



Registration of a Charge

Company Name: **CZARNIKOW GROUP LIMITED**

Company Number: **02650590**



XCU303FN

Received for filing in Electronic Format on the: **05/01/2024**

Details of Charge

Date of creation: **15/12/2023**

Charge code: **0265 0590 0115**

Persons entitled: **COÖPERATIEVE RABOBANK U.A.**

Brief description:

Contains floating charge(s) .

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **NATALIA DZIEDZIC**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 2650590

Charge code: 0265 0590 0115

The Registrar of Companies for England and Wales hereby certifies that a charge dated 15th December 2023 and created by CZARNIKOW GROUP LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 5th January 2024 .

Given at Companies House, Cardiff on 5th January 2024

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**



ENSafrica

SPECIFIC DEBENTURE

entered into between

CZARNIKOW GROUP LIMITED

and

COÖPERATIEVE RABOBANK U.A.

to secure facilities of up to an aggregate principal amount of USD108,000,000 (which includes an accordion option of up to USD18,000,000)



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Certified to be a true copy of the original
seen by me on:

Anina Boshoff
Solicitor (England & Wales)
SRA number: 462771

THE REPUBLIC OF UGANDA

THE COMPANIES ACT (NO. 1 OF 2012)

THE SECURITY INTEREST IN MOVEABLE PROPERTY ACT, 2019

THIS DEBENTURE is made as of the 15 day of December 2023

BY:

- (1) CZARNIKOW GROUP LIMITED (Registration No. 02650590), a private limited liability company duly registered and incorporated in accordance with the laws of England, with its registered address at Paternoster House, 65 St. Paul's Churchyard, London, United Kingdom, EC4M 8AB, as security provider (the "**Chargor**" which expression shall, where the context so requires, include the Chargor's successors in title and permitted assigns);

IN FAVOUR OF:

- (1) COÖPERATIEVE RABOBANK U.A., a cooperative company with excluded liability (*coöperatie met uitgesloten aansprakelijkheid*) incorporated in accordance with the laws of The Netherlands, having its corporate seat (*statutaire zetel*) in Amsterdam, The Netherlands, and registered in the trade register (*handelsregister*) of the relevant Chamber of Commerce (*Kamer van Koophandel*) under number 3004625, (the "**Security Agent**") as security trustee for the Secured Parties (as defined in the Facility Agreement defined below).

IT IS HEREBY AGREED as follows:

Part 1

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Terms and expressions defined and the rules of interpretation contained in the Facility Agreement shall, unless otherwise expressly defined in this Debenture, bear the same meanings when used in this Debenture and in addition:

"**Borrowing Base Certificate**" means a Borrowing Base Certificate as defined under the Facility Agreement.

"**Charged Property**" means the Designated Inventory, Delivery Documents as related to the Designated Inventory and Related Rights.

"**Collateral Rights**" means all rights, powers and remedies of the Security Agent provided by or pursuant to this Debenture and/or by law.

"Debenture" means this Debenture.

"Delivery Documents" means the Delivery Documents as defined under the Facility Agreement.

"Designated Inventory" means Inventory located in Uganda that is (or was at any time) included in any Borrowing Base Certificate delivered by the Chargor to the Agent and the Security Agent under the Facility Agreement, including any such Inventory (i) that does not constitute (or has ceased, for any reason, to constitute) Eligible Inventory; and (ii) to the extent it exceeds any limit or sub-limit stipulated in relation to such Inventory in the Facility Agreement and, in each case, notwithstanding any defect in the Borrowing Base Certificate.

"Effective Date" means the date on which the Security created under the Existing Debenture Deed is released.

"Eligible Inventory" means Eligible Inventory as defined under the Facility Agreement.

"Enforcement Event" means an Event of Default (as defined in the Facility Agreement) which is continuing, where **"continuing"** means that it has not been waived.

"English Security Agreement" means the security agreement dated on or about the date of this Debenture between the Chargor (as chargor) and the Security Agent (as charge), pursuant to which the Chargor creates Security, in favour of the Security Agent to secure the Secured Liabilities.

"Existing Debenture Deed" means the Debenture deed, dated 23 December 2021, between the Chargor and Coöperatieve Rabobank U.A., pursuant to which assets of the Chargor are charged in favour of Coöperatieve Rabobank U.A. (in its capacity as lender) under a trade finance facility agreement, dated 5 November 2004 (as amended), pursuant to which uncommitted bilateral trade finance facilities are made available to the Chargor.

"Facility Agreement" means the up to USD108,000,000 secured English law governed borrowing base facility agreement (which includes an accordion option of up to USD18,000,000) entered into or to be entered into between, among others, the Chargor, Czarnikow Tanzania Limited (Registration No. 116965), a limited liability company duly registered and incorporated in accordance with the laws of the United Republic of Tanzania and Czarnikow East Africa Limited (Registration No.C.64031) (as borrowers) and the Security Agent (as may be amended from time to time).

"Inventory" means all white refined industrial sugar, polyethylene terephthalate (PET) resin pellets or any other product (including any commodity) that is owned by the Chargor.

"Receiver" means a Receiver or Receiver and manager of the whole or any part or parts of the Charged Property appointed under this Debenture.

"Related Rights" means in relation to the Designated Inventory, (a) the proceeds of sale of the whole or any part of the Designated Inventory; (b) all rights of the Borrower under any Delivery Documents relating to the Designated Inventory; (c) all rights, benefits, claims, contracts, warranties, remedies, Security, indemnities or covenants for title in respect of the Designated Inventory; (d) any monies and proceeds paid or payable in respect of the Designated Inventory; and (e) any proceeds of insurances in relation to the Designated Inventory and any other rights relating to such insurances.

"Security" means any a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

1.2 Headings, Sub-clauses and Clauses

- (a) Clause headings are for ease of reference only and shall not affect the construction of this Debenture.

- (b) References in this Debenture to any Sub-clause or Clause or to any Schedule shall be to a sub-clause or clause or schedule of this Debenture.

Part 2

2. PAYMENT OF SECURED LIABILITIES

2.1 Covenant to pay

The Chargor hereby covenants with the Security Agent that it shall duly and punctually pay and discharge all present and future monies, obligations and liabilities of the Obligors to the Secured Parties, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, under or in connection with the Finance Documents or this Debenture, together with all interest (including, without limitation, default interest) accruing in respect of such monies, obligations or liabilities (hereinafter the "**Secured Liabilities**") provided that neither such covenant nor the Security constituted by this Debenture shall extend to or include any liability or sum which would, but for this proviso, cause such covenant or Security to be unlawful or prohibited by any applicable law in the Republic of Uganda.

3. CHARGING CLAUSE

- 3.1 With effect from the Effective Date, the Chargor as legal and beneficial owner free of any Security hereby charges in favour of the Security Agent for the payment and discharge of the Secured Liabilities (and to the intent that the Security so constituted shall be a continuing Security in favour of the Security Agent) by way of a first fixed charge, the Charged Property being all the Chargor's right, title and interest from time to time all its rights in and to the Charged Property.

- 3.2 The Chargor hereby covenants that it will not without the prior consent in writing of the Security Agent:

- (a) (save in the case of this Debenture or the English Security Agreement) create or attempt to create or permit to arise or subsist any Security over the Charged Property or any parts thereof (save for any lien arising by operation of law in the ordinary course of trading and disclosed to the Security Agent before the date of this Debenture); or
- (b) except as permitted by the Finance Documents part with possession or transfer sell lease or otherwise dispose of the Charged Property or any part thereof or attempt or agree so to do.

3.3 Ineffective fixed charge

In the event and to the extent only that any court of competent jurisdiction shall not permit reliance upon or restrict the ambit of the fixed charge herein contained, any Charged Property excluded from the fixed charge by the decision of such court shall be deemed to have been charged by way of floating charge upon the conditions set out in this Debenture.

4. CRYSTALLISATION OF FLOATING CHARGES

4.1 Crystallisation: By Notice

The Security Agent may at any time by notice in writing to the Chargor convert the floating charge created by Clause 3.3 with immediate effect into a fixed charge as regards any property or assets specified in the notice if:

- (a) an Enforcement Event has occurred; or

- (b) the Security Agent, acting reasonably, considers that any of the Charged Property may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process.

4.2 Crystallisation: Automatic

Notwithstanding Clause 4.1 (*Crystallisation: By Notice*) and without prejudice to any law which may have a similar effect, the floating charge created by Clause 3.3 (*Ineffective fixed charge*) will automatically be converted (without notice) with immediate effect into a fixed charge as regards all the assets subject to the floating charge if:

- (a) the Chargor creates or attempts to create any Security over any of the Charged Property (other than pursuant to this Debenture or the English Security Agreement);
- (b) any person levies any distress, execution or other process against any of the Charged Property; or
- (c) a resolution is passed or a petition is presented for the winding-up, dissolution or re-organisation of the Chargor.

Part 3

5. WARRANTIES, UNDERTAKINGS AND INDEMNITY

5.1 The Chargor represents and warrants to the Security Agent and undertakes that:

- (a) it is and, will be the sole absolute legal and beneficial owner of the Charged Property free from Security (other than this Debenture or the English Security Agreement);
- (b) this Debenture and the Security created, and other rights granted to the Security Agent hereunder by the Chargor do not and will not conflict with or result in any breach or constitute a Default under any agreement, treaty, instrument, or obligation to which it is a party or by which it is bound;
- (c) it has, and will have, the necessary power to enable it to enter into and create the Security under this Debenture and perform its obligations under this Debenture;
- (d) this Debenture constitutes its legal, valid and binding obligations, enforceable in accordance with its terms; and
- (e) all necessary authorisations and consents to enable it to enter into this Debenture have been obtained and are, and will remain, in full force and effect for as long as this Security shall remain in force.

5.2 The Chargor undertakes, for so long as the Security constituted by Clause 3 (*Charging Clause*) continues in force, that:

- (a) it will not do or cause or permit anything to be done which may adversely affect the Security created or purported to be created by this Debenture or which is a variation or abrogation of the rights attaching to or conferred by all or any part of the Charged Property charged or to be charged by it hereunder, without the prior written consent of the Security Agent and shall take such action as the Security Agent may in its discretion direct in relation to any proposed compromise, arrangement, reorganisation, conversion, repayment, offer or scheme of arrangement affecting all or any part of the Charged Property;

- (b) it shall not create or permit to subsist any Security over any of the Charged Property (other than this Debenture or the English Security Agreement);
 - (c) (save as permitted by the Finance Documents including in Clause 23.4 of the Facility Agreement) it shall not sell, transfer or otherwise dispose of any of the Charged Property to any person including on terms whereby they are or may be leased to or re-acquired by it.
- 5.3 The Chargor undertakes, for so long as the Security constituted by Clause 3 (*Charging Clause*) continues in force, to furnish to the Security Agent from time to time promptly upon reasonable request by the Security Agent any information the Security Agent may request concerning the Charged Property.
- 5.4 The Chargor undertakes to the Security Agent to provide, promptly upon reasonable request by the Security Agent, a copy of any report, circular or notice received in respect of or in connection with any of the Charged Property to the Security Agent forthwith upon receipt of the same by the Chargor.
- 5.5 The Chargor undertakes to immediately upon acquiring an asset charged under this Debenture, ensure that it is (i) segregated from any other assets of a similar type not charged by this Debenture and (ii) marked with the details of this Debenture.

Part 4

6. INFORMATION AND ACCESS

The Chargor shall from time to time at the request of the Security Agent (which shall, at any time when there is no continuing Default be made reasonably), furnish the Security Agent with such information as the Security Agent may require about the Chargor's business and affairs, the Charged Property and its compliance with the terms of this Debenture, but subject to the provisions of the Facility Agreement. The Chargor shall permit the Security Agent, its representatives, professional advisers and contractors with the opportunities for access and inspection (without the Security Agent becoming liable as mortgagee in possession) upon request, such request to be made with prior notice to the Chargor (except that the Security Agent need not give such prior notice to the Chargor if an Enforcement Event has occurred) during normal office hours so that such persons can:

- (a) visit any of the premises where the business of the Chargor is conducted including, without limitation, each Approved Uganda Location (as defined in the Facility Agreement);
- (b) inspect all inventory, plant and equipment of the Chargor;
- (c) have access to and take copies and extracts from the Chargor's books, accounts and records;
- (d) have access to those employees and agents of the Chargor who have or may have knowledge of matters with respect to which any information is sought; and
- (e) do any such other thing that the Security Agent may in its sole discretion, acting reasonably deem to be necessary or desirable under this Debenture (which obligation shall, at any time when there is no continuing Default, arise after reasonable notice of any request has been given).

7. ENFORCEMENT OF SECURITY

7.1. Enforcement

The Security created by or pursuant to this Debenture shall be immediately enforceable if an Enforcement Event occurs which is continuing. When the Security becomes enforceable, the Security Agent may, without prior authorisation from any court, in its absolute discretion:

- (a) enforce all or any part of that Security by selling, concurring in a sale, transferring, taking possession of, holding or otherwise disposing or dealing with all or any part of the Charged Property (at the times, in the manner and on the terms that the Security Agent thinks fit); and
- (b) whether or not it has appointed a Receiver, exercise all or any of the powers, authorities and discretions conferred by the Laws of Uganda on mortgagees and/or by this Debenture on any Receiver or otherwise conferred by law on mortgagees or Receivers.

7.2. No Liability as Mortgagee in Possession

To the extent permitted by law, neither the Security Agent nor any Receiver shall be liable by reason of its taking possession of the Charged Property or any part thereof or for any other reason whatsoever to account whether as a mortgagee in possession or on any other basis whatsoever in respect of all or any part of the Charged Property or be liable for any loss upon realisation of any of the Charged Property or for any neglect, default or omission (save for gross negligence on the part of the Security Agent or the Receiver) in connection with the Charged Property to which a mortgagee in possession might otherwise be liable.

8. EXTENSION AND VARIATION OF STATUTORY PROVISIONS

8.1 Extension of Powers

The power of sale or other disposal conferred on the Security Agent and on any Receiver by this Debenture shall operate as a variation and extension of any statutory power of sale under the Laws of Uganda and such power shall arise (and the Secured Liabilities shall be deemed due and payable for that purpose) on execution of this Debenture.

8.2 Restrictions

No restrictions shall apply to this Debenture or to the exercise by the Security Agent of its right to consolidate all or any of the Security created by or pursuant to this Debenture with any other Security in existence at any time or to its power of sale, which powers may be exercised by the Security Agent without notice to the Chargor on or at any time after the occurrence of an Enforcement Event.

9. APPOINTMENT OF RECEIVER

9.1 Appointment and Removal

After the occurrence of an Enforcement Event that is continuing, or if requested to do so by the Security Agent may by deed or by instrument in writing under hand (acting through an authorised officer of the Security Agent), without prior notice to the Chargor:

- (a) appoint one or more persons to be a Receiver of the whole or any part of the Charged Property;
- (b) remove (so far as it is lawfully able) any Receiver so appointed; and
- (c) appoint another person(s) as an additional or replacement Receiver(s).

9.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to Clause 9.1 (*Appointment and Removal*) shall be entitled to act individually or together with any other person appointed or substituted as Receiver.

10. POWERS OF ENFORCEMENT

10.1 Powers of Receivers

In addition to the powers of the Security Agent and any Receiver conferred by Clause 9 (*Appointment of Receiver*), each person appointed as Receiver pursuant to Clause 9 (*Appointment of Receiver*) shall have and be entitled to exercise in relation to the Charged Property and any assets of the Chargor which, when got in, would be Charged Property (subject to any restrictions in the instrument appointing that person and as varied and extended by the provisions of this Debenture), all of the following powers:

- (a) power to take possession of collect and get in all or any part of the Charged Property;
- (b) power to sell, lease or otherwise dispose of or concur in selling, leasing, accepting, surrendering or otherwise disposing of the whole or any part of the Charged Property without any restriction and upon such terms as the Receiver shall think fit;
- (d) power to promote or otherwise acquire the share capital of any body corporate with a view to such body corporate purchasing leasing or otherwise acquiring an interest in the whole or any part of the Charged Property or carrying on any business in succession to the Chargor or any subsidiary of the Chargor;
- (e) power to make any arrangement or compromise of claims as the Receiver shall think fit;
- (f) power to effect and renew contracts and policies of insurance and re-insurance (including without limitation, contingent insurance and reinsurance) which the Chargor is required from time to time to purchase or procure and maintain by the Security Agent or (to the extent of its interests) in which the Chargor has an interest;
- (g) power to take or defend or discontinue proceedings including arbitration proceedings in the name of the Chargor (or otherwise) including (without limitation) proceedings for the winding-up of the Chargor;
- (i) power to appoint and to dismiss professional advisers, managers, agents, officers and employees on such terms as the Receiver shall think fit including without limitation power to engage the Receiver's own firm or the Chargor in the conduct of the Receivership;
- (k) power to raise or borrow money from the Security Agent or any other person and whether or not to rank for payment in priority to the Security constituted by or pursuant to this Debenture and with or without a mortgage or charge on the Charged Property or any part of the Charged Property;
- (l) power to purchase hire, install and utilise such new or additional machinery plant equipment and fixtures and fittings as the Receiver shall deem necessary or conducive towards the proper and efficient running of the Chargor's business;
- (m) power to dispose of the Charged Property in any manner and for any consideration and on any form as the Receiver shall think fit;
- (n) power to diversify the business of the Chargor and to promote the formation of companies with a view to their purchasing leasing licensing or otherwise acquiring interests in any of the Charged Property or otherwise and to arrange for those companies to trade or cease to trade or to

purchase lease, licence or otherwise acquire any of the Charged Property on such terms and conditions as the Receiver may think fit; and

- (o) power to do all such other acts and things as may seem to the Receiver to be incidental or conducive to any of the matters and powers vested in the Receiver or to be conducive to the realisation of the Security constituted by or pursuant to this Debenture.

10.2 In making any sale or other disposal of any of the Charged Property in the exercise of their respective powers the Receiver or the Security Agent may accept as and by way of consideration for such sale or other disposal, cash, shares, loan capital or other obligations including without limitation consideration fluctuating according to or dependent upon profit or turnover and consideration the amount whereof is to be determined by a third party. Any such consideration may be receivable in a lump sum or by installments and upon receipt by the Receiver or the Security Agent shall *ipso facto* be and become charged with the payment of the Secured Liabilities. Any contract for any such sale or other disposal by the Receiver or the Security Agent may contain conditions excluding or restricting the personal liability of the Receiver(s) or the Security Agent. Plant machinery and other fixtures may be severed and sold in the exercise of their respective powers by the Receiver or the Security Agent separately from the premises to which they are attached without any consent being obtained from the Chargor.

10.3 Additional provisions regarding Receivers

The following provisions shall apply with regard to any Receiver so appointed:

- (a) any such appointment may be made before or after the Security Agent shall have taken possession of the Charged Property or any part thereof;
- (b) any Receiver may (at the absolute discretion of the Security Agent) be appointed either Receiver or Receiver and manager of all of the Charged Property or Receiver and manager of such part or parts as may be specified in the appointment and in such latter event the powers hereinbefore conferred on a Receiver shall have effect as though every reference therein to the Charged Property were limited to the part or parts of the Charged Property so specified;
- (c) (save for any express contrary intention) any Receiver shall in the exercise of the Receiver's powers, authorities and discretions conform to any regulations and directions from time to time made or given by the Security Agent provided that no person dealing with the Security Agent or any Receiver shall be concerned to enquire whether the Receiver has conformed to any such regulations and directions;
- (d) any Receiver shall be the agent of the Chargor for all purposes and the Chargor alone shall (save in the event of the Receiver's wilful misconduct, gross negligence or fraud) be responsible for the Receiver's contracts, engagements, acts, omissions, defaults, losses and misconduct and for liabilities incurred or made by the Receiver and for the Receiver's remuneration and the Security Agent shall not incur any liability therefor (either to the Chargor or to any other person whatsoever) by reason of the Security Agent appointing such Receiver or of the Security Agent having made or given any such regulation or direction as is contemplated by Clause 10.3 (c) or for any other reason whatsoever;
- (e) subject to any direction made by any court under any power of any such court to fix the remuneration of a Receiver, the Security Agent may from time to time fix the remuneration of any Receiver and other terms of appointment of the Receiver on such terms as the Security Agent deems fit and, in the event of failure by the Chargor to pay such remuneration, direct payment of such remuneration out of moneys accruing to it in the exercise of its powers but the Chargor alone shall be liable for the payment of such remuneration;

- (f) the Security Agent may from time to time and at any time require any Receiver to give Security for the due performance of its duties as Receiver and may fix the nature and amount of the Security to be so given but the Security Agent shall not be bound in any case to require any such Security; and
- (g) if at any time any two or more persons shall hold office as Receivers of the same part of the Charged Property, each one of such Receivers shall be entitled (unless the contrary shall be stated in the instrument appointing the Receiver) to exercise all the powers and discretions hereby conferred on Receivers individually and to the exclusion of the other or others of them as well as jointly.

10.4 Powers of Security Agent

To the fullest extent permitted by law, all or any of the powers, authorities and discretions which are conferred either expressly or impliedly upon a Receiver of the whole or any part of the Charged Property may be exercised by the Security Agent in relation to the whole or any part of the Charged Property without first appointing a Receiver of the Charged Property, and notwithstanding the appointment of a Receiver of the Charged Property, and if the Security Agent does so exercise any of those powers, authorities or discretions all references to "Receiver" in this Debenture shall be deemed to include references to the Security Agent in exercise of such powers, authorities and discretions.

10.5 Powers to be in addition to power conferred by law

The powers conferred pursuant hereto in relation to the Charged Property on the Security Agent or on any Receiver shall be in addition to and not in substitution for the powers conferred by any written law on mortgagees or Receivers except insofar as they are expressly or impliedly excluded and where there is any ambiguity or conflict between such powers and those conferred hereby then the terms of this Debenture shall prevail.

10.6 Possession

If the Security Agent or any Receiver shall enter into possession of any of the Charged Property, it may from time to time at its discretion relinquish such possession.

10.7 Validity of authority

No person dealing with the Security Agent or with any Receiver or with any Delegate or sub-delegate of either of them shall be concerned to enquire whether any event has happened upon the occurrence of which any of the powers, authorities and discretions conferred by or pursuant to this Debenture are or may be exercisable by the Security Agent or by any Receiver, Delegate or sub-delegate or otherwise as to the propriety or regularity of acts purporting or intended to be in exercise of any such powers and, as regards any such person dealing with the Security Agent or any Receiver, delegate or sub-delegate, notwithstanding that the requisite power, authority or discretion has not become exercisable or any impropriety or irregularity whatsoever has occurred, such powers, authorities and discretions shall be deemed to be duly and validly exercised.

11. APPLICATION OF MONIES

All monies received or recovered by the Security Agent or any Receiver pursuant to this Debenture or the powers conferred by it shall (subject to the claims of any person having prior rights thereto by law) be applied by the Security Agent (notwithstanding any purported appropriation by the Chargor) towards the reduction or discharge, as the case may be, of the Secured Obligations in accordance with the provisions of the Facility Agreement.

12. PROTECTION OF PURCHASERS

The receipt of the lender or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the charged property or making any acquisition, the lender or any Receiver may do so for such consideration, in such manner and on such terms as it thinks fit.

13. POWER OF ATTORNEY

13.1 Appointment and Powers

The Chargor by way of Security hereby irrevocably appoints the Security Agent and any Receiver severally to be its attorney and in its name, on its behalf and as its act and deed to execute, complete, deliver and perfect all documents and do all such assurances, acts or things which the Chargor could or ought to do under the covenants and provisions contained in this Debenture, to exercise, or delegate the exercise of, any of the rights, powers, authorities and discretions conferred on them by or pursuant to this Debenture or by law (without prejudice to the generality of the foregoing) which the attorney may consider to be required or desirable for:

- (a) carrying out any obligation imposed on the Chargor by this Debenture (including the execution and delivery of any deeds, charges, mortgages, assignments, assurances or other Security and any transfers, dispositions or leases in connection with the realisation or getting in of the Charged Property) which the Chargor has failed to carry out in a timely manner;
- (b) after the occurrence of an Enforcement Event, to exercise any right of a legal or beneficial owner of the Charged Property including but not limited to executing, sealing, delivering and otherwise perfecting any deed, assignment, transfer, assurance, agreement, instrument or act which may in the opinion of such attorney be required or deemed proper, necessary or desirable in or for any of the purposes of or rights provided in this Debenture provided that the appointment hereby made shall cease to have any force or effect when the provisions for release of the Security created under this Debenture and under the Facility Agreement have been satisfied.

13.2 Ratification

The Chargor ratifies and confirms and agrees to ratify and confirm whatever any such attorney as is mentioned in Clause 13.1 (*Appointment and Powers*) shall do or purport to do in the exercise or purported exercise of all or any of the powers, authorities and discretions referred to therein and all money expended by any such attorney shall be deemed to be expenses incurred by the Security Agent and the Receiver under this Debenture.

14. EFFECTIVENESS OF SECURITY

14.1 Continuing Security

The Security created by or pursuant to this Debenture shall remain in full force and effect as a continuing Security for the Secured Liabilities unless and until earlier discharged by the Security Agent in accordance with the Facility Agreement.

14.2. Cumulative Rights

The Security created by or pursuant to this Debenture and the Collateral Rights shall be cumulative, in addition to and independent of every other Security, which the Security Agent may at any time hold for the Secured Liabilities or any other obligations or any rights, powers and remedies provided by law. No prior Security held by the Security Agent over the whole or any part of the Charged Property shall merge into the Security constituted by this Debenture.

14.3. No Prejudice

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

14.4. Remedies and Waivers

No failure on the part of the Security Agent to exercise, or any delay on its part in exercising any Collateral Right shall operate as a waiver thereof, nor shall any single or partial exercise of any Collateral Right preclude any further or other exercise of that or any other Collateral Right.

14.5. No Liability

Neither the Security Agent, nor its nominee(s) or any Receiver shall be liable by reason of (a) taking any action permitted by this Debenture or (b) any neglect or default in connection with the maintenance, upkeep or ownership of the Charged Property or (c) taking possession of or realising all or any part of the Charged Property, except in the case of gross negligence or wilful misconduct upon its part.

15. SUBSEQUENT SECURITY INTERESTS AND ACCOUNTS

- 15.1 If the Security Agent at any time receives or is deemed to have received notice of any subsequent Security, charge or other interest affecting all or any part of the Charged Property or any assignment or transfer of the Charged Property which is prohibited by the terms of this Debenture or any Finance Document, all payments made by or on behalf of the Chargor to the Security Agent from the time when the Security Agent received such notice may be paid by the Security Agent to a new account in its name and shall, if no such account is opened by the Security Agent, be treated as having been credited to a new account of the Security Agent and not as having been applied in reduction of the Secured Liabilities.
- 15.2 All monies received, recovered or realised by the Security Agent under this Debenture (including at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due) may in its discretion be credited to and held in any suspense or impersonal account pending their application from time to time in or towards the discharge of any of the Secured Liabilities.

Part 5

16. INDULGENCE

The Security constituted by this Debenture shall not be discharged or diminished by reason of:

- (a) any present or future bill, note, guarantee, indemnity, mortgage, charge, pledge, lien or other Security or right or remedy held by or available to the Security Agent being or becoming wholly or in part void, voidable or unenforceable on any ground whatever or by the Security Agent from time to time dealing with, exchanging, varying, realising, releasing or failing to perfect or enforce any of the same; or
- (b) the Security Agent compounding with, discharging, releasing or varying the liability of or granting any time, indulgence or concession to the Chargor, any other Obligor or any other guarantor or any other person or renewing, determining, varying or increasing any bill, promissory note or other negotiable instrument, accommodation, facility or transaction in any manner whatsoever or

concurring in, accepting or varying any compromise, arrangement or settlement or omitting to claim or enforce payment from the Chargor, any other Obligor or any other person; or

- (c) any change in the constitution, name and style of the Chargor or any other person.

17. RESORTING TO OTHER MEANS OF PAYMENT

The Security Agent shall be at liberty but not bound to resort for its own benefit to any other means of payment at any time and in any order it deems fit without in consequence diminishing the Security constituted by this Debenture and the Security Agent may enforce such Security either for the payment of the ultimate balance after resorting to other means of payment or for the balance due at any time notwithstanding that other means of payment have not been resorted to and, in the latter case, without entitling the Chargor to the benefit from such other means of payment so long as any Secured Liabilities remain due, owing or payable (whether actually or contingently) from or by the Chargor or any other Obligor to any Secured Party pursuant to the Facility Agreement and this Debenture.

18. PROTECTION OF THIRD PARTIES

No purchaser, mortgagee or other person dealing with the Security Agent shall be concerned to enquire whether the Secured Liabilities have become payable or whether any power which it is purporting to exercise has become exercisable or whether any money is due under this Debenture or as to the application of any money paid raised or borrowed or as to the propriety or regularity of any sale by or other dealing with the Security Agent.

19. CURRENCY CLAUSES

- 19.1. All monies received or held by the Security Agent or by a Receiver under this Debenture may from time to time after demand has been made by the Security Agent be converted into such other currency as the Security Agent considers necessary or desirable to cover the Secured Liabilities in that other currency and such conversion shall be made in accordance with the Security Agent's usual practice of converting the existing currency into the other currency.
- 19.2. If and to the extent that the Chargor or any other Obligor fails to pay any amount due hereunder on demand the Security Agent may in its absolute discretion without notice to the Chargor or any other Obligor purchase at any time thereafter so much of any currency as the Security Agent considers necessary or desirable to cover the Secured Liabilities in such currency hereby secured and such purchase will be in accordance with the Security Agent's usual practice of purchasing such other currency with the existing currency, and the Chargor hereby agrees to indemnify the Security Agent against the full cost incurred by the Security Agent in respect of any such purchase, which indemnity shall constitute part of the Secured Liabilities (which shall, at any time when there is no continuing Default, have been pre-agreed).
- 19.3. No payment to the Security Agent (whether under any judgment or court order or otherwise) shall discharge the obligation or liability of the Chargor in respect of which it was made unless and until the Security Agent shall have received payment in full in the currency in which such obligation or liability was incurred and to the extent that the amount of any such payment shall on actual conversion into such currency fall short of such obligation or liability actual or contingent expressed in that currency the Security Agent shall have a further separate cause of action against the Chargor and shall be entitled to enforce this Debenture to recover the amount of the shortfall.
- 19.4. The Security Agent shall in its sole and absolute discretion be entitled upon giving prior written notice to the Chargor at any time to convert any facility made available in a currency other than USD (the "**Other Currency**") into a USD facility. In the event that the Security Agent shall exercise the aforesaid right to convert, the aggregate principal amount due, owing or incurred (whether actual or contingent) by the Chargor in the Other Currency shall be converted into United States Dollars at a rate of exchange determined by the Lender in accordance with the usual practice adopted by the Security Agent in

converting the Other Currency into USD as at the date of conversion. Upon the conversion the provisions of this Debenture shall apply, *mutatis mutandis*, in relation to the charging and payment of interest by the Chargor in respect of the USD amounts outstanding from time to time and the Chargor shall be charged and shall pay interest accordingly.

Part 6

20. MISCELLANEOUS

20.1 The Security Agent shall not be obliged to make any demand on the Chargor, to take any action or obtain judgement in any court against the Chargor or to make or file any proof or claim in a liquidation or insolvency of the Chargor or to enforce or seek to enforce any other Security in respect of the Secured Liabilities before exercising any right, power or remedy provided by this Debenture or by law.

20.2 No assurance or repayment which may be avoided under any law relating, without limitation, to bankruptcy, insolvency or liquidation and no release, settlement or discharge which may have been given or made on the faith of any such assurance, Security or payment shall discharge or prejudice the Security constituted by this Debenture or affect the Security Agent's right to recover from the Chargor or to enforce such Security.

21. ASSIGNMENT OF RIGHTS AND OBLIGATIONS

The Security Agent, subject to the provisions of the Facility Agreement, may assign and transfer to any successor all or any of its rights and obligations under this Debenture. The Security Agent shall be entitled to disclose such information concerning the Chargor and the Facility Agreement and this Debenture as the Security Agent considers appropriate to any actual or proposed direct or indirect successor or to any person to whom information may be required to be disclosed by any applicable law. Save as may expressly be provided herein, the Chargor shall not be entitled to assign or transfer any of its rights or obligations under this Debenture.

22. NOTICES

22.1 Clauses 33 (*Notices*) of the Facility Agreement shall apply, *mutatis mutandis*, to this Debenture.

23. EXPENSES, STAMP DUTY, TAXES, INDEMNITY AND EXCULPATORY PROVISIONS

23.1 Expenses

The Chargor shall, from time to time on demand of the Security Agent, reimburse the Security Agent for the Security Agent's costs and expenses (including legal fees) in accordance the provisions of the Facility Agreement which shall, at all times prior to the occurrence of an Enforcement Event have been pre-agreed.

23.2 Stamp Duty

The Chargor shall pay all stamp duty, registration fees and other taxes to which this Debenture, the Security contemplated in this Debenture or any judgement given in connection with this Debenture and/or any Security contemplated in this Debenture at any time may be subject and shall indemnify the Security Agent against any liabilities, costs, claims and expenses resulting from any failure of the Chargor to pay or any delay in paying any such tax.

- 23.3 The Security Agent may opt to process the payments of the stamp duty and registration of this Debenture at the cost of the Chargor.

23.4 Taxes

All payments due to be made by the Chargor hereunder whether of principal interest or otherwise shall be made without any set-off, counterclaim or restriction and free and clear of and without any deduction whether for or on account of any present or future taxes or otherwise. If at any time, whether now or in the future, any applicable law, regulation or regulatory requirement or any competent taxing authority requires the Chargor to make any deduction or withholding in respect of taxes from any payment due under this Debenture for the account of the Security Agent the sum due from the Chargor in respect of such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Security Agent receives a net sum equal to the sum which the Security Agent would have received had no such deduction or withholding been required to be made and the Chargor shall indemnify the Security Agent against any losses or costs incurred by the Security Agent by reason of any failure of the Chargor to make any such deduction or withholding.

23.5 Indemnity

The Chargor shall, notwithstanding any release or discharge of all or any part of the Security or any waiver, stay or other forbearance granted under this Debenture or any other Finance Document, pay to the Security Agent on demand and indemnify the Security Agent its agents, officers, employees, delegates, attorneys and any Receiver and any person appointed by any of them on a full and unqualified indemnity basis against all of the following, namely:

- (a) interest on the amount for the time being due from the Chargor to the Security Agent under this Debenture and remaining unpaid from the date of demand for payment made hereunder by the Security Agent until payment at the highest rate then payable by the Chargor to the Security Agent compounded with rests on such days as the Security Agent shall from time to time decide; and
- (b) any action, proceeding, claims, losses, expenses (including legal fees), damages, fees, demands, liabilities and costs and tax which it may sustain directly or indirectly (i) as a consequence of any breach by the Chargor of the provisions of this Debenture, the exercise or purported exercise of any of the rights and powers conferred on them by this Debenture or otherwise relating to the Charged Property or the Chargor's obligations hereunder in accordance with the provisions of the Facilities Agreement..

23.6 Exculpatory provisions

In acting as Security Agent under this Debenture, the Chargor acknowledges and agrees that the Security Agent shall have the benefit of all of the provisions of the Facility Agreement, which are in its favour.

24. DISCRETION AND DELEGATION

24.1 Discretion

This Debenture is entered into subject to and with the benefit of the Facility Agreement. Any liberty or power which may be exercised or any determination which may be made hereunder by the Security Agent or any Receiver may, subject to the terms and conditions of the Facility Agreement, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

24.2 Delegation

Each of the Security Agent and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Debenture (including any power of attorney) on such terms and conditions as it shall see fit which delegation shall not preclude either the

subsequent exercise of such power, authority or discretion by the Security Agent or the Receiver itself or any subsequent delegation or revocation thereof.

25. PERPETUITY PERIOD

The perpetuity period under the rule against perpetuities, if applicable to this Debenture, shall be the period of eighty (80) years from the date of this Debenture.

26. SEVERABILITY OF PROVISIONS

26.1 None of the covenants and guarantees given and none of the Security created by the Chargor under this Debenture which are otherwise valid shall be avoided or invalidated by reason of one or more of such covenants or guarantees or any such Security being invalid or unenforceable.

26.2 Any provision of this Debenture or any of the Security constituted hereby which is or becomes for any reason illegal, invalid or unenforceable under the law of any jurisdiction shall as to such jurisdiction be ineffective only to the extent of such illegality, invalidity and unenforceability without invalidating the remaining provisions of this Debenture or any of the Security constituted hereby or affecting the legality, validity or enforceability of such provision or Security in any other jurisdiction.

27. CHARGOR'S OBLIGATIONS

27.1 The obligations of the Chargor under this Debenture shall not be discharged, impaired or otherwise affected by:

- (a) any winding-up, dissolution, administration or re-organisation of or other change in the Chargor or any other person;
- (b) any of the Secured Liabilities being at any time illegal, invalid, unenforceable or ineffective;
- (c) any time or other indulgence being granted to the Chargor or any other person;
- (d) any amendment, variation, waiver or release of any of the Secured Liabilities;
- (e) any failure to take or failure to realise the value of any other collateral in respect of the Secured Liabilities or any release, discharge, exchange or substitution of any such collateral;
- (f) any other act, event or omission which but for this provision would or might operate to impair, discharge or otherwise affect the obligations of the Chargor;
- (g) any determination variation or increase of any credit or facility to the Chargor;
- (h) any dealing, exchange, renewal, variation, release, modification or abstention from perfecting or enforcing any Security, guarantees or rights which the Security Agent may now or hereafter have in respect of the Secured Liabilities;
- (i) any compounding, discharge, release or variation of the indebtedness or liabilities of the Chargor or any other person or guarantor to the Security Agent; or
- (j) the Security Agent abstaining from proving or maintaining any right of proof against the Chargor or from claiming or enforcing payment of any dividend or composition from the Chargor.

27.2 No release, discharge, composition or other arrangement between the Security Agent and the Chargor shall release or discharge or prejudice, impair or otherwise affect the Security Agent's rights and remedies hereunder against the Chargor.

28. REMEDIES TO BE CUMULATIVE

The rights and remedies of the Security Agent under this Debenture are in addition to and independent of every other right or remedy contained in any other Security which the Security Agent may at any time hold for the Secured Liabilities or any rights, powers or remedies provided by law and may be exercised from time to time and as often as the Security Agent may deem expedient.

29. VARIATION OF TERMS

29.1 No variation of this Debenture shall be considered valid and as constituting part of this Debenture, other than to the extent that the variation, is permitted by or in accordance with the Facility Agreement.

29.2 The expression "variation" shall include any variation, novation, supplement, extension, deletion, superseding, waiver or replacement however effected.

30. GOVERNING LAW AND JURISDICTION

30.1 This Debenture shall be governed by and construed in accordance with the laws of the Republic of Uganda.

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

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

30.4 Notwithstanding clause 30.2 and clause 30.3 above, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

30.5 The Chargor irrevocably and unconditionally:

- (a) agrees not to claim any immunity from suits or proceedings brought by the Security Agent against it in relation to this Debenture and to ensure that no such claim is made on its behalf.
- (b) consents generally to the giving of any relief or the issue of any process in connection with these proceedings; and
- (c) waives all rights of immunity in respect of it or its assets.

31. RETENTION AND RELEASE OF SECURITY

The Security Agent may retain or place in safekeeping this Debenture, the Security constituted by or pursuant to this Debenture and all documents of title, certificates and other documents relating to or evidencing ownership of all or any part of the Charged Property, until such time as the Secured Liabilities are paid in full, which payment will be confirmed by the Security Agent in writing, whereupon without prejudice to Clause 21.3, the Security constituted by or pursuant to this Debenture shall be released and discharged (and property and rights assigned hereunder shall be reassigned).

32. 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.


33. EFFECTIVENESS OF DEBENTURE

This Debenture will come into full force and effect upon its execution by both parties.

IN WITNESS WHEREOF this Debenture has been executed as a deed and delivered on the day and year first above written

THE CHARGOR

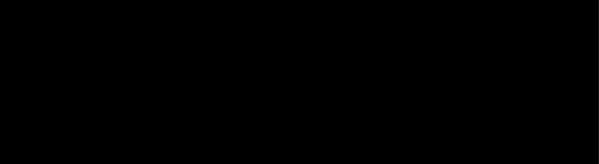
For: **CZARNIKOW GROUP LIMITED**

Signature: 

who warrants that he / she is duly authorised thereto

Name: Julian Randles

Capacity: Director C.F.O.

Signature: 

who warrants that he / she is duly authorised thereto

Name: Robin Cave

Capacity: Director C.E.O.

SECURITY AGENT

For:

COÖPERATIEVE RABOBANK U.A.

COÖPERATIEVE RABOBANK U.A.

Signature:

who warrants that he / she is duly authorised thereto

Name:

Capacity:



Rabobank

I.A. van der Horst
Senior Officer Syndicated Loans Agency
Proxy AB



Rabobank

R. van Esseveld
Senior Officer Syndicated Loans Agency
Rabobank
Proxy AB