Agent;</li> </ul>

**Real Property**

- (a) the Mortgaged Property;
- (b) any other freehold, leasehold or immovable property in which a Chargor has an interest (including, for the avoidance of doubt, an option to purchase any property); and
- (c) any buildings, erections, fixtures, fittings (including trade fittings and machinery) and fixed plant and machinery from time to time situated on or forming part of the property listed in paragraphs (a) above and (b) above and includes all Related Rights;

**Receiver**

a receiver or receiver and manager or administrative receiver of the whole or any part of the Security Assets;

**Regulations**

the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226);

**Related Rights**

as regards any Security Asset, all present and future:

- (a) money and proceeds of any nature paid or payable in relation to that Security Asset, including sale proceeds and money paid by way of damages, award or judgment made in connection with that Security Asset;
- (b) all rights and interests of any nature attaching to, deriving from or exercisable as a result of a Chargor's interest in or ownership or operation of that Security Asset; and
- (c) all rights to make a demand or claim;

**Relevant  
Currency**

in relation to each of the Secured Liabilities, the currency in which it is from time to time denominated;

**Secured  
Liabilities**

all present and future monies, obligations and liabilities (whether actual or contingent and whether owed jointly or severally as principal or surety or in any other capacity whatsoever) of each Obligor to any Secured Party under each Finance Document or otherwise together with all interest accruing in respect of any such monies, obligations and liabilities;

<b>Secured Party</b>	means a Finance Party, a Receiver or Delegate;
<b>Security Interest</b>	means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;
<b>Security Assets</b>	all of the rights, interests and assets which from time to time are, or are expressed to be, subject to the Security Interest created by or pursuant to this Deed;
<b>Shares</b>	<p>(a) all shares, stocks, debentures, bonds, any form of loan capital, warrants, coupons, interests in collective investment schemes and all other securities and investments of any kind whatsoever (whether in certificated or uncertificated form) owned by a Chargor or in which it has an interest from time to time including (without limitation) the shares listed in Schedule 11;</p> <p>(b) shares, stocks, debentures, bonds, any form of loan capital, warrants, coupons, securities, investments, money or other assets arising by way of conversion, exchange, substitution, rights issue, redemption, bonus, preference, option or otherwise in relation to any of the assets referred to in paragraph (a) above;</p> <p>(c) rights to subscribe for, purchase or otherwise acquire any of the assets referred to in paragraph (a) above through options, warrants or otherwise;</p>
<b>Tax</b>	means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same);
<b>Transaction Security</b>	means the Security Interest created or evidenced or expressed to be created or evidenced under the Security (as defined in the Loan Agreement); and
<b>Trimite</b>	means Trimite Top Co Limited a company registered pursuant to the laws of England and Wales (registered number 11059057).

## 2 CONSTRUCTION

2.1 Unless a contrary indication appears, a reference in this Deed to:

2.1.1 this Deed, a **"Finance Document"** or any other agreement or instrument is a reference to this Deed or that Finance Document or other agreement or instrument as amended, novated, supplemented, extended or restated;

2.1.2 a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);

2.1.3 a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;

2.1.4 **"Security Asset", "Accounts", "Chattels", "Contracts", "Intellectual Property", "Investments", "Monetary Claims", "Policies" and "Real Property"** includes:

- (a) any part of that asset;
- (b) any present and future assets of that type; and
- (c) all Related Rights relating to assets of that type;

2.1.5 **"Secured Liabilities"** is deemed to include a reference to any part of them;

2.1.6 the **"Security Agent"**, a **"Chargor"**, or any **"Party"** or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Security Agent, any person for the time being appointed as Security Agent in accordance with the Finance Documents;

2.1.7 a provision of law is a reference to that provision as amended or re-enacted;

2.1.8 the singular is deemed to include the plural and vice versa; and

2.1.9 a time of day is a reference to London time.

2.2 The term **"Security Agent"** includes any subsidiary or group company or assignee of the Security Agent granting or continuing to grant facilities or accommodation to a Chargor.

2.3 **"Receivers"** are references to receivers of whatsoever nature including, without limitation, receivers, managers and administrative receivers.

- 2.4 "Administrators" are references to administrators appointed under the Insolvency Act and include administrators appointed under the out of court procedure under the Insolvency Act.
- 2.5 Clause and Schedule headings are for ease of reference only.
- 2.6 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 waived.
- 2.7 Any undertaking given by a Chargor under this Deed remains in force until the Discharge Date and is given for the benefit of the Security Agent.
- 2.8 The terms of the other Finance Documents and of any agreement, instrument or side letters between any parties to the Finance Documents in relation to any Finance Document (as the case may be) are incorporated into this Deed to the extent required to ensure that any purported disposition or any agreement for the disposition of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- 2.9 The absence of or incomplete details of any Security Asset in any Schedule does not affect the validity or enforceability of any Security Interest under this Deed.
- 2.10 Clauses 4.2 (*Land*) to 4.10 (*Miscellaneous*) shall be construed as creating a separate and distinct mortgage or fixed charge over each relevant asset within any particular class of assets defined under this Deed and the failure to create an effective mortgage or fixed charge (whether arising out of this Deed or any act or omission by any Party) on any one asset shall not affect the nature of any mortgage or fixed charge imposed on any other asset whether within that same class of assets or not.
- 2.11 It is intended that this Deed takes effect as a deed notwithstanding the fact that a Party may only execute this Deed under hand.
- 2.12 If the Security Agent considers that an amount paid to it under any Finance Document or in relation to any Secured Liability is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- 2.13 In the event of a conflict between the terms of this Deed and the terms of the Facility Agreements, the terms of the Facility Agreements will prevail.
- 2.14 This Deed is subject to the terms of the Intercreditor Agreement. In the event of a conflict between the terms of this Deed and the terms of the Intercreditor Agreement, the terms of the Intercreditor Agreement will prevail.

### 3 UNDERTAKING TO PAY

Each Chargor covenants with the Security Agent, on demand, to pay, discharge and satisfy all the Secured Liabilities when due and to indemnify the Secured Parties against any losses, costs, charges, expenses and liabilities arising from any breach or

failure to pay, discharge and satisfy the Secured Liabilities in accordance with their respective terms.

## **4 SECURITY**

### **4.1 Nature of the Security**

4.1.1 All the Security Interest created under this Deed:

- (a) is created in favour of the Security Agent;
- (b) is a continuing security for the payment, discharge and performance of all the Secured Liabilities except for any Secured Liabilities which, if secured by this Deed, would cause such Security Interest to be unlawful or prohibited by any applicable law; and
- (c) is granted with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

4.1.2 If a Chargor assigns its rights under an agreement (or charges those rights by way of first fixed charge) under this Deed and that assignment or charge breaches a term of that agreement because a third party's consent has not been obtained:

- (a) that Chargor shall notify the Security Agent promptly;
- (b) until the consent is obtained, this Deed will secure all amounts of any nature which that Chargor may now or in future receive under or in connection with that agreement but rights under the agreement itself shall not be secured under this Deed. Upon receipt of the relevant consent, the relevant rights under the agreement shall stand assigned or charged as the case may be, to the Security Agent under this Deed; and
- (c) unless the Security Agent otherwise requires, that Chargor shall use all reasonable endeavours to obtain the consent of the relevant party to rights under that agreement being secured in accordance with this Deed.

4.1.3 Each Chargor shall promptly supply the Security Agent with a copy of any consent obtained by it.

### **4.2 Land**

Each Chargor charges:

4.2.1 by way of a first legal mortgage, all the Mortgaged Property owned by it and all rights under any licence or other agreement or document which gives each Chargor a right to occupy or use the Mortgaged Property owned by it; and

- 4.2.2 (to the extent that they are not the subject of a mortgage under paragraph 4.2.1 above) by way of first fixed charge, all the Real Property owned by it and all rights under any licence or other agreement or document which gives each Chargor a right to occupy or use Real Property owned by it.

#### 4.3 Chattels

Each Chargor charges by way of a first fixed charge all the Chattels owned by it and its interest in any Chattels in its possession.

#### 4.4 Investments

Each Chargor charges by way of a first fixed charge all the Shares and Dividends.

#### 4.5 Accounts

- 4.5.1 Each Chargor assigns absolutely, by way of security, subject to reassignment by the Security Agent in accordance with Clause 29 (*Release of Security*), all its rights in respect of the Accounts (other than the General Account).

- 4.5.2 Each Chargor assigns absolutely, by way of security, subject to reassignment by the Security Agent in accordance with Clause 29 (*Release of Security*), all its rights in respect of the General Account.

- 4.5.3 To the extent that they are not effectively assigned under paragraph 4.5.1 above, each Chargor charges by way of first fixed charge all of its rights and interest in and to the Accounts (other than the General Account).

- 4.5.4 To the extent that they are not effectively assigned under paragraph 4.5.2 above, each Chargor charges by way of first fixed charge all of its rights and interest in and to the General Account.

#### 4.6 Monetary Claims

Each Chargor charges by way of a first fixed charge all the Monetary Claims.

#### 4.7 Contracts

- 4.7.1 Each Chargor assigns absolutely, by way of security, subject to reassignment by the Security Agent in accordance with Clause 29 (*Release of Security*), all its rights in respect of:

- (a) the Contracts;
- (b) any letter of credit issued in its favour; and
- (c) any bill of exchange or other negotiable instrument held by it.

- 4.7.2 To the extent that any Contract is not capable of assignment without infringing any provision of such Contract but is capable of being charged,



the relevant Chargor charges by way of fixed charge all of its rights and interest in such Contract.

- 4.7.3 To the extent that any contract is not capable of assignment or charge without infringing any provision of such Contract, the relevant Chargor charges by way of fixed charge the proceeds of any Related Rights in respect of such Contract.

#### **4.8 Insurances**

Each Chargor charges by way of first fixed charge all amounts payable to it under or in connection with the Policies and all of its rights in connection with those amounts.

#### **4.9 Intellectual Property**

Each Chargor charges by way of first fixed charge all its rights in its Intellectual Property.

#### **4.10 Miscellaneous**

Each Chargor charges by way of first fixed charge:

- 4.10.1 any beneficial interest, claim or entitlement it has in any pension fund;
- 4.10.2 any and all Related Rights;
- 4.10.3 all rights to recover any Taxes on any supplies made to it relating to any Security Asset and any sums so recovered;
- 4.10.4 its goodwill and uncalled capital; and
- 4.10.5 the benefit of any Authorisation (statutory or otherwise) held in connection with its use of any Security Asset and the right to recover and receive compensation or any other sum payable in relation to any Authorisation.

#### **4.11 Floating charge**

- 4.11.1 Each Chargor charges by way of a first floating charge all of its assets whatsoever and wheresoever not at any time otherwise effectively mortgaged, charged or assigned by way of mortgage, fixed charge or assignment under this Clause 4.
- 4.11.2 Paragraph 14 of Schedule B1 to the Insolvency Act applies to the floating charge created pursuant to paragraph 4.11.1 which is a "qualifying floating charge" for the purpose of paragraph 14(1) of Schedule B1 of the Insolvency Act.

#### **4.12 Crystallisation**

- 4.12.1 The Security Agent may at any time by notice in writing to either Chargor (as applicable) convert any floating charge created by that Chargor

pursuant to Clause 4.11 (*Floating charge*) above into a fixed charge with immediate effect as regards any property or assets specified in the notice if:

- (a) the Security Interest constituted by this Deed has become enforceable in accordance with Clause 17 (*Enforcement of Security*); or
- (b) the Security Agent considers any Security Asset to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or otherwise to be in jeopardy; or
- (c) the Security Agent reasonably considers that it is necessary in order to protect the priority of its Security Interest.

4.12.2 Notwithstanding paragraph 4.12.1 above and without prejudice to any rule of law which may have a similar effect, the floating charge created by Clause 4.11 (*Floating charge*) will automatically and immediately (without notice) convert into a fixed charge over all of each Chargor's assets if:

- (a) any Chargor creates or attempts to create any Security Interest over any of the Security Assets otherwise than in accordance with the terms of the Facility Agreements;
- (b) any person levies or attempts to levy any distress, execution or other process against any of the Security Assets;
- (c) a receiver or administrator is appointed in respect of any Chargor or a person entitled to appoint an administrator in respect of any Chargor gives notice of its intention to do so or files a notice of appointment with a court; or
- (d) any corporate action, legal proceedings or other procedure or step is taken in relation to the suspension of payments, winding up, dissolution or re-organisation of any Chargor other than a winding up petition which is stayed within 14 days of commencement.

4.12.3 Notwithstanding any other provision of this Deed, the floating charge created by Clause 4.11 (*Floating charge*) may not be converted into a fixed charge solely by reason of:

- (a) the obtaining of a moratorium; or
- (b) anything done with a view to obtaining a moratorium,

as a preliminary to a creditors voluntary arrangement by an eligible company (as determined under Schedule A1 of the Insolvency Act) under the Insolvency Act.

## **5 NEGATIVE UNDERTAKINGS**

### **5.1 Negative Pledge**

Save as expressly permitted under the Facility Agreements, no Chargor shall create or permit to subsist any Security Interest over any Security Asset.

### **5.2 Disposals**

Except as permitted by, and in accordance with the terms of, the Facility Agreements, no Chargor shall enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, transfer, lease or otherwise dispose or purport or agree to dispose of any of the Security Assets.

## **6 REAL PROPERTY**

### **6.1 Acquisitions**

6.1.1 If any Chargor acquires any freehold, leasehold or commonhold property after the date of this Deed it shall:

- (a) notify the Security Agent immediately;
- (b) immediately on request by the Security Agent and at the cost of the Chargors, execute and deliver to the Security Agent a Legal Mortgage in favour of the Security Agent (as trustee for the Secured Parties) of that property;
- (c) deposit with the Security Agent all deeds and documents of title and all local land charges, land charge and Land Registry search certificates and similar documents received by it or on its behalf;
- (d) if the title to that freehold, leasehold or commonhold property is registered at the Land Registry or required to be so registered, give the Land Registry written notice of the Legal Mortgage; and
- (e) if applicable, ensure that details of the Legal Mortgage are correctly noted in the Register of Title against that title at the Land Registry.

6.2 If the consent of the landlord in whom the reversion of a lease is vested is required for a Chargor to execute a Legal Mortgage over it, that Chargor will not be required to perform that obligation unless and until it has obtained the landlord's consent. The relevant Chargor shall immediately request the relevant landlord's consent and shall use all reasonable endeavours to obtain that consent within 7 days of making the request.

### **6.3 Notices**

Each Chargor shall:

6.3.1 promptly give to the Security Agent full particulars with respect to (and, if requested by the Security Agent, a copy of) any notice, order, directive, designation, resolution or proposal which applies to any of its Real Property or to the area in which it is situate and which is issued:

- (a) by any planning authority or other public body or authority under or by virtue of any Planning Legislation;
- (b) pursuant to any law or regulation relating to the pollution or protection of the environment or harm to or the protection of human health or the health of animals or plants;
- (c) pursuant to section 146 of the LPA; or
- (d) pursuant to some other power conferred by law;

6.3.2 without delay and its own cost, make such objections or representations (or join with the Security Agent in making such objections or representations) against or in respect of any such notice, order, directive, designation, resolution or proposal as the Security Agent may direct; and

6.3.3 take all steps necessary to comply with each such notice, order, directive, designation, resolution or proposal.

#### **6.4 Deposit of title deeds**

Each Chargor shall immediately deposit with the Security Agent all deeds and documents of title relating to its Real Property and all local land charges, land charge and Land Registry certificates and similar documents received by it or on its behalf.

#### **6.5 Compliance**

Each Chargor shall comply with:

- 6.5.1 all laws for the time being in force; and
- 6.5.2 all notices, orders, directives, licences, consents and assurances given or made under any law or regulation by any person,

in each case, insofar as the same relate to its Real Property or the occupation and use of its Real Property.

#### **6.6 Investigation of title**

Each Chargor shall grant the Security Agent or its lawyers on request all facilities within the power of each Chargor to enable the Security Agent or its lawyers (at the expense of the Chargors) to:

- 6.6.1 carry out investigations of title in relation to its Real Property; and
- 6.6.2 make such enquiries in relation to any part of its Real Property as a prudent mortgagee might carry out.

## **6.7 Compensation payments**

Subject to the rights and claims of any person having prior rights to such compensation, all monies payable to a Chargor by way of compensation, whether under Section 25 of the Law of Property Act 1969 or under the Landlord and Tenant Acts 1927 to 1954 or otherwise, shall be paid to the Security Agent (who shall be entitled to give good receipt for such monies) and applied in accordance with Clause 20.1 (*Order of application*) as though they were the proceeds of the enforcement of the Security Interest constituted by this Deed, and any monies that may be received by a Chargor shall, pending such payment, be held on trust for the Security Agent.

## **6.8 Power to remedy**

If any Chargor fails to comply with any of the undertakings contained in this Clause 6, each Chargor shall allow the Security Agent or its agents and contractors:

- 6.8.1 to enter any part of its Real Property;
- 6.8.2 to comply with or object to any notice served on that Chargor in respect of its Real Property; and
- 6.8.3 to take any action as the Security Agent may consider necessary or desirable to prevent or remedy the relevant breach or to comply with or object to any such notice.

The Chargors shall immediately on request by the Security Agent pay the costs and expenses of the Security Agent and its agents and contractors incurred in connection with any action taken under this sub-clause.

## **7 INVESTMENTS**

### **7.1 Deposit of title documents**

Each Chargor undertakes to deposit with the Security Agent or the Security Agent's nominee:

- 7.1.1 on or before execution of this Deed, all share certificates or other documents of title relating to the Shares;
- 7.1.2 immediately upon its acquisition of any Investment, all share certificates and other documents of title or evidence of ownership relating to that Investment;
- 7.1.3 promptly upon the accrual, offer or issue of any stocks, shares, warrants or other securities in respect of or derived from the Investments, all share certificates and other documents of title or evidence of ownership relating to each of such items; and
- 7.1.4 together with stock transfer forms (or other appropriate transfer instruments) signed by the relevant Chargor (or its nominee, where

appropriate) as transferor but with details of the transferee, date and consideration left blank, on the basis that the Security Agent may hold all those certificates, forms and documents until the discharge date so that the Security Agent may, at any time after the Security Interest created by this Deed has become enforceable in accordance with its terms and without notice to the relevant Chargor, complete and present those stock transfer forms and any other documents to the issuers of the Security Assets for registration.

## **7.2 Completion of transfers**

The Security Agent is entitled at any time after an Event of Default has occurred to complete the stock transfer forms (or other transfer instruments) on behalf of the relevant Chargor in favour of the Security Agent or its nominee, using the power of attorney contained in Clause 23 (*Power of attorney*) or otherwise.

## **7.3 Voting and Dividends**

### **7.3.1 Voting and other rights prior to an Event of Default**

Prior to the occurrence of an Event of Default:

- (a) subject to paragraph 7.3.2 below, each Chargor is entitled to exercise or direct the exercise of the voting and other rights attached to any Investment as it sees fit provided that:
  - (i) it does so for a purpose not inconsistent with its obligations under any Finance Document; and
  - (ii) the exercise or failure to exercise those rights does not have an adverse effect on the value of the Investments and does not otherwise prejudice the Security Agent's interests under this Deed; and
- (b) each Chargor is entitled to receive and retain all Dividends.

### **7.3.2 Voting and other rights following an Event of Default**

After an Event of Default has occurred:

- (a) the Security Agent will be entitled to exercise or direct the exercise (or refrain from exercising or refrain from directing the exercise) of the voting and other rights attached to any Investment as it sees fit in its absolute discretion;
- (b) each Chargor shall comply, or procure compliance with, any directions of the Security Agent in relation to the exercise of those rights and shall promptly execute and deliver to the Security Agent all forms of proxy as the Security Agent may require in connection with the exercise of those rights; and

- (c) all Dividends shall be paid or transferred to the Security Agent (or to its order) and any Dividends received by any Chargor shall be held by that Chargor on trust for the Security Agent and immediately paid by it to the Security Agent or to any nominee designated by the Security Agent. The Security Agent will be entitled to apply those Dividends in such manner as it sees fit.

**7.3.3 At any time:**

- (a) the Security Agent may, in its absolute discretion, and without any consent or authority from the Chargors (but providing each Chargor with notice of any such election) elect to give up the right to exercise (or refrain from exercising) all voting rights in respect of the Investments conferred or to be conferred on the Security Agent pursuant to paragraph 7.3.2(a) above, provided that the Chargors shall compensate or otherwise make the Security Agent good in respect of any loss or shortfall it may suffer good as a consequence of such election;
- (b) once a notice has been issued by the Security Agent under paragraph 7.3.3(a) above, on and from the date of such notice, the Security Agent shall cease to have the rights to exercise or refrain from exercising voting rights in respect of the Investments conferred or to be conferred on it pursuant to paragraph 7.3.2(a) above or any other provision of this Deed and all such rights shall be exercisable by the relevant Chargor. The relevant Chargor shall be entitled on and from the date of such notice to exercise all voting rights in respect of the Investments subject only to the proviso contained in paragraph 7.3.1(a) above.

**7.4 Limited obligations of the Security Agent**

At any time when any Investments are registered in the name of the Security Agent or its nominee, the Security Agent shall have no duty:

- 7.4.1 to make any payment or to ensure that any dividends, distributions, interest or other monies payable in respect of those Investments are duly and promptly paid or received by it or its nominee;
- 7.4.2 to verify that the amounts referred to in Clause 7.4.1 are the correct amounts paid or received;
- 7.4.3 to take any action in connection with the taking up of any (or any offer of any) stocks, shares, rights, monies or other property paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus rights, preference, option, warrant or otherwise on, or in respect of, or in substitution for, those Investments;
- 7.4.4 to perform any obligation of a Chargor in relation to those Investments; or

7.4.5 to present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Deed.

**7.5 Nominee shareholders**

If any Investment is not held in a Chargor's name (other than as a result of the operation of this Deed) the relevant Chargor shall procure the prompt delivery to the Security Agent of an irrevocable power of attorney, expressed to be given by way of security and executed as a deed, by the person in whose name that Investment is held. That power of attorney shall appoint the Security Agent and every Receiver as the attorney of the holder in relation to that Investment and shall be in a form approved by the Security Agent.

**7.6 Acquisition of Shares**

Unless permitted by the terms of the Facility Agreements, no Chargor shall:

7.6.1 acquire or enter into any agreement to acquire, any Shares; or

7.6.2 permit the declaration of or payment of any Dividend.

**7.7 Circulars**

Each Chargor shall promptly deliver to the Security Agent a copy of every circular, notice, report set of documents received by it or its nominee in connection with the Investments.

**7.8 Calls**

Each Chargor shall pay all calls and other payments due in relation to the Investments. If any Chargor fails to do so, the Security Agent may pay those calls or other payments on that Chargor's behalf and the Chargors shall immediately on demand reimburse the Security Agent for any such payment.

**7.9 Alteration to rights**

No Chargor shall vary or agree to any variation in voting rights attaching to the Shares and shall not cause or permit any of the Shares to be consolidated, sub-divided or converted.

**7.10 Other obligations in respect of Shares**

7.10.1 Each Chargor shall comply with all requests for information relating to any Shares which is within its actual or imputed knowledge and with which it is required to comply by its articles of association or by any law (including sections 793 and 820 to 825 of the Companies Act 2006).

7.10.2 Each Chargor shall promptly supply a copy to the Security Agent of any information referred to in Clause 7.10.1.



7.10.3 Each Chargor shall comply with all other conditions and obligations assumed by it in respect of any Share.

## **8 CHATTELS**

### **8.1 Maintenance**

Each Chargor shall:

- 8.1.1 keep all its Chattels in good repair, working order and condition;
- 8.1.2 give the Security Agent such information concerning the location, condition, use and operation of its Chattels as the Security Agent may require;
- 8.1.3 permit any persons designated by the Security Agent to inspect and examine the Chattels and the records relating to the Chattels at all reasonable times; and
- 8.1.4 not permit any Chattels to be:
  - (a) used or handled other than by properly qualified and trained persons; or
  - (b) overloaded or used for any purpose for which it is not designed or reasonably suitable.

### **8.2 Notice of Charge**

Each Chargor shall take any action which the Security Agent may reasonably require to evidence the interest of the Security Agent in its Chattels; this includes a fixed nameplate on its Chattels in a prominent position stating that:

- 8.2.1 the Chattel is charged in favour of the Security Agent; and
- 8.2.2 the Chattel must not be disposed of without the prior consent of the Security Agent unless permitted under the Facility Agreements.

## **9 ACCOUNTS**

### **9.1 Undertakings**

- 9.1.1 Subject to the terms of the Facility Agreements, each Chargor shall:
  - (a) not open or maintain any account other than the Accounts;
  - (b) except as regards any account maintained with the Security Agent, deliver to the Security Agent details of each Account maintained by it promptly upon any redesignation or change in account details affecting any Account;

- (c) promptly upon request by the Security Agent, supply it with copies of all mandate letters, bank statements and other agreements relating to the Accounts; and
- (d) not permit or agree to any variation of the terms and conditions relating to any Account or close any Accounts without the prior written consent of the Security Agent.

## **9.2 Operation of the Blocked Accounts**

Subject to the terms of the Facility Agreements, no Chargor may, at any time, withdraw or transfer any sums from a Blocked Account.

## **9.3 Operation of the Accounts other than the Blocked Accounts**

9.3.1 Subject to the terms of the Facility Agreements prior to the occurrence of a Default that is continuing each Chargor shall, in the case of any Account that is not a Blocked Account, be entitled to withdraw or transfer any sum standing to the credit of such Account.

9.3.2 After the occurrence of a Default that is continuing, no Chargor shall be entitled to make any withdrawals or transfers from any Account without the Security Agent's prior written consent.

## **9.4 Time deposits**

Without prejudice to any right of set off any Secured Party may have under any other Finance Document or otherwise, if the balance of any Account constitutes a time deposit then, subject to any contrary instructions from the Security Agent, that time deposit shall be successively redeposited for such periods and on such terms as may from time to time be agreed between the Security Agent and each Chargor in writing (failing which agreement, for such periods and on such terms as the Security Agent may in its discretion decide).

# **10 MONETARY CLAIMS**

## **10.1 Collecting Monetary Claims**

Each Chargor shall promptly get in and realise all Monetary Claims and immediately pay the proceeds of such Monetary Claims into a Blocked Account or to such account as the Security Agent may otherwise direct in writing and pending that payment will hold those proceeds on trust for the Security Agent.

## **10.2 Dealing with Monetary Claims**

No Chargor shall, without the prior written consent of the Security Agent, assign, factor, discount, release, waive, compound or otherwise deal with any of the Monetary Claims or vary any term relating to a Monetary Claim.

### **10.3 Assignment**

Each Chargor shall, at the Security Agent's request, execute a legal assignment of its Monetary Claims in favour of the Security Agent on such terms as the Security Agent may require and will sign and deliver written notice of that assignment, in a form acceptable to the Security Agent, to each debtor which owes or may owe a Monetary Claim and will use all reasonable endeavours to procure that the notice is duly acknowledged by the debtors concerned in accordance with the terms of that assignment and that, following the date of such notice, each such debtor pays such Monetary Claims to the Security Agent in accordance with the terms of the notice.

## **11 CONTRACTS**

### **11.1 Contracts - representations and warranties**

Each Chargor represents and warrants to the Security Agent on each day up to the Discharge Date, that:

- 11.1.1 each Contract to which it is a party is in full force and effect and constitutes its legal, valid, binding and enforceable obligations;
- 11.1.2 its execution and performance of the Contracts to which it is a party does not conflict with any law or regulation applicable to it, its constitutional documents or any agreement or instrument binding on it or constitute a default or termination event (however described) under any such agreement or instrument;
- 11.1.3 it is not in default, nor, so far as it is aware, is any counterparty to a Contract in default, under the Contracts to which it is a party;
- 11.1.4 all payments due to it from any party under the Contracts to which it is a party can be made without withholding or deduction on account of Tax;
- 11.1.5 all payments to it by any other party to any of the Contracts to which it is a party are not subject to any right of set off or similar right; and
- 11.1.6 there is no prohibition on assignment in the Contracts to which it is a party.

### **11.2 Undertaking**

- 11.2.1 Subject to clause 11.2.3, no Chargor shall without the prior written consent of the Security Agent:

- (a) amend, supplement or waive or agree to the amendment, supplement or waiver of any term of any Contract to which it is a party or terminate such Contract or allow such Contract to lapse (other than where a Contract expires in accordance with its terms and not by reason of default) and shall not do or permit anything to be done which may impair the enforceability of any term of any such Contract; or

- (b) take any action which might jeopardise the existence or enforceability of any Contract to which it is a party.

**11.2.2 Each Chargor shall:**

- (a) promptly perform all its obligations under each Contract to which it is a party;
- (b) diligently enforce its rights under each Contract to which it is a party;
- (c) inform the Security Agent immediately if it serves any notice of default, or commences any legal proceeding, or receives any notice of default or of the initiation of any legal proceeding in relation to any Contract to which it is a party; and
- (d) supply the Security Agent with (i) a copy of each Contract to which it is a party, certified as being true and correct by a director of it and (ii) any other information and copies of any other documents relating to each Contracts to which it is a party which the Security Agent, or any Receiver, requests.

**11.2.3** Unless an Event of Default has occurred and is continuing, clause 11.2.1 above shall not apply to Contracts with a cash outlay or annual cost in aggregate less than £150,000 (or the equivalent in another currency).

**11.3 Obligations**

Notwithstanding the operation of Clause 4.7 (*Contracts*), each Chargor is and shall remain liable under any Contract to which it is a party to perform all its obligations under that Contract and no Secured Party shall be, or be deemed to be, under any obligation or liability under or in connection with such Contract by reason of this Deed or the exercise by any Secured Party of any rights, powers or remedies under this Deed.

**12 INSURANCES**

**12.1 Insurances - representations and warranties**

Each Chargor represents and warrants to the Security Agent on each day up to the Discharge Date that:

- 12.1.1 each Policy is in full force and effect and on risk, all premiums payable in relation to the Policies have been paid when due and payable, there are no grounds on which any Policy may be declared void or voidable in whole or in part; and
- 12.1.2 its entry into the Policies does not conflict with any law or regulation applicable to it, its constitutional documents or any agreement or instrument binding on it.

## **12.2 Preservation and enforcement of rights**

Subject to the terms of the Facility Agreements, each Chargor shall:

- 12.2.1 maintain insurances on and in relation to its business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially similar business. All such insurances must be maintained with a reputable independent insurance company or underwriter;
- 12.2.2 perform all its obligations, pay all premiums and other monies payable and diligently enforce all its rights under the Policies and take all action necessary to keep the Policies in full force and effect and otherwise preserve its rights under the Policies (including by way of legal or arbitration proceedings);
- 12.2.3 inform the Security Agent immediately if it commences any legal proceeding, or receives notice of the initiation of any legal proceeding, in relation to any Policy or if it becomes aware of any Policy becoming void or voidable in whole or in part;
- 12.2.4 supply the Security Agent with:
  - (a) a copy of each Policy and of each certificate of insurance and cover note relating to each Policy, certified as being true and correct copies by a director of the relevant Chargor; and
  - (b) any other information and copies of any other documents relating to the Policies which the Security Agent, or any Receiver, requests.

## **12.3 Amendments and waivers**

No Chargor shall, without the Security Agent's prior written consent, amend, supplement or waive or agree to the amendment, supplement or waiver of any term of any Policy or terminate any Policy or allow any Policy to lapse (other than where a Policy expires in accordance with its terms and not by reason of default).

## **12.4 Default interest**

If any Chargor defaults in complying with Clause 12.2 (*Preservation and enforcement of rights*), any Secured Party may effect or renew any such insurance on such terms, in such name(s) and in such amounts as it reasonably considers appropriate, and all monies expended by the Secured Parties in doing so shall be reimbursed by the Chargors to the relevant Secured Parties on demand and shall carry interest from the date of payment by the Secured Parties until reimbursed at the higher of the Default Interest (as defined in the Loan Agreement) and 4% per annum above the Bank of England's base rate from time to time.

## **13 INTELLECTUAL PROPERTY**

### **13.1 Intellectual Property - representations and warranties**

Each Chargor represents and warrants to the Security Agent on each date up until the Discharge Date that it:

- 13.1.1 is the sole legal and beneficial owner of or has licensed to it on normal commercial terms all of the Intellectual Property which is required by it in order to carry on its business as it is being conducted and has taken all formal and procedural actions (including but not limited to payment of fees) required to maintain such Intellectual Property; and
- 13.1.2 does not, in carrying on its business, infringe any Intellectual Property of any third party in any material respect.

### **13.2 Intellectual Property – positive undertakings**

Each Chargor shall:

- 13.2.1 do all such acts and things as are necessary or desirable to preserve and maintain the existence and validity of its Intellectual Property;
- 13.2.2 use all reasonable endeavours to prevent any theft, loss, destructions, infringement, unauthorised access, copying and use of its Intellectual Property and immediately after becoming aware of any such action, inform the Security Agent of such action and (at its own cost and without prejudice to any other steps it may consider appropriate in the circumstances) take such steps as the Security Agent may from time to time direct; and
- 13.2.3 make registrations and pay all registration fees and taxes necessary to maintain its Intellectual Property in full force and effect and record its interest in that Intellectual Property and produce to the Security Agent on demand receipts or other evidence that the same have been paid.

### **13.3 Intellectual Property – negative undertakings**

No Chargor shall:

- 13.3.1 abandon, cancel or allow any of its Intellectual Property to become void, lapse or to become vulnerable to attack, whether for non-use or otherwise;
- 13.3.2 apply to amend the specification or drawing of any of the letters patent or registered trade or service marks forming part of its Intellectual Property or enter any conditions, restrictions or disclaimers in relation to any of its registered Intellectual Property; or
- 13.3.3 use or permit its Intellectual Property to be used in a way, or take any step or omit to take any step in respect of its Intellectual Property, which may materially and adversely affect the existence or value of the Intellectual Property or impair its right to use such property; and

13.3.4 discontinue the use of the Intellectual Property.

**13.4 Preservation/protection**

Each Chargor must promptly, if requested to do so by the Security Agent, sign or procure the signature of, and comply with all instructions of the Security Agent in respect of, any document required to make entries in any public register of Intellectual Property (including the United Kingdom Trade Marks Register) which either record the existence of this Deed or the restrictions imposed by this Deed.

**14 THE LAND REGISTRY**

14.1 Each Chargor consents to an application being made to the Land Registry to enter the following restriction on the Register of Title relating to any Real Property registered at the Land Registry:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction is to be registered without a written consent signed by the proprietor for the time being of the charge dated [ ] in favour of Duke Royalty UK Limited referred to in the charges register or [*conveyancer*] or [*specify appropriate details*]".

14.2 Each Chargor consents to an application being made to the Land Registry for a notice in the following terms to be entered on the Register of Title relating to any Real Property registered at the Land Registry:

"The lender under a facilities agreement dated [ ] is under an obligation (subject to the terms of that facilities agreement) to make further advances and the debenture referred to in the charges register dated [ ] in favour of Duke Royalty UK Limited secures those further advances."

14.3 No Chargor shall allow any person other than itself to be registered under the Land Registration Act 2002 as proprietor of any of the Real Property and will not, as regards any Real Property, create or permit to arise any overriding interest within the meaning of the Land Registration Act 2002 or the Land Registration Rules 2003 and more particularly set out in Schedule 1 or Schedule 3 of the Land Registration Act 2002.

14.4 No Chargor shall permit any person to become entitled to any proprietary right or interest which might affect the value of any Real Property.

14.5 Each Chargor shall promptly make all applications to and filings with the Land Registry which are necessary or desirable under the Land Registration Rules 2003 to protect the Security Interest created by or pursuant to this Deed.

14.6 Each Chargor authorises the Security Agent and/or any solicitors or other agent acting on behalf of the Security Agent to complete, execute and deliver on the relevant Chargor's behalf (but at the cost of the Chargors) to the Land Registry any

form, document or other information requested by the Land Registry with regard to the applications referred to in this Clause 14.

## **15 NOTICES OF ASSIGNMENT AND CHARGE**

### **15.1 Rental Income**

15.1.1 Each Chargor shall upon execution of this Deed (or, if later, the date on which a lease is designated as an Occupational Lease) give notice substantially in the form of Part 1 of Schedule 6 (*Form of Notice to Tenant*) addressed to each tenant to such Occupational Lease confirming that the relevant Chargor has assigned all its right, title and interest in the Rental Income and other monies payable under that Occupational Lease.

15.1.2 The relevant Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice in substantially the form specified in Part 2 of Schedule 6 (*Form of Acknowledgement from Tenant*) within 7 Business Days of that notice being given.

### **15.2 Accounts**

15.2.1 Each Chargor shall serve a notice of charge in the form of Part 1 of Schedule 7 (*Form of Notice to Account Bank*) on each Account Bank with whom a Blocked Account is held immediately:

- (a) upon execution of this Deed; and
- (b) upon opening any Blocked Account after the date of this Deed.

15.2.2 Each Chargor shall serve a notice of charge in the form of Part 3 of Schedule 7 (*Form of Notice to Account Bank*) on each Account Bank with whom an Account (other than a Blocked Account) is held immediately:

- (a) upon execution of this Deed; and
- (b) upon opening any Account (other than a Blocked Account) after the date of this Deed.

15.2.3 Each Chargor shall use reasonable endeavours to procure that each Account Bank acknowledges any notice by signing and returning to the Security Agent a letter of acknowledgement substantially in the form of Part 2 of Schedule 7 (*Form of Acknowledgement from Account Bank*) or Part 4 of Schedule 7 (*Form of Acknowledgement from Account Bank – other than a Blocked Account*) (as appropriate) within 7 days of the date of such notice. Any instructions contained in a notice of charge sent by a Chargor pursuant to this Clause may not be revoked or amended without the Security Agent's prior written consent.



### **15.3 Contracts**

15.3.1 Each Chargor shall immediately upon execution of this Deed (or, if later, the date upon a document being designated as a Contract for the purposes of this Deed) serve a notice, substantially in the form of Part 1 of Schedule 8 (*Form of Notice to Counterparty*), on each counterparty to each such Contract to which it is a party.

15.3.2 Each Chargor shall use reasonable endeavours to procure that each such counterparty acknowledges that notice by signing and returning to the Security Agent a notice substantially in the form of Part 2 of Schedule 8 (*Form of Acknowledgement from Counterparty*) within 7 days of the date of this Deed or, if later, the date of the relevant Contract. Any instructions contained in a notice sent to a counterparty pursuant to this Clause may not be revoked or amended without the Security Agent's prior written consent.

### **15.4 Insurance**

15.4.1 Each Chargor shall immediately upon execution of this Deed (or, if later, the date on which an insurance policy is designated as a "Policy" for the purposes of this Deed) serve a notice, substantially in the form of Part 1 of Schedule 9 (*Form of Notice and Acknowledgement for Insurer*), on each other party to each Policy.

15.4.2 Each Chargor shall use reasonable endeavours to procure that each such party acknowledges that notice by signing and returning to the Security Agent a letter of undertaking substantially in the form of Part 2 of Schedule 9 (*Form of Acknowledgement from Insurer*) within 7 days of the date of this Deed or, if later, the date of entry into the relevant Policy. Any instructions contained in any notice sent by a Chargor pursuant to this Clause may not be revoked or amended without the Security Agent's prior written consent.

## **16 POWERS, PROTECTION AND DISCRETIONS OF THE SECURITY AGENT**

### **16.1 Rights and powers etc**

All the rights, powers, authorities and discretions which are expressly or impliedly conferred by this Deed on a Receiver may, after the Security Interest constituted by this Deed has become enforceable, be exercised by the Security Agent in respect of the Security Assets whether or not a Receiver has been or is later appointed.

### **16.2 Protections**

All the protections and immunities which this Deed provides for a Receiver shall be available to the Security Agent when the Security Agent is exercising the rights, powers, authorities and discretions conferred on the Security Agent by this Deed.

### **16.3 Curing of breaches and covenants**

If any Chargor fails to comply with any provision of this Deed, then each Chargor shall allow and hereby authorises the Security Agent or its nominee to do all such acts and things and take such action on behalf of any Chargor as may be necessary to secure compliance with that provision without becoming liable as a mortgagee in possession.

### **16.4 Indemnity**

Each Chargor shall indemnify the Security Agent against all losses, costs, charges and expenses incurred by the Security Agent as a result of the failure by any Chargor to comply with any provision of this Deed and in connection with the exercise by the Security Agent or its nominee of their respective rights contained in Clause 16.3 (*Curing of breaches and covenants*).

### **16.5 Expenses so incurred**

All monies expended and all costs incurred by the Security Agent or its nominee in carrying out any of their respective powers and discretions referred to in Clause 16.3 (*Curing of breaches and covenants*) shall be considered to have been properly incurred by the Security Agent or its nominee, shall be secured by this Security Interest and shall be payable on demand by the Chargors to the Security Agent.

## **17 ENFORCEMENT OF SECURITY**

### **17.1 Timing**

The Security Interest created by this Deed will be immediately enforceable at any time after the occurrence of:

- 17.1.1 an Event of Default which is continuing; or
- 17.1.2 a request being made by a Chargor to the Security Agent that it exercise any of its powers under this Deed.

### **17.2 Enforcement**

After the Security Interest constituted by this Deed has become enforceable, the Security Agent may, without notice to the Chargors or prior authorisation from any court, in its absolute discretion:

- 17.2.1 enforce all or any part of that Security Interest (at any time and in any manner it sees fit);
- 17.2.2 appoint a Receiver to all or any part of the Security Assets;
- 17.2.3 appoint one or more persons as an Administrator of any Chargor in accordance with Schedule B1 of the Insolvency Act;
- 17.2.4 take possession of and hold or dispose of all or any part of the Security Assets including, without limitation, all of the powers conferred on a

mortgagee under the LPA (as varied or extended by this Deed) or any of the powers conferred on a holder of a qualifying floating charge holder (as defined in the Insolvency Act);

- 17.2.5 secure and perfect its title to all or any part of a Security Asset and / or transfer any asset into the name of its nominee;
- 17.2.6 exercise in relation to any Security Asset all the powers, authorities and things which it would be capable of exercising if it were the absolute legal and beneficial owner of that Security Asset;
- 17.2.7 whether or not it has appointed a Receiver, exercise all or any of the rights, powers, authorisations and discretions conferred by the LPA (as varied and extended by this Deed) on mortgagees, by this Deed on any Receiver, or conferred by the Insolvency Act or any other law on mortgagees and Receivers;
- 17.2.8 subject to paragraph 4.12.3, by written notice to the Chargors convert the floating charge created by Clause 4.11 (*Floating Charge*) into a fixed charge as regards any assets specified in that notice;
- 17.2.9 exercise the statutory power of sale and any other powers conferred by section 101 of the LPA and the statutory powers of leasing as amended and varied in the forgoing clauses and all other statutory powers in respect of the whole or any part of the Security Assets;
- 17.2.10 exercise all its rights, powers and remedies as assignee of the Accounts or any contracts and/or agreements and, in particular, the right to:
  - (a) demand and receive any interest or other monies payable in respect of any credit balance on any Account or any relevant contract or agreement; and
  - (b) withdraw sums standing to the credit of any Account (or, by notice to the bank with whom such Account is maintained, block the withdrawal of any such sums) and otherwise exercise all rights in relation to the Accounts as the relevant Chargor may exercise (or, but for this Deed) might exercise; and
  - (c) apply, transfer or set-off any or all of the balances from time to time standing to the credit of the Accounts in or towards the payment or other satisfaction of all or part of the Secured Liabilities then due but unpaid in accordance with Clause 20.1 (*Order of application*).

### 17.3 Statutory powers

- 17.3.1 For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.

- 17.3.2 The statutory power of sale or other right of disposal 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 LPA and such power shall arise (and the Secured Liabilities shall be deemed due and payable for that purpose) on execution of this Deed.
- 17.3.3 The statutory powers of leasing may be exercised by the Security Agent at any time on or after the Security Interest constituted by this Deed has become enforceable and such powers are extended by this Deed so as to authorise the Security Agent to make any lease or agreements for lease, accept surrenders of leases and grant options on such terms as the Security Agent may think fit and without the need to comply with any restrictions imposed by law (including, but not limited to, under section 99 or section 100 of the LPA).
- 17.3.4 For the purposes of sections 99 and 100 of the LPA, the expression "Mortgagor" will include any incumbrancer deriving title under a Chargor and neither sub-section (18) of section 99 nor sub-section (12) of section 100 of the LPA will apply.
- 17.3.5 No Chargor shall have, at any time up until the Discharge Date, the power pursuant to section 99 of the LPA to make any Lease in respect of any Real Property without the prior written consent of the Security Agent unless permitted pursuant to the terms of the Facility Agreements.
- 17.3.6 The restrictions contained in section 93 and section 103 of the LPA shall not apply to the Security Interest constituted by this Deed.
- 17.3.7 Each Receiver and the Security Agent is entitled to all the rights, powers and privileges and immunities conferred by the LPA and the Insolvency Act on mortgagees and Receivers.
- 17.3.8 Neither the Security Agent nor any Receiver will be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.
- 17.4 Access on enforcement**
- 17.4.1 At any time after the Security Interest constituted by this Deed has become enforceable, each Chargor will allow any of the Secured Parties, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Security Asset and for that purpose to enter on any premises where a Security Asset is situated (or where any Secured Party reasonably believes a Security Asset to be situated) without incurring any liability to any Chargor for, or by any reason of, that entry.

- 17.4.2 At all times, each Chargor must use its best endeavours to allow any Secured Party access to any premises for the purpose of Clause 17.4.1 (obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

## **18 RECEIVER**

### **18.1 Appointment of Receiver**

- 18.1.1 After the Security Interest constituted by this Deed has become enforceable the Security Agent may without prior notice, appoint:
- (a) any one or more persons to be a Receiver of all or any part of the Security Assets; or
  - (b) two or more Receivers of separate parts of the Security Assets; or
  - (c) appoint another person(s) as an additional Receiver(s).
- 18.1.2 Any appointment under paragraph 18.1.1 above may be by deed, under seal or in writing under its hand.
- 18.1.3 Any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the LPA) does not apply to this Deed.
- 18.1.4 At any time, if so requested by a Chargor, without further notice, the Security Agent may appoint a Receiver to all or any part of the Security Assets as if the Security Agent had become entitled under the LPA to exercise the power of sale conferred under the LPA.

### **18.2 Statutory powers of appointment**

The powers of appointment of a Receiver pursuant to Clause 18.1 (*Appointment of Receiver*) above shall be in addition to all statutory and other powers of appointment of the Security Agent under the LPA (as extended by this Deed), the Insolvency Act or otherwise and such powers shall remain exercisable from time to time by the Security Agent in respect of any part of the Security Assets and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA or otherwise.

### **18.3 Removal**

The Security Agent may from time to time by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver who has been removed for any reason.

### **18.4 Remuneration**

The Security Agent may from time to time fix the remuneration of any Receiver appointed by it and any maximum rate imposed by any law (including under section

109(6) and (8) of the LPA) will not apply. Any remuneration of any Receiver will form part of the Secured Liabilities.

#### **18.5 Agent of the Chargors**

18.5.1 A Receiver will be deemed to be the agent of the Chargors for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the LPA. Each Chargor is solely responsible for the remuneration, expenses, contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver.

18.5.2 No Secured Party will incur any liability (either to the Chargors or to any other person) by reason of the appointment of a Receiver or for any other reason.

18.5.3 No Receiver shall at any time act as agent for any other Secured Party.

### **19 POWERS OF RECEIVER**

#### **19.1 Statutory powers**

19.1.1 A Receiver (subject to any restrictions in the instrument appointing him but notwithstanding any winding up or dissolution of any Chargor) has (to the extent permitted by law):

- (a) all of the rights, powers, remedies and discretions of an administrative receiver under Schedule 1 of the Insolvency Act, as if such Schedule and all relevant definitions set out in the Insolvency Act were set out in this Deed; and
- (b) otherwise, all the rights, powers, remedies and discretions conferred on a mortgagor, a mortgagee in possession and on a Receiver (or a receiver and manager) appointed under the LPA or the Insolvency Act.

19.1.2 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually (and to the exclusion of any other Receiver) or together with any other person appointed or substituted as a Receiver.

#### **19.2 Additional powers**

In addition to those powers, rights and discretions set out in paragraphs 19.1.1(a) and 19.1.1(b) above, a Receiver shall have the following rights, powers and discretions:

##### **19.2.1 Possession**

A Receiver may take immediate possession of, get in and collect the Security Assets or any part thereof.

**19.2.2 Carry on business**

A Receiver may carry on, manage or concur in carrying on or managing the whole or any part of the business of any Chargor as he in his discretion may think fit.

**19.2.3 Protection of assets**

A Receiver may:

- (a) manage, insure, repair, decorate, maintain, alter, improve, develop, construct, modify, refurbish, renew or add to the Security Assets or concur in so doing;
- (b) commence, continue or complete any new works, unfinished work, building operations, construction, reconstruction, maintenance, furnishing, finishing or fitting-out on any Real Property; and
- (c) apply for and maintain any planning permissions, building regulations, approvals and any other permissions, consents or licences,

in each case as he in his discretion may think fit.

**19.2.4 Employees**

- (a) A Receiver may appoint and discharge managers, directors and secretaries for the purposes of this Deed upon such terms as to remuneration or otherwise as he thinks fit.
- (b) A Receiver may discharge any person appointed by any Chargor.

**19.2.5 Sale of assets**

- (a) A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which he thinks fit.
- (b) The consideration for the sale of any Security Asset may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which the Receiver thinks fit.
- (c) Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of any Chargor.

**19.2.6 Let, hire or lease**

A Receiver may:

- (a) let, hire or lease (with or without premium) and accept surrenders of leases or tenancies or concur in so doing;
- (b) grant rights, options or easements over and otherwise deal with or dispose of and exercise all rights, powers and discretions incidental to, the ownership of the Security Assets; and
- (c) exchange or concur in exchanging the Security Assets,

in each such case in such manner and generally on such terms as he may in discretion think fit, with all the powers of an absolute beneficial owner. The Receiver may exercise any such power by effecting such transaction in the name or on behalf of any Chargor or otherwise.

#### **19.2.7 Registration**

A Receiver may use any Chargor's name to effect any registration or election for tax or other purposes.

#### **19.2.8 Insurances**

A Receiver may effect, review or vary insurances.

#### **19.2.9 Borrowing**

A Receiver may for the purposes of exercising any of the powers, authorities or discretions conferred on him by or pursuant to this Deed or of defraying any costs (including, without limitation, his remuneration) which are incurred by him in the exercise of such powers, authorities or discretions or for any other purpose, raise and borrow money or incur any other liability either unsecured or secured on the Security Assets, either in priority to the Security Interest created by this Deed or otherwise, and generally on such terms as he in his discretion may think fit. No person lending such money is to be concerned to enquire as to the propriety or purpose of the exercise of such power or as to the application of money so raised or borrowed.

#### **19.2.10 Advance credit**

A Receiver may advance credit, in the ordinary course of any Chargor's business, to any person.

#### **19.2.11 Make calls**

A Receiver may make, or require the directors of any Chargor to make such calls upon the shareholders of that Chargor in respect of any uncalled capital of that Chargor as the Receiver in his discretion may require and enforce payment of any call so made by action (in the name of that Chargor or the Receiver as the Receiver in his discretion may think fit) or otherwise.



#### 19.2.12 **Compromise, legal action and mediation**

A Receiver may:

- (a) settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of any Chargor or relating in any way to any Security Asset;
- (b) bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which he thinks fit; and
- (c) refer to mediation any question in relation to any Security Asset that he thinks fit.

#### 19.2.13 **Subsidiaries**

A Receiver may:

- (a) promote the formation of any subsidiary of any Chargor with a view to such subsidiary purchasing, leasing, licensing or otherwise acquiring an interest in the Security Assets;
- (b) arrange for the purchase, lease, licence or acquisition of an interest in the Security Assets by any such subsidiary for any valuable consideration, including, without limitation, cash, shares, debentures, loan stock, convertible loan stock or other securities, profits or a sum calculated by reference to profits, turnover, royalties, licence fees or otherwise, whether or not secured on the undertaking or assets of such subsidiary and whether or not such consideration is payable or receivable in a lump sum or at any time or any number of times by instalments spread over such period, as the Receiver in his discretion may think fit; and
- (c) arrange for such subsidiary to trade or cease to trade as the Receiver in his discretion may think fit.

#### 19.2.14 **Receipts**

A Receiver may give valid receipts for all monies and execute all assurances and things which he in his discretion may think proper or desirable for realising the Security Assets.

#### 19.2.15 **Environment**

A Receiver may conduct and complete all investigations studies, sampling and testing and all remedial, removal and other actions, whether required under Environmental Law or by the Security Agent or otherwise and comply with all lawful orders and directives relating to Environmental Law.

**19.2.16 Mediation**

A Receiver may refer to mediation any question in relation to any Security Asset that he thinks fit.

**19.2.17 Delegation**

A Receiver may delegate his power in accordance with this Deed.

**19.2.18 Lending**

A Receiver may lend money or advance credit to any customer of any Chargor.

**19.2.19 Other powers**

A Receiver may:

- (a) do all other acts and things which he may consider desirable or necessary for realising any Security Asset or incidental or conducive to any of the rights, powers, remedies or discretions conferred on the Security Agent or any Receiver under or by virtue of this Deed or by law;
- (b) exercise every power which the Receiver in its absolute discretion considers desirable for maintaining or enhancing the value of the Security Assets or in connection with the enforcement of the Security Interest created by this Deed or the realisation of any Security Asset;
- (c) exercise in relation to any Security Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute legal and beneficial owner of that Security Asset;
- (d) do any other acts and things it lawfully may do as agent for any Chargor; and
- (e) use the name of any Chargor for any of the purposes set out in this Clause 19.

**19.3 Powers to be additional**

The powers conferred by this Deed in relation to the Security Assets on the Receiver shall be in addition to, and not in substitution for, the powers conferred on receivers under the LPA and the Insolvency Act.

**19.4 Powers to be exercisable by the Security Agent**

- 19.4.1 The Security Agent may exercise all powers granted by the Receiver by this Deed whether as attorney of any Chargor or otherwise.

19.4.2 The powers of the Receiver set out above are in addition to, and without prejudice to, all statutory and other powers of the Security Agent as provided in Clause 17.3 (*Statutory powers*) or otherwise and so that, *inter alia*, such powers are and remain exercisable by the Security Agent in respect of that part of the Security Assets in respect of which no appointment of a Receiver by the Security Agent is from time to time subsisting.

## 19.5 Conflict

If and to the extent that there is any ambiguity or conflict between:

19.5.1 the powers conferred on the Receiver by the Act and those powers listed in Schedule 1 of the Insolvency Act; and

19.5.2 the powers conferred by this Clause 19,

the powers conferred by this Clause 19 shall prevail.

## 20 APPLICATION OF PROCEEDS

### 20.1 Order of application

Subject to Clause 20.2 (*Prospective liabilities*), all amounts from time to time received or recovered by the Security Agent pursuant to the terms of any Finance Document or in connection with the realisation or enforcement of all or any part of the Transaction Security (for the purposes of this Clause 20, the "**Recoveries**") shall be held by the Security Agent on trust to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this Clause 20), in the following order:

20.1.1 In discharging any sums owing to the Security Agent, any Receiver or any Delegate;

20.1.2 in payment of all costs and expenses incurred by any Secured Party in connection with any realisation or enforcement of the Transaction Security taken in accordance with the terms of this Deed;

20.1.3 in payment to the Security Agent for application in accordance with the Facility Agreements; and

20.1.4 the balance (if any) will be applied as required by law.

### 20.2 Prospective liabilities

Following enforcement of any of the Transaction Security the Security Agent may, in its discretion, hold any amount of the Recoveries in an interest bearing suspense or impersonal account(s) in the name of the Security Agent with such financial institution (including itself) and for so long as the Security Agent shall think fit (the interest being credited to the relevant account) for later application under Clause 20.1 (*Order of application*) in respect of:

- 20.2.1 any sum to the Security Agent, any Receiver or any Delegate;
- 20.2.2 any part of the Secured Liabilities; and
- 20.2.3 any sum that the Security Agent reasonably considers, in each case, might become due or owing at any time in the future.

#### **20.3 Investment of proceeds**

Prior to the application of the proceeds of the Recoveries in accordance with Clause 20.1 (*Order of application*) the Security Agent may, in its discretion, hold all or part of those proceeds in an interest bearing suspense or impersonal account(s) in the name of the Security Agent with such financial institution (including itself) and for so long as the Security Agent shall think fit (the interest being credited to the relevant account) pending the application from time to time of those monies in the Security Agent's discretion in accordance with the provisions of this Clause 20.3.

#### **20.4 Currency Conversion**

- 20.4.1 For the purpose of, or pending the discharge of, any of the Secured Liabilities the Security Agent may convert any monies received or recovered by the Security Agent from one currency to another, at a market rate of exchange.
- 20.4.2 The obligations of each Chargor to pay in the due currency shall only be satisfied to the extent of the amount of the due currency purchased after deducting the costs of conversion.

#### **20.5 Permitted Deductions**

The Security Agent shall be entitled, in its discretion:

- 20.5.1 to set aside by way of reserve amounts required to meet, and to make and pay, any deductions and withholdings (on account of taxes or otherwise) which it is or may be required by any applicable law to make from any distribution or payment made by it under this Deed; and
- 20.5.2 to pay all Taxes which may be assessed against it in respect of any of the Security Assets, or as a consequence of performing its duties, or by virtue of its capacity as Security Agent under any of the Finance Documents or otherwise (other than in connection with its remuneration for performing its duties under this Deed).

### **21 PROTECTION OF PURCHASERS**

- 21.1 No purchaser or other person dealing with any Secured Party shall be bound to enquire:
  - 21.1.1 whether the Secured Liabilities have become due and/or payable;

- 21.1.2 whether any event has happened upon which any of the powers conferred by this Deed may have arisen or be exercisable or is being properly exercised;
  - 21.1.3 whether any money remains due under the Finance Documents; or
  - 21.1.4 how any money paid to that Secured Party is to be applied.
- 21.2 No purchaser dealing with any Secured Party or the Security Interest constituted by this Deed is to be concerned to enquire whether any power exercised or purported to be exercised by the Secured Parties has become exercisable, or as to the propriety or regularity of any sale by, or other dealing with the Secured Parties. Any such sale or dealing is deemed to be within the powers conferred by this Deed and to be valid and effective accordingly. All the protection to purchasers contained in section 104 and section 107 of the LPA and section 42(3) of the Insolvency Act apply to any purchaser.
- 21.3 The receipt of any Secured Party shall be conclusive discharge to any purchaser and, in making any sale or disposal of any of the Security Assets or making any acquisition, any Secured Party may do for such consideration, in such manner and on such terms as it thinks fit.

## **22 LIABILITY OF SECURITY AGENT AND RECEIVER**

### **22.1 Liability**

Neither the Security Agent, any Receiver nor any of their respective Delegates and sub-delegates, (whether as mortgagee in possession or otherwise) shall either by reason of:

- 22.1.1 taking possession of or realising all or any part of the Security Assets; or
- 22.1.2 taking any action permitted by this Deed,

be liable to any Chargor or any other person for any costs, losses or liabilities relating to any of the Security Assets or for any act, default, omission or misconduct of the Security Agent, any Receiver or their respective Delegates and sub-delegates in relation to the Security Assets or otherwise.

### **22.2 Exoneration**

Neither the Security Agent, any Receiver nor any of their respective Delegates and sub delegates shall have any duty:

- 22.2.1 to perform any Chargor's obligations or exercise any rights in relation to any Security Asset;
- 22.2.2 to ensure that any Related Rights are made available and to ensure that the correct amount has been received in relation to any Related Right;
- 22.2.3 to take up any offer in relation to any Security Asset;

- 22.2.4 to investigate, appraise or report on the status, propriety or validity of the acts of the Receiver or Security Agent;
- 22.2.5 to give any notification to anyone in relation to any Security Asset; or
- 22.2.6 to take any action to enforce any other person's obligations as regards any Security Asset.

### **22.3 Protection of the Receiver**

The Receiver shall be entitled to all the rights, powers, privileges and immunities which the LPA confers on mortgagees and receivers duly appointed under the LPA.

## **23 POWER OF ATTORNEY**

- 23.1 Each Chargor, by way of security for the performance of its obligations under this Deed, irrevocably and severally appoints the Security Agent, each Receiver and each of their respective Delegates and sub-delegates to be its attorney (with full power of substitution and delegation) and in its name, on its behalf and as its act and deed to:
  - 23.1.1 execute, deliver and perfect a Legal Mortgage over any Real Property not already the subject of a registrable Legal Mortgage;
  - 23.1.2 execute, deliver and perfect all other documents, deeds and agreements and do all such things which the attorney may consider to be required or desirable for:
    - (a) carrying out any obligation imposed on any Chargor by this Deed or any agreement binding on any Chargor to which the Security Agent is a party (including, but not limited to, the execution and delivery of any charges, assignments or other security and any transfers of the Security Assets and perfecting and/or releasing the Security Interest created or intended to be created in respect of the Security Assets); and
    - (b) enabling the Security Agent and any Receiver to exercise any of the rights, powers and authorities conferred on them pursuant to this Deed or by law (including, after the Security Interest constituted by this Deed has become enforceable as provided in this Deed, the exercise of any right of a legal or beneficial owner of the Security Assets or any part of the Security Assets);
  - 23.1.3 each Chargor shall 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 under this Deed; and
  - 23.1.4 each Chargor covenants (for the purpose of the irrevocable nature of the power of attorney granted in this Clause 23) with each Receiver appointed pursuant to this Deed, to join in and concur with the exercise by such Receiver of any powers of such Receiver to act on behalf of any Chargor.

## **24 DELEGATION AND DISCRETION**

### **24.1 Delegation**

- 24.1.1 The Security Agent and/or any Receiver may delegate by power of attorney or in any other manner all or any of the powers, authorities and discretions which are conferred and are exercisable by it under this Deed to any person or persons on such terms and conditions as it sees fit.
- 24.1.2 No such delegation pursuant to this Clause 24 shall preclude either the subsequent exercise of such power, authority or discretion by the Security Agent or a Receiver itself or any subsequent delegation or revocation of such power, authority or discretion.
- 24.1.3 Neither the Security Agent nor any Receiver will have any liability to any Chargor or any other person for any loss or liability arising from any act, default, omission or misconduct by any Delegate.

### **24.2 Discretion**

Any right or power which may be exercised or any determination which may be made under this Deed by the Security Agent or any Receiver may be exercised by it in its absolute and unfettered discretion, without any obligation to give reasons.

## **25 EFFECTIVENESS OF SECURITY**

### **25.1 Continuing Security**

The Security Interest constituted by this Deed shall remain in full force and effect as continuing security for the Secured Liabilities until the Discharge Date and shall not be released before then by any intermediate payment, discharge or satisfaction of all or any of the Secured Liabilities or for any other reason.

### **25.2 Cumulative rights**

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

- 25.2.1 to make any demand of, or take any action or obtain any judgment in any court against, any Chargor;
- 25.2.2 to make or file any claim or proof in winding-up or dissolution of any Chargor; or
- 25.2.3 to enforce or seek to enforce any other Security Interest held by it in respect of the Secured Liabilities.

### **25.3 No merger of Security**

No prior Security Interest held by the Security Agent (whether in its capacity as trustee or otherwise) or any other Secured Party over the whole or any other part of the Security Assets shall merge with the Security Interest constituted by this Deed.

### **25.4 No prejudice**

The Security Interest created by or pursuant to this Deed shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to any Chargor or any other person, or the Security Agent or by any variation of the terms of the trust upon which the Security Agent holds the Security Interest created by or pursuant to this Deed or by any other thing which might otherwise prejudice that Security Interest.

### **25.5 Remedies and waivers**

No failure to exercise, nor any delay in exercising, on the part of the Security Agent, any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any of the Finance Documents. No election to affirm any Finance Document on the part of any Finance Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in each Finance Document are cumulative and not exclusive of any rights or remedies provided by law.

### **25.6 Partial invalidity**

25.6.1 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 nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired.

25.6.2 If any part of the Security Interest created or 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 Interest constituted under this Deed.

### **25.7 Tacking**

25.7.1 For the purposes of section 94(1)(c) of the LPA and section 49(3) of the Land Registration Act 2002, the Security Agent confirms on behalf of the Secured Parties that the Secured Parties will comply with their obligations to make further advances under the Facility Agreements subject to the terms of the Finance Documents.

25.7.2 Each Chargor consents to an application being made to the Land Registry to enter the obligation to make further advances on the charges register of any registered land forming part of the Real Property.



## **25.8 Further assurance**

- 25.8.1 Each Chargor shall promptly, at its own cost, enter into, execute and complete a Legal Mortgage over any Real Property in England and Wales not already the subject of a registrable Legal Mortgage.
- 25.8.2 Each Chargor shall promptly, at its own cost, do whatever the Security Agent requires:
- (a) to create, perfect and/or protect the Security Interest created or intended be created by this Deed;
  - (b) to create, perfect and/or protect the priority of the Security Interest created or intended be created by this Deed;
  - (c) to facilitate the exercise of any rights, powers and remedies vested in the Security Agent or any Receiver (or their respective Delegates) by this Deed and/or by the law; and/or
  - (d) to facilitate the realisation of the Security Assets.
- 25.8.3 In order to satisfy its obligations under paragraphs 25.8.1 and 25.8.2 above, each Chargor shall immediately, upon the request of the Security Agent, execute any transfer, conveyance, mortgage, charge, assignment or assurance over all or any of the assets intended to constitute the Security Assets (whether in favour of the Security Agent or its nominee or otherwise) and make any registration or notarisation and give any notice, instructions, order or direction in respect of the Security Assets.

## **26 PRIOR SECURITY INTERESTS**

- 26.1 In the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking Security Interest against any of the Security Assets or in case of exercise by the Security Agent or any Receiver of any power of sale under this Deed, the Security Agent may redeem such prior Security Interest or procure the transfer of such Security Interest to itself.
- 26.2 The Security Agent may settle and agree the accounts of the holder of the prior Security Interest and any accounts so settled and agreed will (in the absence of manifest error) be conclusive and binding on the Chargors.
- 26.3 All principal monies, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by the Chargors to the Security Agent on demand together with accrued interest on such sums at the higher of:
- 26.3.1 the Default Interest (as defined in the Loan Agreement); and
  - 26.3.2 4% per annum above the Bank of England's base rate from time to time, from the time or respective times of the same having been paid or incurred until payment of such sums (as well as after as before judgment).

## **27 SUBSEQUENT SECURITY INTERESTS**

If the Security Agent receives, or is deemed to be affected by, notice whether actual or constructive of any subsequent Security Asset or other interest other than as permitted by the Facility Agreements affecting the Security Assets, it may open a new account for the relevant Chargor in its books. If the Security Agent does not open a new account, it shall nevertheless be treated as if it had done so at the time it received or was deemed to be affected by such notice. Unless the Security Agent gives express written notice to the contrary to the Chargors, all payments made by the relevant Chargor to the Security Agent will, as from that time, be treated as having been credited to a new account of the relevant Chargor and not as having been applied in reduction of the Secured Liabilities.

## **28 SUSPENSE ACCOUNT**

### **28.1 Contingencies**

If the Security Interest constituted by this Deed, is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, the Security Agent (or the Receiver) may pay the proceeds of any recoveries effected by it into a suspense account in which event, Clause 28.2 (*Suspense account*) shall apply to such proceeds.

### **28.2 Suspense account**

All monies received, recovered or realised by the Security Agent under this Deed (including the proceeds of any conversion of currency) may in the absolute discretion of the Security Agent be credited to any interest bearing suspense or impersonal account(s) maintained with a bank, building society or financial institution (including itself) for so long as it may think fit (the interest being credited to the relevant account) pending their application from time to time at the Security Agent's absolute discretion, in or towards the discharge of any of the Secured Liabilities.

## **29 RELEASE OF SECURITY**

29.1 Upon the occurrence of the Discharge Date and subject always to Clause 29.2, the Security Agent shall, at the request and cost of the Chargors, release and cancel the Security Interest constituted by this Deed and procure the reassignment to the relevant Chargor of the property and assets assigned to the Security Agent pursuant to this Deed, in each case without recourse to, or any representation or warranty by, Security Agent or any of its Delegates.

29.2 Following any discharge of any Chargor made by the Security Agent, in reliance on any payment or security, the Security Agent may retain the Security Interest constituted by this Deed (and all documents of title or other documents necessary to protect such Security Interest) until the expiry of the maximum period within which such payment or security can be avoided, reduced or invalidated for any reason. If the person other than the relevant Chargor making such payment or giving such security goes into liquidation or administration or equivalent proceedings in any

foreign jurisdiction within that period the Security Agent may retain the Security Interest constituted by this Deed for as long as it sees fit.

### **30 SET-OFF**

The Security Agent may set off any matured obligation due from any Chargor under this Deed (to the extent beneficially owned by the Security Agent) against any matured obligation owed by the Security Agent to that Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Security Agent may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

### **31 FINANCIAL COLLATERAL**

31.1 To the extent that any of the Security Assets constitute "financial collateral" and this Deed constitutes a "security financial collateral arrangement" (as those terms are defined in the Regulations), the Security Agent shall, upon the Security Interest created by this Deed becoming enforceable pursuant to Clause 17.2 and to the extent permitted by the Regulations, have the right to appropriate all or any part of the Security Assets in or towards the discharge of the Secured Liabilities without obtaining any court authorisation and in such order as the Security Agent may in its absolute discretion determine.

31.2 The Parties agree that the value of any Security Asset appropriated in accordance with sub-clause 31.1 above shall be:

31.2.1 In the case of cash, the amount of cash appropriated;

31.2.2 In the case of Shares, the price of those Shares at the time the right of appropriation is exercised as listed on any recognised market index, independent valuation or as determined by such other method as the Security Agent may select.

31.3 The Parties agree that the method of valuation provided for in this Clause 31 (*Financial collateral*) is commercially reasonable for the purposes of the Regulations.

### **32 CURRENCY**

#### **32.1 Relevant Currency**

Each Chargor is obliged under this Deed to discharge the Secured Liabilities in the Relevant Currency.

#### **32.2 Receipt in wrong currency**

If at any time the Security Agent receives a payment (including by set-off) referable to any of the Secured Liabilities from any source in a currency other than the Relevant Currency, then that payment will take effect as a payment to the Security Agent of the amount in the Relevant Currency which the Security Agent is able to purchase (after

deduction of any relevant costs) with the amount of the payment so received in accordance with its usual practice.

### **32.3 Currency indemnity**

32.3.1 If any sum due from a Chargor under this Deed (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which the Sum is payable into another currency (the "**Second Currency**") for the purposes of:

- (a) making or filing a claim against any Chargor; or
- (b) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

each Chargor shall, as an independent obligation, within three Business Days of demand, indemnify the Security Agent against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (a) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (b) the rate or rates of exchange available to the Security Agent at the time of receipt of that Sum.

32.3.2 Each Chargor waives any right it may have in any jurisdiction to pay any amount under this Deed in a currency or currency unit other than in which it is expressed to be payable.

## **33 PAYMENTS TO BE MADE WITHOUT DEDUCTION**

### **33.1 No deductions**

All sums payable by each Chargor under this Deed shall be paid in the Relevant Currency in immediately available funds and shall be paid to the credit of such account as the Security Agent may designate. All such payments shall be made in full without set-off of any sum owing by the Security Agent to any Chargor or counterclaim and free and clear of any deductions of or withholding for or on account of any Tax or for any other reason, except to the extent that any such deduction or withholding is required by law.

### **33.2 Grossing-up**

If at any time any Chargor is required by law to make any deduction or withholding from any payment due from that Chargor to the Security Agent, that Chargor shall simultaneously pay to the Security Agent whatever additional amount is necessary to ensure that the Security Agent receives a net sum equal to the payment it would have received had no deduction or withholding been made.

**34 CERTIFICATES AND DETERMINATIONS**

A certificate or determination by the Security Agent or a Receiver of a rate or an amount under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

**35 ASSIGNMENT AND TRANSFER**

**35.1 Chargors consent to assignment/transfer by Security Agent**

Each Chargor consents to the assignment and/or transfer by the Security Agent of any one or more of its rights and/or obligations under this Deed. The Security Agent may, without consulting with or obtaining consent from any Chargor at any time charge, assign or otherwise create Security Interest in or over its rights, benefits and interests under this Deed to secure any obligations of any Secured Party.

**35.2 No assignment/transfer by Chargors**

No Chargor may assign or transfer any one or more of its rights and/or obligations under this Deed.

**35.3 Confidentiality**

The Security Agent shall be entitled to disclose any information concerning any Chargor and this Deed as it considers appropriate to:

- 35.3.1 any person permitted in accordance with the Facility Agreements;
- 35.3.2 any person proposing to take an assignment and/or transfer from the Security Agent;
- 35.3.3 any person proposing to enter into contractual relations with the Security Agent with respect to this Deed; and
- 35.3.4 any person to whom information may be required to be disclosed by an applicable law.

**36 INDEMNITY TO THE SECURITY AGENT**

36.1 Each Chargor shall promptly indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability incurred by any of them as a result of:

- 36.1.1 any failure by any Chargor to comply with its obligations under Clause 37 (*Costs and expenses*);
- 36.1.2 acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;
- 36.1.3 the taking, holding, perfection, preservation, protection or enforcement of the Security Interest constituted under this Deed;

- 36.1.4 the exercise of any of the rights, powers, discretions and remedies vested in the Security Agent, each Receiver and their Delegate and sub-delegates by this Deed or by law;
- 36.1.5 any default by any Chargor in the performance of any of the obligations expressed to be assumed by it in this Deed;
- 36.1.6 instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under the Finance Documents; or
- 36.1.7 acting as Security Agent, Receiver or Delegate under this Deed or which otherwise relates to any of the Security Assets (otherwise, in each case, than by reason of the relevant Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct).

### **37 COSTS AND EXPENSES**

#### **37.1 Transaction expenses**

All costs and expenses (including legal fees) incurred by each party in connection with the negotiation, preparation, printing, execution, and perfection of this Deed, any other documents referred to in this Deed and the Security Interest constituted by this Deed shall be borne solely by the party who incurred the liability.

#### **37.2 Amendment costs**

If any Chargor requests an amendment, waiver or consent in connection with this Deed, each Chargor shall, within three Business Days of demand, reimburse the Security Agent for the amount of all costs and expenses (including legal fees) reasonably incurred by the Secured Parties in responding to, evaluating, negotiating or complying with that request or requirement.

#### **37.3 Enforcement and preservation costs**

Each Chargor shall, within three Business Days of demand, pay to the Security Agent the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of or the preservation of any rights under this Deed and any proceedings instituted by or against any Secured Party as a consequence of taking or holding the Security Interest constituted by this Deed or enforcing these rights.

### **38 MISCELLANEOUS**

#### **38.1 Variations**

No variation of the terms of this Deed shall be valid unless such variation is in writing and signed by each Chargor and the Security Agent.

**38.2 Third party rights**

Other than any Secured Party 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.

**38.3 Perpetuity period**

The trusts created by this Deed have a perpetuity period of 125 years.

**38.4 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.

**38.5 Joint and several liability**

The Chargors shall be jointly and severally liable for their obligations under this Deed.

**39 NOTICES**

**39.1 Communications in writing**

Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by fax or letter.

**39.2 Addresses**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Deed is:

39.2.1 in the case of the Security Agent, that identified by its name below; and

39.2.2 in the case of each Chargor, that identified by its name below,

or any substitute address fax number or department or officer as any Chargor may notify to the Security Agent (or the Security Agent may notify to the Chargors, if a change is made by the Security Agent) by not less than five Business Days' notice.

**39.3 Delivery**

39.3.1 Any communication or document made or delivered by the Security Agent to any Chargor under or in connection with this Deed shall only be effective:

(a) if by way of fax, when received in legible form; or

(b) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to the relevant party at that address,

and, in the case of the Security Agent, if a particular department or officer is specified as part of its address details provided under Clause 39.2 (*Addresses*), if addressed to that department or officer.

39.3.2 Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of the department or officer certified in Clause 39.2 (*Addresses*) (or any substitute department or officer as the Security Agent will specify for this purpose).

39.3.3 Any communication or document which becomes effective, in accordance with paragraphs 39.3.1 and 39.3.2 above after 5.00pm in the place of receipt shall be deemed to only become effective on the following day.

#### **39.4 English language**

39.4.1 Any notice given under or in connection with this Deed must be in English.

39.4.2 All other documents provided under or in connection with this Deed must be:

- (a) in English; or
- (b) if not in English, and if so required by the Security Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

### **40 GOVERNING LAW AND JURISDICTION**

#### **40.1 Governing law**

This Deed and any non contractual obligation arising out of or in connection with it are governed by English law.

#### **40.2 Jurisdiction of English courts**

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

40.2.2 The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

40.2.3 This Clause 40.2 is for the benefit of the Security Agent only. As a result, 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.



41     **SERVICE OF PROCESS**

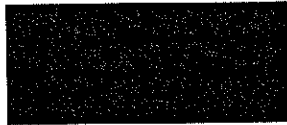
- 41.1.1     Without prejudice to any other mode of service allowed under any relevant law, each Chargor:
- (a)     irrevocably appoints Trimite Top Co Limited at Unit 3 Silverdale Industrial Estate, Silverdale Road, Hayes, England UB3 3BL as its agent for service of process in relation to any proceedings before the English courts in connection with this Deed; and
  - (b)     agrees that failure by a process agent to notify each Chargor of the process will not invalidate the proceedings concerned.
- 41.1.2     If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, each Chargor must immediately (and in any event within 7 days of such event taking place) appoint another agent on terms acceptable to the Security Agent. Failing this the Security Agent may appoint another agent for this purpose.
- 41.1.3     Each Chargor expressly agrees and consents to the provisions of Clause 40 (*Governing Law and Jurisdiction*).

**This Deed is executed as a deed by each Chargor and is signed for and on behalf of the Security Agent and is delivered and takes effect on the date at the beginning of this Deed.**

EXECUTION PAGES

EXECUTED AS A DEED by  
TRIMITE TOP CO LIMITED,  
acting by a director in the presence of:

)  
)  
)  
)



Director

Witness:

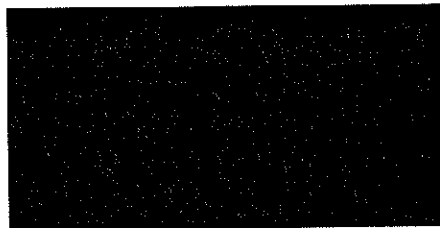


Name:

NIKUL KAD

Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



Occupation: SOLICITOR

Address:

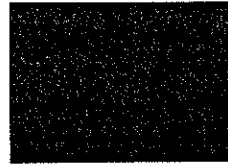
Trimite Top Co Limited  
Unit 3 Silverdale Industrial Estate  
Silverdale Road  
Hayes  
England UB3 3BL

Attention: David Gareth Roberts

Fax:

EXECUTED AS A DEED by  
TRIMITE BID CO LIMITED,  
acting by a director in the presence of:

)  
)  
)  
)



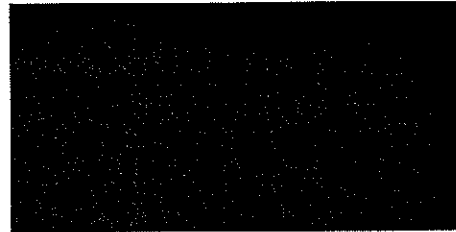
Director

Witness:  \_\_\_\_\_

Name: NIKUL KAD

Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_



Occupation: SOLICITOR

Address:

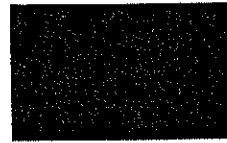
Trimite Top Co Limited  
Unit 3 Silverdale Industrial Estate  
Silverdale Road  
Hayes  
England UB3 3BL

Attention: David Gareth Roberts

Fax:

EXECUTED AS A DEED by  
CARRS COATINGS LIMITED,  
acting by a director in the presence of:

)  
)  
)  
)



Director

Witness:



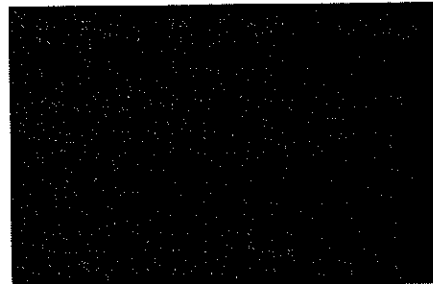
Name:

NIKUL KAD

Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Occupation: SOLICITOR



Address:

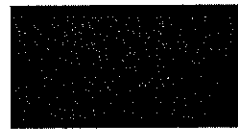
Trimite Top Co Limited  
Unit 3 Silverdale Industrial Estate  
Silverdale Road  
Hayes  
England UB3 3BL

Attention: David Gareth Roberts

Fax:

EXECUTED AS A DEED by  
WEILBURGER COATINGS (UK) LIMITED,  
acting by a director in the presence of:

)  
)  
)  
)



Director

Witness: 

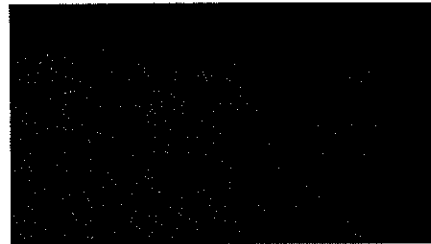
Name: NIKUL KAD

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Occupation: SOLICITOR



Address:

Trimite Top Co Limited  
Unit 3 Silverdale Industrial Estate  
Silverdale Road  
Hayes  
England UB3 3BL

Attention: David Gareth Roberts

Fax:

EXECUTED AS A DEED by  
TRIMITE TECHNOLOGIES LIMITED,  
acting by a director in the presence of:

)  
)  
)  
)



Director

Witness:  \_\_\_\_\_

Name: NIKUL KAD

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Occupation: SOLICITOR



Address:

Trimite Top Co Limited  
Unit 3 Silverdale Industrial Estate  
Silverdale Road  
Hayes  
England UB3 3BL

Attention: David Gareth Roberts

Fax:

EXECUTED AS A DEED by )  
TRIMITE GLOBAL COATINGS GROUP )  
LIMITED, )  
acting by a director in the presence of: )

Director

Witness: 

Name: NIKWY KAD

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Occupation: SOLICITOR

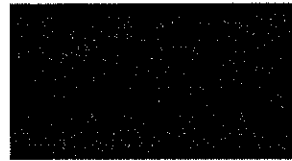
Address:

Trimite Top Co Limited  
Unit 3 Silverdale Industrial Estate  
Silverdale Road  
Hayes  
England UB3 3BL

Attention: David Gareth Roberts

Fax:

EXECUTED AS A DEED by )  
STRETFORD LIMITED, )  
acting by David Gareth Roberts (in his )  
capacity as Director) in the presence of: )



.....  
Director

Witness:  \_\_\_\_\_

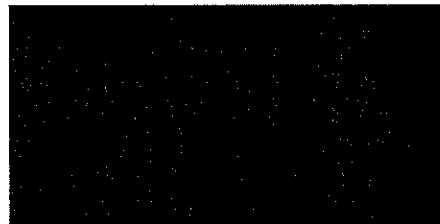
Name: NIKUL KASD

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Occupation: SOLICITOR



Address:

Trimite Top Co Limited  
Unit 3 Silverdale Industrial Estate  
Silverdale Road  
Hayes  
England UB3 3BL

Attention: David Gareth Roberts

Fax:



EXECUTED AS A DEED by )  
STRETFORD HOLDINGS LIMITED, )  
acting by David Gareth Roberts (in his )  
capacity as B Director) in the presence of: )



.....  
Director

Witness: 

Name: DAVID KAP

Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Occupation: SOUCERON



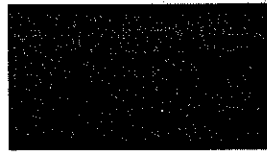
Address:

Trimite Top Co Limited  
Unit 3 Silverdale Industrial Estate  
Silverdale Road  
Hayes  
England UB3 3BL

Attention: David Gareth Roberts

Fax:

EXECUTED AS A DEED )  
DUKE ROYALTY UK LIMITED, as Security )  
Agent *CHARLEY CANNON PROBERT* )  
acting by a director in the presence of: )



Witness:

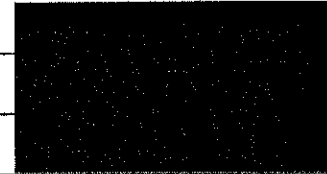


Director

Name:

*MALACIA MADDEN*

Address:



Occupation:

*Paralegal*

Attention: Neil Johnson - President & CEO  
Address: Duke Royalty Limited  
Trafalgar Court,  
4th Floor, West Wing  
St. Peter Port  
Guernsey  
GY1 2JA

Fax:

**SCHEDULE 1  
- MORTGAGED PROPERTY**

**Registered Land**

<b>Item No.</b>	<b>Chargor which is the registered proprietor</b>	<b>County and District/London Borough</b>	<b>Description of Property</b>	<b>Title Number</b>
1.	Weilburger Coatings (UK) Limited	Cheshire Halton Borough Council	The freehold property known as 9 Stuart Road Manor Park Runcorn WA7 1SF	CH319050
2.	Stretford Limited	West Yorkshire, Leeds	The property known as Unit F Middleton Grove Industrial Estate Lockwood Way Leeds LS11 5TH	WYK589409

**SCHEDULE 2  
- ACCOUNT DETAILS**

**Part 1**

**Blocked Accounts**

Name of Account Bank	Name of Account Holder	Sort Code	Account Number	Currency
HSBC Bank plc	Trimite Bid Co Limited	[REDACTED]	[REDACTED]	GBP

**Part 2**

**Other Accounts**

Name of Account Bank	Name of Account Holder	Sort Code	Account Number	Currency
HSBC Bank Plc	Trimite Technologies Limited	[REDACTED]	[REDACTED]	Euro
HSBC Bank Plc	Weilburger Coatings UK Limited	[REDACTED]	[REDACTED]	Euro
HSBC Bank Plc	Carrs Coatings Limited	[REDACTED]	[REDACTED]	Euro
HSBC Bank Plc	Weilburger Coatings UK Limited	[REDACTED]	[REDACTED]	GBP
HSBC Bank	Trimite Global	[REDACTED]	[REDACTED]	GBP

Plc	Coatings Group			
HSBC Bank Plc	Carrs Coatings Limited			GBP
HSBC Bank Plc	Trimite Technologies Limited			GBP
HSBC Bank Plc	Weilburger Coatings UK Limited			Dollar
HSBC Bank Plc	Trimite Top Co Limited			GBP

**SCHEDULE 3**  
**- CONTRACTS**

Lease between Weilberger Coatings (UK) Limited and Meron Investment Holdings Limited relating to Units 2 and 3, Silverdale Industrial Estate, Silverdale Road, Hayes commencing on 16 December 2016 and registered at the Land Registry under title number AGL415553.

Lease between AEW UK REIT plc, Carrs Coatings Limited and Trimite Limited relating to 2e Eagle Road, North Moons Moat Industrial Estate, Redditch, West Midlands commencing on 15 August 2008 and registered at the Land Registry under title number WR119713.

Lease between Trimite Technologies Limited and Shah Nawaz and Rabiya Nawaz relating to 1 Dover Street, Hockley, Birmingham B18 5HW commencing on 20 March 2009.

Lease between Weilberger Coatings (UK) Limited and HMG Paints (Ireland) Limited relating to Unit 2, Falcon Road, Adelaide Industrial Estate, Belfast BT12 6RD commencing on 11 November 2014.

**SCHEDULE 4**  
**- INSURANCE POLICIES**

Name of Policy Holder	Policy Description	Policy Number	Date of Renewal
Weilburger Coatings (UK) Ltd & Carrs Coatings Ltd &/or the subsidiary companies of Weilburger Coatings (UK) Ltd	Commercial Combined Policy	32/SZ/22956647/10	30/10/2018
Weilburger Coatings (UK) Ltd & Carrs Coatings Ltd &/or the subsidiary companies of Weilburger Coatings (UK) Ltd	Motor Fleet Insurance	32/BV/22423763/10	15/10/2018
Weilburger Coatings (UK) Ltd & Carrs Coatings Ltd &/or the subsidiary companies of Weilburger Coatings (UK) Ltd	Engineering and Machinery Options Policy	52/NZ/9939157/10	30/10/2018
Weilburger Coatings (UK) Ltd, Trimite Powder Ltd, Trimite Technologies Ltd, Trimite Ireland Ltd, Carrs Coatings Ltd and Trimite Truecoat Ltd	Marine Transit	GL632353	29/10/2018
Weilburger Coatings (UK) Ltd & Carrs Coatings Ltd &/or the subsidiary companies of Weilburger Coatings (UK) Ltd	Travel and Embrace Policy	32/SZ/22430779/10	30/10/2018
Weilburger Coatings (UK) Ltd, Carrs Coatings Ltd, Trimite Technologies Limited and Glitstone Limited	Combined Liability	B1903103171057	29/10/2018
Weilburger Coatings (UK) Ltd	Management risks, Directors and Officers	A33343/1117	18/11/2018
Strellford Ltd	Property Owners Select Policy	32/SP/27280737/06	22/06/2018

**SCHEDULE 5**  
**- FORM OF LEGAL MORTGAGE**

**THIS DEED** is dated [ ] between:

- (1) **THE ENTITIES LISTED IN SCHEDULE 2 TO THIS DEED** (each a "**Chargor**" and collectively the "**Chargors**");
- (2) **DUKE ROYALTY UK LIMITED** incorporated and registered in England whose registered office is at 26th Floor, 125 Old Broad Street, London EC2N 1AR, England in its capacity as security trustee for the Secured Parties (the "**Security Agent**").

**BACKGROUND**

Each Chargor enters into this Deed in connection with the Facility Agreements (as defined below).

**IT IS AGREED** as follows:

**1 DEFINITIONS**

In this Deed:

<b>Debenture</b>	means the debenture dated [ ] granted by, amongst others, each Chargor in favour of the Security Agent;
<b>Mortgaged Property</b>	means any freehold, leasehold or immovable property specified in Schedule 2 to the Deed ( <i>Mortgaged Property</i> ).

**2 CONSTRUCTION**

- 2.1 Unless defined in this Deed, a term defined in the Debenture has the same meaning in this Deed and in any notice given under or in connection with this Deed.
- 2.2 The provisions of clause 2.1.1 to 2.1.9 (inclusive), clause 2.2 to 2.9 (inclusive), clause 2.12 to 2.13, clause 5.1 and 5.2 and clauses 17 to 39 (inclusive) are incorporated into this Deed as if references in those clauses to the Debenture were references to this Deed and if all references in those clauses to Security Asset were references to the Mortgaged Property.

**3 UNDERTAKING TO PAY**

Each Chargor covenants with the Security Agent, on demand, to pay, discharge and satisfy all the Secured Liabilities when due and to indemnify the Secured Parties against any losses, costs, charges, expenses and liabilities arising from any breach or failure to pay, discharge and satisfy the Secured Liabilities in accordance with their respective terms.



## 4 SECURITY

### 4.1 All Security Interest created under this Deed:

- 4.1.1 is created in favour of the Security Agent;
- 4.1.2 is a continuing security for the payment, discharge and performance of all the Secured Liabilities except for any Secured Liabilities which, if secured by this Deed, would cause such Security Interest to be unlawful or prohibited by any applicable law; and
- 4.1.3 Is granted with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

### 4.2 Subject to Clause 29 (*Release of Security*) of the Debenture, the Security Interest constituted by this Deed shall remain in full force and effect as continuing security for the Secured Liabilities until the Discharge Date and shall not be released before then by any intermediate payment, discharge or satisfaction of all or any of the Secured Liabilities or for any other reason.

### 4.3 Each Chargor charges by way of first legal mortgage all the Mortgaged Property and all rights under any licence or other agreement or document which gives each Chargor a right to occupy or use the Mortgaged Property.

## 5 APPLICATION TO THE LAND REGISTRY

Each Chargor consents to an application being made to the Land Registry to enter the following restriction on the Register of Title relating to any Real Property registered at the Land Registry:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction is to be registered without a written consent signed by the proprietor for the time being of the charge dated [ ] in favour of Duke Royalty UK Limited referred to in the charges register or [**conveyancer**] or [**specify appropriate details**]".

## 6 FURTHER ADVANCES

Each Chargor consents to an application being made to the Land Registry for a notice in the following terms to be entered on the Register of Title relating to any Real Property registered at the Land Registry:

"The lender under a facilities agreement dated [ ] is under an obligation (subject to the terms of that facilities agreement) to make further advances and the debenture referred to in the charges register dated [ ] in favour of Duke Royalty UK Limited secures those further advances."

## **7 MISCELLANEOUS**

Other than the Secured Parties a person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.

## **8 COUNTERPARTS**

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

## **9 GOVERNING LAW AND JURISDICTION**

### **9.1 Governing law**

This Deed and any non contractual obligation arising out of or in connection with it are governed by English law.

### **9.2 Jurisdiction of English courts**

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

9.2.2 The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

9.2.3 This Clause 9.2 is for the benefit of the Security Agent only. As a result, 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.

## **10 SERVICE OF PROCESS**

10.1 Without prejudice to any other mode of service allowed under any relevant law, each Chargor:

10.2 irrevocably appoints [•] as its agent for service of process in relation to any proceedings before the English courts in connection with this Deed; and

10.3 agrees that failure by a process agent to notify each Chargor of the process will not invalidate the proceedings concerned.

10.4 If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, each Chargor must immediately (and in any event within 7 days of such event taking place) appoint another agent on terms acceptable to the Security Agent. Failing this the Security Agent may appoint another agent for this purpose.

10.5 Each Chargor expressly agrees and consents to the provisions of Clause 9 (*Governing Law and Jurisdiction*).

**THIS DEED** is executed as a deed by each Chargor and is signed for and on behalf of the Security Agent and is delivered and takes effect on the date stated at the beginning of this Deed.

**EXECUTION PAGES TO THE LEGAL MORTGAGE**

**EXECUTED AS A DEED by** )  
[ ], )  
acting by a director in the presence of: )  
)

Director

Witness: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Occupation:

Address: [ ]

Fax: [ ]

**EXECUTED AS A DEED by** )  
[ ], )  
acting by a director in the presence of: )  
)

Director

Witness: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Occupation:

Address: [ ]

Fax: [ ]

EXECUTED AS A DEED )  
DUKE ROYALTY UK LIMITED, as Security )  
Agent )  
acting by a director in the presence of: )

Director

Witness: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Occupation: \_\_\_\_\_

Attention: Neil Johnson - President & CEO

Address: Duke Royalty Limited

Trafalgar Court,

4th Floor, West Wing

St. Peter Port

Guernsey

GY1 2JA

Fax:

# SCHEDULE 1

## Mortgaged Property

### Part 1

#### Registered Land

County and District/London Borough	Description of Property	Title Number

### Part 2

#### Unregistered Land

#### 1 [NAME OF CHARGOR]

The freehold/leasehold property known as [ ] and comprised in the following title (deed)(s) and other documents of title.

Date	Document	Parties

#### 2 [NAME OF CHARGOR]

The freehold/leasehold property known as [ ] and comprised in the following title (deed)(s) and other documents of title.

Date	Document	Parties

SCHEDULE 2

[ ]

**SCHEDULE 6**  
**- FORM OF NOTICE AND ACKNOWLEDGEMENT FOR TENANT**

**Part 1**

**Form of Notice to Tenant**

**[On the Letterhead of the relevant Chargor]**

To: [The Tenant]  
[Address of Unit]  
Copy to: [Duke Royalty UK Limited]  
(as Security Agent)  
Date: [ ]

Dear Sirs

**Debenture dated [ ] (the "Debenture") between [ ] and others as chargors (each a "Chargor" and together the "Chargors") and [Duke Royalty UK Limited] (the "Security Agent")**

This letter constitutes notice to you that pursuant to the Debenture we have assigned to the Security Agent by way of security all our present and future rights under or in connection with the lease between you and us *[insert details of lease]* (the "**Lease**") and all Related Rights.

In this notice, "**Related Rights**" means, in respect of the Lease, all present and future:

- (a) money and proceeds of any nature paid or payable in relation to the Lease, including sale proceeds and money paid by way of damages, award or judgement made in connection with that Lease; and
- (b) all rights and assets of any nature attaching to, deriving from or exercisable as a result of an interest in or ownership or operation of the Lease.

We irrevocably authorise and instruct you to:

- 1 disclose to the Security Agent without any reference to or further authority from us (and without any enquiry by you as to the justification for such disclosure), such information relating to the Lease as the Security Agent may at any time request;
- 2 deal only with us in relation to the Lease unless you receive written instructions from the Security Agent to the contrary;



- 3 pay to us all sums from time to time due and payable by you under the Lease [to the Managing Agent][to us], until such time as you receive notice from the Security Agent instructing you otherwise (the "**Instruction Notice**") following which you shall comply with all instructions contained in such Instruction Notice or in any subsequent notice or instructions relating to the Lease or the debts represented by such Lease which you receive from the Security Agent without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction; and
- 4 send copies of all notices and communications relating to the Lease to the Security Agent as well as to us.

We further instruct you that upon receipt of notice from the Security Agent that an Event of Default has occurred and is continuing:

- 1 all remedies provided for in the Lease or available at law or in equity are exercisable by the Security Agent (provided that the Security Agent shall have no greater rights under this notice than we have under the Lease);
- 2 all rights to compel performance of the Lease are exercisable by the Security Agent although we shall remain liable to perform all of the obligations assumed by us under the Lease; and
- 3 all rights, interests and benefits whatsoever accruing to or for the benefit of us arising from the Lease belong to the Security Agent to the exclusion of us.

Please note that we are and will remain liable to perform all the obligations assumed by us under the Lease and that neither the Security Agent, any Receiver nor any of their agents will at any time have any liability to you under the Lease.

We are not permitted to agree any amendment or supplement to, or to waive any term of the Lease, or to terminate the Lease or to allow it to lapse other than where the Lease expires in accordance with its terms and not by reason of default without the prior written consent of the Security Agent.

The instructions in this notice may not be revoked or amended without the prior written consent of the Security Agent.

This notice is governed by English law.

Please confirm your agreement to the above by sending the attached acknowledgement to **[identify Security Agent officer]** at **[insert address details of Security Agent]** with a copy to us at the above address.

Yours faithfully

.....  
For and on behalf of **[Chargor]**

Part 2

Form of Acknowledgement from Tenant

[On the letterhead of the Tenant]

To: [Chargor]  
[Address]

Copy to: [Duke Royalty UK Limited]  
(as Security Agent)

Date: [ ]

Dear Sirs

Debenture dated [ ] (the "Debenture") between [ ] and others as chargors (each a "Chargor" and together the "Chargors") and [Duke Royalty UK Limited] (the "Security Agent")

We confirm receipt from [ ] of a notice dated [ ] (the "Notice") of an assignment, pursuant to the terms of the Debenture, of all [ ]'s present and future rights under or in connection with the lease between you and us [*insert details of lease*] (the "Lease") and all Related Rights (defined in the Notice).

We confirm that:

- 1 we accept the instructions and authorisations contained in the Notice and we undertake to act in accordance with and comply with the terms of the Notice;
- 2 we have not received notice of the creation of any other assignment of or security over rights or proceeds arising under the Lease in favour of any third party or the creation of any other third party interest in those rights or proceeds and we will notify you promptly should we receive any such notice;
- 3 we have not claimed or exercised nor do we have any outstanding right to claim or exercise against [ ] any right of set-off, counter claim or other right relating to the Lease;
- 4 we agree that no term of the Lease may be amended, supplemented or waived without your prior written consent; and
- 5 we agree that the Lease may not be terminated without your prior written consent.

This letter is governed by English law,

Yours faithfully

.....  
For and on behalf of ***[Name of Tenant]***

**SCHEDULE 7**  
**- FORM OF NOTICE AND ACKNOWLEDGEMENT FOR ACCOUNT BANK**

**Part 1**

**Form of Notice to Account Bank**

**[On the Letterhead of the relevant Chargor]**

To: [name and address of third party bank]

Attention: [ ]

Copy to: [Duke Royalty UK Limited]

Date: [ ]

Dear Sirs

Debenture dated [ ] (the "Debenture") between [ ] and others as chargors (each a "Chargor" and together the "Chargors") and [Duke Royalty UK Limited] (the "Security Agent")

This letter constitutes notice to you that, pursuant to the Debenture, we have [assigned to/charged (by way of first fixed charge)] in favour of the Security Agent all our present and future rights and interest in and to account number(s) [insert details of accounts charged] in our name (the "**Blocked Account(s)**") together with all money from time to time standing to the credit of that Blocked Account(s), all interest accruing in relation to such Blocked Account(s) and all Related Rights.

In this notice, "**Related Rights**" means, in respect of the Blocked Account, all present and future:

- (a) money and proceeds of any nature paid or payable in relation to the Blocked Account(s), including sale proceeds and money paid by way of damages, award or judgment made in connection with that Blocked Account(s); and
- (b) all rights and assets of any nature attaching to, deriving from or exercisable as a result of an interest in or ownership or operation of the Blocked Account(s).

We irrevocably instruct and authorise you to:

- 1 credit to the Blocked Account(s) all interest from time to time earned on the sums of money held in the Blocked Account(s);

- 2 deal only with the Security Agent in relation to the Blocked Account(s) unless you receive written instructions from the Security Agent to the contrary;
- 3 hold all sums from time to time standing to the credit of the Blocked Account(s) to the order of the Security Agent;
- 4 comply with the terms of any written notice or instructions (including payment instructions) relating to the Blocked Account(s) or the sums standing to the credit of the Blocked Account(s) from time to time which you may receive from the Security Agent without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instructions;
- 5 disclose to the Security Agent, without any reference to or further authority from us and without any enquiry by you as to the justification for such disclosure, such information relating to the Blocked Account(s) and the sums in the Blocked Account(s) as the Security Agent may from time to time request; and
- 6 send copies of all notices and communications relating to the Blocked Account(s) to the Security Agent as well as to us.

Please note that we are and will remain liable to perform all the obligations assumed by us under any mandate or other agreement relating to the Blocked Account(s) and that neither the Security Agent, any Receiver nor any of their agents will at any time have any liabilities or obligations to you regarding the Blocked Account(s).

We are not permitted, without the Security Agent's prior written consent, to permit or agree to any variation of the terms and conditions relating to the Blocked Account(s) or to close the Blocked Account(s).

The instructions in this notice may not be revoked or varied without the prior written consent of the Security Agent.

This notice shall be governed by and construed in accordance with English law.

Please confirm your agreement to the above by sending the attached acknowledgement to **[Identify Security Agent officer]** at **[insert address details of Security Agent]** with a copy to us at the above address.

Yours faithfully

.....  
For and on behalf of **[Chargor]**

Part 2

Form of Acknowledgement from Account Bank

[On the letterhead of the Account Bank]

To: [Duke Royalty UK Limited]

Attention: [ ]

Copy to: [Chargor]

Date: [ ]

Dear Sirs

Debenture dated [ ] (the "Debenture") between [ ] and others as chargors (each a "Chargor" and together the "Chargors") and [Duke Royalty UK Limited] (the "Security Agent")

We confirm receipt from [ ] of a notice dated [ ] (the "Notice") of the creation of [an assignment/a first fixed charge], pursuant to the terms of the Debenture, of all [ ]'s present and future rights and interest in and to account number(s) [insert details of accounts charged] held with us in the name of [ ] (the "Blocked Account(s)") together with all money from time to time standing to the credit of that Blocked Account(s), all interest accruing in relation to such Blocked Account(s) and all Related Rights (as defined in the Notice).

We confirm that:

- 1 the balance on the Blocked Account(s) as at today's date is £[ ];
- 2 we accept the instructions and authorisations contained in the Notice and undertake to comply with the terms of the Notice;
- 3 we have not received notice of the creation of any other assignment or security regarding the Blocked Account(s) or of the creation of any third party interest in the Blocked Account(s) or in the sums of monies held in the Blocked Account(s) or the debts represented by those sums and we will notify you promptly should we receive any such notice;
- 4 we do not have and will not in future create, accept or enforce any security interest or right of set-off or combination or other right in respect of the Blocked Account, the sums of money held in the Blocked Account(s) or the debts represented by those sums; and

5 we will not amend the terms or conditions upon which the Blocked Account(s) is operated or close the Blocked Account(s) without your prior written consent.

This acknowledgment shall be governed by and construed in accordance with English law.

Yours faithfully

.....  
for and on behalf of  
*[insert name of third party bank]*

### Part 3

#### Form of Notice to Account Bank (other than a Blocked Account)

[On the Letterhead of the relevant Chargor]

To: [name and address of third party bank]

Attention: [ ]

Copy to: [Duke Royalty UK Limited]

Date: [ ]

Dear Sirs

Debenture dated [ ] (the "Debenture") between [ ] and others as chargors (each a "Chargor" and together the "Chargors") and [Duke Royalty UK Limited] (the "Security Agent")

This letter constitutes notice to you that, pursuant to the Debenture, we have [assigned to/charged (by way of first fixed charge)] in favour of the Security Agent all our present and future rights and interest in and to account number(s) [insert details of accounts charged] in our name (the "Charged Account(s)") together with all money from time to time standing to the credit of that Charged Account(s), all interest accruing in relation to such Charged Account(s) and all Related Rights.

In this notice, "Related Rights" means, in respect of the Charged Account(s), all present and future:

- (c) money and proceeds of any nature paid or payable in relation to the Charged Account(s), including sale proceeds and money paid by way of damages, award or judgment made in connection with that Charged Account(s); and
- (d) all rights and assets of any nature attaching to, deriving from or exercisable as a result of an interest in or ownership or operation of the Charged Account(s).

We hereby irrevocably authorise and instruct you to:

- 1 Disclose to the Security Agent on request to you by the Security Agent, any information relating to the Charged Account(s) without any reference to, or further authority from, us, including, but not limited to, supplying the Security Agent with copies of statements if requested by the Security Agent.
- 2 Operate the Charged Account(s) in accordance with the existing Account Mandate until you have been given notice pursuant to paragraph 2.1 of this Notice:



- 2.1 comply with the written directions of the Security Agent in relation to the Charged Account(s) following receipt by you of a notice that a Default has occurred and is continuing ("Default Notice"). For the avoidance of doubt, upon receipt of a Default Notice you should only permit monies to be drawn on or debited to the Charged Account(s) in accordance with the written directions of the Security Agent without any enquiry by you as to the justification of such directions or instructions or the validity of them;
- 2.2 debit the Charged Account(s) with your costs and charges in connection with the opening, maintenance and operation of the Charged Account(s) both before and after receipt by you of a Default Notice; and
- 2.3 exercise any right of combination, consolidation, merger or set off which we may have in respect of any monies standing or accruing to the credit of the Charged Account(s) up until the time that you receive a Default Notice.
- 3 We shall at all times indemnify you and keep you indemnified fully and effectively from and against all losses, damages, liabilities and costs and expenses that you may incur in connection with or by reason of you complying with the terms of this Notice or in relation to the Charged Account(s).
- 4 We hereby agree and confirm that:
  - 4.1 the instructions and authorisations which are contained in this Notice shall remain in full force and effect until revoked or varied with the specific prior written consent of the Security Agent; and
  - 4.2 any direction, notice or consent that is given or purports to be given for and on behalf of the Security Agent shall be conclusive evidence for all purposes.
- 5 This Notice shall be governed by and construed in accordance with English law.
- 6 This Notice is countersigned by the Security Agent to evidence its agreement to the content of it, including, but not limited to, the indemnity set out in paragraph 3.
- 7 Please confirm your agreement to the above by sending the attached acknowledgement to [*identify Security Agent officer*] at [*insert address details of Security Agent*] with a copy to us at the above address.

Yours faithfully

.....  
For and on behalf of [**Chargor**]

#### Part 4

##### Form of Acknowledgement from Account Bank – other than a Blocked Account

To: [Duke Royalty UK Limited]

Attention: [ ]

Copy to: [Chargor]

Date: [ ]

Dear Sirs

Debenture dated [ ] (the "Debenture") between [ ] and others as chargors (each a "Chargor" and together the "Chargors") and [Duke Royalty UK Limited] (the "Security Agent")

Dear Sirs

- 1 We acknowledge receipt of the notice dated [insert date] from [ ], (the "Notice") and all terms defined in the Notice shall have the same meaning herein.
- 2 We agree that until receipt by us of written notice from you revoking the arrangements set out in the Notice we will comply with the terms of the Notice to the extent permitted by law.
- 3 Upon receipt of a Default Notice from you, we shall not exercise or seek to assert or exercise any right of combination, consolidation, merger or set off which we may have in respect of any monies standing or accruing to the credit of the Charged Account(s).
- 4 We hereby confirm that we have not received any notice (other than the Notice) that [ ] has assigned or charged its rights to the sums standing to the credit of the Charged Account(s) or otherwise granted any security or interest over those monies in favour of any third party.
- 5 We understand that [ ] will indemnify us on the terms set out in the Notice.
- 6 This acknowledgement shall be governed by and construed in accordance with English law.

Yours faithfully

.....  
for and on behalf of  
**[third party bank]**

**SCHEDULE 8**  
**- FORM OF NOTICE AND ACKNOWLEDGEMENT FOR COUNTERPARTY**

**Part 1**

**Form of Notice to Counterparty**

**[On the letterhead of the relevant Chargor]**

To: [Contract counterparty]  
Copy to: [Duke Royalty UK Limited]  
Date: [ ]

Dear Sirs

**Debenture dated [ ] between [ ] and others as chargors (each a "Chargor" and together the "Chargors") and [Duke Royalty UK Limited] (the "Security Agent") (the "Debenture")**

This letter constitutes notice to you that pursuant to the Debenture we have assigned to the Security Agent by way of security all our present and future rights under or in connection with **[insert details of Contract]** (the "**Contract**") (including under any guarantee, warranty or indemnity granted in relation to the Contract) and all Related Rights.

In this notice, "**Related Rights**" means, in respect of the Contract, all present and future:

- (e) money and proceeds of any nature paid or payable in relation to the Contract, including sale proceeds and money paid by way of damages, award or judgement made in connection with that Contract; and
- (f) all rights and assets of any nature attaching to, deriving from or exercisable as a result of an interest in or ownership or operation of the Contract.

We irrevocably authorise and instruct you to:

- 1 disclose to the Security Agent without any reference to or further authority from us (and without any enquiry by you as to the justification for such disclosure), such information relating to the Contract as the Security Agent may at any time request;
- 2 deal with us in relation to the Contracts;
- 3 pay to us all sums from time to time due and payable by you under the Contract, until such time as you receive notice from the Security Agent instructing you otherwise (an "**Instruction Notice**") following which you shall comply with all instructions contained

in such Instruction Notice or in any subsequent notice or instructions relating to the Contract or the debts represented by such Contract which you receive from the Security Agent without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction; and

- 4 send copies of all notices and communications relating to the Contract to the Security Agent as well as to us.

We further instruct you that upon receipt of notice from the Security Agent that an Event of Default has occurred and is continuing:

- 1 all remedies provided for in the Contract or available at law or in equity are exercisable by the Security Agent (provided that the Security Agent shall have no greater rights under this notice than we have under the Contract);
- 2 all rights to compel performance of the Contract are exercisable by the Security Agent although we shall remain liable to perform all of the obligations assumed by us under the Contract; and
- 3 all rights, interests and benefits whatsoever accruing to or for the benefit of us arising from the Contract belong to the Security Agent to the exclusion of us.

Please note that we are and will remain liable to perform all the obligations assumed by us under the Contract and that neither the Security Agent, any Receiver nor any of their agents will at any time have any liability to you under the Contract.

We are not permitted to agree any amendment or supplement to, or to waive any term of the Contract, or to terminate the Contract or to allow it to lapse other than where the Contract expires in accordance with its terms and not by reason of default without the prior written consent of the Security Agent.

The instructions in this notice may not be revoked or amended without the prior written consent of the Security Agent.

This notice is shall be governed by and construed in accordance with English law.

Please confirm your agreement to the above by sending the attached acknowledgement to the Security Agent at [address], with a copy to us at the above address.

Yours faithfully

.....  
For and on behalf of [Chargor]

## Part 2

### Form of Acknowledgement from Counterparty

[On the letterhead of the Counterparty]

To: [Duke Royalty UK Limited]

[Address]

Copy: [Chargor]

Date: [ ]

Dear Sirs

Debenture dated [ ] between [ ] and others as chargors (each a "Chargor" and together the "Chargors") and [Duke Royalty UK Limited] (the "Security Agent") (the "Debenture")

We confirm receipt from [ ] of a notice dated [ ] (the "Notice") of an assignment, pursuant to the terms of the Debenture, of all [ ]'s present and future rights under or in connection with [*Insert details of Contract*] (the "Contract") (including under any guarantee, warranty or indemnity granted in relation to the Contract) and all Related Rights (defined in the Notice).

We confirm that:

- 1 we accept the instructions and authorisations contained in the Notice and we undertake to act in accordance with and comply with the terms of the Notice;
- 2 we have not received notice of the creation of any other assignment of or security over rights or proceeds arising under the Contract in favour of any third party or the creation of any other third party interest in those rights or proceeds and we will notify you promptly should we receive any such notice;
- 3 we have not claimed or exercised nor do we have any outstanding right to claim or exercise against [ ] any right of set-off, counter claim or other right relating to the Contract; and
- 4 we agree that no term of the Contract may be amended, supplemented or waived without your prior written consent;

- 5 we agree that the Contract may not be terminated or allowed to lapse [other than where the Contract expires in accordance with its terms and not by reason of default] without your prior written consent.

This acknowledgment shall be governed by and construed in accordance with English law.

Yours faithfully

.....  
For and on behalf of [*insert name of counterparty*]

**SCHEDULE 9**  
**- FORM OF NOTICE AND ACKNOWLEDGEMENT FOR INSURER**

**Part 1**

**Form of Notice to Insurer**

**[On the letterhead of the relevant Chargor]**

To: [insert name and address of Insurer]

Copy to: [Duke Royalty UK Limited]

Date: [ ]

Dear Sirs

**Debenture dated [ ] between [ ] and others as chargors (each a "Chargor" and together the "Chargors") and [Duke Royalty UK Limited] (the "Security Agent") (the "Debenture")**

This letter constitutes notice to you that, pursuant to the Debenture and subject to the terms of any prior ranking security granted by us in favour of HSBC Bank plc and HSBC Invoice Finance (UK) Limited, we have charged to the Security Agent by way of security all amounts payable to us under or in connection with the following policies [*insert description of Insurances*] (the "**Policies**"), all our rights in connection with those amounts and all Related Rights.

In this notice, "**Related Rights**" means, in respect of the Policies, all present and future:

- (g) money and proceeds of any nature paid or payable in relation to the Policies, including sale proceeds and money paid by way of damages, award or judgement made in connection with that Policy; and
- (h) all rights and assets of any nature attaching to, deriving from or exercisable as a result of an interest in or ownership or operation of the Policies.

We irrevocably authorise and instruct you to:

- 1 disclose to the Security Agent without any reference to or further authority from us (and without any enquiry by you as to the justification for such disclosure), such information relating to the Policies as the Security Agent may at any time request;
- 2 note on the Policies the Security Agent's interest in (i) all amounts payable under the Policies; and (ii) all rights in connection with those amounts; and



3        send copies of all notices issued under the Policies to the Security Agent as well as to us.

Please note that we are and will remain liable to perform all the obligations assumed by us under the Policies and that neither the Security Agent, any Receiver nor any of their agents nor any other person will have any liability to you under the Policies.

We are not permitted to agree any amendment or supplement to or to waive any term of the Policies or to terminate any Policy without the prior written consent of the Security Agent.

The instructions in this notice cannot be revoked or amended without the prior written consent of the Security Agent.

Please confirm your agreement to the above by sending the attached acknowledgement to the Security Agent at [address] with a copy to us at the above address.

This notice is shall be governed by and construed in accordance with English law.

Yours faithfully

.....  
For and on behalf of **[Chargor]**

## Part 2

### Form of Acknowledgement from Insurer

[On the letterhead of the Insurer]

To: [Duke Royalty UK Limited]

[Address]

Copy: [Chargor]

Date: [ ]

Dear Sirs

**Debenture dated [ ] between [ ] and others as chargors (each a "Chargor" and together the "Chargors") and [Duke Royalty UK Limited] (the "Security Agent") (the "Debenture")**

We acknowledge receipt from [ ] of a notice dated [ ] (the "Notice") of a charge, pursuant to the terms of the Debenture, of (i) all amounts payable to [ ] under or in connection with the Policies (as defined in the Notice); (ii) all [ ]'s rights in connection with those amounts; and (iii) all Related Rights, as defined in the Debenture (as defined in the Notice).

We confirm that:

- 1 we accept the instructions and authorisations contained in the Notice and undertake to act in accordance with and comply with the terms of the Notice;
- 2 we have noted your interest in the amounts and rights referred to above;
- 3 we will not terminate or otherwise allow any of the Policies to lapse without giving you at least 30 days' prior written notice;
- 4 save in relation to the prior ranking security granted by [ ] in favour of HSBC Bank plc and HSBC Invoice Finance (UK) Limited, we have not received notice of the creation of any other assignment of or any security over rights or proceeds arising under the Policies in favour of any third party or the creation of any other third party interest in those rights or proceeds;

- 5 we will notify you, the Security Agent, at least 30 days before the Policy is due to expire, if we have not received [ ]'s renewal instructions in relation to such Policy;
- 6 we agree that no term of the Policies may be amended, supplemented or waived without your prior written consent;
- 7 we agree to notify you if [ ] breaches the terms of any Policy or otherwise gives us grounds to declare any Policy void or voidable and, where the breach is capable of being remedied, to allow you or your agents to remedy the relevant breach; and
- 8 we have not claimed or exercised, and have no outstanding right to claim or exercise, any right of set-off or counterclaim, or other right, in relation to any sum paid or payable under the Policy.

All terms used in this letter have the same meaning as in the Notice.

This acknowledgment is shall be governed by and construed in accordance with English law.

Yours faithfully

.....  
For and on behalf of  
**[Name of insurance company]**

# SCHEDULE 10 - CHARGORS

Company Name	Jurisdiction of Incorporation	Registered Number	Registered Address
Trimate Top Co Limited	England and Wales	11059057	Unit 3 Silverdale Industrial Estate, Silverdale Road, Hayes, England UB3 3BL
Trimate Bid Co Limited	England and Wales	11060343	Unit 3 Silverdale Industrial Estate, Silverdale Road, Hayes, England UB3 3BL
Carrs Coatings Limited	England and Wales	06628569	2e Eagle Road, North Moons Moat, Redditch, West Midlands B98 9HF
Weilburger Coatings (UK) Limited	England and Wales	01564257	Stuart Road, Manor Park, Runcorn, Cheshire WA7 1SF
Trimate Technologies Limited	England and Wales	06736940	1 Dover Street, Birmingham B18 5HW
Trimate Global Coatings Group Limited	England and Wales	10653502	Unit 3 Silverdale Industrial Estate, Silverdale Road, Hayes, England UB3 3BL
Stretford Limited	Gibraltar	98503	57/63 Line Wall Road, Gibraltar
Stretford Holdings Limited	Gibraltar	100284	57/63 Line Wall Road, Gibraltar

## SCHEDULE 11 – SHARES

Chargor	Name of Company	Description of Shares (class and nominal value)	Amount of Shares
Trimite Top Co Limited	Trimite Bid Co Limited	Ordinary Shares of £1.00 each	1
Trimite Top Co Limited	Delius Limited	Ordinary Shares of US\$1.00 each	100
Weilburger Coatings (UK) Limited	Trimite Scotland Limited	Ordinary Shares of £1.00 each	240
Trimite Technologies Limited	Trimite Global Coatings Group Limited	Ordinary Shares of £1.00 each	1
Stretford Holdings Limited	Carrs Coatings Limited	Ordinary shares of £1.00 each	90
Stretford Holdings Limited	Weilburger Coatings (UK) Limited	A Ordinary shares of £1.00 each	3,183,733
Stretford Holdings Limited	Trimite International Limited	Ordinary shares of £1.00 each	100
Stretford Holdings Limited	Trimite Paints Limited	Ordinary shares of £1.00 each	1000
Stretford Holdings Limited	Trimite International Coatings Technologies Limited	Ordinary shares of £1.00 each	100
Stretford Holdings Limited	Trimite Ireland Limited	Ordinary shares of £1.00 each	100
Stretford Holdings Limited	Carrs Paints Limited	Ordinary shares of £1.00 each	2
Stretford Holdings Limited	Glixtone Limited	Ordinary shares of £1.00 each	2
Stretford Holdings Limited	Stretford Limited	Ordinary shares of £1.00 each	2000
Stretford Holdings Limited	Trimite Paints Inc	Non-assessable shares of US\$0.001 each	100

Stretford Holdings Limited	Trimite Technologies Limited	Ordinary shares of £1.00 each	2
Stretford Holdings Limited	Coatings Holdings Limited	Ordinary shares of £1.00 each	2