



**Registration of a Charge**

Company name: **CARCLO TECHNICAL PLASTICS LIMITED**

Company number: **03088344**



X44D8OX7

Received for Electronic Filing: **31/03/2015**

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**Details of Charge**

Date of creation: **27/03/2015**

Charge code: **0308 8344 0011**

Persons entitled: **HSBC BANK PLC**

Brief description: **AS MORE PARTICULARLY DESCRIBED IN CLAUSE 3 OF THE DEBENTURE, A DEBENTURE CREATING FIXED CHARGES OVER THE BOOK DEBTS, DERIVATIVE PAYMENTS AND OTHER ASSOCIATED RIGHTS AND FLOATING CHARGES OVER ALL THE ASSETS AND UNDERTAKINGS (PRESENT AND FUTURE) OF CARCLO TECHNICAL PLASTICS LIMITED.**

**Contains fixed charge(s).**

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

**Contains negative pledge.**

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**Authentication of Form**

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

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**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: **PAUL CASTLE**



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

Company number: 3088344

Charge code: 0308 8344 0011

The Registrar of Companies for England and Wales hereby certifies that a charge dated 27th March 2015 and created by CARCLO TECHNICAL PLASTICS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 31st March 2015 .

Given at Companies House, Cardiff on 1st April 2015

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



**Companies House**



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES



Dated

27 March

2015

- (1) CARCLO TECHNICAL PLASTICS LIMITED
- (2) WIPAC LIMITED
- (3) BRUNTONS AERO PRODUCTS LIMITED
- (4) HSBC BANK PLC

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Composite Debenture

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This Deed is made on

27 March 2015.

between:

- (1) **CARCLO TECHNICAL PLASTICS LIMITED**, a company incorporated in England and Wales with company number 3088344 (the "**First Chargor**");
- (2) **WIPAC LIMITED**, a company incorporated in England and Wales with company number 0958139 (the "**Second Chargor**");
- (3) **BRUNTONS AERO PRODUCTS LIMITED**, a company incorporated in England and Wales with company number 00045894 (the "**Third Chargor**"); and
- (4) **HSBC BANK PLC** (the "**Lender**").

1. **INTERPRETATION**

1.1 **Expressly defined terms**

In this Deed, the following words and phrases have the specified meanings.

**"Associated Rights"** means, in relation to any Book Debt, all proceeds of sale of such Book Debt, all rights, powers, benefits, covenants, warranties, guarantees or Security given or implied in respect of such Book Debt, all rights under any agreement for sale, agreement for lease or licence of or in respect of such asset, and any monies and proceeds paid or payable in respect of such Book Debt.

**"Authorisation"** means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

**"Book Debts"** means all book and other debts and all other rights and claims referred to in Clause 3.1.1.

**"Business Day"** means a day, other than a Saturday or a Sunday, on which banks are open for general business in London or, for the purpose of Clause 15 (*Communications*), in the principal financial centre in the jurisdiction in which the relevant communication is delivered.

**"Chargor"** means the First Chargor, the Second Chargor, the Third Chargor or any company which becomes a Party by executing and delivering a Deed of Accession (together the "**Chargors**").

**"Collection Account"** means such specially designated account with the Lender or such other account with such other bank as the Lender may from time to time direct for the purposes of Clause 6.1 (*Collection of Book Debts*).

**"Companies Act"** means the Companies Act 2006.

**"Deed of Accession"** means a deed substantially in the form set out in Schedule 2 (*Form of Deed of Accession*) subject to such variations as the Lender shall agree.

**"Default Rate"** means two per cent per annum above the highest rate of interest ordinarily applicable to any part of the Secured Obligations from time to time.

**"Delegate"** means any delegate, agent, attorney or trustee appointed by the Lender.

**"Derivative Payment"** means, in relation to a Book Debt, any damages, compensation, remuneration, profit, bonus, royalties, fee, rent, income or other benefit which the relevant Chargor may derive from or be awarded or entitled to in respect of such asset.

**"Discharge Date"** means the date with effect from which the Lender confirms to Cardo plc that all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full and all relevant commitments of the Lender cancelled.

**"Enforcement Party"** means any of the Lender, a Receiver or a Delegate.

**"Event of Default"** means:

- (a) an Event of Default (as defined in the Facilities Agreement);
- (b) the occurrence of any of the events or circumstances set out in Clause 23 (*Events of Default*) of the Facilities Agreement as if set out *mutatis mutandis* in full in this Deed, notwithstanding any discharge in full or in part of any Secured Obligations arising under the Facilities Agreement; and
- (c) any event of default (however described) in any other Finance Document.

**"Facilities Agreement"** means a £30,000,000 multicurrency revolving facilities agreement made on 15 November 2011 between, amongst others, Cardo plc, the First Chargor, the Second Chargor, the Third Chargor and the Lender, as amended, novated, supplemented, extended, or restated from time to time, including without limitation as amended and restated pursuant to a second amendment and restatement agreement dated on or about the date of this Deed.

**"Finance Documents"** means such agreements, instruments, deeds or documents (including this Deed and any deed or agreement regulating priorities) as have been or are to be entered into in connection with or pursuant to the Secured Obligations or which have been designated as Finance Documents by the Lender and any Party and **"Finance Document"** shall mean any one of them.

**"Fixed Charge Assets"** means, at any time, all of the Secured Assets which are at that time the subject of any valid and effective fixed Security pursuant to Clause 3.1 (*Fixed charges*) or Clause 3.2 (*Assignments by way of Security*).

**"Floating Charge Assets"** means, at any time, all of the Secured Assets which are at that time the subject of any floating charge created by this Deed.

**"Group"** means Cardo plc and each of its Subsidiaries for the time being.

**"Insolvency Act"** means the Insolvency Act 1986.

**"LPA"** means the Law of Property Act 1925.

**"Party"** means an original party to this Deed or any person which becomes a party by the execution and delivery of a Deed of Accession.

**"Permitted Security"** has the meaning given to it in the Facilities Agreement.

**"Receiver"** means any one or more receivers and managers or (if the Lender so specifies in the relevant appointment) receivers appointed by the Lender pursuant to this Deed in respect of any Chargor or in respect of the Secured Assets of any Chargor.

**"Secured Assets"** means the assets the subject of any Security created by this Deed.

**"Secured Obligations"** means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each member of the Group and each grantor of Security to the Lender, whatever their nature or basis, in any currency or currencies, and however they are described, together with all costs, charges and expenses incurred by the Lender in connection with the protection, preservation or enforcement of its rights under the Finance Documents or any other document evidencing or securing any such liabilities PROVIDED THAT **"Secured Obligations"** shall not include any obligation or liability to the extent that if it were so included this Deed (or any part of it) would give rise to financial assistance within the meaning of section 677(1) of the Companies Act unless such financial assistance is not prohibited by virtue of the provisions of sections 678, 679, 681 and 682 of the Companies Act.

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

**"Security Documents"** means this Deed and any Deed of Accession, together with any other agreement, instrument, deed or document entered into by any Chargor creating or expressed to create any Security over all or any part of its assets in respect of the Secured Obligations.

**"Security Period"** means the period beginning on the date of this Deed and ending on the Discharge Date.

**"Subsidiary"** means a subsidiary within the meaning of section 1159 of the Companies Act.

**"Tax"** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

**"Third Parties Act"** means the Contracts (Rights of Third Parties) Act 1999.

## 1.2 Construction

In this Deed:

1.2.1 unless a contrary indication appears, a reference to:

1.2.1.1 **"assets"** includes present and future properties, revenues, rights and interests of every kind and reference to an **"asset"** includes any part or parts of such asset;

1.2.1.2 **"guarantee"** includes any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to



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

1.2.1.3 "indebtedness" includes any obligation (whether incurred as principal or surety) for the payment or repayment of money, whether present or future, actual or contingent;

1.2.1.4 "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);

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

1.2.1.6 "set-off" includes analogous rights and obligations in jurisdictions other than England and Wales; and

1.2.1.7 the "First Chargor", the "Lender" or any "Chargor" or "Party" shall be construed so as to include its successors in title, permitted assigns and permitted transferees;

1.2.2 where something (or a list of things) is introduced by the word "including", or by the phrase "in particular", or is followed by the phrase "or otherwise", the intention is to state an example (or examples) and not to be exhaustive (and the same applies when other similar words or phrases are used);

1.2.3 unless this Deed expressly states otherwise or the context requires otherwise, (a) each reference in this Deed to any provision of any statute or of any subordinate legislation means, at any time, the relevant provision as in force at that time (even if it has been amended or re-enacted since the date of this Deed) and (b) each reference in this Deed to any provision of any statute at any time includes any subordinate legislation made pursuant to or in respect of such provisions as in force at such time (whether made before or after the date of this Deed and whether amended or re-enacted since the date of this Deed);

1.2.4 each reference to this Deed (or to any other agreement, instrument or deed) means, at any time, this Deed (or as applicable such other agreement, instrument or deed) as amended, novated, supplemented, extended, or restated, at that time, provided that the relevant amendment, novation, supplement, extension, substitution or restatement does not breach any term of this Deed or of any of the Finance Documents;

1.2.5 the index and Clause and Schedule headings are for ease of reference only;

- 1.2.6 an Event of Default is "**continuing**" if it has not been waived in writing by the Lender;
- 1.2.7 in relation to any Chargor which becomes a Party upon the execution and delivery of a Deed of Accession, (a) where any assets are identified by reference to a Schedule this includes assets identified in any corresponding or analogous schedule to such Deed of Accession and (b) provisions which apply by reference to the date or execution of this Deed shall apply by reference to the date or execution of such Deed of Accession; and
- 1.2.8 references to any Security "**created ..... by this Deed**" are to be deemed to include such Security created, constituted, given, made or extended by, under or pursuant to this Deed, or by, under or pursuant to any Deed of Accession.

### 1.3 Third Party Rights

No person has any right under the Third Parties Act to enforce or enjoy the benefit of any term of this Deed, other than an Enforcement Party, which may do so, or any other person, to the extent that this Deed or any other of the Finance Documents expressly provides for it to do so. No consent of any person who is not a Party is required to rescind or vary this Deed at any time. This Clause 1.3 does not affect any right or remedy of any person which exists, or is available, otherwise than pursuant to the Third Parties Act.

### 1.4 Incorporation of other terms

The terms of the other Finance Documents under which the Secured Obligations arise and of any side letters between any Chargor and the Lender relating to the Secured Obligations are incorporated into this Deed to the extent required for any purported disposition of the Secured Assets contained in this Deed to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

## 2. COVENANT TO PAY

### 2.1 Covenant

Each Chargor, as primary obligor and not merely as surety, covenants with the Lender that it will pay, discharge and perform the Secured Obligations on demand made on or at any time after the due date for payment provided in the Finance Documents and in the manner provided in the Finance Documents.

### 2.2 Default interest

Any amount which is not paid under this Deed on the due date shall bear interest (both before and after judgment) payable on demand at the Default Rate from time to time from the due date until the date of actual unconditional and irrevocable payment and discharge of such amount in full, save to the extent that interest at such rate on such amount and for such period is charged pursuant to the Finance Documents relevant to that liability and itself constitutes part of the Secured Obligations.

### **3. SECURITY**

#### **3.1 Fixed charges**

Each Chargor, as a continuing security for the payment, discharge and performance of the Secured Obligations, charges in favour of the Lender the following assets:

**3.1.1 First fixed charges in respect of book debts** - by way of first fixed charge, (a) all present and future book and other debts, revenues and monetary claims of or owing to such Chargor and (b) all rights and claims of whatever nature of such Chargor now, or which may at any time be, held or enjoyed by it against third parties and against any securities and guarantees in respect of such debts, revenues or claims;

**3.1.2 First fixed charges in respect of Derivative Payments** - to the extent that such Derivative Payments are incapable for any reason of being effectively assigned pursuant to Clause 3.2 but are capable of being effectively charged, by way of first fixed charge, the right to recover and receive all Derivative Payments which may at any time become payable to such Chargor in respect of the Book Debts of such Chargor; and

**3.1.3 First fixed charge on other Associated Rights** - by way of first fixed charge, the benefit of all Associated Rights relating to any Book Debts of such Chargor, in each case to the extent that such Associated Rights are capable of being made the subject of a fixed charge and are not otherwise the subject of any valid fixed charge pursuant to this Deed.

#### **3.2 Assignments by way of Security**

As further continuing security for the payment of the Secured Obligations, each Chargor assigns absolutely to the Lender all (if any) its right, title and interest in and to any Associated Rights or Derivative Payment which are not the subject of a valid fixed charge pursuant to Clause 3.1 (*Fixed charges*) of this Deed and which relate to any Book Debt of such Chargor, whether or not such assets are subject to a valid legal mortgage, fixed charge or assignment pursuant to this Deed.

#### **3.3 Floating charge**

**3.3.1** As further continuing security for the payment, discharge and performance to the Lender of the Secured Obligations, each Chargor charges in favour of the Lender, by way of first floating charge, all its assets and undertaking, wherever located, both present and future.

**3.3.2** The floating charge created by Clause 3.3.1 is deferred, in relation to each Chargor, in point of priority to all fixed Security validly and effectively created by such Chargor under any of the Security Documents in favour of the Lender as security for the Secured Obligations.

#### **3.4 Conversion of floating charge**

3.4.1 The Lender may, at any time, by notice in writing to any Chargor, convert any floating charge created by this Deed into a fixed charge as regards such assets as it shall specify in the relevant notice if:

3.4.1.1 an Event of Default has occurred which is continuing; or

3.4.1.2 the Lender is of the view that (a) such assets are in danger of being seized, (b) any legal process or execution is being enforced against such assets, (c) such assets are otherwise in jeopardy, or (d) steps have been taken which would, in the reasonable opinion of the Lender, be likely to lead to the appointment of an administrator or administrative receiver in relation to such Chargor (or such administrator or administrative receiver has been appointed) or to the winding-up of such Chargor.

3.4.2 By way of further assurance, such Chargor shall, promptly following service of such notice upon it, execute a fixed charge over such assets in such form as the Lender shall require.

### 3.5 Automatic conversion of floating charge

In addition to any circumstances in which any floating charge created under this Deed will crystallise automatically under the general law, and without prejudice to the operation of Clause 3.4 (*Conversion of floating charge*):

3.5.1 if any Chargor creates (or purports to create) any Security on or over any of the Floating Charge Assets (other than Permitted Security) without the prior written consent of the Lender; or

3.5.2 if any Chargor convenes any meeting of its members to consider a resolution in relation to its winding up, or if a liquidator, administrative receiver, receiver, administrator or another similar officer is appointed in respect of such Chargor or any of its assets,

then and in any such event, any floating charge created by this Deed in relation to such Chargor shall, without any notice being given under Clause 3.4 (*Conversion of floating charge*) and immediately upon such event occurring, be converted into a fixed charge over all the assets which immediately prior to such conversion comprised the Floating Charge Assets of such Chargor.

### 3.6 Continuing security

The provisions of this Deed will apply at all times (a) regardless of the date on which any of the Secured Obligations was incurred and (b) in respect of the full amount of the Secured Obligations at the relevant time even if, at some other time, the amount of the Secured Obligations has been less than the amount at the relevant time or there has been no part of the Secured Obligations outstanding.

### 3.7 Miscellaneous

3.7.1 All the Security created by this Deed by any Chargor is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

- 3.7.2 Clauses 3.1.1 to 3.1.3 inclusive shall be read and construed as if each asset described, and each asset comprised within any category of asset described, in each such Clause were expressed, separately and specifically, to have been made subject to a first fixed charge; and the validity and effectiveness of each such fixed charge will not be prejudiced by any other such first fixed charge being found not to be fully valid or effective as such.

#### **4. FURTHER ASSURANCE**

Each Chargor shall (and the First Chargor shall procure that each other Chargor will):

- 4.1 promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Lender may reasonably specify (and in such form as the Lender may reasonably require) in favour of the Lender or its nominee(s) (a) to perfect the Security created or intended to be created or evidenced by this Deed or for the exercise of any rights, powers and remedies of the Lender provided by or pursuant to this Deed; (b) to confer on the Lender Security over any property or assets of such Chargor located in England and Wales or any other jurisdiction equivalent or similar to the Security intended to be created, or expressed to be created, by this Deed; and/or (c) to facilitate the realisation of the assets which are, or are intended to be, the subject of this Deed; and
- 4.2 take all such action as is available to it (including making all filings and registrations and the payment of all fees and Taxes) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Lender by or pursuant to this Deed.

#### **5. NEGATIVE PLEDGE AND DISPOSAL RESTRICTIONS**

##### **5.1 Negative pledge**

During the Security Period, no Chargor shall:

- 5.1.1 create, extend or permit to subsist any Security over any of the Secured Assets; nor
- 5.1.2 (a) sell, transfer or otherwise dispose of any of its assets on terms that they are or may be leased to or re-acquired by any member of the Group (b) sell, transfer or otherwise dispose of any of its receivables on recourse terms, (c) enter into any arrangement under which money, debts or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts, or (d) enter into any preferential arrangement with any person, having a similar effect to any of the arrangements or transactions previously described in this Clause 5.1, in any case in circumstances where the arrangement or transaction is entered into primarily as a method of borrowing monies or otherwise raising indebtedness (whether actual or contingent and whatever the nature, structure or characteristic of the arrangement or transaction under which the relevant liability arises) or of financing the acquisition of an asset.

##### **5.2 Exceptions**

5.2.1 Clause 5.1 does not apply to (a) the Security created or required to be created pursuant to this Deed, (b) the Permitted Security, nor (c) any Security, arrangement or transaction to which the Lender has given its written consent.

5.2.2 Clause 5.1.2 does not apply to Floating Charge Assets which are not also Fixed Charge Assets, and which are being dealt with at arms length in the ordinary course of business.

## 6. UNDERTAKINGS

Throughout the Security Period, each Chargor undertakes to the Lender in the terms of the following provisions of this Clause 6.

### 6.1 Collection of book debts -

6.1.1 Following a request from the Lender (which may only be made by the Lender whilst an Event of Default is continuing) it will collect (as agent for the Lender) all Book Debts and pay into such specially designated account with the Lender or such other account with such other bank as the Lender may from time to time direct all money which it shall receive in respect of such Book Debts immediately upon receipt and pending such payment it will hold all such money upon trust for the Lender.

6.1.2 It will not, without the prior written consent of the Lender, charge, factor, discount or assign any of the Book Debts in favour of any other person or purport to do so.

6.1.3 Where the Collection Account attributable to it is not maintained with the Lender but with some other bank or financial institution, it will procure that such other bank or financial institution with whom the Collection Account attributable to it is maintained has received a notice in the form set out in Schedule 1 (*Form of notice to bank operating secured account*) and has issued a receipt and confirmation in respect of that notice as provided in such form.

6.1.4 It will not, without the prior consent of the Lender, withdraw all or any monies from time to time standing to the credit of the Collection Account attributable to it.

6.2 **Deposit of documents** - It will promptly at the Lender's request deposit with the Lender (or as the Lender directs) all such other documents relating to the Secured Assets as the Lender may from time to time reasonably require.

6.3 **Retention of documents** - The Lender may retain any document delivered to it pursuant to Clause 6.2 (*Deposit of documents*) or otherwise until the Discharge Date and if, for any reason, the Lender ceases to hold any such document before such time, it may, by notice to such Chargor, require that the relevant document be redelivered to it and such Chargor shall immediately comply (or procure compliance) with such notice.

6.4 **Power to remedy** - If such Chargor fails to comply with any of the covenants and undertakings set out or referred to in Clauses 6.1 (*Collection of book debts*) to 6.3 (*Retention of documents*) inclusive, it will allow (and irrevocably authorises) the Lender and/or such persons as the Lender nominates to take on behalf of such Chargor such action (including the making of payments) as is



necessary to protect any relevant assets against the consequences of such failure to comply and/or to ensure compliance with such covenants and undertakings.

- 6.5 **Indemnity** - It will indemnify the Lender and will keep the Lender indemnified against all costs, Taxes, losses and liabilities incurred by the Lender as a result of any default by such Chargor in the performance of any of the obligations expressed to be assumed by it in this Deed and in connection with the exercise by the Lender of its rights contained in Clause 6.4 (*Power to remedy*). All sums the subject of this indemnity will be payable by such Chargor to the Lender on demand.

## 7. **ENFORCEABILITY**

For the purposes of all powers implied by the LPA or any other applicable legislation, the Secured Obligations shall be deemed to have become due and payable and this Deed will become immediately enforceable and the powers of the Lender and any Receiver will become exercisable on the date of this Deed, but, as between the Lender and each Chargor, the power of the Lender to enforce the Security created by this Deed shall be exercisable only upon the occurrence of an Event of Default and for so long as it is continuing (unless there has been a request from such Chargor to the Lender for the appointment of a Receiver, in which case it will be exercisable at any time following the making of such request).

## 8. **ENFORCEMENT OF SECURITY**

- 8.1 At any time after the Lender's power of sale has become exercisable, the Lender may, without further notice, (a) appoint one or more than one person to be Receiver in respect of the Secured Assets or any of them and, if more than one person is appointed as Receiver, such appointees may act jointly and severally or individually, (b) take possession of the Secured Assets, and/or (c) in its absolute discretion enforce all or any part of the Security created by this Deed in such other lawful manner as it thinks fit. The Lender may remove any person from appointment as Receiver and may appoint another person as Receiver. The Lender may also appoint an additional Receiver.
- 8.2 The Receiver will, so far as the law permits, be the agent of each Chargor in respect of which the Receiver is appointed and each such Chargor alone will be responsible for the acts or defaults of the Receiver and will be liable on any contracts or obligations made or entered into by the Receiver. The Lender will not be responsible for any misconduct, negligence or default of the Receiver. The powers of the Receiver will continue in full force and effect following any liquidation of the relevant Chargor.
- 8.3 The remuneration of the Receiver may be fixed by the Lender but will be payable by the relevant Chargor. The amount of the remuneration will form part of the Secured Obligations.
- 8.4 The Receiver will have the power, on behalf and at the cost of each Chargor in respect of which the Receiver is appointed, (a) to do or omit to do anything which he considers appropriate in relation to the Secured Assets and (b) to exercise all or any of the powers conferred on the Receiver or the Lender under this Deed or conferred upon administrative receivers by the Insolvency Act (even if he is not an administrative receiver), or upon receivers by the LPA or any other statutory provision (even if he is not appointed under the LPA or such other statutory provision) but so that if there is any ambiguity or conflict between the

powers contained in such legislation and those contained in this Deed, those contained in this Deed shall prevail.

- 8.5 Without prejudice to the general powers set out in Clause 8.4, a Receiver will also have the powers and discretions set out in Schedule 3 (*Receiver's specific powers*).
- 8.6 The Lender or any Receiver may sever any Fixtures from the Property and sell them apart from the Property without taking possession of the Property and apply the net proceeds of such sale in or towards satisfaction of the Secured Obligations.
- 8.7 If the Lender or the Receiver obtains possession of the Property, the Lender or the Receiver may use and remove, store or sell any chattels on the Property, whether or not forming part of the Secured Assets, without being under any liability to any Chargor other than to account for their net proceeds of the sale. All costs, losses and liabilities incurred by the Lender or the Receiver in connection with the removal, storage and sale of such chattels will form part of the Secured Obligations.
- 8.8 If (notwithstanding any representation or warranty to the contrary contained in this Deed) there shall be any Security affecting the Secured Assets or any of them which ranks in priority to the Security created by this Deed and the holder of such prior Security takes any steps to enforce such Security, the Lender or any Receiver may, at its option, take a transfer of, or repay the indebtedness secured by, such Security.
- 8.9 The Lender may, at any time after this Deed has become enforceable pursuant to Clause 7 (*Enforceability*), exercise, to the fullest extent permitted by law, all or any of the powers, authorities and discretions conferred on a Receiver by this Deed, whether as attorney of any Chargor or otherwise and whether or not a Receiver has been appointed.
- 8.10 The Lender may, in writing, either in its appointment of a Receiver or by subsequent notice to that Receiver, restrict the right of such Receiver to exercise all or any of the powers conferred on a Receiver by this Deed.
- 8.11 Paragraph 14 of Schedule B1 to the Insolvency Act applies to the floating charges created under this Deed.

## 9. PAYMENTS, ACCOUNTS AND APPLICATION OF PROCEEDS

- 9.1 **Right of appropriation** - Subject to the provisions of Clause 9.8 (*Recoveries by Receiver*), the Lender is entitled to appropriate money and/or assets to the Secured Obligations in such manner or order as it thinks fit and any such appropriation shall override any appropriation by any Chargor.
- 9.2 **No set-off by Chargors** - No Chargor shall exercise any right of set-off or counterclaim it might have in respect of any payment due to the Lender under this Deed.
- 9.3 **Lender's rights of set-off.** - The Lender may, at any time after this Deed has become enforceable, and without notice (a) combine or consolidate all or any of a Chargor's then existing accounts with, and liabilities to, the Lender, (b) set-off or transfer any sums standing to the credit of any one or more of such accounts, and/or (c) set-off any other obligation owed by the Lender to any such Chargor (whether or not matured at such time), in or towards satisfaction of any of the



Secured Obligations; and if any amount is in a different currency from the amount against which it is to be set-off, the Lender may convert either amount (or both) at any reasonable time and at any reasonable rate. The Lender shall notify such Chargor in writing that any such transaction has taken place.

- 9.4 **Suspense Account** - The Lender may, at any time, credit to a suspense account any money received by it under this Deed, to be held for so long as and on such terms as the Lender may determine pending its application towards discharging the Secured Obligations.
- 9.5 **New account** - If the Lender receives notice of a subsequent mortgage or charge relating to the Secured Assets, it will be entitled to close any account and to open a new account in respect of the closed account. If the Lender does not open such new account, it will in any event be treated as if it had done so at the time when it received such notice.
- 9.6 **Time deposit** - Without prejudice to the provisions of Clause 9.3 (*Lender's rights of set-off*), if at any time any Chargor has made a deposit with the Lender on terms that it will be repaid on a specified date (a "**Time Deposit**") then: (a) if the Lender has made any demand under Clause 2.1 (*Covenant*), it may vary the terms of such Time Deposit so that it becomes repayable immediately or on any other date before such specified date; or (b) if an Event of Default has arisen which is continuing but no amount of Secured Obligations has fallen due before such specified date, the Lender may renew such Time Deposit for such further maturity as the Lender in its absolute discretion determines.
- 9.7 **Calculations** - The Lender's calculation of any amount payable by any Chargor under this Deed at any time will be conclusive (unless it has made an obvious mistake).
- 9.8 **Recoveries by Receiver** - The proceeds arising from the exercise of the powers of the Receiver will, subject to any claims ranking in priority to the Secured Obligations, be applied by or at the direction of the Receiver in or towards discharging or satisfying the following amounts in the following order of priority: (a) the costs, charges and expenses of and incidental to the Receiver's appointment and the payment of his remuneration; (b) any costs, charges, expenses and liabilities of or incurred by any Enforcement Party in the exercise of any of its powers including all rents, Taxes, rates and outgoings whatever affecting the Secured Assets, all premiums on Insurances properly payable under this Deed or any applicable legislation, the cost of executing necessary or proper repairs to the Secured Assets, and the payment of annual sums or other payments, and the interest on all principal sums, having priority to the Secured Obligations; (c) the remaining Secured Obligations, in accordance with the provisions of the Finance Documents; and (d) the claims of those persons entitled to any surplus.
- 9.9 **Currency of payment** - No payment to the Lender (whether under any judgment or court order or otherwise) shall discharge the obligation or liability of any Chargor in respect of which it was made unless and until the Lender shall have received payment in full in the currency in which the obligation or liability was incurred. To the extent that the amount of any such payment shall, on actual conversion into such currency, fall short of such obligation or liability expressed in that currency, the Lender shall have a further separate cause of action against such Chargor and shall be entitled to enforce the Security created by this Deed to recover the amount of the shortfall.

9.10 **Currency conversion** - All money received or held by the Lender or any Receiver under this Deed may be converted into such other currency as the Lender considers necessary or desirable to cover the obligations and liabilities comprised in the Secured Obligations in that other currency at the Lender's spot rate of exchange then prevailing for purchasing that other currency with the existing currency.

## 10. **PROTECTION OF THIRD PARTIES**

10.1 **No duty to enquire** - A buyer from, or other person dealing with, any Enforcement Party will not be concerned to enquire whether any of the powers which such Enforcement Party has exercised or purported to exercise has arisen or become exercisable and may assume that it is acting in accordance with this Deed.

10.2 **Receipt conclusive** - The receipt of the Lender or any Receiver shall be an absolute and conclusive discharge to a purchaser of the Secured Assets and shall relieve him of any obligation to see to the application of any monies paid to or by the direction of the Lender or any Receiver.

## 11. **PROTECTION OF LENDER**

11.1 **Lender's receipts** - The Lender shall not be obliged to account to any Chargor, nor to any other person, for anything other than its own actual receipts which have not been distributed or paid to the person entitled (or whom the Lender, acting reasonably, believes to be entitled) in accordance with the requirements of this Deed.

### 11.2 **Exclusion of liability** -

11.2.1 No Enforcement Party will be liable to any Chargor for any expense, loss, liability or damage incurred by such Chargor arising out of the exercise by such Enforcement Party of its rights or powers or any attempt or failure to exercise those rights or powers, except for any expense, loss, liability or damage arising from its gross negligence, fraud or wilful misconduct.

11.2.2 No Chargor may take any proceedings against any officer, employee or agent of any Enforcement Party in respect of any claim it might have against such Enforcement Party or in respect of any act or omission of any kind by that officer, employee or agent in relation to this Deed.

11.2.3 Any officer, employee or agent of any Enforcement Party may rely on this Clause 11 under the Third Parties Act.

11.3 **Effect of possession** - If the Lender or any Receiver enters into possession of the Secured Assets or any of them, this will not oblige either the Lender or the Receiver to account as mortgagee in possession, and if at any time the Lender enters into possession of the Secured Assets or any of them it may at any time at its discretion go out of such possession.

11.4 **Chargors' indemnity** - Each Chargor agrees with the Lender to indemnify the Lender and any Receiver or Delegate on demand against any costs, Taxes, losses, liabilities or damage incurred by any of them in respect of (a) the taking, holding, protection or enforcement of the Security created by this Deed, (b) any exercise of the rights, powers, discretions or remedies of, or vested in, any Enforcement Party or any attempt or failure to exercise those rights, powers,

discretions or remedies and (c) anything done or omitted to be done in the exercise or purported exercise of the powers under this Deed or under any appointment duly made under the provisions of this Deed.

## **12. POWER OF ATTORNEY**

12.1 Each Chargor irrevocably and by way of security appoints the Lender and each Receiver and any person nominated for the purpose by the Lender or the Receiver (in writing, under hand, signed by an officer of the Lender or by the Receiver) severally to be the attorney of such Chargor (with full power of substitution and delegation) for the purposes set out in Clause 12.2.

12.2 The power of attorney granted in Clause 12.1 allows the Lender, the Receiver or the relevant nominee, in the name of the relevant Chargor, on its behalf, as its act and deed and at its expense to perfect the Security created by such Chargor under this Deed and to execute and deliver (using such Chargor's seal where appropriate) any document or do any act or thing which such Chargor may, ought or has agreed to execute or do under this Deed or which the attorney may in its absolute discretion consider appropriate in connection with the exercise of any of the rights, powers, authorities or discretions of the Lender or the Receiver under, or otherwise for the purposes of, this Deed.

12.3 Each Chargor covenants with the Lender to ratify and confirm all acts or things made, done or executed by any attorney exercising or purporting to exercise the powers conferred in accordance with this Clause 12.

## **13. APPLICATION, VARIATION AND EXTENSION OF STATUTORY PROVISIONS**

13.1 The covenants set out in sections 2 to 5 of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to bind a Chargor only if, in any case, the relevant covenant imposes upon such Chargor a burden, liability or obligation that would not otherwise arise under this Deed.

13.2 For the purposes only of section 101 of the LPA, (but otherwise subject to the provisions of Clause 7 (*Enforceability*)), the conditions set out in that section, as to when the powers conferred on a mortgagee by that section arise, do not apply and the Secured Obligations become due and the statutory power of sale and other powers of enforcement arise immediately following the execution of this Deed. The Lender and any Receiver may exercise the statutory power of sale conferred by the LPA free from the restrictions imposed by section 103 of the LPA, which shall not apply to this Deed.

13.3 The power of sale and the other powers conferred by the LPA or otherwise are extended and varied to authorise the Lender in its absolute discretion to do all or any of the things or exercise all or any of the powers which a Receiver is empowered to do or exercise under this Deed.

13.4 The restriction on the consolidation of mortgages in section 93 of the LPA does not apply to this Deed nor to any Security given to the Lender pursuant to this Deed. Section 109(1) of the LPA shall not apply to this Deed. Sections 105, 107(2), 109(6) and 109(8) of the LPA will not apply to the Lender nor to a Receiver appointed under this Deed.

13.5 The statutory and other powers of leasing, letting, entering into agreements for leases or lettings and accepting or agreeing to accept surrenders of leases or tenancies shall not be exercisable by any Chargor in relation to the Secured

Assets or any part of them. The restrictions on the powers of the Lender or the Receiver to grant leases or to accept the surrender of leases in sections 99 and 100 of the LPA do not apply to this Deed.

#### **14. OTHER MISCELLANEOUS PROVISIONS**

- 14.1 Except where expressly stated to the contrary, the powers, rights and remedies provided in this Deed are in addition to (and not instead of) powers, rights and remedies under law.
- 14.2 If an Enforcement Party fails to exercise any power, right or remedy under this Deed or delays its exercise of any power, right or remedy, this does not mean that it waives that power, right or remedy. If an Enforcement Party exercises, or partly exercises, a power, right or remedy once, this does not mean that it cannot exercise such power right or remedy again, fully or in part.
- 14.3 The Lender may decide when and how to apply any payments and distributions received for its own account under this Deed, and also, as between the Lender and any Chargor, whether and, if so, when, how and to what extent (a) to exercise its rights under this Deed and (b) to exercise any other right it might have in respect of any Chargor (or otherwise) without, in any case, any Chargor having the right to control or restrict the Lender's exercise of this discretion.
- 14.4 No provision of this Deed will interfere with the Lender's right to arrange its affairs as it may in its absolute discretion decide (nor oblige it to disclose any information relating to its affairs), except as expressly stated.
- 14.5 Each Chargor authorises the holder of any prior or subsequent Security to provide to the Lender, and the Lender to receive from such holder, details of the state of account between such holder and such Chargor.
- 14.6 No Chargor shall assign, novate or otherwise deal with its rights or obligations under or interests in this Deed, except with the prior written consent of the Lender.
- 14.7 Save as otherwise provided in the Facilities Agreement, the Lender may at any time assign, novate or otherwise deal with any rights or obligations under or interests in this Deed.
- 14.8 The Lender may disclose any information about any Chargor, the Secured Assets and/or this Deed to any person to whom it proposes to assign, novate or transfer (or has assigned, novated or transferred) any rights or obligations under or interests in this Deed, or with whom it proposes to enter into (or has entered into) any other dealings in relation to any such rights, obligations or interests and any person to whom the benefit of all such rights has been transferred, subject to such obligations, may enforce this Deed in the same way as if it had been an original party to this Deed.
- 14.9 If, at any time, there has been a release, settlement or discharge of any Chargor's obligations under this Deed and, as a consequence of any insolvency proceedings (or analogous proceedings) or for any other reason, (a) any payment made to any person in respect of any of the Secured Obligations is required to be repaid and/or (b) any such payment or any Security (or other right) held by the Lender in respect of any of the Secured Obligations (whether under this Deed or otherwise) is void, is set aside or is otherwise affected, then the relevant Chargor's obligations under this Deed shall continue in effect as if there had been no such release, settlement or discharge and as if the relevant

payment had not been made and/or (as applicable) the relevant Security (or other right) had not been held by the Lender; and accordingly (but without limiting the Lender's other rights under this Deed) the Lender shall be entitled to recover from such Chargor the value which the Lender has placed upon such Security or the amount of any such payment as if such payment, settlement or discharge had not occurred.

14.10 If the Lender, acting reasonably, considers that any amount paid by any Chargor in respect of the Secured Obligations is capable of being avoided or ordered to be refunded or reduced for the reasons set out in Clause 14.9, then for the purposes of this Deed such amount shall not be considered to have been irrevocably paid.

14.11 The Lender agrees to perform its obligations, to the extent arising under the Finance Documents, to make further advances. The Security created by this Deed has been made for securing such further advances.

14.12 To the extent that any Chargor may be entitled in any jurisdiction to claim for itself or its assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process of any kind wherever it might originate, or to the extent that in any such jurisdiction there may be attributed to such Chargor or its assets such immunity (whether or not claimed), it irrevocably agrees not to claim and irrevocably waives such immunity to the fullest extent permitted by the laws of such jurisdiction.

14.13 On the Discharge Date (but subject to Clauses 14.9 and 14.10) the Lender shall, at the request and cost of each Chargor, execute and do all deeds, acts and things as may be necessary to release the Secured Assets from the Security created by this Deed.

14.14 Each Chargor (other than the First Chargor) by its execution of this Deed or a Deed of Accession irrevocably appoints the First Chargor to act on its behalf as its agent in relation to any Security Document and irrevocably authorises:

14.14.1 the First Chargor on behalf of such Chargor to supply to the Lender all information concerning such Chargor contemplated by this Deed and to complete and give all notices, requests and instructions, to execute on its behalf any Deed of Accession and any Security Document, to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by such Chargor, notwithstanding that they may affect such Chargor, without (in any case) further reference to or the consent of such Chargor; and

14.14.2 the Lender to give or make to the First Chargor (and not to such Chargor) any notice, demand or other communication concerning such Chargor pursuant to the Security Documents;

and in each case such Chargor shall be bound as though such Chargor itself had given the information, notices, requests and instructions or executed or made the Deed of Accession, such Security Documents or such agreements, or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.

14.15 Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the First Chargor or given to the First Chargor under or in connection with any Deed of Accession or Security Document on behalf of another Chargor (whether or not

known to any other Chargor and whether occurring before or after such other Chargor became a Chargor under this Deed) shall be binding for all purposes on that Chargor as if that Chargor had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the First Chargor and any other Chargor, those of the First Chargor shall prevail.

- 14.16 The obligations of each Chargor under Clause 2 (*Covenant to pay*) are unconditional and neither the provisions of this Deed nor the obligations of any Chargor will be affected by the occurrence or existence at any time of any of the following events or circumstances or by any person's knowledge or lack of knowledge as to any such matter: (a) any person's insolvency or lack of capacity, power or authority; (b) any unenforceability, illegality or invalidity of any obligation of any person; (c) any change in the constitution, membership, ownership, legal form, name or status of any person; (d) the making, amendment or termination of any other deed or agreement; (e) any amendment, novation, re-statement or substitution of, or any supplement to, any other deed or agreement; (f) any increase or reduction in the amount of any person's indebtedness or any alteration of any term, condition or arrangement in respect of any person's indebtedness; (g) any person taking or omitting to take any steps in relation to (i) any Chargor or any other person, (ii) any of the Secured Obligations, (iii) any Security, guarantee or other financial support in respect of any indebtedness and/or (iv) any other asset; or (h) anything else which, although it could affect the liability of a surety, would not affect the liability of a principal debtor.

## 15. COMMUNICATIONS

- 15.1 **Addresses** - The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with any Security Document are:

- 15.1.1 in the case of the First Chargor, the other Chargors who are original Parties and the Lender, those given for each of them, respectively, in the signature pages of this Deed;
- 15.1.2 in the case of each Chargor who becomes a Party upon execution and delivery of a Deed of Accession, that given for it on the signature pages of the relevant Deed of Accession; and
- 15.1.3 in the case of each Receiver and each Delegate, those notified in writing to the Lender by such Receiver or Delegate as soon as practicable after its respective appointment,

or any substitute address, fax number or department or officer as the relevant person may notify to the Lender (or as the Lender may notify to the other Parties, if a change is made by the Lender) by not less than 5 Business Days' notice.

## 15.2 Delivery -

- 15.2.1 Any communication or document made or delivered by one person to another under or in connection with the Security Documents will only be effective (a) if by way of fax, when received in legible form, or (b) if by way of letter, when it has been left at the relevant address or 5 Business Days after being deposited in the post, postage prepaid, in an envelope addressed to it at that address, and, in any case, if a



particular department or officer is specified as part of its address details provided under Clause 15.1 (*Addresses*), if addressed to that department or officer.

15.2.2 Any communication or document to be made or delivered to the Lender will be effective only when actually received by the Lender and then only if it is expressly marked for the attention of the department or officer identified in accordance with Clause 15.1 (*Addresses*).

15.2.3 All notices from or to a Chargor shall be sent through the Lender.

15.2.4 Any communication or document made or delivered to the First Chargor in accordance with this Clause 15.2 will be deemed to have been made or delivered to each of the Chargors.

15.3 **Notification of address and fax number** - Promptly upon receipt of notification of an address and fax number or change of address or fax number pursuant to Clause 15.1 (*Addresses*) or changing its own address or fax number, the Lender shall notify the other Parties.

15.4 **Communications in writing** - Any communication to be made under or in connection with the Security Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

15.5 **English language** -

15.5.1 Any notice given under or in connection with any Security Document must be in English.

15.5.2 All other documents provided under or in connection with any Security Document must be in English or, if not in English, and if so required by the Lender, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

## 16. **THIS DEED**

16.1 Each Chargor has entered into this Deed in consideration of the Lender agreeing to provide (or to continue to provide) finance facilities to it on the terms agreed in the Finance Documents.

16.2 If the Parties execute this Deed in separate counterparts, this Deed will take effect as if they had all executed a single copy.

16.3 This Deed is intended to be a deed even if any Party's execution is not in accordance with the formalities required for the execution of deeds.

16.4 If there is any conflict between the provisions of this Deed and the provisions of the Facilities Agreement, the provisions of the Facilities Agreement shall prevail.

16.5 If, at any time, any provision of this Deed is or is found to have been illegal, invalid or unenforceable in any respect under the law of any jurisdiction, this does not affect the legality, validity or enforceability of the other provisions of this Deed, nor the legality, validity or enforceability of the affected provision under the law of any other jurisdiction.

16.6 If any Party is not bound by this Deed (or any part of it) for any reason, this does not affect the obligations of each other Party under this Deed (or under the relevant part).

16.7 A company which is required by or pursuant to the provisions of the Finance Documents to become a Chargor, or which the Lender agrees may become a Chargor, (a "**New Chargor**") shall deliver to the Lender a Deed of Accession, duly executed by the New Chargor and by the First Chargor (for itself and as agent for each other Chargor), and shall become a Party when such Deed of Accession has been executed by the Lender and delivered.

16.8 This Deed is in addition to, and does not operate so as in any way to prejudice or affect, or be prejudiced or affected by, any other Security or guarantee which the Lender may now or at any time after the date of this Deed hold for or in respect of the Secured Obligations.

16.9 This Deed and every counterpart is the property of the Lender.

#### 17. **GOVERNING LAW**

This Deed and any non-contractual obligations arising out of or in connection with it are governed by the law of England of Wales.

#### 18. **JURISDICTION**

##### 18.1 **Jurisdiction of the courts of England of Wales**

The courts of England and Wales have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed) and any non-contractual obligations arising out of or in connection with it (a "**Dispute**"). The Parties agree that the courts of England and Wales are the most appropriate and convenient courts to settle any Dispute and accordingly no Party will argue to the contrary. This Clause 18.1 is for the benefit of the Enforcement Parties only. As a result, no Enforcement Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, each Enforcement Party may take concurrent proceedings in any number of jurisdictions.

##### 18.2 **Service of process**

18.2.1 Without prejudice to any other mode of service allowed under any relevant law, each Chargor (other than a Chargor incorporated in England and Wales) irrevocably appoints the First Chargor as its agent for service of process in relation to any proceedings before the courts of England of Wales in connection with this Deed and agrees that any failure by an agent for service of process to notify the relevant Chargor of the process will not invalidate the proceedings concerned.

18.2.2 If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the First Chargor (on behalf of all the Chargors) shall immediately (and in any event within 10 days of such event taking place) appoint another agent on terms acceptable to the Lender. Failing this, the Lender may appoint another agent for this purpose.



This document is executed as a deed and delivered on the date stated at the beginning of this Deed.

## SCHEDULE 1

### Form of notice to bank operating secured account

To: [name and address of account bank] (the "Account Bank")

Dated: [date]

Dear Sirs,

Re: **Account No:** [insert account number] (the "Account")  
**Account Branch:** [insert branch name and address]  
**Account Holder:** [name of Chargor] (the "Chargor")

We, the Chargor, give you notice that, by a debenture dated [date] (the "Debenture") and made by (amongst others) ourselves in favour of [Lender] (the "Lender"), we have charged by way of fixed charge to the Lender, as first priority chargee, all the monies (including interest) from time to time standing to the credit of the Account [including any re-designation and/or re-numbering from time to time of such Account] (the "Charged Account") and all indebtedness represented by the Charged Account and have assigned to the Lender all our rights and benefits in respect of the Charged Account.

We irrevocably and unconditionally authorise and instruct you:

1. to hold all monies from time to time standing to the credit of the Charged Account to the order of the Lender and accordingly to pay all or any part of those monies to the Lender (or as it may direct) promptly following receipt of written instructions from the Lender to that effect; and
2. to disclose to the Lender such information relating to us and the Charged Account as the Lender may from time to time request you to provide.

We notify you that we may not withdraw any monies from the Charged Account without first having produced to you the prior written consent of the Lender to such withdrawal.

The provisions of this notice may only be revoked or varied with the prior written consent of the Lender.

Please sign the enclosed copy of this notice and deliver it to the Lender at [address] (with a further copy to the Chargor).

This notice and any non-contractual obligations arising out of or in connection with it are governed by the law of England of Wales.

Yours faithfully,

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

[to be included on copy notice]

To: [name and address of Lender]

Copy to: [name and address of Chargor]

We [Name of Account Bank]:

1. acknowledge receipt of the above notice;
2. agree to act in accordance with the authorisations, instructions and notifications contained or referred to in the above notice;
3. confirm that we have not received notice that the Chargor has assigned its rights to the monies standing to the credit of the Charged Account, or the indebtedness represented by them, or otherwise granted any security or other interest over those monies, or such indebtedness, in favour of any third party;
4. undertake that we will not exercise any right to combine accounts or any rights of set-off or lien or any similar rights in relation to the monies standing to the credit of the Charged Account; and
5. agree that any notice or other communication from us to the Lender will be sent or made to the address of the Lender stated above, or to such other address as the Lender may from time to time notify to us.

Terms defined in the notice apply to this endorsement, which is governed by the law of England of Wales together with any non-contractual obligations arising out of or in connection with it.

.....  
for and on behalf of

[name and address of Account Bank]

Dated: [date]

## SCHEDULE 2

### Form of Deed of Accession

This Deed is made on [date]

between:

- (1) [name of acceding company], [a company incorporated in England and Wales with company number [number]] / [alternative corporate description, as appropriate], (the "New Chargor");
- (2) [name of First Chargor], [a company incorporated in England and Wales with company number [number]] / [alternative corporate description, as appropriate], for itself and as agent for and on behalf of each of the other Chargors defined as such in the Debenture referred to below, (the "First Chargor");
- (3) Cardo plc, a company incorporated in England and Wales with company number 00196249; and
- (4) [name of Lender], [a company incorporated in England and Wales with company number [number]] / [alternative corporate description, as appropriate], (the "Lender").

#### 1. INTERPRETATION

- 1.1 In this Deed, the "Debenture" means a composite debenture dated [date] made between, amongst others, the First Chargor, each of the other Chargors and the Lender as amended, novated, supplemented, extended, or restated from time to time.
- 1.2 Unless a contrary indication appears:
  - 1.2.1 each term used in this Deed which is defined in the Debenture or the definition of which is incorporated by reference into the Debenture shall have the same meaning as applies in the Debenture; and
  - 1.2.2 the principles of construction set out or referred to in clause 1.2 of the Debenture shall apply also (where relevant) to this Deed.

#### 2. REPRESENTATIONS

The New Chargor warrants and represents to the Lender that:

- 2.1.1 It is a [[wholly owned] Subsidiary of the First Chargor] / [member of the Group]; and
- 2.1.2 It has given due consideration to the terms and conditions of the Finance Documents (including the Debenture and this Deed) and has satisfied itself that there are reasonable grounds for believing that by executing this Deed the New Chargor will derive commercial benefit and that it enters into this Deed in good faith and for the purposes of the promotion of the success of its business.

#### 3. AGREEMENT TO ACCEDE

The New Chargor agrees to accede and become a party to and to be bound by the terms of the Debenture as a Chargor with effect from the date of this Deed (the "Effective Date").

4. **EFFECT OF ACCESSION**

On and after the Effective Date, the Debenture shall be read and construed for all purposes as if the New Chargor had been an original party to it in the capacity of Chargor (but so that the Security created consequent on such accession shall be created on the Effective Date).

5. **SECURITY**

5.1 **Security over all assets**

5.1.1 The New Chargor grants to the Lender in relation to its assets and undertaking the same Security as is set out in clause 3 (*Security*) of the Debenture.

5.1.2 The New Chargor agrees and confirms that such Security (a) shall be effective and binding upon it and its assets and undertaking and (b) shall not in any way be avoided, discharged or released or otherwise adversely affected by any ineffectiveness or invalidity of the Debenture or of any other Party's execution of the Debenture or any other Deed of Accession, or by any avoidance, invalidity, discharge or release of any Security contained in the Debenture or in any other Deed of Accession.

6. **AGREEMENT AND CONSENT BY CHARGORS**

The First Chargor, for itself and as agent for and on behalf of all other Chargors under the Debenture, agrees and consents to all matters provided for in this Deed.

7. **CONSTRUCTION**

The Debenture shall continue in full force and effect but amended with effect from the Effective Date in the manner and to the extent provided in this Deed; and the Debenture and this Deed shall be read as one and so that references in the Debenture to "**this Deed**", and similar phrases shall be deemed to include this Deed.

8. **THIS DEED**

8.1 This Deed and any non-contractual obligations arising out of or in connection with it are governed by the law of England of Wales.

8.2 [The New Chargor has entered into this Deed in consideration of the lender making or continuing to make facilities available to [the New Chargor] [and] [the First Chargor or any other member of the Group] on the terms agreed in the Finance Documents.] / [This Deed is made pursuant to the requirements of clause [number] of the Facilities Agreement.]

8.3 This Deed is a Finance Document.

8.4 This Deed and every counterpart is the property of the Lender.

This document is executed as a deed and delivered on the date stated at the beginning of this Deed.

*[insert execution provisions as appropriate]*

### SCHEDULE 3

#### Receiver's specific powers

The Receiver will have full power and authority:


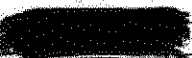
1. to enter upon, and to take possession of, the Secured Assets;
2. to collect and get in all rents, fees, charges or other income of the Secured Assets;
3. generally to manage the Secured Assets and to manage or carry on, reconstruct, amalgamate, diversify or concur in carrying on the business of the relevant Chargor or any part of it as he may think fit;
4. without restriction, to sell, charge, grant, vary the terms or accept surrenders of, leases or tenancies of, licences to occupy, or options or franchises over or otherwise deal with and dispose of the Secured Assets or any property acquired in exercise of its powers under this Deed;
5. to purchase or acquire any land and purchase, acquire or grant any interest in or right over land;
6. to take a lease or tenancy of any property required or convenient for the business of the relevant Chargor or the exercise of the Receiver's powers under this Deed;
7. to exercise on behalf of the relevant Chargor and without the consent of or notice to such Chargor all the powers conferred on a landlord or a tenant by any legislation from time to time in force in any relevant jurisdiction relating to leasehold property, landlord and tenant, rents, housing or agriculture in respect of the Property;
8. for the purpose of exercising any of the rights, powers, authorities and discretions conferred on the Receiver by or pursuant to this Deed and/or for defraying any costs, losses or liabilities which may be incurred by him in their exercise or for any other purpose, to raise or borrow moneys from the Lender or others or incur any other liability on such terms, whether secured or unsecured, as he may think fit, and whether to rank in priority to this Deed or not;
9. to appoint and discharge employees, officers, consultants, advisers, managers, agents, solicitors, accountants or other professionally qualified persons, workmen and others for any of the purposes of this Deed or to guard or protect the Secured Assets upon such terms as to remuneration or otherwise as he may think fit and to discharge any such persons appointed by the relevant Chargor prior to his appointment;
10. in the name of the relevant Chargor, to bring, prosecute, enforce, defend and discontinue all such actions, suits and proceedings, in relation to such Chargor, the business of such Chargor or the Secured Assets as in any case he thinks fit;
11. to settle, adjust, refer to arbitration or expert determination, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person or body who is or claims to be a creditor of the relevant Chargor or relating in any way to the Secured Assets;



12. to give valid receipts for all moneys and execute all assurances and things which may be proper or desirable for realising the Secured Assets;
13. to obtain Authorisations for and to carry out on the Property any new works or complete any unfinished works of development, building, reconstruction, maintenance, repair, renewal, improvement, furnishing or equipment;
14. to enter into, vary, cancel or waive any of the provisions of any contracts which he shall in any case think expedient in the interests of the relevant Chargor or the Lender;
15. to purchase materials, tools, equipment, goods or supplies on such terms and at such price as the Receiver in the Receiver's absolute determination thinks fit;
16. to insure the Secured Assets, any assets acquired by the Receiver in exercise of his powers, and any business or works, and effect indemnity insurance or other similar insurance, in every case in such amounts, against such risks and with such offices as the Receiver thinks fit, and obtain bonds and give guarantees and Security to any bondsmen;
17. to remove, store, sell or otherwise deal with any chattels located at the Property;
18. to promote or establish any company or to acquire shares in any company (whether as a Subsidiary of the relevant Chargor or otherwise) to facilitate the exercise of his powers under this Deed, to transfer to any such company all or any of the Secured Assets or other assets acquired by the Receiver in exercise of his powers and to exercise or cause to be exercised all voting and other rights attaching to, and to charge, sell or otherwise transfer any shares in any such company;
19. to exercise all voting and other rights attaching to the Investments and all other stocks, shares and securities owned by the relevant Chargor and comprised in the Secured Assets in such manner as he thinks fit;
20. to make, or require the directors of the relevant Chargor to make, calls conditionally or unconditionally on the members of such Chargor in respect of uncalled capital; and take action to enforce payment of unpaid calls;
21. to carry into effect and complete any transaction;
22. to redeem any prior Security (or procure the transfer of such Security to an Enforcement Party) and settle and pass the accounts of the person entitled to the prior Security so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the relevant Chargor and the money so paid shall be deemed to be an expense properly incurred by the Receiver;
23. either in the name of the relevant Chargor or in the name of the Receiver to execute documents and do all other acts or things which the Receiver may consider to be incidental or conducive to any of the Receiver's powers or to the realisation or use of the Secured Assets.

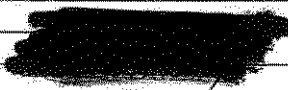



## EXECUTION

### The Chargors

Executed as a deed by <b>Carclo Technical Plastics Limited,</b> acting by a director	<b>Communications to be delivered to:</b>
	Address: <i>Carclo plc (Head Office)</i>
	<i>Springstone House, PO Box 88</i>
	<i>217 Dewsbury Road, Ossett</i>
	<i>WF5 9WS</i>
<b>Director</b> 	Fax number: <i>01924 283226</i>
in the presence of:	Attention: <i>Robert Brooksbank</i>
Witness Signature: 	
Witness Name: <i>Alexandra Iveson</i>	
Witness Address: <i>DWF LLP, Bridgewater</i>	
<i>Place, Water Lane, Leeds LS11 5DY</i>	
Witness Occupation: <i>Trainee Solicitor</i>	

Executed as a deed by <b>Wipac Limited,</b> acting by a director	<b>Communications to be delivered to:</b>
	Address: <i>Carclo plc (Head Office)</i>
	<i>Springstone House PO Box 88,</i>
	<i>217 Dewsbury Road, Ossett</i>
	<i>WF5 9WS</i>
<b>Director</b> 	Fax number: <i>01924 283226</i>
in the presence of:	Attention: <i>Robert Brooksbank</i>
Witness Signature: 	
Witness Name: <i>Alexandra Iveson</i>	
Witness Address: <i>DWF LLP, Bridgewater</i>	
<i>Place, Water Lane, Leeds LS11 5DY</i>	
Witness Occupation: <i>Trainee Solicitor</i>	

Executed as a deed by <b>Bruntons Aero Products Limited,</b> acting by a director	<b>Communications to be delivered to:</b>
	Address: <i>Carbo plc (Head Office)</i> <i>Springstone House PO Box 88</i> <i>27 Densbury Road, Osett</i> <i>WFS 9WS</i>
<b>Director</b> 	Fax number: <i>01924 283226</i>
in the presence of:	Attention: <i>Robert Brooks/bank</i>
Witness Signature: 	
Witness Name: <i>Alexandra Iveson</i>	
Witness Address: <i>DWF LLP Bridgewater</i> <i>Place Water Lane, Leeds LS11 5DY</i>	
Witness Occupation: <i>Trainee Solicitor</i>	

#### The Lender

Executed as a deed by )  
as attorney for **HSBC Bank plc,** )  
in the presence of: )

as attorney for HSBC Bank plc

Witness signature:

Witness Name:

Witness Address:

Witness Occupation:

**Communications to be delivered to:**

Address:

Fax number:

Attention: