



Registration of a Charge

Company Name: **WASHINGTON GREEN FINE ART GROUP LIMITED**

Company Number: **02001847**



Received for filing in Electronic Format on the: **28/12/2021**

XAKB3LA9

Details of Charge

Date of creation: **23/12/2021**

Charge code: **0200 1847 0009**

Persons entitled: **METRO BANK PLC**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **BATES WELLS**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 2001847

Charge code: 0200 1847 0009

The Registrar of Companies for England and Wales hereby certifies that a charge dated 23rd December 2021 and created by WASHINGTON GREEN FINE ART GROUP LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 28th December 2021 .

Given at Companies House, Cardiff on 5th January 2022

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**

Date: 23 December 2021

- (1) THE ENTITIES LISTED IN SCHEDULE 1**
- and**
- (2) METRO BANK PLC**

DEBENTURE



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THIS DEBENTURE IS MADE AS A DEED ON THE 23 DAY OF December 2021

Between:

- (1) THE ENTITIES listed in Schedule 1 (each an "Original Chargor" and together, the "Original Chargors"); and
- (2) METRO BANK PLC (the "Original Lender").

THIS DEED WITNESSES as follows:

1. INTERPRETATION

1.1 Definitions

Terms defined in the Facility Agreement shall, unless otherwise defined in this Debenture, have the same meaning in this Debenture. In addition, the following definitions apply in this Debenture:

"Accounts"	means any account opened or maintained by the Chargor at any bank or financial institution including, but not limited to, the accounts listed in Schedule 7Part 4 in Schedule 7, (and any replacement account or subdivision or subaccount of that account) and includes all Related Rights.
"Account Bank"	Metro Bank PLC.
"Additional Chargor"	means a company which becomes an Additional Chargor in accordance with Clause 21 (<i>Changes to Parties</i>).
"Borrowers"	means The Halcyon Gallery Limited and Washington Green Retail Limited
"Charged Assets"	means all the assets and undertaking of the Chargor which from time to time are, or purport to be, the subject of the security created in favour of the Lender by or pursuant to this Debenture.
"Charged Land"	means the Land charged pursuant to Clause 3.1(a) and/or Clause 3.1(b) and/or any Accession Deed.
"Chargor"	means an Original Chargor and an Additional Chargor, unless it has ceased to be a Chargor in accordance with Clause 21 (<i>Changes to Parties</i>) and a reference in this Debenture to the Chargor shall be to any or all of the Chargors, or the relevant Chargor, as the context requires.
"Enforcement Action"	means: <ul style="list-style-type: none">(a) the acceleration of any Secured Liabilities or any declaration that any Secured Liabilities are

prematurely due and payable or payable on demand;

- (b) the taking of any steps to enforce or require the enforcement of this Debenture (including the crystallisation of any floating charge);
- (c) the making of any demand against the Chargor in relation to any guarantee, indemnity or other assurance against loss in respect of any Secured Liabilities;
- (d) the exercise of any right of set off against the Chargor in respect of any Secured Liabilities excluding any right of set off under a netting arrangement with the Chargor's clearing bank;
- (e) the suing for, commencing or joining of any legal or arbitration proceedings against the Chargor to recover any Secured Liabilities; or
- (f) the petitioning, applying or voting for, or the taking of any steps which may lead to any administration, winding up, insolvency or dissolution of, or in relation to, the Chargor.

"Enforcement Date"

means the date on which the Security becomes enforceable in accordance with Clause 16.1 (*Enforcement*).

"Facility Agreement"

means the facility agreement dated on or about the date of this deed made between (1) the Halcyon Gallery Limited and Washington Green Retail Limited (as Borrowers), (2) Halcyon Fine Art Group Holdings Limited (as Parent), (3) certain subsidiaries of the Parent (as Original Guarantors) and (4) the Lender (as Lender) for the provision of the loan facilities secured by this deed..

"Financial Collateral"

has the meaning given to that expression in the Financial Collateral Regulations.

"Financial Collateral Regulations"

means the Financial Collateral Arrangements (No 2) Regulations 2003 (*SI 2003/3226*).

"Fixtures"

means all things of any kind now or at any time affixed to land for any purpose, including, without limitation, trade and tenants fixtures.

"Income"

means all rents licence fees and other moneys present or future and whether payable now or in the future and the proceeds of any lease or licence of or in respect of the Charged Land and all rights and claims of the Chargor against all lessees, sub-lessees, licensees or occupiers of the Charged Land or other third parties in relation to the Charged Land.

"Intellectual Property"	means the intellectual property listed in Schedule 7Part 1 of Schedule 7.
"Land"	means any estate, right or interest in or over land, whether legal or equitable, and wherever the land is situated including, without limitation, any buildings and Fixtures on land, and the benefit of any covenants or rights owed to any person or enforceable by him by virtue of the ownership possession or occupation of land but for these purposes "Land" excludes heritable property situated in Scotland.
"Lender"	means the Original Lender including each other person who becomes a Lender or to whom all or part of the Loan is transferred pursuant to the Facility Agreement.
"LPA"	means the Law of Property Act 1925.
"Material Contracts"	means the contracts listed in Schedule 3 or in the Schedule to an Accession Deed.
"Monetary Claims"	means all book and other debts and monetary claims now or in the future owing to the Chargor (whether alone or jointly with any other person), whenever payable and whether liquidated or unliquidated, certain or contingent including, without limitation, credit balances on any Account, and together with all cheques, bills of exchange, negotiable instruments, credits and securities at any time given in relation to, or to secure payment of, any such debt.
"Nominated Account"	means any account from time to time nominated by the Lender as an account into which moneys are to be paid or deposited by the Borrower whether pursuant to this Debenture or pursuant to any other agreement or arrangement with regard to such account.
"Notice of Assignment"	means a notice of assignment in substantially the form set out in Schedule 4 (<i>Form of notice of assignment of insurance</i>), Schedule 5 (<i>Form of notice of assignment of specific contract</i>), Schedule 6 (<i>Form of notice to account bank</i>), or in such other form as may be specified by the Lender.
"Party"	means a party to this Debenture.
"Planning Acts"	means the Town and Country Planning Act 1990 Planning (Listed Buildings and Conservation Areas) Act 1990 Planning (Consequential Provisions) Act 1990 Planning (Hazardous Substances) Act 1990 Planning and Compensation Act 1991 and the Planning and Compulsory Purchase Act 2004.

"Plant and Equipment"

means all present and future plant, machinery, office equipment, computers, vehicles and other chattels of the Chargor of any kind which does not for any reason constitute a Fixture but is now or at any time directly or indirectly attached by any means and for any purpose to any land or building, whether or not it is removable or intended to form part of the land or building and includes all Related Rights.

"Property"

means the Land listed in Schedule 2.

"Related Rights"

means in relation to any Charged Asset:

- (a) the proceeds of sale of any part of that Charged Asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that Charged Asset;
- (c) all rights, benefits, claims, contracts, warranties, remedies, security, indemnities or covenants for title in respect of that Charged Asset;
- (d) all Income; and
- (e) any moneys and proceeds paid or payable in respect of that Charged Asset.

"Secured Liabilities"

means all present and future liabilities and obligations of the Chargors to the Lender (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever and whether or not the Lender was the original creditor in respect thereof) including without limitation interest, commission, costs, charges and expenses charged by the Lender at rates agreed between it and the relevant Chargor, or in the absence of express agreement, in accordance with the Lender's normal practice for the time being.

"Securities"

means all the right, title and interest of the Chargor, now or in the future, in any:

- (a) stocks, shares, bonds, debentures, loan stocks, or other securities issued by any person;
- (b) warrants, options or other rights to subscribe, purchase or otherwise acquire any stocks, shares, bonds, debentures, loan stocks or other securities or investments issued by any person; and
- (c) units or other interests in any unit trust or collective investment scheme,

in each case other than the Shares and other than in respect of any Dormant Company and shall include the Securities described in Schedule 7Part 2 of Schedule 7

(*Specified Assets*) or in the Schedule to an Accession Deed.

"Security"	means the Security Interests constituted by this Debenture;
"Security Financial Collateral Arrangement"	has the meaning given to that expression in the Financial Collateral Regulations;
"Security Interest"	means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, trust arrangement, title retention (other than title retention arising in the ordinary course of business as a result of a supplier's standard terms of business) or other right having the effect of constituting security;
"Security Period"	means the period beginning on the date of this Debenture and ending on the date on which the Secured Liabilities have been unconditionally and irrevocably repaid and discharged in full and the Lender has no commitment to lend to any Chargor; and
"Shares"	means, in relation to a Chargor, all of the shares held by that Chargor in any member of the Group (other than any Dormant Company) and any other shares (other than in any Dormant Company) owned by or held by any nominee, trustee, fiduciary or clearance system on behalf of that Chargor including those shares specified in Schedule 7Part 3 of Schedule 7Part 3 (<i>Shares</i>) or the schedule to any Accession Deed and all Related Rights (and including all rights against any such trustee, nominee, fiduciary or clearance system).
"Works of Art"	means all works of art, including but not limited to, paintings, drawings, sculpture, statues, prints and reproductions thereof in any medium, owned by the Chargor and includes all Related Rights.

1.2 Incorporation of terms

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

1.3 Construction

In this Debenture, unless the context otherwise requires:

- (a) words importing the singular shall include the plural and vice versa and reference to any gender includes the other gender;
- (b) the term "assets" includes all property, rights and revenues whatsoever, and wheresoever, present and future;
- (c) references to a "guarantee" include an indemnity or any other form of surety;

- (d) A Default (other than an Event of Default) is "**continuing**" if it has not been remedied or waived and an Event of Default is "**continuing**" if it has not been waived in writing by the Lender;
- (e) all references to documents, contracts or agreements include a reference to such documents, contracts or agreements as from time to time amended, novated, supplemented, extended or restated;
- (f) a reference to this Debenture includes a reference to any Accession Deed;
- (g) all references to a party include references to its personal representatives, permitted assigns and transferees and its successors in title;
- (h) any reference to a "person" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality) or two or more of the foregoing;
- (i) a provision of law is a reference to that provision as amended or re-enacted;
- (j) a time of day is a reference to London time;
- (k) any covenant by a Chargor under this Debenture remains in force during the Security Period and is given for the benefit of the Lender.
- (l) each Chargor's obligations under this Debenture are joint and several; and
- (m) words and phrases defined in the Companies Act 2006 have the same meanings in this Debenture but the word "**company**" includes any body corporate.

1.4 Statutes and headings

In this Debenture:

- (a) any reference to any statute or statutory instrument includes any enactment replacing or amending it or any instrument, order or regulation made under it and also includes any past statutory provisions (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced; and
- (b) headings are for reference purposes only and shall not affect the construction of anything in this Debenture.

1.5 Clauses and Schedules

In this Debenture references to "Clauses" are to the clauses or sub clauses of this Debenture, references to the "Schedules" are to the schedules to this Debenture and references to "Paragraphs" are to paragraphs of the Schedules. The Schedules shall be treated as an integral part of this Debenture and references to this Debenture shall include the Schedules.

1.6 Effect as a deed

This Debenture shall take effect as a deed even if it is signed under hand on behalf of the Lender.

1.7 Law of Property (Miscellaneous Provisions) Act 1989

The terms of the Finance Documents are incorporated in this Debenture to the extent required to ensure that any purported disposition of an interest in Land contained in this Debenture is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.8 Conflict

If and to the extent that any act or omission permitted pursuant to the Facility Agreement would otherwise constitute a breach of any provision of this Debenture, the Facility Agreement shall, for so long as amounts are outstanding thereunder, prevail, and the Lender shall, to the extent of such permission, be deemed to have consented to such act or omission, for the purposes of this Debenture.

2. COVENANT TO PAY

The Chargor covenants that it will on demand pay to the Lender and discharge the Secured Liabilities as the same become due in accordance with their terms.

3. CHARGES

3.1 Mortgages and Fixed Charges

As a continuing security for payment and discharge of the Secured Liabilities, the Chargor with full title guarantee charges to the Lender all its right, title, benefit and interest from time to time in and to each of the following assets:

- (a) by way of first legal mortgage the Property and all other Land now vested in the Chargor;
- (b) by way of first fixed charge:
 - (i) all other Land now vested in the Chargor (to the extent not effectively charged by Clause 3.1(a) and all Land acquired by the Chargor after the date of this Debenture;
 - (ii) all licences to enter upon or use the Charged Land and the benefit of all other agreements relating to the Charged Land;
 - (iii) the proceeds of sale of the Charged Land or any part thereof;
 - (iv) the benefit of any rental deposit given or charged to the Chargor by any occupier of the Charged Land;
 - (v) all present and future rents and other sums due to the Chargor under any lease, underlease, tenancy, licence or other right of occupation to which the Charged Land or any part of it is from time to time subject together with any related guarantee or other security for the performance of the lessee's obligations;
 - (vi) all plant and machinery and the benefit of all contracts, licences and warranties relating to the same;
 - (vii) all the goodwill and uncalled capital of the Chargor present and future;
 - (viii) the Intellectual Property;
 - (ix) the Securities;
 - (x) the Monetary Claims;
 - (xi) the Plant and Equipment;
 - (xii) the Accounts;
 - (xiii) the Works of Art;
 - (xiv) the Shares;
 - (xv) Any Related Rights; and

- (xvi) to the extent not assigned or effectively assigned by Clause 3.2 (*Assignments*):
 - (i) the Insurances;
 - (ii) the Securities;
 - (iii) the Income; and
 - (iv) all Related Rights in respect of such Charged Assets.

3.2 Assignments

The Chargor with full title guarantee assigns and covenants to assign absolutely in favour of the Lender, but subject to the right of reassignment in Clause 26.1(b) all its right, title benefit and interest from time to time in and to each of the following assets:

- (a) Material Contracts;
- (b) Insurances;
- (c) Securities;
- (d) Income; and
- (e) Accounts

together with all Related Rights provided that nothing in this sub-clause shall constitute the Lender as a mortgagee in possession.

3.3 Fixed security

Clause 3.1(a) and Clause 3.2 (*Assignment*) shall be construed as creating a separate and distinct mortgage, fixed charge or security assignment over each relevant asset within any particular class of assets specified in this Debenture. Any failure to create effective fixed security (for whatever reason) over an asset shall not affect the fixed nature of the security on any other asset, whether within the same class of assets or not.

3.4 Floating Charge

As continuing security for payment of the Secured Liabilities, the Chargor with full title guarantee charges by way of first floating charge the whole of the Chargor's undertaking and assets, present and future and wherever situated, which are not for any reason effectively charged or assigned (whether in law or equity) by way of fixed security by this Debenture.

3.5 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 will apply to any floating charge created by this Debenture and the floating charge created under this Debenture is a "qualifying floating charge" for these purposes.

3.6 Trust

If or to the extent that for any reason the assignment or charging of any Charged Asset is prohibited, the Chargor shall hold that Charged Asset on trust for the Lender.

4. CRYSTALLISATION OF FLOATING CHARGE

4.1 Crystallisation: By Notice

The Lender may at any time by notice in writing to the Chargor convert the floating charge created by Clause 3.4 (*Floating Charge*) with immediate effect into a fixed charge as regards any property or assets specified in the notice if:

- (a) the Enforcement Date has occurred; or

- (b) the Lender considers that any of the Charged Assets may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process; or
- (c) the Lender considers that it is necessary in order to protect the priority of the Security Interest created by or pursuant to this Debenture.

4.2 Crystallisation: Automatic

The floating charge created by Clause 3.4 (*Floating Charge*) will automatically be converted (without notice) with immediate effect into a fixed charge as regards all of the undertaking and assets subject to the floating charge if :

- (a) the Chargor creates or attempts to create any Security Interest (other than as permitted pursuant to the terms of the Finance Documents) over any of the Charged Assets; or
- (b) the Chargor disposes, or attempts to dispose of, all or any part of the Charged Assets (other than Charged Assets that are only subject to the floating charge while it remains uncrystallised); or
- (c) any person levies or attempts to levy any distress, execution or other process against any of the Charged Assets; or
- (d) any step is taken (including the presentation of a petition, the passing of a resolution or the making of an application) to appoint a liquidator, provisional liquidator, administrator or Receiver in respect of the Chargor, over all or any part of its assets, or if such person is appointed.

5. PERFECTION OF SECURITY

5.1 Notices of Assignment

- (a) The Chargor shall deliver to the Lender (or procure delivery of) Notices of Assignment duly executed by, or on behalf of, the Chargor:
 - (i) in respect of the Material Contracts, on the date of this Debenture and promptly upon entering into any further Material Contracts after the date of this Debenture;
 - (ii) in respect of the Insurances, on the date of this Debenture and promptly upon purchasing any further Insurances after the date of this Debenture;
 - (iii) in respect of the Accounts, on the date of this Debenture and promptly on the date of any Accession Deed or, if later, as soon as reasonably practicable following the establishment of any new Account; and
 - (iv) in respect of any other asset which is the subject of an assignment pursuant to Clause 3.2 (*Assignments*), promptly upon the reasonable request of the Lender from time to time,

and in each case shall use all reasonable endeavours to procure that each notice is acknowledged by the party to whom such Notice of Assignment is addressed.

5.2 Notices of Charge

- (a) The Chargor shall:
 - (i) if reasonably requested by the Lender from time to time promptly deliver to the Lender (or procure delivery of) notices of charge of any of the Charged Assets specified by the Lender (in form and substance satisfactory to the Lender) duly executed by, or on behalf of, the Chargor; and

- (ii) shall use its reasonable endeavours to procure that such notices of charge are acknowledged by the persons to whom they are addressed.

- (b) The execution of this Debenture by the Chargor and the Lender shall constitute notice to the Lender of the charge created over any Account opened or maintained with the Lender.

5.3 Delivery of Documents of Title

The Chargor shall upon the execution of this Debenture (or, if later, upon receipt or entitlement thereof) deliver (or procure delivery) to the Lender of all deeds, certificates and other documents of title, if any, relating to the Charged Assets (which the Lender shall be entitled to hold and retain).

5.4 Application to the Land Registry

The Chargor and the Lender apply to the Land Registry for the following to be entered into on the register of the title to any Land now or in the future owned by the Chargor:

- (a) a restriction in the following terms:

"No disposition of the registered estate by the registered proprietor of the registered estate or by the proprietor of any registered charge is to be registered without a written consent signed by the proprietor for the time being of the charge dated 2021 in favour of the proprietor referred to in the charges register or, if appropriate, signed on such proprietor's behalf by its [secretary] or conveyancer."

- (b) a notice that the Lender is under an obligation to make further advances on the terms and subject to the conditions of the Finance Documents for the purpose of securing such further advances.

5.5 Delivery of Securities

The Chargor shall:

- (a) within 30 days of the date of this Debenture, deposit with the Lender (or procure the deposit of) all certificates or other documents of title to the Securities, and stock transfer forms relating to the Securities (stamped and executed in blank by or on behalf of the Chargor); and
- (b) promptly upon the accrual, offer or issue of any stocks, shares, warrants or other securities in respect of or derived from the Securities, deliver to the Lender:
 - (i) all certificates or other documents of title representing such items; and
 - (ii) such stock transfer forms or other instruments of transfer (stamped and executed in blank on behalf of the Chargor) in respect of such items.

5.6 Intellectual Property

- (a) The Chargor shall, if requested by the Lender and at the Chargor's cost, execute all such further assignments, transfers, charges or other documents in such form as the Lender may require and do all acts that the Lender may require to perfect the Security Interest taken by, or to record the interest of, the Lender in any registers relating to any registered Intellectual Property.
- (b) The Chargor shall take all necessary action to safeguard and maintain present and future rights in, or relating to, the Intellectual Property including (without limitation) by observing all covenants and stipulations relating to those rights, and by paying all applicable renewal fees, licence fees and other outgoings.

- (c) The Borrower shall use all reasonable efforts to register applications for the registration of the Intellectual Property, and shall keep the Lender informed of all matters relating to each such registration.
- (d) The Borrower shall not permit any Intellectual Property to be abandoned, cancelled or to lapse.

6. REPRESENTATIONS AND WARRANTIES

- (a) Each Chargor represents and warrants to the Lender on each day during the Security Period that:
 - (i) it is the legal and beneficial owner of its Charged Assets free from any Security Interest other than the Security or any Permitted Security;
 - (ii) it has not received or acknowledged notice of any adverse claim by any person in respect of any Charged Asset or any interest in it;
 - (iii) there is no breach of any law or regulation, which adversely affects the Charged Assets or any of them;
 - (iv) no facility necessary for the enjoyment and use of the Charged Assets is subject to terms entitling any person to terminate or curtail its use; and
 - (v) the Securities are fully paid and are not subject to any option to purchase or similar right.

7. FURTHER ASSURANCE

7.1 General

The Chargor shall, at its own expense, at any time when reasonably required by the Lender, execute and deliver to the Lender:

- (a) a valid legal mortgage of any Land now or in the future owned by the Chargor;
- (b) a fixed charge over any interest, not capable of being charged by way of legal mortgage, in any Land now or in the future belonging to the Chargor;
- (c) a legal assignment or other fixed Security Interest over all or any of the Charged Assets;
- (d) where any of its assets are situated outside England and Wales, such fixed security (or such security in that jurisdiction most closely akin to fixed security) under the law of the place where the asset is situated as the Lender may require; and
- (e) a notice to any third party of any of the charges or assignments created by or pursuant to this Debenture,

in each case, in the Lender's standard form or such other form as the Lender may require.

7.2 Other acts

Without prejudice to Clause 7.1 (*General*), the Chargor shall, at its own expense, at any time when required by the Lender, do and concur in all acts or things as the Lender may deem necessary for the purpose of the creation, perfection, protection or maintenance of any of the Security Interest intended to be created by this Debenture over all or any of the Charged Assets or to facilitate the enforcement of that Security Interest, or the exercise of any powers or discretions intended to be vested in the Lender or any Receiver by this Debenture.

7.3 Appointment of accountants

The Chargor shall:

- (a) at its own cost, if at any time so required by the Lender, appoint an accountant or firm of accountants nominated by the Lender to investigate the financial affairs of the Chargor and those of its subsidiaries and report to the Lender; and
- (b) co-operate fully with any accountants so appointed and immediately provide those accountants with all information requested.

The Chargor authorises the Lender to make an appointment as it shall think fit at any time if the Chargor has not made such an appointment within 5 Business Days following a request by the Lender in accordance with the terms of this deed, without further authority from the Chargor. The Chargor shall pay, or reimburse the Lender for, the fees and expenses of those accountants up to a maximum of one such appointment in any 2 year period and any appointment made at time when the Lender reasonably believes that an Event of Default is continuing.

7.4 Information

The Chargor shall:

- (a) give the Lender such information concerning the location, condition, use and operation of the Charged Assets as the Lender may require;
- (b) permit any persons designated by the Lender and any Receiver to enter on its premises and inspect and examine any Charged Asset, and the records relating to that Charged Asset, at all reasonable times during office hours and on reasonable prior notice; and
- (c) promptly notify the Lender in writing of any action, claim, notice or demand made by or against it in connection with all or any part of a Charged Asset or of any fact, matter or circumstance which may, with the passage of time, give rise to such an action, claim, notice or demand, together with, in each case, the Chargor's proposals for settling, liquidating, compounding or contesting any such action, claim, notice or demand and shall, subject to the Lender's prior approval (not to be unreasonably withheld or delayed), implement those proposals at its own expense.

7.5 Payment of outgoings

The Chargor shall, unless it has already done so pursuant to the terms of the Facility Agreement, promptly pay all necessary taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Charged Assets and, on demand, produce evidence of payment to the Lender

8. RESTRICTIONS ON DEALING

8.1 Negative Pledge

The Chargor undertakes that it shall not, at any time during the subsistence of this Debenture, create, or permit to subsist, any Security Interest over all or any part of its assets and undertaking, except as expressly permitted under the terms of the Finance Documents.

8.2 Disposals

The Chargor undertakes that it shall not (and shall not agree to) at any time during the Security Period, except as expressly permitted under the terms of the Finance Documents, sell, transfer, assign, lease or hire out, factor, discount, licence, lend, part with its interest in or otherwise dispose of any of the Charged Assets or permit the same to occur, or agree to do any of the foregoing, provided that, until:

- (a) the floating charge created by Clause 3.4 (*Floating Charge*) is converted into a fixed charge; or

(b) the occurrence of the Enforcement Date,

the Chargor may, in the ordinary course of its business, hold, enjoy and deal with, in accordance with the Finance Documents, the Charged Assets which are not at the relevant time expressed to be subject to a fixed charge or mortgage.

9. SECURITIES

9.1 Securities: Before Enforcement Date

Prior to the Enforcement Date and subject to the terms of the Finance Documents, the Chargor:

- (a) may exercise all voting rights in relation to the Securities for any purpose not inconsistent with the terms of the Finance Documents;
- (b) shall not permit any person other than the Lender or its nominee or any receiver or administrator to be registered as the holder of any Securities; and
- (c) may retain and apply for its own use all dividends, interest and other monies paid or payable in respect of the Securities and, if any are paid or payable to the Lender or any of its nominees, the Lender will hold all those dividends, interest and other monies received by it for the Chargor and will pay them to the Chargor promptly on request.

9.2 Securities: After Enforcement Date

After the Enforcement Date, the Lender may at its discretion (in the name of the Chargor or otherwise and without any further consent or authority from the Chargor):

- (a) exercise (or refrain from exercising) any voting rights in respect of the Securities;
- (b) apply all dividends, interest and other monies arising from the Securities in accordance with Clause 19 (*Application of moneys*);
- (c) transfer the Securities into the name of such nominee(s) of the Lender as it shall require; and
- (d) exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Securities,

in each case, in such manner and on such terms as the Lender may think fit and the proceeds of any such action shall form part of the Charged Assets.

9.3 Securities: Payment of Calls

The Chargor shall pay when due all calls or other payments which may be or become due in respect of any of the Securities which are not fully paid (unless reasonably contested), and in any case of default by the Chargor in such payment, the Lender may, if it thinks fit, make such payment on behalf of the Chargor in which case any sums paid by the Lender shall be reimbursed by the Chargor to the Lender on demand and shall carry interest from the date of payment by the Lender until reimbursed at the rate notified to the Chargor by the Lender.

9.4 Securities: Exercise of Rights

The Chargor shall not exercise any of its respective rights and powers in relation to any of the Securities in any manner which, in the reasonable opinion of the Lender, would prejudice the effectiveness of, or the ability of the Lender to realise, the security created by or pursuant to this Debenture.

9.5 Securities: Transfer restrictions

The Chargor shall no later than the date of this Debenture or, if later, the date on which it acquires any Securities:

- (a) obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of an issuer of any Securities, for the transfer of the Securities to the Lender or its nominee, or to a purchaser on enforcement of the Security; and
- (b) procure the amendment of the share transfer provisions (including, but not limited to, deletion of any pre-emption provisions) under the articles of association, other constitutional document or otherwise of each issuer of the Securities in any manner that the Lender may require in order to permit the transfer of the Securities to the Lender or its nominee, or to a purchaser on enforcement of the Security.

10. SHARES

10.1 Changes to rights

No Chargor may (except to the extent permitted by the Facility Agreement) take or allow the taking of any action on its behalf which may result in the rights attaching to any of its Shares being altered or further Shares being issued.

10.2 Other obligations in respect of Shares

The Lender will not be required in any manner to:

- (a) perform or fulfil any obligation of a Chargor;
- (b) make any payment;
- (c) make any enquiry as to the nature or sufficiency of any payment received by it or a Chargor; or
- (d) present or file any claim or take any other action to collect or enforce the payment of any amount,

in respect of the Shares.

10.3 Dividends

- (a) At any time prior to an Enforcement Date, each Chargor shall be entitled to receive and retain all dividends, interest and other monies arising from the Shares.
- (b) At any time after an Enforcement Date, each Chargor shall hold any amounts or other benefits received by way of dividends, interest and other monies arising from the Shares on trust for the Lender and pay the same immediately to the Lender or as it may direct.

10.4 Voting Rights

- (a) At any time prior to an Enforcement Date, each Chargor shall be entitled to exercise (or direct the exercise of) the voting and other rights and powers attached to the Shares provided that such Chargor may only exercise such rights or powers (or otherwise permit or agree to any variation of the rights attaching to or conferred by all or any part of the Shares) if:
 - (i) that does not breach any provision of any Finance Documents or cause an Event of Default to occur;
 - (ii) that does not adversely affect the validity or enforceability of the Security Interest created (or purported to be created) by this Debenture; and
 - (iii) the exercise of, or the failure to exercise, those rights and powers would not have a material and adverse effect on the ability of the Lender to realise this Security.

- (b) At any time after an Enforcement Date, the Lender (or any Receiver or Delegate) may, at its discretion, (in the name of the relevant Chargor or otherwise and without any further consent or authority from such Chargor):
 - (i) exercise (or refrain from exercising) any voting rights in respect of the Shares;
 - (ii) apply all dividends, interest and other monies arising from the Investments in accordance with Clause 19 (*Application of moneys*);
 - (iii) transfer the Shares into the name of the Lender or such nominee(s) of the Lender as it shall require; and
 - (iv) exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Shares to concur or participate in:
 - (A) the reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence thereof);
 - (B) the release, modification or variation of any rights or liabilities attaching to such shares or securities; and
 - (C) the exercise, renunciation or assignment of any right to subscribe for any shares or securities, in each case in the manner and on the terms the Lender thinks fit, and the proceeds of any such action shall form part of the Shares.

10.5 Delivery of share certificate and registers

Each Chargor shall:

- (a) within 30 days of the date of this Debenture (or, as applicable, the date of any Accession Deed or, if later, as soon as reasonably practicable following the acquisition of or subscription for any other Shares) deposit with the Lender (or procure the deposit of) all certificates or other documents to title to the Shares and stock transfer forms (executed and undated by it or on its behalf), together with a duly certified copy of the register for such Shares; and
- (b) promptly following the acquisition, subscription, accrual, offer or issue of any stocks, shares, warrants or other securities in respect of or derived from the Shares, notify the Lender of that occurrence and procure the delivery to the Lender of all certificates or other documents of title representing such items and such stock transfer forms or other instruments of transfer (executed and undated by it or on its behalf) in respect thereof as the Lender may request, together with a duly certified copy of the register for such Shares.

11. ACCOUNTS

11.1 Accounts: Notification and Variation

The Chargor shall, subject to the terms of the Finance Documents:

- (a) promptly deliver to the Lender on the date of this Debenture (and, if any change occurs after the date of this Debenture, on that date), details of each Account maintained by it with any bank or financial institution;

- (b) not, without the Lender's prior written consent, permit or agree to any variation of the rights attaching to any Account or close any Account unless such account closure is notified in advance to the Lender;
- (c) promptly upon the date of this Debenture (or, as applicable, the date of any Accession Deed or, if later, as soon as reasonably practicable following the establishment of any new Account), deliver to the relevant bank, building society, financial institution or other person of the charge constituted under this Debenture (or Accession Deed, as applicable) Notices of Assignment duly executed by it in respect of each Account, such notice being in the form set out in Schedule 6 (*Form of notice of account bank*); and
- (d) use reasonable endeavours to procure that the relevant bank, building society, financial institution or other person delivers an acknowledgement of receipt of such notice to the Lender substantially in the form set out in Schedule 6 (*Form of notice of account bank*) within 20 Business Days of the date of this Debenture (or, as applicable, the date of any Accession Deed or, if later, upon establishing the relevant new Account).

11.2 Accounts: Application of Moneys

The Chargor shall comply with its obligations under the Facility Agreement in relation to the operation of the Accounts including, without limitation, the Disposal Proceeds Account and in particular the Lender shall, at any time on or after the Enforcement Date, be entitled without notice to apply, transfer or set off any or all of the credit balances from time to time on any Account in or towards the payment or other satisfaction of all or part of the Secured Liabilities in accordance with Clause 19 (*Application of moneys*).

11.3 Withdrawals

The Lender shall, at any time on or after the Enforcement Date, be entitled without notice to apply, transfer or set off any or all of the credit balances from time to time on any Account in or towards the payment or other satisfaction of all or part of the Secured Liabilities in accordance with Clause 19 (*Application of moneys*).

12. MONETARY CLAIMS

12.1 No dealing with Monetary Claims

The Chargor shall not at any time during the Security Period, without the prior written consent of the Lender or as permitted pursuant to the terms of the Finance Documents, sell, factor, discount, transfer, assign, lend or otherwise dispose of any of the Monetary Claims or enter into any agreement to do any of the foregoing.

12.2 Proceeds of Monetary Claims

The Chargor shall get in and realise the Monetary Claims relating to the Charged Assets in the ordinary course of business and, following the occurrence and continuance of an Event of Default which is continuing, pay the proceeds of those Monetary Claims into a Nominated Account if requested to do so by the Lender.

13. INSURANCES

13.1 Insurances: Undertakings

The Chargor shall comply with the terms of Clause 22.22 (Insurances) of the Facility Agreement.

13.2 Application of Insurance Proceeds

Except to the extent that the Facility Agreement provides otherwise, the Chargor shall ensure that all Insurance Proceeds in excess of £250,000, in any 12 month period are, as the Lender requires, either applied in making good such loss or damage or other loss in respect of which moneys are received, or paid to the Lender in or towards payment of the Secured Liabilities;

14. CONTRACT RIGHTS

14.1 The Chargor shall, until such permission is revoked in accordance with Clause 14.4, be permitted to exercise the rights assigned under Clause 3.2 (Assignments) subject always to Clause 14.3 and the provisions of the Finance Documents and the Lender will appoint the Chargor as its Agent to the extent necessary to enable the Chargor to do so.

14.2 The Chargor shall, unless the Lender agrees otherwise in writing, comply with the terms of the Material Contracts.

14.3 The Chargor shall not, unless the Lender agrees otherwise in writing (such agreement not to be unreasonably withheld or delayed):

- (a) amend or vary or agree to any change in, or waive any requirement of;
- (b) settle, compromise, terminate, rescind or discharge (except by performance); or
- (c) abandon, waive, dismiss, release or discharge any action, claim or proceedings against any counterparty to a Material Contract or other person in connection with, any Material Contract.

14.4 The permission in Clause 14.1 above shall be revoked:

- (a) immediately and without further notice on the Enforcement Date; and
- (b) by notice in writing from the Lender at any time after the occurrence of any event or which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

15. LAND

Subject to the provisions of the Finance Documents, the Chargor shall (with the intent that this Clause 15 (Land) shall apply in relation to all Land now vested in the Chargor or acquired by the Chargor after the date of this Debenture):

15.1 Repair and Alterations

The Chargor shall:

- (a) keep or cause to be kept all buildings and Fixtures from time to time on or in any of its Land and all other plant, machinery and equipment belonging to it in good and substantial repair and good working order;
- (b)
 - (i) not, without the prior written consent of the Lender, make or permit the making of any alteration or addition to any of its Land (other than internal non-structural alterations) or commit or permit any person to commit any waste upon or injure or in any manner or by any means lessen the value of the Land or sever or permit to be severed from any of the Land any Fixtures except for the purpose of replacing them as soon as practicable with others of equal or greater value;
 - (ii) not apply for nor implement any planning permission in respect of the Land without the consent in writing of the Lender and, if so required by the Lender in writing (but not otherwise), apply for any planning permission

which may be necessary to make any use of the Land lawful under the Planning Acts;

- (iii) not, without the prior written consent of the Lender, carry out or permit to be carried out any development for which planning permission is required at the Land or make (or permit others to make) any application for planning permission; or implement any planning permission;
- (c) permit any authorised representative of the Lender at any time to enter any of the Land for any purpose without becoming liable to account as a mortgagee in possession and to inspect and test any work being carried out and, where any breach of covenant, defect, disrepair or unauthorised alteration, improvement or addition shall be found, remedy all such breaches and execute all such repairs or removals as the Lender may require within 28 days after notice (or immediately, in case of emergency); and
- (d) notify the Lender promptly of any indication given to it that any of its undertaking, property, assets, rights and revenues, whatever and wherever in the world, present and future, is or may be enlisted in a register of contaminated land or contaminative use, or similar register and notify the Lender if any environmental or other condition exists which could have a material adverse effect on the value of such assets or the Chargor's business.
- (e) manage or procure the management of the Land diligently in accordance with the principles of good estate management and promptly notify the Lender of any material default by any lessee or other occupier of any Land;
- (f) not alter the VAT status of a Property;

15.2 Statutes

The Chargor shall:

- (a) comply with the provisions of all statutes and the requirement of any competent authority affecting any of its Land or the use of any of its Land or anything done on any Land; and
- (b) ensure that all necessary consents and approvals under all statutes and the regulations and codes of practice of any competent authority affecting any of the Land have been obtained and are complied with, and produce on demand such evidence as the Lender may require to satisfy itself that such consents and approvals have been obtained and are complied with.

15.3 Leases

The Chargor shall:

- (a) pay the rents and observe and perform all covenants, conditions, agreements or obligations on its part to be observed and performed contained in any lease under which any of its Land is held by the Chargor and any licence, consent or approval given under any lease, and use its best endeavours to enforce observance and performance of the lessor's covenants in any lease;
- (b) not accelerate or defer payment of any moneys payable under any such lease and where any lease contains a provision for the review of rent promptly notify the Lender of any attempt by the lessor to implement a review but not agree the reviewed rent or appoint or agree to the appointment of a third party to determine a rent review without the prior written consent of the Lender;

- (c) not to apply for any licence, consent or approval under any such lease or any superior lease without the prior written consent of the Lender;
- (d) promptly give notice to the Lender if the Chargor receives notice under section 146 of the LPA or any proceedings are commenced for forfeiture of any such lease or any superior lease or the lessor or any superior lessor re-enters or attempts to re-enter thereunder and at the request of the Lender but at the cost of the Chargor take such steps as the Lender may require in relation thereto.

15.4 Power of Leasing

The Chargor shall not, without the prior written consent of the Lender, or as expressly permitted in the Finance Documents exercise any of the powers of leasing or agreeing to lease vested in or conferred on mortgagors by common law or by statute or create or suffer to be created a tenancy of any description of any of the Land or confer or permit to be conferred upon any person any contractual licence, right or interest to occupy or use or grant any licence or permission to assign, underlet or part with possession of the whole or any part of the Land or agree to do any of the foregoing, and sections 99 and 100 of the LPA shall not apply to this Debenture.

15.5 Compulsory Acquisition

Not without the prior written consent of the Lender enter into any negotiations with any person in relation to, or consent to, the compulsory acquisition of any of the Land, and, if so requested by the Lender, permit the Lender or its authorised representatives to conduct such negotiations or to give such consent on the Chargor's behalf.

15.6 Outgoings

Pay as and when the same become due all necessary rates, taxes, duties, charges, assessments and other outgoings payable in respect of the Land; and

15.7 Encumbrances

Comply with:

- (a) all obligations, covenants, exceptions, reservations, licences, approvals, consents, stipulations, restrictions and conditions to which it is subject including, but without limitation, those relating to any of the Land or the use or enjoyment of any of the Land or imposed upon the Chargor as owner, occupier or user, as the case may be, of any of the Land; and
- (b) its obligations under any Security Interest having priority to the Security Interest created by or pursuant to this Debenture.

16. DEMAND AND ENFORCEMENT

16.1 Enforcement

The security constituted by this Debenture shall become enforceable in respect of and against the Chargor:

- (a) on or at any time after an Enforcement Action;
- (b) upon any request being made by the Chargor to the Lender for the appointment of a Receiver or for the Lender to exercise any other power or right available to it;
- (c) upon the occurrence of any event causing, or purporting to cause, the floating charge created by this Debenture to become fixed in relation to any Charged Assets; or
- (d) upon the passing of any resolution, or the presentation of a petition, for winding up of the Chargor or the making of an application for an administration order in relation

to the Chargor or the taking of any steps in relation to the appointment of an administrator of the Chargor.

16.2 Demand for payment

Any demand for payment, and any other notice to be given by the Lender under this Debenture, shall be in writing and may be signed by any authorised signatory on behalf of the Lender, and may be made or given to the Chargor at any place of business of the Chargor, or the registered office of the Chargor in accordance with Clause 30 (*Notices*) of the Facility Agreement.

16.3 Powers on enforcement

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 Debenture so that at any time after the Security has become enforceable, the Lender may (without prejudice to any other rights and remedies and without notice to the Chargor) do all or any of the following:

- (a) exercise the power of sale under section 101 of the LPA together with all other powers and rights conferred on mortgagees by the LPA, as varied and extended by this Debenture, without the restrictions contained in sections 103 or 109(1) of the LPA which shall not apply to this Debenture; and
- (b) exercise the power of leasing, letting, entering into agreements for leases or lettings or accepting or agreeing to accept surrenders of leases in relation to any Charged Assets, without the restrictions imposed by sections 99 and 100 of the LPA.

16.4 Prior Security

- (a) At any time after the Security has become enforceable, or after any powers conferred by any Security having priority to this Debenture shall have become exercisable, the Lender may:
 - (i) redeem that or any other prior Security;
 - (ii) procure the transfer of that Security to it; and
 - (iii) settle and pass any account of the holder of any prior Security.
- (b) The settlement and passing of any such account passed shall, in the absence of any manifest error, be conclusive and binding on the Chargor. All monies paid by the Lender to an encumbrancer in settlement of any of those accounts shall, as from its payment by the Lender, be due from the Chargor to the Lender on current account and shall bear interest and be secured as part of the Secured Liabilities.

16.5 Right of appropriation

- (a) To the extent that:
 - (i) the Charged Assets constitute Financial Collateral; and
 - (ii) this Debenture and the obligations of the Chargor under it constitute a Security Financial Collateral Arrangement,the Lender shall have the right, at any time after the security constituted by this Debenture has become enforceable, to appropriate all or any of those Charged Assets in or towards the payment or discharge of the Secured Liabilities in any order that the Lender may, in its absolute discretion, determine.
- (b) The value of any Charged Assets appropriated in accordance with this Clause shall be:
 - (i) in the case of cash, the amount standing to the credit of each of the Chargor's accounts with any bank, financial institution or other person,

together with all interest accrued but unposted, at the time the right of appropriation is exercised; and

- (ii) in the case of Securities, the price of those Securities at the time the right of appropriation is exercised as listed on any recognised market index or determined by any other method that the Lender may select (including independent valuation).

- (c) The Chargor agrees that the methods of valuation provided for in this Clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

17. RECEIVERS

17.1 Appointment

At any time after the Security has become enforceable, the Lender may appoint any person or persons to be a Receiver or Receivers of all or any part of the Charged Assets or an administrator of the Chargor. An appointment over part only of such Charged Assets shall not preclude the Lender from making any subsequent appointment over any other part of such Charged Assets.

17.2 Appointment in writing

The appointment of a Receiver shall be in writing, and may be signed by any authorised signatory on behalf of the Lender. Where more than one person is acting at any time as Receiver, they shall have power to act severally as well as jointly.

17.3 Removal

The Lender may, without further notice (subject to section 45 of the Insolvency Act 1986 in the case of an administrative receiver), from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

17.4 Remuneration

The Lender may from time to time determine the remuneration of the Receiver (which shall not be subject to the limit in section 109(6) of the LPA) and may (subject to the application of section 45 of the Insolvency Act 1986) remove any person from office in relation to all or any part of the Charged Assets of which he is the Receiver and at any time (before or after any person shall have vacated office or ceased to act as Receiver in respect of any of such Charged Assets) appoint a further or other Receiver or Receivers over all or any part of such Charged Assets.

17.5 Powers

The Receiver shall be the agent of the Chargor (which shall be solely liable for his acts, defaults and remuneration) unless and until the Chargor goes into liquidation from which time he shall act as principal and shall not become the agent of the Lender, and the Receiver shall have and be entitled to exercise in relation to the Charged Assets:

- (a) all the powers conferred by the LPA on mortgagees in possession and on receivers appointed under the LPA;
- (b) all the powers of an administrative receiver set out in Schedule 1 and Schedule B1 to the Insolvency Act 1986, whether or not the Receiver is an administrative receiver or an administrator;
- (c) all the powers and rights that an absolute owner would have in relation to any Charged Assets including (without limitation):

- (i) to take possession of and generally manage the Charged Assets and any business of the Chargor;
- (ii) to carry out on any freehold or leasehold property of the Chargor any new works or complete any unfinished works of building reconstruction maintenance furnishing or equipment;
- (iii) to purchase or acquire any land or other property and purchase acquire grant or release any interest in or right over land or the benefit of any covenants (positive or restrictive) affecting land;
- (iv) to redeem any prior security in respect of all or any of the Charged Assets and to settle and pass the accounts of the holder of such prior security and any accounts so settled and passed will, in the absence of manifest error, be conclusive and binding on the respective Chargor. All moneys paid to the holder of such security in accordance with such accounts shall form part of the Secured Liabilities;
- (v) to form subsidiaries of the Chargor for the purpose of purchasing, leasing, licensing or otherwise acquiring interests in all or any of the assets of the Chargor and to arrange for any such subsidiaries to trade or cease to trade on such terms as the Receiver thinks fit;
- (vi) to sell, lease, surrender or accept surrenders of leases, charge or otherwise deal with or dispose of the Charged Assets without restriction including (without limitation) the power to dispose of any fixtures separately from the land;
- (vii) to carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Chargor;
- (viii) to make any arrangement, settlement or compromise between the Chargor and any other person which he may think expedient; and
- (ix) to appoint managers, officers, servants, workmen and agents for the aforesaid purposes at such salaries and for such periods and on such terms as he may determine; and
- (x) to do all things incidental or conducive to any functions, powers, authorities or discretions conferred or vested in the Receiver.

18. POWER OF ATTORNEY

18.1 Appointment

The Chargor hereby irrevocably and by way of security appoints the Lender whether or not a Receiver has been appointed) and also (as a separate appointment) each Receiver severally as the attorney and attorneys of the Chargor from the occurrence of an Event of Default which is continuing with power to do any act, and execute and deliver any deed or other document, on behalf of and in the name of the Chargor, which the Chargor could be required to do or execute under any provision of this Debenture, or which the Lender in its sole opinion may consider necessary or desirable for perfecting the Lender's title to any of the Charged Assets of the Chargor or enabling the Lender or the Receiver to exercise any of its or his rights or powers under this Debenture.

18.2 Ratification

The Chargor ratifies and confirms and agrees to ratify and confirm whatever any such attorney as is mentioned in Clause 18.1 (*Appointment*) shall do or purport to do in the exercise or

purported exercise of all or any of the powers, acts or other matters referred to in Clause 18.1 (*Appointment*).

19. APPLICATION OF MONEYS

All sums received by virtue of this Debenture by the Lender or the Receiver shall, subject to the payment of any claim having priority to the Secured Liabilities or the Security, be paid or applied in the following order of priority:

- (a) in or towards satisfaction of all costs, charges and expenses incurred and payments made by the Lender, or the Receiver (including, without limitation, legal expenses) and of the remuneration of the Receiver;
- (b) in or towards payment of the Secured Liabilities in such order as the Lender may at its discretion require;
- (c) as to the surplus (if any), to the person or persons entitled to such surplus; and
- (d) section 109(8) of the LPA shall not apply to this Debenture.

20. CONSOLIDATION

20.1 Combination of accounts

In addition to any general lien, right to combine accounts, right of set off or other right which it may at any time have, the Lender shall have the right at any time or times after this Debenture has become enforceable, without notice to the Chargor, to combine or consolidate all or any accounts which it then has in relation to the Chargor (in whatever name) and any Secured Liabilities owed by the Chargor to the Lender, and/or to set-off or transfer any amounts standing to the credit of one or more accounts of the Chargor in or towards satisfaction of any Secured Liabilities owed to the Lender on any other account or otherwise.

20.2 Application

The Lender's rights under Clause 20.1 apply:

- (a) whether or not any demand has been made under this Debenture, or any liability concerned has fallen due for payment;
- (b) whether or not any credit balance is immediately available or subject to any restriction;
- (c) irrespective of the currencies in which any balance or liability is denominated, and the Lender may for the purpose of exercising its right elect to convert any sum or liability in one currency into any other at its spot rate applying at or about 11.00 am on the date of conversion; and
- (d) in respect of any Secured Liabilities owed by the Chargor, whether owed solely or jointly, certainly or contingently, presently or in the future, as principal or surety, and howsoever arising.

21. CHANGES TO PARTIES

21.1 Assignment and disclosure of information

- (a) The Lender may assign and transfer all or any of its rights and obligations under this Debenture. The Lender shall be entitled to disclose such information concerning the Chargor and this Debenture as the Lender considers appropriate to any actual or proposed direct or indirect successor or to any person to whom information may be required to be disclosed by any applicable law.
- (b) No Chargor may assign, transfer or defease any of its rights or obligations under this Debenture.

21.2 Additional Chargor

- (a) The Borrowers may request that any of the Parent's Subsidiaries become an Additional Chargor. That Subsidiary shall become an Additional Chargor if:
 - (i) the Borrowers delivers to the Lender a duly completed and executed Accession Deed; and
 - (ii) the Lender has received all of the documents and other evidence listed in Schedule 8Part 2 of Schedule 8 (*Additional Chargors*) in relation to that Additional Chargor, each in form and substance satisfactory to the Lender.
- (b) The Lender shall notify the Borrowers promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and evidence listed in Part 2 of Schedule 8 (*Additional Chargors*)

21.3 Resignation of a Chargor

- (a) A Chargor may request that it ceases to be a Chargor by delivery to the Lender a Resignation Letter.
- (b) The Lender may in its absolute discretion accept a Resignation Letter and notify the Borrowers of its acceptance if no Event of Default is continuing or would result from the acceptance of the Resignation Letter (and the Chargor has confirmed that this is the case).

21.4 Release of Chargors' right of contribution

If any Chargor (a "Retiring Chargor") ceases to be a Chargor in accordance with Clause 21.3 above then on the date on which the Lender notifies the Borrowers of its acceptance of a Resignation Letter:

- (a) that Retiring Chargor is released by each other Chargor from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Chargor arising by reason of the performance by any other Chargor of the Secured Liabilities; and
- (b) each other Chargor waives any rights it may have by reason of the performance of the Secured Liabilities to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender or of any other security taken pursuant to, or in connection with, in relation to the Secured Obligations where such rights or security are granted by or in relation to the assets of the Retiring Chargor.

22. PROTECTION OF THIRD PARTIES

22.1 Statutory powers

In favour of any purchaser, the statutory powers of sale and of appointing a Receiver which are conferred upon the Lender, as varied and extended by this Debenture, and all other powers of the Lender, shall be deemed to arise (and the Secured Liabilities shall be deemed due and payable for that purpose) immediately after the execution of this Debenture.

22.2 Purchasers

No purchaser from or other person dealing with the Lender, any person to whom it has delegated any of its powers, or the Receiver shall be concerned to enquire whether any of the powers which they have exercised has arisen or become exercisable, or whether the Secured Liabilities remain outstanding or whether any event has happened to authorise the Receiver to act or as to the propriety or validity of the exercise of any such power, and the title and

position of a purchaser or such person shall not be impeachable by reference to any of those matters.

22.3 Receipts

The receipt of the Lender or the Receiver shall be an absolute and conclusive discharge to a purchaser or any other person dealing with the Lender.

23. PROTECTION OF THE LENDER AND ANY RECEIVER

23.1 No liability

The Lender and any Receiver shall not be liable in respect of any loss or damage which arises out of the exercise, or attempted or purported exercise of, or the failure to exercise any of their respective powers under this Debenture.

23.2 Not mortgagee in possession

Without prejudice to any other provision of this Debenture, entry into possession of any Charged Assets shall not render the Lender or the Receiver liable to account as mortgagee in possession or to be liable for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable and if and whenever the Lender or the Receiver enters into possession of any Charged Assets it shall be entitled at any time it or he thinks fit to go out of such possession.

23.3 Costs

- (a) The Chargor shall, promptly on or in any event within five Business Days of demand, pay to, or reimburse, the Lender and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Lender, any Receiver or Delegate in connection with:
- (b) this Debenture or the Charged Assets;
- (c) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's, a Receiver's or a Delegate's rights under this Debenture; or
- (d) taking proceedings for, or recovering, any of the Secured Liabilities,

together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost or expense arose until full discharge of that cost or expense (whether before or after judgment, liquidation, winding up or administration of the Chargor) at the rate and in the manner specified in the Facility Agreement but without double counting.

23.4 Indemnity

The Chargor shall indemnify the Lender, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:

- (a) the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this Debenture or by law in respect of the Charged Assets;
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this Debenture; or

- (c) any default or delay by the Chargor in performing any of its obligations under this Debenture.

23.5 Currency protection

If any amount due to be paid to the Lender is, for any reason, paid in a currency (the "currency of payment") other than the currency in which it was expressed to be payable (the "contractual currency"), the Lender may wherever it thinks fit apply the amount of the currency of payment received by it in the purchase, in accordance with its normal practice, of the contractual currency, and if this results in any shortfall below the amount due in the contractual currency, after deducting all taxes, costs and commissions payable in connection with that purchase, the Chargor shall indemnify the Lender against the amount of the shortfall.

23.6 Continuing protection

The provisions of this Clause 23 shall continue in full force and effect notwithstanding any release or discharge of this Debenture, or the discharge of any Receiver from office.

24. PROVISIONS RELATING TO THE LENDER

24.1 Powers and discretions

The rights, powers and discretions given to the Lender in this Debenture:

- (a) may be exercised as often as, and in such manner as, the Lender thinks fit;
- (b) are cumulative, and are not exclusive of any of its rights under the general law; and
- (c) may only be waived in writing and specifically, and any delay in exercising, or non-exercise of, any right, is not a waiver of it.

24.2 Certificates

A certificate by an authorised officer of the Lender as to any sums payable to the Lender under this Debenture shall (save in the case of manifest error) be conclusive and binding upon the Chargor for all purposes.

24.3 Delegation

The Lender may at any time and from time to time delegate by power of attorney or in any other manner to any person or persons all or any of the rights, powers and discretions which are for the time being exercisable by it under this Debenture. Any such delegation may be made upon such terms (including power to sub-delegate) as the Lender may think fit. The Lender shall not in any way be liable or responsible to the Chargor for any loss or damage arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate.

24.4 Power to remedy

- (a) The Lender shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Chargor of any of its obligations contained in this Debenture.
- (b) The Chargor irrevocably authorises the Lender and its agents to do all things that are necessary or desirable for that purpose.
- (c) Any monies expended by the Lender in remedying a breach by the Chargor of its obligations contained in this Debenture shall be reimbursed by the Chargor to the Lender on a full indemnity basis and shall carry interest in accordance with Clause 23.3

24.5 Power to dispose of chattels

At any time on or after the Enforcement Date, the Lender or any Receiver may, as agent for the Chargor, dispose of any chattels or produce found on any Land.

24.6 Lender has Receiver's powers

To the extent permitted by law, any right, power or discretion conferred by this Debenture on a Receiver may, on or after the Enforcement Date, be exercised by the Lender in relation to any of the Charged Assets whether or not it has taken possession of any Charged Assets and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

25. PRESERVATION OF SECURITY

25.1 Continuing Security

This Debenture shall be a continuing security to the Lender and shall remain in force until expressly discharged in writing by the Lender notwithstanding any intermediate settlement of account or other matter or thing whatsoever and shall be without prejudice and in addition to any other right, remedy or Security Interest of any kind which the Lender may have now or at any time in the future for or in respect of any of the Secured Liabilities.

25.2 No Merger

This Debenture is in addition to, without prejudice to, and shall not merge with, any other right, remedy, guarantee or Security Interest which the Lender may at any time hold for any other Secured Liabilities.

25.3 Waiver of Defences

Neither the Security nor the obligations of the Chargor under this Debenture will be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice the Security or any of those obligations (whether or not known to it or the Lender) including:

- (a) any time, waiver or consent granted to, or composition with, the Chargor or other person;
- (b) the release of the Chargor or any other person under the terms of any composition or arrangement with any person;
- (c) the taking, variation, compromise, exchange, renewal, enforcement or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security Interest over, assets of the Chargor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security Interest;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargor or any other person;
- (e) any amendment (however fundamental), replacement, variation, novation, assignment or the avoidance or termination of a Finance Document or any other document or Security Interest;
- (f) any unenforceability, illegality or invalidity of any obligation of, or any Security Interest created by, any person under any Finance Document or any other document; or
- (g) an insolvency, liquidation, administration or similar procedure.

25.4 Order of Recourse

This Debenture may be enforced against the Chargor without the Lender first having recourse to any other right, remedy, guarantee or Security Interest held by or available to any of them.

25.5 Suspense Accounts

The Lender may, without prejudice to any other rights it may have, at any time and from time to time place (and keep for such time as it may think prudent) any moneys received, recovered or realised under or by virtue of this Debenture on a separate or suspense account to the credit either of the Chargor or, at the sole discretion of the Lender if an Event of Default has occurred and is continuing, of the Lender as the Lender shall think fit without any intermediate obligation on the Lender's part to apply the same or any part of it in or towards the discharge of the Secured Liabilities.

25.6 New Accounts

If the Lender receives notice of any subsequent charge or other security interest affecting any of the Charged Assets, the Lender shall be entitled to close the Chargor's then current account or accounts and to open a new account or accounts for the Chargor. If the Lender does not open a new account or accounts immediately on receipt of such notice it shall nevertheless be treated as if it had done so at the time when it received such notice, and as from that time all payments made for the credit of the Chargor shall be credited or be treated as having been credited to such new account or accounts and shall not operate to reduce the amount due from the Chargor to the Lender at the time when it received such notice.

25.7 Tacking

For the purposes of section 94(1) of the LPA and section 49(3) of the Land Registration Act 2002 the Lender confirms that it shall make further advances to the Chargor on the terms and subject to the conditions of the Finance Documents.

25.8 Reinstatement

If any payment by the Chargor or discharge given by the Lender (whether in respect of the obligations of the Chargor or any Security Interest for those obligations or otherwise) is avoided or reduced as a result of insolvency, liquidation, administration or any similar event:

- (a) the liability of the Chargor and the Security Interest created by this Debenture shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) the Lender shall be entitled to recover the value or amount of that Security Interest or payment from the Chargor, as if the payment, discharge, avoidance or reduction had not occurred.

26. RELEASE

26.1 Upon the irrevocable and unconditional payment and discharge in full of the Secured Liabilities, the Lender shall, or shall procure that its appointees will, at the request and cost of the Chargor:

- (a) release the Charged Assets from this Debenture; and
- (b) reassign the Charged Assets that have been assigned to the Lender under this Debenture.

26.2 Section 93 of the LPA dealing with the consolidation of mortgages shall not apply to this Debenture.

26.3 If the Lender considers that an amount paid by the Chargor in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Chargor or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this Debenture.

27. MISCELLANEOUS PROVISIONS

27.1 Severability

217505.0038/11914504
Debenture

If any provision of this Debenture is illegal, invalid or unenforceable in any jurisdiction, that shall not affect:

- (a) the validity or enforceability of any other provision, in that jurisdiction; or
- (b) the validity or enforceability of that particular provision, in any other jurisdiction.

27.2 Small Company Moratorium

Notwithstanding anything to the contrary in this Debenture, neither the obtaining of a moratorium by a Chargor under schedule A1 to the Insolvency Act 1986 nor the doing of anything by a Chargor with a view to obtaining such a moratorium (including any preliminary decision or investigation) shall be, or be construed as:

- (a) an event under this Debenture which causes any floating charge created by this Debenture to crystallise;
- (b) an event under this Debenture which causes any restriction which would not otherwise apply to be imposed on the disposal of any property by a Chargor; or
- (c) a ground under this Debenture for the appointment of a Receiver.

27.3 Amendments and variations

This Debenture shall remain in full force and effect notwithstanding any amendments or variations from time to time to the Finance Documents (including, without limitation, any increase in the amount of the Secured Liabilities) and all references to any Finance Document in this Debenture shall be taken as referring to such Finance Document as amended or varied from time to time.

27.4 Contracts (Rights of Third Parties) Act 1999

The Lender, any Receiver and their respective officers, employees and agents may enforce any term of this Debenture which purports to confer a benefit on that person, but no other person who is not a party to this Debenture has any right under the Contracts (Rights of Third Parties) Act 1999 (the **Third Parties Act**) to enforce or to enjoy the benefit of any term of this Debenture.

27.5 Counterparts

This Debenture 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 Debenture.

28. GOVERNING LAW

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

29. ENFORCEMENT

29.1 Jurisdiction of English courts

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a **Dispute**).
- (b) 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.
- (c) This Clause 29.1 is for the benefit of the Lender only. As a result, the Lender shall not be prevented from taking proceedings relating to a Dispute in any other courts

with jurisdiction. To the extent allowed by law, the Lender may take concurrent proceedings in any number of jurisdictions.

EXECUTED AND DELIVERED AS A DEED by the Chargor and executed by the Lender on the date set out at the beginning of this Debenture.

**Schedule 1
The Chargors**

Company Name	Registered Office address and Registered Number
Halcyon Fine Art Group Holdings Limited	29 New Bond Street, London W1S 2RL CRN 07230522
Halcyon Gallery Limited	29 New Bond Street, London W1S 2RL CRN 02542729
Halcyon Gallery (Holdings) Limited	29 New Bond Street, London W1S 2RL CRN 02562112
Halcyon Fine Art Group Limited	29 New Bond Street, London W1S 2RL CRN 03319690
Washington Green Fine Art Group Limited	Unit 15 Spitfire Road, Erdington, Birmingham B24 9PR CRN 02001847
Washington Green Retail Limited	Unit 15 Spitfire Road, Erdington, Birmingham B24 9PR CRN 06910082

Schedule 2
The Land

NONE

Schedule 3

Material Contracts

NONE

Schedule 4
Form of notice of assignment of insurance

To: [Insurer]

Date: [•]

Dear Sirs

We give you notice that, by a debenture dated [•] (the '**Debenture**'), we charged by way of assignment to Metro Bank PLC (the "**Lender**") all our right, interests and benefits in, to and under the [describe Insurance Policy] with policy number [insert policy number] effected by us or whomsoever (including all monies payable thereunder, proceeds of all claims, awards and judgments) and all other insurances entered into supplemental to or in replacement of such policy of insurance (the '**Policy**').

We will remain liable to perform all our obligations under the Policy and the Lender is under no obligation of any kind whatsoever under the Policy nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Policy.

If the security constituted by the Debenture becomes enforceable, the Lender may notify you of such event (an '**Enforcement Notice**').

Please note that immediately following your receipt of an Enforcement Notice:

1. all remedies provided for under the Policy or available at law or in equity are exercisable by Lender;
2. all rights to compel performance of the Policy are exercisable by the Lender;
3. all rights, interests and benefits whatsoever accruing to or for the benefit of us arising under the Policy belong to the Lender;
4. all amounts payable by you in relation to the Policy shall be payable directly to (or at the direction of) the Lender; and
5. you are authorised to disclose information in relation to the Policy to the Lender.

This letter may only be revoked with the prior written consent of the Lender.

This letter is governed by and will be construed in accordance with the laws of England.

Please confirm your agreement to the above by signing the enclosed acknowledgement and returning it to the Lender (at One Southampton Row, London WC1B 5HA marked for the attention of Simon Vallance) with a copy to us.

Yours faithfully

For and on behalf of

[insert name of assignor]

[•] Limited

[On copy only:

To: Metro Bank PLC

Date: [•]

Dear Sirs

We confirm receipt from [insert name of charging company] (the 'Chargor') of a notice dated [•] of a charge by way of assignment upon the terms of a debenture dated [•] (the 'Debenture') to Metro Bank Plc (the 'Lender') of all the Chargor's right, interest and benefit in, to and under the Policy (as specified in that notice) to which we are a party (the 'Notice').

We confirm that:

1. we have not received notice of:
 - (a) any assignment or charge of or over any of the rights, interests and benefits specified in the Notice; or
 - (b) the interest of any third party in any of the rights, interests and benefits specified in the Notice;
2. we acknowledge the terms of the Notice and will act in accordance with its provisions;
3. we have noted the interests of the Lender on the Policy;
4. we will notify the Lender of any claim paid out by us under the Policy; and
5. no breach or default on the part of the Chargor of any of the terms of such Policy will be deemed to have occurred unless we have given notice of such breach to the Lender specifying how to make good such breach.

We unconditionally and irrevocably waive all rights of set-off, counter-claim and similar rights (however described) which we may have now or in the future to the extent that such rights relate to amounts owed to us by the Chargor.

This letter is governed by and will be construed in accordance with the laws of England.

For and on behalf of [•]

By: [•]

Dated: [•]

Schedule 5
Form of notice of assignment of specific contract

To: [•]

Date: [•]

Dear Sirs,

We give you notice that, by a debenture dated [•] (the '**Debenture**'), we charged by way of assignment to Metro Bank Plc (the '**Lender**') all our right, interests and benefits in, to and under the [describe Specific Contract] (including all monies payable thereunder) (the '**Contract**').

We will remain liable to perform all our obligations under the Contract and the Lender is under no obligation of any kind whatsoever under the Contract nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Contract.

If the security constituted by the Debenture becomes enforceable, the Lender may notify you of such event (an '**Enforcement Notice**').

Please note that immediately following your receipt of an Enforcement Notice:

1. all remedies provided for under the Contract or available at law or in equity are exercisable by the Lender;
2. all rights to compel performance of the Contract are exercisable by the Lender;
3. all rights, interests and benefits whatsoever accruing to or for the benefit of us arising under the Contract belong to the Lender;
4. all amounts payable by you in relation to the Contract shall be payable directly to (or at the direction of) the Lender;
5. you are authorised to disclose information in relation to the Contract to the Lender.

This letter may only be revoked with the prior written consent of the Lender.

This letter is governed by and will be construed in accordance with the laws of England.

Please confirm your agreement to the above by signing the enclosed acknowledgement and returning it to the Lender (at One Southampton Row, London WC1B 5HA marked for the attention of Simon Vallance) with a copy to us.

Yours faithfully

For and on behalf of

[insert name of assignor]

[•] Limited

[On copy only:]

To: Metro Bank PLC

Date: [•]

Dear Sirs

We confirm receipt from [•] (the '**Chargor**') of a notice dated [•] of a charge by way of assignment upon the terms of a debenture dated [•] (the '**Debenture**') to Metro Bank Plc (the '**Lender**') of all the Chargor's right, interest and benefit in, to and under the Contract (as specified in that notice) to which we are a party (the '**Notice**').

We confirm that we have not received notice of:

- (a) any assignment or charge of or over any of the rights, interests and benefits specified in the Notice;
or
- (b) the interest of any third party in any of the rights, interests and benefits specified in the Notice.

We confirm that we acknowledge the terms of the Notice and will act in accordance with its provisions.

We unconditionally and irrevocably waive all rights of set-off, counter-claim and similar rights (however described) which we may have now or in the future to the extent that such rights relate to amounts owed to us by the Chargor.

This letter is governed by and will be construed in accordance with the laws of England.

Yours faithfully

For and on behalf of [•]

By: [•]

Dated: [•]

Schedule 6
Form of notice to account bank

To: [•] (as Account Bank)

Date: [•]

Dear Sirs

We give you notice that, by a debenture dated [•] (the '**Debenture**'), we (the '**Chargor**') have charged to Metro Bank Plc (the '**Lender**') any accounts and all monies (including interest) from time to time standing to the credit of those accounts identified in the schedule to this notice (the '**Charged Accounts**') and to all interest (if any) accruing thereon.

If the security constituted by the Debenture becomes enforceable, the Lender may notify you of such event (an '**Enforcement Notice**').

We irrevocably instruct and authorise you:

- (a) following receipt of an Enforcement Notice, to hold all monies from time to time standing to the credit of the Charged Accounts to the order of the Lender and to pay all or any part of those monies to the Lender (or as it may direct) promptly; and
- (b) to disclose to the Lender (without any reference to or further authority from us and without any inquiry by you as to the justification for such disclosure) such information relating to the Chargor or the Charged Accounts which the Lender may from time to time request you to disclose to it.

We also give you notice that:

- 1. the Lender will have sole signing rights to those Charged Accounts which are identified as 'blocked' accounts in the schedule to this notice and therefore the Chargor may not withdraw any monies from such accounts without having obtained the prior written consent of the Lender;
- 2. the Chargor may make withdrawals from those Charged Accounts which are identified as 'not blocked' accounts in the schedule below until such time as the Lender shall notify you in writing that their permission is withdrawn; and
- 3. the provisions of this notice may only be revoked or varied with the prior written consent of the Lender.

This letter is governed by and will be construed in accordance with the laws of England.

Please confirm your agreement to the above by signing the enclosed acknowledgement of this notice and returning to the Lender (at One Southampton Row, London WC1B 5HA marked for the attention of Simon Vallance) with a copy to us.

Yours faithfully

For and on behalf of [•]

(Chargor)

217505.0038/11914504
Debenture

SCHEDULE

Account holder	Account Numer	Sort Code	Status
[•]	[•]	[•]	[blocked/unblocked]

[•] Limited

[On copy only:]

To: Metro Bank PLC

Date: [•]

Dear Sirs

We confirm receipt from [insert name of charging company] (the '**Chargor**') of a notice dated [•] of a charge upon the terms of a debenture dated [•] (the '**Debenture**') of all monies (including interest) from time to time standing to the credit of the Charged Accounts specified in the notice. Terms defined in such notice shall have the same meaning in this acknowledgement (the '**Notice**').

We agree to act in accordance with the provisions of the Notice.

We unconditionally and irrevocably waive all rights of set-off, lien, combination or consolidation of accounts, security in respect of any Charged Account and similar rights (however described) which we may have now or in the future in respect of any Charged Account or the balance thereon to the extent that such rights relate to amounts owed to us by the Chargor.

We confirm that we have not received notice of the interest of any third party in any Charged Account.

This letter is to be governed by and will be construed in accordance with the laws of England.

Yours faithfully

For and on behalf of

[insert name]

**SCHEDULE 7
SPECIFIED ASSETS**

**Part 1
Intellectual Property**

NONE

**Part 2
Securities**



NONE

**Part 3
Shares**

NAME OF COMPANY WHICH SHARES ARE HELD	CLASS OF SHARES HELD	NUMBER OF SHARES HELD
The Halcyon Gallery Limited (Company No. 02542729)	Ordinary	1,000,000
Halcyon Fine Art Group Limited (Company No. 03319690)	A Ordinary B Ordinary	50 50
Halcyon Gallery (Holdings) Limited (Company No. 02562112)	Ordinary	327,002
Washington Green Fine Art Group Limited (Company No. 02001847)	Ordinary	1,000,000
Washington Green Retail Limited (Company No. 06910082)	Ordinary	10,000

Part 4

Accounts

BANK NAME	ACCOUNT HOLDER	ACCOUNT NUMBER	SORT CODE	CURRENCY	STATUS
	The Halcyon Gallery Limited			GBP	NOT BLOCKED

	Washington Green Retail Limited			GBP	NOT BLOCKED
	Washington Green Fine Art Group Limited			GBP	NOT BLOCKED
	The Halcyon Gallery Limited	SWIFT 		GBP	NOT BLOCKED
	The Halcyon Gallery Limited	SWIFT 		GBP	NOT BLOCKED
	The Halcyon Gallery Limited	SWIFT 		GBP	NOT BLOCKED

**Schedule 8
Additional Chargers**

**Part 1
Form of Accession Deed**

ACCESSION DEED

(to be registered at Companies House)

THIS ACCESSION DEED IS MADE ON THE DAY OF 20[●]

BETWEEN:

- (1) [●], a company incorporated in England and Wales (company number [●]) whose registered office is at [●] (the "**Acceding Chargor**");
- (2) **METRO BANK PLC** (the "**Lender**"); and
- (3) [●], a company incorporated in [England and Wales] (company number [●]) whose registered office is at [●] (the "**Company**"),

and is supplemental to a debenture dated [●] between, amongst others, the Lender and the Company (the "**Debenture**").

This Deed witnesses as follows:

- 1 Terms defined in the Debenture have the same meaning when used in this Deed unless given a different meaning in this Deed.
- 2 The Acceding Chargor confirms that it has been supplied with a copy of the Debenture [and that it is a Subsidiary of the Company.]
- 3 The Acceding Chargor accedes to the Debenture with effect from the date of this Deed as a Chargor as if it were named in the Debenture as a Chargor (but so that the security created on this accession will be created on the date of this Deed).
- 4 Without prejudice to the generality of paragraph 3 above:
 - 4.1 all security created under this Deed is in favour of the Lender and is security for the payment, discharge and performance of the Secured Liabilities; and
 - 4.2 all security created under this Deed is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- 5 The Acceding Chargor, as continuing security for payment and discharge of the Secured Liabilities, mortgages, charges and assigns to the Lender all its business, undertaking and assets on the terms of clause 3 (*Charges*) of the Debenture provided that:
 - 5.1 the Land charged by way of legal mortgage shall be the Land referred to in Parts 1 and 2 of the Schedule to this Deed;
 - 5.2 the Intellectual Property shall be the Intellectual Property referred to in Part 3 of the Schedule to this Deed;
 - 5.3 the Securities shall be the Securities referred to in Part 4 of the Schedule to this Deed; and
 - 5.4 the Material Contracts assigned or (if and to the extent that the assignment does not take effect as an assignment) charged by way of fixed charge shall include the Material Contracts set out in Part 5 of the Schedule to this Deed.
- 6 [The Additional Chargor hereby makes the representations and warranties set out in Clause 6 (*Representations and Warranties*) of the Debenture].

- 7 The Chargor and the Lender apply to the Land Registry for the following to be entered into on the register of the title to any Land now or in the future owned by the Chargor:
- 7.1 a restriction in the following terms:
- "No disposition of the registered estate by the registered proprietor of the registered estate or by the proprietor of any registered charge is to be registered without a written consent signed by the proprietor for the time being of the charge dated [date] in favour of the Proprietor referred to in the charges register or, if appropriate, signed on such proprietor's behalf by its [secretary] or conveyancer."*
- 7.2 A notice that the Lender is under an obligation to make further advances on the terms and subject to the conditions of the Facility Agreement/Finance Documents and the security created by the charge dated [insert date] in favour of Metro Bank PLC has been created for the purpose of securing such further advances.
- 8 The Company for itself, and as agent for the Chargors under the Debenture, agrees to all matters provided for in this Deed.
- 9 The Acceding Chargor acknowledges that other persons may be added to, or released from, the Debenture without the Acceding Chargor's consent.
- 10 The Debenture continues in full force and effect and the Debenture and this Accession Deed shall be read and construed as one document.
- 11 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 to enjoy the benefit of any term of this Deed.
- 12 This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

EXECUTED AND DELIVERED AS A DEED on the date written above.

Schedule to accession deed
Part 1
Real Property - Registered Land

--

Part 2
Real Property - Unregistered Land

--

Part 3
Intellectual Property

--

Part 4
Securities

--

Part 5
Material Contracts

--

SIGNATORIES (TO ACCESSION DEED)

The Acceding Chargor

EXECUTED as a DEED by

[]

acting by a director in the presence of:

}

Director

**I, THE UNDERSIGNED, CONFIRM THAT I WAS
PHYSICALLY PRESENT WHEN THE ABOVE NAMED
SIGNED THE DEED**

Witness signature

Name

(in block capitals)

Address

Occupation

The Company

EXECUTED as a DEED by

[]

acting by a director in the presence of:

}

Director

**I, THE UNDERSIGNED, CONFIRM THAT I WAS
PHYSICALLY PRESENT WHEN THE ABOVE NAMED
SIGNED THE DEED**

Witness signature

Name

(in block capitals)

Address

Occupation

217505.0038/11914504
Debenture

The Lender

Executed as a deed by **METRO BANK PLC** acting by its attorney in the presence of

}
.....
Authorised Signatory

**I, THE UNDERSIGNED, CONFIRM THAT I WAS
PHYSICALLY PRESENT WHEN THE ABOVE NAMED
SIGNED THE DEED**

Witness signature

Name
(in block capitals)

Address
.....
.....
.....

Occupation

Part 2

Conditions Precedent Required to be Delivered by an Additional Chargor

- 1 An Accession Deed, duly executed by the Additional Chargor.
- 2 A copy of the constitutional documents of the Additional Chargor.
- 3 A copy of a resolution of the board of directors of the Additional Chargor:
 - 3.1 approving the terms of, and the transactions contemplated by, the Accession Deed and resolving that it execute the Accession Deed;
 - 3.2 authorising a specified person or persons to execute the Accession Deed on its behalf;
 - 3.3 authorising a specified person or persons, on its behalf, to sign and/or despatch all other documents and notices to be signed and/or despatched by it under or in connection with the Accession Deed.
- 4 A specimen of the signature of each person authorised by the resolution referred to in paragraph 3 above.
- 5 A copy of a resolution signed by all the holders of the issued shares of the Additional Chargor, approving the terms of, and the transactions contemplated by, the Accession Deed.
- 6 A certificate of the Additional Chargor (signed by a director) confirming that guaranteeing the Secured Liabilities would not cause any guarantee or similar limit binding on it to be exceeded.
- 7 A certificate of an authorised signatory of the Additional Chargor certifying that each copy document listed in this Part 2 of Schedule 8 is correct, complete and in full force and effect as at a date no earlier than the date of the Accession Deed.
- 8 A copy of any other Authorisation or other document, opinion or assurance which the Lender considers to be necessary or desirable in connection with the entry into and performance of a the transactions contemplated by the Accession Deed or for the validity and enforceability of the Accession Deed.
- 9 If available, the latest audited financial statements of the Additional Chargor.
- 10 [A legal opinion in form and substance satisfactory to the lender in respect of any Chargor that is not a company incorporated in England and Wales.]

**Schedule 9
Form of Resignation Letter**

To: [●] as Lender (the "Lender")

From: [resigning Chargor]

Dated: [●]

Dear Sirs

Composite Debenture between, among others, the Lender, [] Limited and [] Limited dated [●] (the "Agreement")

- 1 We refer to the Agreement. This is a Resignation Letter. Terms defined in the Agreement have the same meaning in this Resignation Letter unless given a different meaning in this Resignation Letter.
- 2 Pursuant to Clause 21.3 (*Resignation of a Chargor*), we request that we are released from our obligations as a Chargor under the Agreement.
- 3 We confirm that no Enforcement Event is continuing or would result from the acceptance of this request.
- 4 This Resignation Letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

[Subsidiary]

By:

Print name:

Schedule 10
Release

This Release made this [•] day of 20[•] **between** (1) **Metro Bank PLC** (the "**Lender**") and (2) the [company] [companies] named in the attached debenture **witnesses** that the Lender releases from the charges created by the attached debenture all the Charged Assets comprised in it.

Executed as a deed BY [INSERT FULL NAME OF ATTORNEY] as attorney for **METRO BANK PLC**
in the presence of: _____

I, THE UNDERSIGNED, CONFIRM THAT I WAS PHYSICALLY PRESENT WHEN THE ABOVE NAMED SIGNED THE DEED

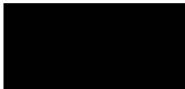
Witness signature _____
Name
(in block capitals)
Address _____

Occupation _____


EXECUTION

THE CHARGORS

Executed as a deed by **HALCYON FINE ART GROUP HOLDINGS LIMITED** acting by a director in the presence of:

} DocuSigned by:

BF9E3BF6310947C...
Director

I, THE UNDERSIGNED, CONFIRM THAT I WAS PHYSICALLY PRESENT WHEN THE ABOVE NAMED SIGNED THE DEED


Witness signature DocuSigned by:

F2E2F1A6A042464...

Name (in block capitals) Sarah Aubert

Address


Occupation Executive Personal Assistant


Executed as a deed by THE HALCYON GALLERY
LIMITED acting by a director in the presence of:

} DocuSigned by:

BF9E3BF6310947C...

Director

I, THE UNDERSIGNED, CONFIRM THAT I WAS
PHYSICALLY PRESENT WHEN THE ABOVE NAMED
SIGNED THE DEED

Witness signature

DocuSigned by:

F2E2F1A6A042464...

Name
(in block capitals)

Sarah Aubert


Address



Occupation


Executive Personal Assistant

Executed as a deed by **WASHINGTON GREEN RETAIL LIMITED** acting by a director in the presence of:

} DocuSigned by:

BF9E3BF6310947C...
Director

I, THE UNDERSIGNED, CONFIRM THAT I WAS PHYSICALLY PRESENT WHEN THE ABOVE NAMED SIGNED THE DEED

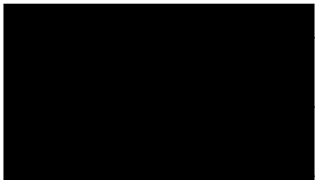
Witness signature

DocuSigned by:

F2E2F1A6A042464...

Name
(in block capitals)

Sarah Aubert


Address




Occupation

Executive Personal Assistant

Executed as a deed by **HALCYON GALLERY (HOLDINGS) LIMITED** acting by a director in the presence of:

} DocuSigned by:

BF9E3BF6310947C...
Director

I, THE UNDERSIGNED, CONFIRM THAT I WAS PHYSICALLY PRESENT WHEN THE ABOVE NAMED SIGNED THE DEED


Witness signature DocuSigned by:

F2E2F1A6A042464...

Name (in block capitals) Sarah Aubert

Address


Occupation Executive Personal Assistant


Executed as a deed by **WASHINGTON GREEN FINE ART GROUP LIMITED** acting by a director in the presence of:

} DocuSigned by:

BF9E3BF6310947C...

Director

I, THE UNDERSIGNED, CONFIRM THAT I WAS PHYSICALLY PRESENT WHEN THE ABOVE NAMED SIGNED THE DEED

Witness signature

DocuSigned by:

F2E2F1A6A042464...

Name
(in block capitals)

Sarah Aubert


Address



Occupation


Executive Personal Assistant

Executed as a deed by **HALCYON FINE ART GROUP HOLDINGS LIMITED** acting by a director in the presence of:

} DocuSigned by:

BF9E3BF6310947C...
Director

I, THE UNDERSIGNED, CONFIRM THAT I WAS PHYSICALLY PRESENT WHEN THE ABOVE NAMED SIGNED THE DEED


Witness signature

DocuSigned by:

F2E2F1A6A042464...

Name
(in block capitals)

Sarah Aubert

Address




Occupation

Executive Personal Assistant

THE LENDER

Executed as a deed by **METRO BANK PLC** acting by
its attorney **Geoff Brown**..... in the
presence of:

DocuSigned by:

EF3DB6B60639436

I, THE UNDERSIGNED, CONFIRM THAT I WAS
PHYSICALLY PRESENT WHEN THE ABOVE NAMED
SIGNED THE DEED

Witness signature 
2997B089835149D...

Name
(in block capitals) Joanne Martin

Address


Occupation
Project Manager