



**Registration of a Charge**

Company name: **SUNRISE MEDICAL LIMITED**

Company number: **03570204**



X7CEWD6H

Received for Electronic Filing: **15/08/2018**

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**Details of Charge**

Date of creation: **13/08/2018**

Charge code: **0357 0204 0008**

Persons entitled: **NATIXIS**

Brief description:

**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:

**JANAM NAGRA**



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

Company number: 3570204

Charge code: 0357 0204 0008

The Registrar of Companies for England and Wales hereby certifies that a charge dated 13th August 2018 and created by SUNRISE MEDICAL LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 15th August 2018 .

Given at Companies House, Cardiff on 17th August 2018

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



**Companies House**



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES

**13 August 2018**

**The Companies listed in Schedule 1 hereto  
(as **Original Chargors**)**

and

**NATIXIS**  
**(as **Security Agent**)**

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**DEBENTURE**

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**LATHAM & WATKINS**

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This Debenture (this “**Debenture**”) is made on 13 August 2018

Between:

- (1) **The Companies** listed in Schedule 1 (*Original Chargors*) as original chargors (the “**Original Chargors**”); and
- (2) NATIXIS in its capacity as security agent (the “**Security Agent**”) under the Intercreditor Agreement (as defined below).

Recitals:

- (A) Pursuant to: (i) a first lien facilities agreement dated 10 April 2018 between, *inter alia*, the arrangers listed therein, Natixis as facility agent and the Security Agent (the “**First Lien Facilities Agreement**”); and (ii) a second lien facilities agreement dated 10 April 2018 between, *inter alia*, the arrangers listed therein, Elavon Financial Services DAC, UK Branch as facility agent and the Security Agent (the “**Second Lien Facilities Agreement**” and together with the First Lien Facilities Agreement, the “**Facilities Agreements**”), the lenders under each of the Facilities Agreements have agreed to grant certain facilities to the borrowers thereunder.
- (B) Each Chargor has agreed to grant security over the Charged Property (as defined below) to the Security Agent as security for the Secured Parties’ (as defined below) claims against the Debtors under or in connection with the Debt Documents.

## 1. INTERPRETATION

### 1.1 Definitions

In this Debenture:

“**5% Company**” means a Material Company under paragraph (d) of the definition of “Material Company” in First Lien Facilities Agreement.

“**Acceleration Event**” has the meaning given to that term in the Intercreditor Agreement.

“**Account Notice**” means a notice substantially in the form set out in Schedule 2 (*Form of Account Notice*) or such other form agreed with the relevant account bank.

“**Accounts**” means, in relation to a Chargor, all its right, title and interest from time to time in and to all bank accounts opened or maintained by any Chargor in England and Wales from time to time, including without limitation the bank accounts specified in any relevant Security Accession Deed (or such accounts as may be agreed by the relevant Chargor and the Security Agent from time to time) including the debt or debts represented thereby, but excluding (for the avoidance of doubt) any account or debt represented thereby that constitutes an Excluded Asset.

“**Agreed Security Principles**” has the meaning given to that term in the First Lien Facilities Agreements.

“**Borrower**” means a Borrower under and as defined in the First Lien Facilities Agreement or the Second Lien Facilities Agreement.

“**Charged Property**” means all the assets, rights, title, interests, benefits and undertakings charged, assigned or otherwise secured or expressed to be charged, assigned or otherwise secured in favour of the Security Agent by or pursuant to this Debenture or any Security Accession Deed.

“**Chargor**” means each of the Original Chargors and each company which grants security over its assets in favour of the Security Agent by executing a Security Accession Deed.

“**Debt Documents**” has the meaning given to that term in the Intercreditor Agreement.

“**Excluded Account**” means (a) any tax account, payroll account, employee share scheme account and trust account, in each case to the extent monies held in it are held on trust for beneficiaries which are not Group Companies and (b) each bank account which the relevant Chargor notifies and certifies in writing is not, when taken together with all other Excluded Accounts, in the relevant Chargor’s good faith determination (taking into account the intention of the parties that all or substantially all of the Chargor’s material bank accounts will be subject to Security), material in the context of the Group Companies’ bank accounts (taken as a whole) as an “Excluded Account” to the Security Agent.

“**Excluded Asset**” means, in relation to any Chargor:

- (a) any assets located in any jurisdiction other than England and Wales;
- (b) any freehold and any leasehold property;
- (c) any trade receivables and any corresponding Related Rights;
- (d) any cash constituting regulatory capital or customer cash;
- (e) any investments or shares in or the assets of, any joint venture or similar arrangement, any minority interest or any member of the Group that is not wholly-owned by another member of the Group;
- (f) any assets of any entity which are subject to Security (other than Transaction Security), to the extent permitted under the terms of the Debt Documents;
- (g) any asset in respect of which the granting of security under this Debenture:
  - (i) is not within the legal capacity of the relevant Group Company;
  - (ii) would conflict with the fiduciary duties of the directors or managers of any Group Company;
  - (iii) would contravene any legal prohibition, bona fide contractual restriction or regulatory condition; or
  - (iv) would result in a risk of personal or criminal liability on the part of any director, officer or employee;

*provided that* the relevant Chargor shall use reasonable endeavours to overcome any such obstacle to the extent achievable at reasonable cost;

- (h) any asset in respect of which the granting of security under this Debenture would require supervisory board, works council or another external body’s or person’s consent *provided that* the relevant Chargor shall use reasonable endeavours to obtain the relevant consent to charging or assigning any such assets if any Facility Agent under and as defined in the Facilities Agreements determines that the relevant asset is material and (taking into account the view of the relevant Chargor on any potential impact on commercial relationships with third parties) reasonably requests the relevant Chargor to do so;

- (i) any asset subject to third party arrangements which may prevent such asset from being charged or assigned (or, if charged or assigned, would give a third party the right to terminate or otherwise amend any rights, benefits and/or obligations of the Group in respect of such asset or require any Group Company to take any action materially adverse to the interests of the Group or any Group Company) *provided that* the relevant Chargor shall use reasonable endeavours to obtain the relevant consent to charging or assigning any such assets if any Facility Agent under and as defined in the Facilities Agreements determines that the relevant asset is material and (taking into account the view of the relevant Chargor on any potential impact on commercial relationships with third parties) reasonably requests relevant Chargor to do so;
- (j) any Excluded Swap Obligations;
- (k) any other assets if it would have a material adverse effect on the ability of the relevant Chargor to conduct its operations and business in the ordinary course as otherwise permitted by the Debt Documents; and
- (l) any Excluded Accounts.

“**Excluded Swap Obligations**” has the meaning given to that term in the First Lien Facilities Agreement and the Second Lien Facilities Agreement.

“**Final Discharge Date**” has the meaning given to that term in the Intercreditor Agreement.

“**Group Company**” means any company that is a member of the Group.

“**Group**” has the meaning given to that term in the First Lien Facilities Agreement.

“**Intercreditor Agreement**” means the intercreditor agreement dated 10 April 2018 and made between (amongst others) Natixis as original first lien agent, Elavon Financial Services DAC, UK Branch as original second lien agent and the Security Agent.

“**Non-Cash Consideration**” means consideration in a form other than cash.

“**Parties**” means each of the parties to this Debenture from time to time.

“**Receiver**” has the meaning given to that term in the Intercreditor Agreement.

“**Related Rights**” means, in relation to any asset:

- (a) all rights under any licence, sub-licence, transfer, agreement for sale or agreement for lease or other use in respect of all or any part of that asset;
- (b) all rights, easements, powers, benefits, claims, contracts, warranties, remedies, covenants for title, security, guarantees or indemnities in respect of or appurtenant to all or any part of that asset;
- (c) all other assets, monies and rights at any time receivable or distributable in respect of, or in exchange for, that asset;
- (d) the proceeds of sale, transfer, lease licence, sub-licence or other disposal or agreement for sale, transfer, lease licence, sub-licence or other disposal paid or payable for all or any part of that asset;
- (e) any awards or judgments in favour of a Chargor;



- (f) any rights or monies accruing or offered at any time by way of redemption, substitution, exchange, bonus or preference in respect of that asset;
- (g) in the case of any contract, agreement or instrument, any interest in any of the foregoing whether or not a Chargor is party to that contract, agreement or instrument;
- (h) any other monies paid or payable in respect of that asset; and
- (i) any other assets deriving from that asset.

“**Relevant Financials**” means, in relation to a 5% Company, the Annual Financial Statements pursuant to and as defined in the First Lien Facilities Agreement and/or the Second Lien Facilities Agreement demonstrating that the relevant 5% Company has become a 5% Company.

“**Relevant Obligor**” means an Obligor under and as defined in the First Lien Facilities Agreement and/or the Second Lien Facilities Agreement which is either a Borrower or a 5% Company.

“**Required Creditor Consent**” means the consent of the relevant Creditors required pursuant to clause 28.1 (*Required Consents*) of the Intercreditor Agreement.

“**Secured Obligations**” has the meaning given to that term in the Intercreditor Agreement.

“**Secured Parties**” has the meaning given to that term in the Intercreditor Agreement.

“**Security Accession Deed**” means a deed executed by any other Group Company substantially in the form set out in Schedule 3 (*Form of Security Accession Deed*), or such other form as the relevant Chargor and the Security Agent may reasonably agree.

“**Shares**” means, in relation to each Chargor, all its right, title and interest from time to time in and to:

- (a) all shares owned by that Chargor in its wholly-owned Subsidiaries incorporated in England and Wales which are Relevant Obligors, including but not limited to any such shares specified in any relevant Security Accession Deed; and
- (b) all shares owned by that Chargor specified in any relevant Security Accession Deed,

in each case, whether owned directly by or to the order of that Chargor or by any trustee, nominee, fiduciary or settlement or clearance system on its behalf, and, in each case, all warrants, options and other rights to subscribe for, purchase or otherwise acquire any shares and any other securities or investments deriving from any such shares or any rights attaching or relating to any such shares, but excluding (for the avoidance of doubt) any stock, share, debenture, loan stock, security, bond, option, warrant, interest in any investment fund or any comparable investment that constitutes an Excluded Asset or is subject to Security granted in favour of the Security Agent otherwise than pursuant to this Debenture. For the avoidance of doubt, no Shares are subject to this Debenture as of the date of this Debenture.

## 1.2 Construction

- (a) Unless a contrary indication appears in this Debenture, the provisions of clause 1.2 (*Construction*) of the Intercreditor Agreement shall apply to this Debenture as if set out in full in this Debenture with references to “this Agreement” being treated as references to this Debenture and:
  - (i) an “amount” includes an amount of cash and an amount of Non-Cash Consideration;

- (ii) “**authorisation**” or “**consent**” shall be construed as including any authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;
  - (iii) a “**company**” includes any company, corporation or other body corporate;
  - (iv) a “**distribution**” of or out of the assets of any Group Company, includes a distribution of cash and a distribution of Non-Cash Consideration;
  - (v) “**including**” means including without limitation and “**includes**” and “**included**” shall be construed accordingly;
  - (vi) “**law**” includes any present or future common law, principles of equity and any constitution, decree, judgment, decision, legislation, statute, order, ordinance, regulation, by-law or other legislative measure in any jurisdiction or any present or future official directive, regulation, guideline, request, rule, code of practice, treaty or requirement (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is customary in accordance with the general practice of a person to whom the directive, regulation, guideline, request, rule, code of practice, treaty or requirement is intended to apply) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
  - (vii) “**losses**” includes losses, actions, damages, claims, proceedings, costs, demands, expenses (including fees) and liabilities and “**loss**” shall be construed accordingly;
  - (viii) “**proceeds**” of a disposal includes proceeds in cash and in Non-Cash Consideration;
  - (ix) “**rights**” includes all rights, title, benefits, powers, privileges, interests, claims, authorities, discretions, remedies, liberties, easements, quasi easements and appurtenances (in each case, of every kind, present, future and contingent); and
  - (x) “**security**” includes any charge, pledge, lien, security assignment, hypothecation or trust arrangement for the purpose of providing security and any other encumbrance or security interest of any kind having the effect of securing any obligation of any person (including the deposit of moneys or property with a person with the intention of affording such person a right of lien, set-off, combination or counter-claim) and any other agreement or any other type of arrangement having a similar effect (including any flawed-asset or hold back arrangement) and “**security interest**” shall be construed accordingly.
- (b) A reference in this Debenture to any stock, share, debenture, loan stock, option, securities, bond, warrant, coupon, interest in any investment fund or any other investment includes:
- (i) all dividends, interest, coupons and other distributions paid or payable;
  - (ii) all stocks, shares, securities, rights, moneys, allotments, benefits and other assets accruing or offered at any time by way of redemption, substitution, conversion, exchange, bonus or preference, under option rights or otherwise;
  - (iii) any rights against any settlement or clearance system; and

- (iv) any rights under any custodian or other agreement,  
in each case, in respect of such stock, share, debenture, loan stock, securities, bond, warrant, coupon, interest in an investment fund or other investment.
- (c) The fact that the details of any assets in the Schedules are incorrect or incomplete shall not affect the validity or enforceability of this Debenture in respect of the assets of any Chargor.
- (d) Unless the context otherwise requires, a reference to Charged Property includes:
  - (i) any part of the Charged Property;
  - (ii) any proceeds of that Charged Property; and
  - (iii) any present and future assets of that type.
- (e) Where this Debenture refers to any provision of any Debt Document and that Debt Document is amended in manner that would result in that reference being incorrect, this Debenture shall be construed so as to refer to that provision as renumbered in the amended Debt Document, unless the context requires otherwise.

### 1.3 Other references

- (a) In this Debenture, unless a contrary intention appears, a reference to:
  - (i) any Secured Party, Chargor or any other person is, where relevant, deemed to be a reference to or to include, as appropriate, that person's successors in title, permitted assignees and transferees and in the case of the Security Agent, any person for the time being appointed as Security Agent in accordance with the Debt Documents;
  - (ii) any Debt Document or other agreement or instrument (including to the extent referenced in any other definition referred to herein) is to be construed as a reference to that agreement or instrument as amended (howsoever fundamentally and whether or not such amendments result in new and/or more onerous obligations and liabilities) or novated, including by way of change in the purpose of the facilities or increase of the facilities or other obligations or addition of new facilities or other obligations made available under them or accession or retirement of the parties to these agreements. The parties hereto acknowledge and confirm that the entry into of any Debt Document is within the general purview of the parties as at the date of entry into this Debenture and, it is the intention of such parties that the obligations of each Chargor (including the grant of security interests hereunder) be construed accordingly;
  - (iii) any clause or schedule is a reference to, respectively, a clause of and schedule to this Debenture and any reference to this Debenture includes its schedules; and
  - (iv) a provision of law is a reference to that provision as amended or re-enacted.
- (b) The index to and the headings in this Debenture are inserted for convenience only and are to be ignored in construing this Debenture.
- (c) Words importing the plural shall include the singular and vice versa.

#### 1.4 Incorporation by reference

Unless the context otherwise requires or unless otherwise defined in this Debenture, words and expressions defined in the Intercreditor Agreement have the same meanings when used in this Debenture. To the extent that there is a conflict or inconsistency between (a) the provisions of the Facilities Agreements and/or the Intercreditor Agreement and this Debenture, the provisions of the Facilities Agreements and/or Intercreditor Agreement shall prevail and (b) the provisions of the Facilities Agreements and the Intercreditor Agreement and this Debenture, the provisions of the Intercreditor Agreement shall prevail.

#### 1.5 Miscellaneous

- (a) Notwithstanding any other provision of this Debenture, the obtaining of a moratorium under section 1A of the Insolvency Act 1986, or anything done with a view to obtaining such a moratorium (including any preliminary decision or investigation), shall not be an event causing any floating charge created by this Debenture to crystallise or causing restrictions which would not otherwise apply to be imposed on the disposal of property by any Chargor or a ground for the appointment of a Receiver.
- (b) Notwithstanding anything to the contrary in this Debenture (and without prejudice to the terms of the Intercreditor Agreement or any other Debt Document in relation to the requirement for the Security Agent to enter into documentation in relation to this Debenture (including releases)), nothing in this Debenture shall (or shall be construed to) prohibit, restrict or obstruct any transaction, matter or other step (or any Chargor taking or entering into the same) or dealing in any manner whatsoever in relation to any asset (including all rights, claims, benefits, proceeds and documentation, and contractual counterparties in relation thereto) the subject of (or expressed to be the subject of) this Debenture and the Security arising thereunder in each case if not prohibited by the Debt Documents or where Required Creditor Consent has been obtained. The Security Agent shall promptly enter into such documentation and/or take such other action as is required by a Chargor (acting reasonably) in order to facilitate any such transaction, matter or other step, including, but not limited to, by way of executing any confirmation, consent to dealing, release or other similar or equivalent document, *provided that* any costs and expenses incurred by the Security Agent entering into such documentation and/or taking such other action at the request of such Chargor pursuant to this paragraph (b) shall be for the account of such Chargor, in accordance with clause 23 (*Costs and Expenses*) of the Intercreditor Agreement. If required or desirable to effect any transaction permitted or not prohibited under the Debt Documents (or in respect of which Required Creditor Consent has been obtained), the Security Agent shall, promptly upon written request by any Chargor and at the cost of that Chargor, return any document previously delivered to it in connection with this Debenture to the relevant Chargor, *provided that* any such document delivered to a Chargor shall be held on trust by the relevant Chargor for the Security Agent.
- (c) Except as otherwise expressly provided in Clause 16 (*Protection for Third Parties*) or elsewhere in this Debenture, the terms of this Debenture may be enforced only by a Party and the operation of the Contracts (Rights of Third Parties) Act 1999 is excluded.
- (d) The Parties intend that this document shall take effect as a deed, notwithstanding that any party may only execute this document under hand.
- (e) All Security created pursuant to this Debenture is created over the present and future assets of each Chargor.
- (f) The Security created pursuant to this Debenture by each Chargor is made with full title guarantee under the Law of Property (Miscellaneous Provisions) Act 1994.

- (g) Notwithstanding any other provision of this Debenture, the Security constituted in relation to the trusts created by this Debenture and the exercise of any right or remedy by the Security Agent hereunder shall be subject to the Intercreditor Agreement.

## 1.6 Distinct Security

All Security created pursuant to this Debenture shall be construed as creating a separate and distinct Security over each relevant asset within any particular class of assets defined or referred to in this Debenture. The failure to create an effective Security, whether arising out of any provision of this Debenture or any act or omission by any person, over any one such asset shall not affect the nature or validity of the Security imposed on any other such asset, whether within that same class of assets or otherwise.

## 1.7 Trust

- (a) All Security and dispositions made or created, and all obligations and undertakings contained, in this Debenture, in favour of or for the benefit of the Security Agent are given in favour of the Security Agent as trustee for the Secured Parties from time to time on the terms set out in the Intercreditor Agreement.
- (b) The Security Agent holds the benefit of this Debenture on trust for the Secured Parties.

## 1.8 Third Party Rights

- (a) It is intended that with the consent of the Security Agent each of the other Secured Parties shall be able to enforce the provisions of Clause 18 (*Currency Indemnity*) (which can be amended with the consent of the Security Agent but without the consent of the other Secured Parties), but otherwise a person which is not a party to this Debenture shall have no rights to enforce the provisions of this Debenture other than those it would have had if the Contracts (Rights of Third Parties) Act 1999 had not come into effect.
- (b) Notwithstanding any term of any Debt Document and subject to clause 28 (*Consents, Amendments and Override*) of the Intercreditor Agreement, the consent of any person who is not a party is not required to vary, rescind or terminate this Debenture at any time.
- (c) Any Receiver may, subject to this Clause 1.8 and the Contracts (Rights of Third Parties) Act 1999, rely on any Clause of this Debenture which expressly confers rights on it.

## 2. COVENANT TO PAY

Subject to any limits on its liability specified in the Facilities Agreements, each Chargor shall, as primary obligor and not only as a surety, promptly on demand of the Security Agent pay to the Security Agent and discharge any Secured Obligation when they become due.

## 3. CHARGING PROVISIONS

### 3.1 Specific Security

Subject to Clause 3.4 (*Excluded Assets*), each Chargor, as continuing security for the payment and discharge of the Secured Obligations, charges in favour of the Security Agent with full title guarantee the following assets, both present and future, from time to time owned by it or in which it has an interest by way of first fixed charge:

- (a) the Accounts; and

- (b) all Shares and all corresponding Related Rights.

### 3.2 Floating charge

- (a) As further continuing security for the payment and discharge of the Secured Obligations, each Chargor charges with full title guarantee in favour of the Security Agent by way of first floating charge all its present and future assets, undertakings and rights together with all corresponding Related Rights including to the extent not effectively charged under Clause 3 (*Specific Security*).
- (b) The floating charge created by each Chargor pursuant to paragraph 3.2 of this Clause 3.2 shall be deferred in point of priority to all fixed Security constituted by this Debenture.
- (c) The floating charge created by each Chargor pursuant to paragraph 3.2 of this Clause 3.2 is a “qualifying floating charge” for the purposes of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

### 3.3 Conversion of floating charge

- (a) The Security Agent may, by notice in writing to any Chargor, convert the floating charge created under this Debenture into one or more fixed charges with immediate effect as regards those assets specified in the notice upon or after the occurrence of an Acceleration Event which is continuing.
- (b) Any notice given by, or on behalf of the Security Agent under paragraph 3.3 above in relation to an asset shall not be construed as a waiver or abandonment of the Security Agent’s right to give any other notice in respect of any other asset or of any other right of a Secured Party under this Debenture or any other Debt Document.
- (c) The floating charge created under this Debenture will automatically (without notice) and immediately be converted into a fixed charge over all the assets of a Chargor which are subject to the floating charge created under this Debenture, if:
  - (i) that Chargor creates Security (except as permitted or not prohibited by the Debt Documents or where Required Creditor Consent has been obtained or with the prior consent of the Security Agent) on or over any asset which is subject to the floating charge created under this Debenture; or
  - (ii) any person (entitled to do so) effects any expropriation, attachment, sequestration, distress or execution against any such asset.
- (d) Upon the conversion of any floating charge pursuant to this Clause 3.3, each relevant Chargor shall, at its own expense, following written request by the Security Agent execute a fixed charge or legal assignment consistent with the Agreed Security Principles on terms no more onerous to that Chargor than the terms set out in this Debenture (and otherwise in such form as the Security Agent may reasonably request in writing).
- (e) Any floating charge which has crystallised under this Clause 3.3 may, by notice in writing given at any time by the Security Agent to the relevant Chargor, be reconverted into a floating charge under paragraph 3.2 of Clause 3.2 (*Floating charge*) in relation to the assets, rights and property specified in that notice. The conversion to a fixed charge and reversion to a floating charge (or the converse) may occur any number of times.

### 3.4 Excluded Assets

For the avoidance of doubt, all and any Excluded Assets owned by any Chargor or in which any Chargor has any interest shall be excluded from the charge created by Clause 3 (*Specific Security*) and from the operation of Clause 4 (*Further Assurance*).

## 4. FURTHER ASSURANCE

- (a) Subject to the Agreed Security Principles, each Chargor shall from time to time and at its own expense give all such assurances and do all such things as the Security Agent may reasonably require to enable the Security Agent to perfect, preserve or protect the Security created or intended to be created by this Debenture or to exercise any of its rights conferred on it by this Debenture or by law and to that intent each Chargor shall execute all such instruments, deeds and agreements and give all such notices and directions as the Security Agent may reasonably consider necessary and expedient.
- (b) Subject to the Agreed Security Principles, each Chargor shall, at any time while an Acceleration Event is continuing, do all such things as the Security Agent may reasonably require to facilitate the realisation of the Security.

## 5. PROTECTION OF SECURITY

### 5.1 Title documents

- (a) Subject to the Agreed Security Principles:
  - (i) upon or as soon as reasonably practicable following the date on which Security is created over Shares pursuant to this Debenture; or
  - (ii) if later, in the case of Shares in a 5% Company as soon as reasonably practicable following the Security Agent's written request (which request may only be given following delivery of the Relevant Financials) and, in any case, within 120 days of delivery of the Relevant Financials,

or, in each case, such later date as the Security Agent may agree in its reasonable discretion, each Chargor will deposit with the Security Agent (or as it shall direct) all stocks and share certificates and other documents of title relating to the relevant Shares, together with stock transfer forms executed in blank and left undated on the basis that the Security Agent shall be able to hold such documents of title and stock transfer forms until the Final Discharge Date and shall be entitled to complete, at any time upon or after the occurrence of an Acceleration Event which is continuing, under its power of attorney given in this Debenture, the stock transfer forms on behalf of the relevant Chargor in favour of itself or such other person as it shall select provided that if any stocks and share certificates and other documents of title to the relevant Shares or stock transfer forms have been sent to HM Revenue and Customs or any other regulatory or government body then the Chargor shall deposit with the Security Agent (or procure the deposit of) such certificates, other documents of title or stock transfer forms (executed in blank by it or on its behalf) promptly, and in any event within 5 Business Days following their return by HM Revenue and Customs or such other regulatory or government body.

- (b) Each Chargor will deposit with the Security Agent (or as it shall direct) promptly, at any time upon or after the occurrence of an Acceleration Event which is continuing, all other documents relating to its Shares which the Security Agent requests in writing.

- (c) The Security Agent may retain any document delivered to it under this Clause 5.1 or otherwise until the Security created under this Debenture in respect of the relevant Shares is released.
- (d) Any document required to be delivered to the Security Agent under paragraphs (a) and (b) above which is for any reason not so delivered or which is released by the Security Agent to a Chargor shall be held on trust by the relevant Chargor for the Security Agent.
- (e) For the avoidance of doubt, nothing in paragraph (a) or (b) above shall require any Chargor to deposit stocks and share certificates or other documents of title relating to any Shares where such Shares are in dematerialised or uncertificated form.
- (f) A Chargor shall pay when due all calls or other requests for payments made in respect of any of its Shares, but if a Chargor fails to make any such payment the Security Agent may (but shall not be obliged to) make such payment on behalf of a Chargor and if the Security Agent does so such Chargor shall promptly on demand of the Security Agent pay to the Security Agent an amount equal to such payment.

## 5.2 Accounts

- (a) Each Chargor shall upon or after the occurrence of an Acceleration Event which is continuing, serve an Account Notice on the bank with whom the Account is maintained. Each relevant Chargor shall use reasonable endeavours (not involving the payment of money or incurrence of any external expenses) to procure that such bank signs and delivers to the Security Agent an acknowledgement substantially in the form of the schedule to the Account Notice within 20 days of the service of the Account Notice (or such later date as the Security Agent may agree in its reasonable discretion), *provided that* if the relevant Chargor has been unable to procure such acknowledgment within the relevant time period, its obligation to use reasonable endeavours to procure such acknowledgment shall cease at the end of such period.
- (b) Notwithstanding anything in this Debenture to the contrary, until an Acceleration Event has occurred and is continuing each Chargor shall be free to receive, use and make withdrawals from any Account, transfer any credit balance from time to time or close any Account that is no longer required by that Chargor (*provided that* any amounts standing to the credit of such bank account are transferred to another bank account subject to Security in favour of the Security Agent) and to otherwise deal with any Account, in the course of its business, in any manner permitted or not prohibited by the Debt Documents (including where Required Creditor Consent has been obtained).
- (c) Upon or after the occurrence of an Acceleration Event which is continuing, the Security Agent shall be entitled to withdraw, apply, transfer or set-off any or all of the credit balances from time to time on any Account in or towards payment or other satisfaction of all or part of the Secured Obligations in accordance with Clause 12 (*Application of proceeds*).

## 5.3 Rights of Chargors

Notwithstanding anything in this Debenture to the contrary, until an Acceleration Event has occurred and is continuing (or such later date as provided by this Debenture), each Chargor shall continue to have the sole right to:

- (a) deal with any Charged Property (including making any disposal of or in relation thereto) and all contractual counterparties in respect thereof in the course of its business;



- (b) amend, waive or terminate (or allow to lapse) any rights, benefits and/or obligations in respect of Charged Property in the course of its business, in each case without reference to any Secured Party; and
- (c) operate and transact business in relation to any Charged Property, including making withdrawals from and effecting closures of the Accounts (subject to Clause 5.2(b) (*Accounts*)),

except as expressly prohibited by the Debt Documents (save where Required Creditor Consent has been obtained).

## 6. UNDERTAKINGS

Each Chargor undertakes to the Security Agent in the terms of this Clause 6 from the date of this Debenture and until the Final Discharge Date.

### 6.1 Voting and distribution rights

- (a) Prior to the occurrence of an Acceleration Event which is continuing:
  - (i) each Chargor shall be entitled to receive, and retain all dividends, distributions and other monies paid on or derived from its Shares (whether held in certificated or uncertificated form); and
  - (ii) each Chargor shall be entitled to exercise or direct the exercise of all voting and other rights and powers attaching to its Shares in its sole and absolute discretion, *provided* that it shall not exercise any such voting rights or powers in a manner which would cause an Event of Default to occur or materially adversely affect the validity or enforceability of the Security.
- (b) On or at any time after the occurrence of an Acceleration Event which is continuing:
  - (i) the Security Agent (or its nominee) may exercise (or refrain from exercising) any voting rights, powers and other rights in respect of any Shares of any Chargor as it sees fit without any further consent or authority on the part of the relevant Chargor and irrespective of any direction given by any Chargor; and
  - (ii) each Chargor:
    - (A) shall comply or procure the compliance with any directions of the Security Agent (or its nominee) in respect of the exercise of those rights; and
    - (B) irrevocably appoints the Security Agent (or its nominee) as its proxy to exercise all voting rights in respect of its Shares with effect from the occurrence of that Acceleration Event to the extent that those Shares remain registered in its name.
- (c) If, at any time, any Shares are registered in the name of the Security Agent or its nominee, the Security Agent will not be under any duty to ensure that any dividends, distributions or other monies payable in respect of those Shares are duly and promptly paid or received by it or its nominee, or to verify that the correct amounts are paid or received, or to take any action in connection with the taking up of any (or any offer of any) stocks, shares, rights, moneys or other property paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus, rights, preference, option, warrant or otherwise on or in respect of or in substitution for, any of those Shares.

## **7. SECURITY AGENT'S POWER TO REMEDY**

If the Chargor fails to comply with any obligation set out in Clause 5 (*Protection of Security*) or Clause 6 (*Undertakings*) and that failure is not remedied to the satisfaction of the Security Agent within 20 Business Days (or such later date as the Security Agent may agree in its reasonable discretion) of the Security Agent giving written notice to the Chargor or the Chargor becoming aware of the failure to comply, it will allow (and irrevocably authorises) the Security Agent or any person which the Security Agent nominates, whilst an Acceleration Event is continuing, to take any action on behalf of the Chargor which is necessary to ensure that those obligations are complied with.

## **8. CONTINUING SECURITY**

### **8.1 Continuing Security**

All Security constituted by this Debenture is a continuing security for the payment, discharge and performance of all of the Secured Obligations, shall extend to the ultimate balance of all sums payable under the Debt Documents and shall remain in full force and effect until the Final Discharge Date. No part of the Security will be considered satisfied or discharged by any intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations.

### **8.2 Other Security**

The Security constituted by this Debenture is to be in addition to and shall neither be merged in nor in any way exclude or prejudice or be affected by any other Security or other right which the Security Agent and/or any other Secured Party may now or after the date of this Debenture hold for any of the Secured Obligations, and this Security may be enforced against each Chargor without first having recourse to any other rights of the Security Agent or any other Secured Party.

## **9. ENFORCEMENT OF SECURITY**

### **9.1 Timing and manner of enforcement**

- (a) Subject to the terms of the Intercreditor Agreement, the Security constituted by this Debenture shall become enforceable and the powers referred to in Clause 9.2 (*Enforcement powers*) shall become exercisable immediately upon or after the occurrence of an Acceleration Event which is continuing.
- (b) Subject to the terms of the Intercreditor Agreement, without prejudice to any other provision of this Debenture, any time after the Security created pursuant to this Debenture has become enforceable, the Security Agent may without notice to any Chargor enforce all or any part of that Security and exercise all or any of the powers, authorities and discretions conferred by the Debt Documents including this Debenture or otherwise by law on chargees and Receivers (whether or not it has appointed a Receiver), in each case at the times, in the manner and on the terms it thinks fit or as otherwise directed in accordance with the terms of the Debt Documents.

### **9.2 Enforcement powers**

- (a) The Secured Obligations shall be deemed to have become due and payable on the date of this Debenture in respect of an Original Chargor, and on the date of execution of the applicable Security Accession Deed in respect of any other Chargor, for the purposes of section 101 of the Law of Property Act 1925.

- (b) The power of sale and other powers conferred by section 101 of the Law of Property Act 1925 (as varied and extended by this Debenture) and all other powers conferred on a mortgagee by law shall be deemed to arise immediately upon an Acceleration Event which is continuing.
- (c) For the purposes of sections 99 and 100 of the Law of Property Act 1925, the expression “mortgagor” shall include any encumbrancer deriving title under the original mortgagor and section 99(18) of the Law of Property Act 1925 and section 100(12) of the Law of Property Act 1925 shall not apply.

### 9.3 Statutory powers

The powers conferred on mortgagees, receivers or administrative receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (as the case may be) shall apply to the Security created under this Debenture, unless they are expressly or impliedly excluded. If there is ambiguity or conflict between the powers contained in those Acts and those contained in this Debenture, those contained in this Debenture shall prevail.

### 9.4 Exercise of powers

All or any of the powers conferred upon mortgagees by the Law of Property Act 1925 as varied or extended by this Debenture, and all or any of the rights and powers conferred by this Debenture on a Receiver (whether expressly or impliedly), may be exercised by the Security Agent without further notice to any Chargor at any time upon or after the occurrence of an Acceleration Event which is continuing, irrespective of whether the Security Agent has taken possession or appointed a Receiver of the Charged Property.

### 9.5 Disapplication of statutory restrictions

The restriction on the consolidation of mortgages and on the power of sale imposed by sections 93 and 103 respectively of the Law of Property Act 1925 shall not apply to the Security constituted by this Debenture.

### 9.6 Appropriation under the Financial Collateral Regulations

To the extent that any of the Charged Property constitute “financial collateral” and this Debenture and the obligations of a Chargor under it constitute a “security financial collateral arrangement” (in each case, as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) (the “FCR Regulations”)), upon and after the Security created pursuant to this Debenture has become enforceable but subject to the Intercreditor Agreement, the Security Agent or any Receiver shall have the benefit of all the rights of a collateral taker conferred upon it by the FCR Regulations, including the right to appropriate without notice to any Chargor (either on a single occasion or on multiple occasions) all or any part of that financial collateral in or towards discharge of the Secured Obligations and, for this purpose, the value of the financial collateral so appropriated shall be, in the case of cash, the face value at the time of appropriation (including the amount standing to the credit of each Account, together with any accrued but unposted interest at the time the right of appropriation is exercised), as converted, where necessary, into the currency in which the liabilities under the Debt Documents are denominated at a market rate of exchange prevailing at the time of appropriation selected by the Security Agent or any Receiver. The Parties agree that the method of valuation set out in this Clause 9.6 is a commercially reasonable method of valuation for the purposes of the FCR Regulations.

## 10. ADMINISTRATOR

- (a) Subject to the Insolvency Act 1986, the Security Agent may appoint one or more qualified persons to be an administrator of any Chargor (to act together with or independently of any others so appointed):
  - (i) if so requested by the relevant Chargor; or
  - (ii) at any time upon or after the occurrence of an Acceleration Event which is continuing.
- (b) Any such appointment may be made pursuant to an application to court under paragraph 12 of Schedule B1 to the Insolvency Act 1986 or by filing the specified documents with the court under paragraphs 14 to 21 of Schedule B1 to the Insolvency Act 1986.
- (c) In this Clause 10, “qualified person” means a person who, under the Insolvency Act 1986, is qualified to act as an administrator of any company with respect to which he is appointed.

## 11. RECEIVERS

### 11.1 Appointment of Receiver

- (a) At any time upon or after the occurrence of an Acceleration Event which is continuing, or if so requested by the relevant Chargor, the Security Agent may, by writing under hand signed by an officer or manager of the Security Agent, appoint any person (or persons) to be a Receiver of all or any part of the Charged Property (save to the extent prohibited by section 72A of the Insolvency Act 1986).
- (b) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to the floating charge created by this Debenture.
- (c) Section 109(1) of the Law of Property Act 1925 shall not apply to this Debenture.
- (d) If the Security Agent appoints more than one person as Receiver, the Security Agent may give those persons power to act either jointly or severally.
- (e) Any Receiver may be appointed Receiver of all of the Charged Property or Receiver of a part of the Charged Property specified in the appointment. In the case of an appointment in respect of a part of the Charged Property, the rights conferred on a Receiver as set out in Clause 11.2 (*Powers of Receiver*) shall have effect as though every reference in Clause 11.2 (*Powers of Receiver*) to the Charged Property were a reference to the part of the Charged Property so specified or any part of that Charged Property.

### 11.2 Powers of Receiver

Each Receiver appointed under this Debenture shall have (subject to any limitations or restrictions which the Security Agent may incorporate in the deed or instrument appointing it) all the powers conferred from time to time on receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (each of which is deemed incorporated in this Debenture), so that the powers set out in Schedule 1 to the Insolvency Act 1986 shall extend to every Receiver, whether or not an administrative receiver. In addition, notwithstanding any liquidation of the relevant Chargor, each Receiver shall have the following rights, powers and discretions:

- (a) all the rights conferred by the Law of Property Act 1925 on mortgagors and on mortgagees in possession and on any receiver appointed under the Law of Property Act 1925;
- (b) all the rights expressed to be conferred upon the Security Agent in this Debenture and all the rights to release the Charged Property from the Security conferred upon the Security Agent in the Debt Documents;
- (c) to take immediate possession of, get in and collect any Charged Property and to require payment to it or to the Security Agent of any monetary claims or credit balance on any Account;
- (d) to manage or carry on any part of the business of the relevant Chargor;
- (e) to enter into, vary or cancel any contracts on any terms or conditions;
- (f) to incur any liability on any terms, whether secured or unsecured, and whether to rank for payment in priority to this security or not and generally on terms and for whatever purpose which he considers fit;
- (g) to sell, transfer, assign, exchange, hire out, lend, licence, convert into money and realise any Charged Property by public offer or auction, tender or private contract and for a consideration of any kind (which may be payable in a lump sum or by instalments spread over any period or deferred);
- (h) to bring, prosecute, enforce, defend and abandon any action, suit and proceedings in relation to any Charged Property or any business of that Chargor;
- (i) to let or lease or concur in letting or leasing, and vary the terms of, determine, surrender leases or tenancies of, or grant options and licences over, or otherwise deal with, all or any of the Charged Property, without being responsible for loss or damage;
- (j) to give a valid receipt for any moneys and execute any assurance or thing which may be necessary or desirable for realising any Charged Property;
- (k) to establish subsidiaries to acquire interests in any of the Charged Property and/or arrange for those subsidiaries to trade or cease to trade and acquire any of the Charged Property on any terms and conditions;
- (l) to make and effect all repairs, renewals and improvements to any of the Charged Property and maintain, renew, take out or increase insurances;
- (m) to exercise all voting and other rights attaching to the Shares but only following a written notification from either the Receiver or the Security Agent to the relevant Chargor stating that the Security Agent shall exercise all voting rights in respect of the Shares;
- (n) to redeem any prior Security on or relating to the Charged Property and settle and pass the accounts of the person entitled to that 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;
- (o) to appoint, hire, employ and discharge officers, employees, contractors, agents, advisors and others for any of the purposes of this Debenture and/or to guard or protect the Charged Property upon terms as to remuneration or otherwise as he may think fit;

- (p) to settle any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the relevant Chargor or relating to any of the Charged Property;
- (q) to purchase or acquire any land or any interest in or right over land;
- (r) to borrow or raise money either unsecured or on the security of all or any Charged Property (either in priority to the security created hereby or otherwise);
- (s) to lend money or advance credit to any customer of any Chargor;
- (t) to purchase or acquire by leasing, hiring, licensing or otherwise (for such consideration and on such terms as he may consider fit) any assets which he considers necessary or desirable for the carrying on, improvement, realisation or other benefit of any of the Charged Property or the business of any Chargor;
- (u) to exercise in relation to any Charged Property all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Charged Property;
- (v) to make any payment and incur any expenditure, which the Security Agent is, pursuant to this Debenture, expressly or impliedly authorised to make or incur; and
- (w) to do all other acts and things (including signing and executing all documents and deeds) as the Receiver considers to be incidental or conducive to any of the matters or powers in this Clause 11.2, or otherwise incidental or conducive to the preservation, improvement or realisation of the Charged Property, and use the name of the relevant Chargor for all such purposes,

and in each case may use the name of any Chargor and exercise the relevant power in any manner which he may think fit.

### **11.3 Receiver as Agent**

- (a) Any Receiver shall be the agent of each Chargor for all purposes and accordingly shall be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Law of Property Act 1925.
- (b) Each Chargor is solely responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver.

### **11.4 Removal of Receiver**

The Security Agent may by notice remove from time to time any Receiver appointed by it (subject to the provisions of section 45 of the Insolvency Act 1986 in the case of an administrative receivership) and, whenever it may deem appropriate, appoint a new Receiver in the place of any Receiver whose appointment has terminated, for whatever reason.

### **11.5 Remuneration of Receiver**

The Security Agent may (subject to section 36 of the Insolvency Act 1986) reasonably determine the remuneration of any Receiver appointed by it and any maximum rate imposed by any law (including under section 109(6) of the Law of Property Act 1925) shall not apply to this Debenture and may direct payment of such remuneration out of moneys accruing to him as Receiver, but the Chargors alone shall be liable for the payment of such remuneration and for all other reasonable costs, charges, losses, liabilities and expenses of the Receiver.

## **11.6 Several Receivers**

If at any time there is more than one Receiver, each Receiver may separately exercise all of the powers conferred by this Debenture (unless the deed or instrument appointing such Receiver states otherwise).

## **12. APPLICATION OF PROCEEDS**

### **12.1 Order of application**

All moneys and other proceeds or assets received or recovered by the Security Agent or any Receiver pursuant to this Debenture or the powers conferred by it shall be applied in the order and manner specified in the Intercreditor Agreement.

### **12.2 Section 109 Law of Property Act 1925**

Sections 109(6) of the Law of Property Act 1925 shall not apply to a Receiver appointed under this Debenture.

### **12.3 Application against Secured Obligations**

Subject to Clause 12 (*Order of application*) above, any moneys or other value received or realised by the Security Agent from a Chargor or a Receiver under this Debenture may be applied by the Security Agent to any item of account or liability or transaction forming part of the Secured Obligations to which they may be applicable in any order or manner which the Security Agent may determine.

### **12.4 Suspense account**

At any time upon or after the occurrence of an Acceleration Event which is continuing, until the Final Discharge Date, the Security Agent may place and keep (for such time as it shall determine) any money received, recovered or realised pursuant to this Debenture or on account of any Chargor's liability in respect of the Secured Obligations in an interest bearing separate suspense account (to the credit of either the relevant Chargor or the Security Agent as the Security Agent shall think fit) and the Receiver may retain the same for the period which he and the Security Agent consider expedient without having any obligation to apply all or any part of that money in or towards discharge of such Secured Obligations.

## **13. PROTECTION OF SECURITY AGENT AND RECEIVER**

### **13.1 Possession of Charged Property**

If the Security Agent or the Receiver enters into possession of the Charged Property, it will not be liable to account as mortgagee in possession by reason of viewing or repairing any of the present or future assets of any Chargor and may at any time at its discretion go out of such possession.

### **13.2 Primary liability of Chargor**

Each Chargor shall be deemed to be a principal debtor and the sole, original and independent obligor for the Secured Obligations and the Charged Property shall be deemed to be a principal security for the Secured Obligations. The liability of each Chargor under this Debenture and the charges contained in this Debenture shall not be impaired by any forbearance, neglect, indulgence, abandonment, extension of time, release, surrender or loss of securities, dealing, variation or arrangement by the Security Agent or any other Secured Party, or by any other act, event or matter whatsoever whereby the liability of the relevant Chargor (as a surety only) or

the charges contained in this Debenture (as secondary or collateral charges only) would, but for this provision, have been discharged.

### 13.3 Security Agent

The provisions set out in clause 19 (*The Security Agent*) of the Intercreditor Agreement shall govern the rights, duties and obligations of the Security Agent under this Debenture.

### 13.4 Cumulative powers

The powers which this Debenture confers on the Security Agent, the other Secured Parties and any Receiver appointed under this Debenture are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as the relevant person thinks appropriate. The Security Agent, the other Secured Parties or the Receiver may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever. The respective powers of the Security Agent, the other Secured Parties and the Receiver will in no circumstances be suspended, waived or otherwise prejudiced by anything other than an express consent or amendment.

## 14. COSTS AND EXPENSES

The provisions of clause 23 (*Costs and Expenses*) of the Intercreditor Agreement shall apply to this Debenture *mutatis mutandis*.

## 15. POWER OF ATTORNEY

(a) Each Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any person nominated for the purpose by the Security Agent or any Receiver (in writing and signed by an officer of the Security Agent or Receiver) as its attorney (with full power of substitution and delegation) in its name and on its behalf and as its act and deed in such manner as the attorney considers fit:

- (i) to do anything which that Chargor is obliged to do under this Debenture (including to do all such acts or execute all such documents, assignments, transfers, charges, notices, instructions, filings and registrations as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s))); and
- (ii) to exercise any of the rights conferred on the Security Agent, any Receiver or any delegate in relation to (i) the Security granted pursuant to this Agreement, (ii) any First Lien Document or any Second Lien Document or (iii) under any law,

*provided*, that the power of attorney referred to in this Clause may only be exercised: at any time upon or after the occurrence of an Acceleration Event which is continuing (and any grace period applicable thereto has expired).

- (b) The power of attorney conferred on the Security Agent and each Receiver pursuant to paragraph 15 above shall continue notwithstanding the exercise by the Security Agent or any Receiver of any right of appropriation pursuant to Clause 9.6 (*Appropriation under the Financial Collateral Regulations*).
- (c) Each Chargor ratifies and confirms and agrees to ratify and confirm whatever any such attorney shall do in the exercise or purported exercise of the power of attorney granted by it in this Clause 15.



## **16. PROTECTION FOR THIRD PARTIES**

### **16.1 No obligation to enquire**

No purchaser from, or other person dealing with, the Security Agent or any Receiver (or their agents) shall be obliged or concerned to enquire:

- (a) whether the right of the Security Agent or any Receiver to exercise any of the powers conferred by this Debenture has arisen or become exercisable or as to the propriety or validity of the exercise or purported exercise of any such power;
- (b) whether any consents, regulations, restrictions or directions relating to such powers have been obtained or complied with;
- (c) whether the Security Agent, any Receiver or its agents is acting within such powers;
- (d) as to the propriety or validity of acts purporting or intended to be in exercise of any such powers;
- (e) whether any of the Secured Obligations remain outstanding and/or are due and payable or be concerned with notice to the contrary and the title and position of such a purchaser or other person shall not be impeachable by reference to any of those matters; or
- (f) as to the application of any money paid to the Security Agent, any Receiver or its agents,

and any such person who is not a party to this Debenture may rely on this Clause 16 and enforce its terms under the Contracts (Rights of Third Parties) Act 1999.

### **16.2 Receipt conclusive**

The receipt of the Security Agent or any Receiver shall be an absolute and a conclusive discharge to a purchaser, and shall relieve him of any obligation to see to the application of any moneys paid to or by the direction of the Security Agent or any Receiver.

## **17. REINSTATEMENT AND RELEASE**

### **17.1 Amounts avoided**

- (a) If any payment by a Chargor or any discharge, arrangement or release given by a Secured Party (whether in respect of the obligations of any Debtor or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:
  - (i) the liability of that Chargor and the relevant security shall continue as if the payment, discharge, release, avoidance or reduction had not occurred; and
  - (ii) the relevant Secured Party shall be entitled to recover the value or amount of that security or payment from that Chargor, as if the payment, discharge, avoidance or reduction had not occurred.
- (b) The Security Agent may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

## **17.2 Discharge conditional**

Any settlement or discharge between a Chargor and any Secured Party shall be conditional upon no security or payment to that Secured Party by that Chargor or any other person being avoided, set aside, ordered to be refunded or reduced by virtue of any provision or enactment relating to insolvency and accordingly (but without limiting the other rights of that Secured Party under this Debenture) that Secured Party shall be entitled to recover from that Chargor the value which that Secured Party has placed on that security or the amount of any such payment as if that settlement or discharge had not occurred.

## **17.3 Covenant to release**

- (a) Subject to paragraph (b) below, on the Final Discharge Date, the Security Agent and each Secured Party shall, at the request and cost of each Chargor:
  - (i) promptly take any and all action which the relevant Chargor reasonably requests and/or which may be necessary to release, reassign or discharge (as appropriate) the Charged Property from the Security constituted by this Debenture; and
  - (ii) promptly take all other actions and steps contemplated by the Intercreditor Agreement in relation to the release of any Security contemplated by this Debenture, or any other steps, confirmations or actions in relation to this Debenture.
- (b) Notwithstanding anything to the contrary in this Debenture, to the extent contemplated by the Intercreditor Agreement or any other Debt Document (or to the extent agreed between the Security Agent and the relevant Chargors), the Security Agent and each Secured Party shall, at the request and cost of the relevant Chargor, take any and all action which is necessary to release such assets from the Security constituted by this Debenture in accordance with the terms of the Intercreditor Agreement.

## **17.4 Appropriations**

Neither the Security Agent nor any other Secured Party shall be obliged to apply any sums held or received by it in respect of the Secured Obligations in or towards payment of the Secured Obligations and any such sum shall be held by or paid to the Security Agent for application pursuant to the terms of this Debenture.

## **17.5 Deferral of Chargors' rights**

- (a) Until the Final Discharge Date and unless the Security Agent otherwise directs, no Chargor shall exercise any rights which it may have to:
  - (i) be indemnified by any other Chargor or Debtor or surety or Group Company of any Debtor's or Chargor's obligations under the Debt Documents;
  - (ii) claim any contribution from any other Debtor in respect of any Debtor's obligations under the Debt Documents;
  - (iii) take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Debt Documents or of any other guarantee or security taken pursuant to, or in connection with, the Debt Documents by any Secured Party;

- (iv) bring legal or other proceedings for an order requiring any Debtor or any Chargor to make any payment, or perform any obligation, in respect of which the Debtor or a Chargor had given a guarantee, undertaking or indemnity;
  - (v) exercise any right of set-off against a Debtor; and/or
  - (vi) claim or prove as a creditor of any Debtor in competition with any Secured Party.
- (b) If a Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Parties by the Chargors and Debtors under or in connection with the Debt Documents to be repaid in full on trust for the Secured Parties and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with the Intercreditor Agreement.

#### **17.6 Security held by Chargors**

- (a) No Chargor shall, without the prior written consent of the Security Agent, hold or otherwise take the benefit of any Security from any other Debtor in respect of that Chargor's liability under this Debenture.
- (b) Each Chargor shall hold any Security and the proceeds thereof held by it in breach of this Clause 17.6 on trust for the Security Agent and shall promptly pay or transfer those proceeds to the Security Agent or as the Security Agent may direct.

#### **17.7 Additional security/non-merger**

The Security created pursuant to this Debenture is in addition to, independent of and not in substitution for or derogation of, and shall not be merged into or in any way be excluded or prejudiced by, any other guarantees or Security at any time held by any Secured Party in respect of or in connection with any or all of the Secured Obligations or any other amount due by any Chargor to any Secured Party.

#### **17.8 New accounts**

After an Acceleration Event has occurred and is continuing:

- (a) if any subsequent charge or other interest affects any Charged Property, any Secured Party may open a new account with any Debtor;
- (b) if a Secured Party does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest; and
- (c) as from that time all payments made to that Secured Party will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Obligations.

### **18. CURRENCY INDEMNITY**

If any sum due from a Chargor under this Debenture or any order or judgment given or made in relation to this Debenture has to be converted from the currency (the "first currency") in which the same is payable under this Debenture or under such order or judgment into another currency (the "second currency") for the purpose of (a) making or filing a claim or proof

against a Chargor, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to this Debenture, a Chargor shall indemnify and hold harmless each Secured Party from and against any loss it suffers or incurs as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Secured Party may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

## **19. SET-OFF**

### **19.1 Set-off rights**

Upon or after the occurrence of an Acceleration Event which is continuing, the Security Agent may set off any matured obligation due from a Chargor under the Debt Documents (to the extent beneficially owned by the Security Agent) against any matured obligation owed by the Security Agent to that Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Security Agent may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

## **20. REDEMPTION OF PRIOR SECURITY**

The Security Agent or any Receiver may, at any time upon or after the occurrence of an Acceleration Event which is continuing, redeem any prior Security on or relating to any of the Charged Property or procure the transfer of that Security to itself, and may settle and pass the accounts of any person entitled to that prior Security. Any account so settled and passed shall (subject to any manifest error) be conclusive and binding on each Chargor. Each Chargor will on demand pay to the Security Agent all principal monies and interest and all losses incidental to any such redemption or transfer.

## **21. NOTICES**

Any communication to be made under or in connection with this Debenture shall be made in accordance with clause 26 (*Notices*) of the Intercreditor Agreement.

## **22. CHANGES TO PARTIES**

### **22.1 Assignment by the Security Agent**

The rights of the Security Agent under this Debenture are assignable and/or transferable in whole or in part and the Security Agent may assign or transfer all or any such rights and benefits without the consent of the Chargor, unless such assignment or transfers is prohibited under the terms of the Intercreditor Agreement.

### **22.2 Assignment by the Chargors**

No Chargor may assign or transfer, or attempt to assign or transfer, any of its rights or obligations under this Debenture other than in accordance with clause 22 (*Changes to the Parties*) of the Intercreditor Agreement.

### **22.3 Changes to Parties**

Each Chargor authorises and agrees to changes to parties under clause 22 (*Changes to the Parties*) of the Intercreditor Agreement, and authorises the Security Agent to execute on its behalf any document required to effect the necessary transfer of rights or obligations contemplated by those provisions.

## **23. MISCELLANEOUS**

### **23.1 Certificates conclusive**

A certificate of any Secured Party as to the amount of any Secured Obligation owed to it shall be *prima facie* evidence of the existence and amount of such Secured Obligation (except in the case of manifest error).

### **23.2 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. Delivery of a counterpart of this Debenture by e-mail attachment or telecopy shall be an effective mode of delivery.

### **23.3 Invalidity of any provision**

If any provision of this Debenture is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way.

### **23.4 Failure to execute**

Failure by one or more Parties (“Non-Signatories”) to execute this Debenture on the date hereof will not invalidate the provisions of this Debenture as between the other Parties who do execute this Debenture. Such Non-Signatories may execute this Debenture on a subsequent date and will thereupon become bound by its provisions.

### **23.5 Notice of charge or assignment**

This Debenture constitutes notice in writing to each Chargor of any charge or assignment of a debt owed by that Chargor to any other Group Company and contained in any other Debt Document.

### **23.6 Tacking**

Each Secured Party shall comply with its obligations under the Debt Documents (including the obligation to make further advances).

## **24. GOVERNING LAW AND JURISDICTION**

- (a) This Debenture and any non-contractual claims arising out of or in connection with it shall be governed by and construed in accordance with English law.
- (b) Subject to paragraphs (c) and (d) below, the Parties agree that the courts of England shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Debenture, whether contractual or non-contractual (including a dispute regarding the existence, validity or termination of this Debenture) (a “**Dispute**”). The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.
- (c) The Parties agree that, for the benefit of the Secured Parties only, nothing in this Debenture shall limit the right of the Secured Parties to bring any legal action against any of the Chargors in any other court of competent jurisdiction and each Chargor irrevocably submits to the jurisdiction of any such court. To the extent permitted by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

- (d) Each Chargor agrees that a judgment or order of any court referred to in this Clause 24 is conclusive and binding and may be enforced against it in the courts of any other jurisdiction.

**In Witness** whereof this Debenture has been duly executed as a deed on the date first above written.

**SCHEDULE 1**  
**ORIGINAL CHARGORS**

| <b>Name of Original Chargor</b>  | <b>Registered Number</b> | <b>Registered Address</b>                                |
|----------------------------------|--------------------------|--|
| Sunrise Medical Holdings Limited | 04651691                 | Thorns Road<br>Brierley Hill<br>West Midlands<br>DY5 2LD |
| RGK Wheelchairs Limited          | 04685517                 | Thorns Road<br>Brierley Hill<br>West Midlands<br>DY5 2LD |
| Sunrise Medical Limited          | 03570204                 | Thorns Road<br>Brierley Hill<br>West Midlands<br>DY5 2LD |

## SCHEDULE 2

### FORM OF ACCOUNT NOTICE

To: [insert name and address of Account Bank] (the “Account Bank”)

Dated: [ ● ]

Dear Sirs

Re: The [ ● ] Group of Companies – Security over Accounts

We notify you that [insert name of Chargor] (the “Chargor”) and certain other companies identified in the schedule to this notice (together the “Customers”) charged to [insert name of Security Agent] (the “Security Agent”) for the benefit of itself and certain other banks and financial institutions all their right, title and interest in and to the monies from time to time standing to the credit of the accounts identified in the schedule to this notice and to any other accounts from time to time maintained with you by the Customers (the “Charged Accounts”) and to all interest (if any) accruing on the Charged Accounts by way of a debenture dated [ ● ].

1. We irrevocably authorise and instruct you:
  - (a) to hold all monies from time to time standing to the credit of the Charged Accounts to the order of the Security Agent and to pay all or any part of those monies to the Security Agent (or as it may direct) promptly following receipt of written instructions from the Security Agent to that effect;
  - (b) to comply with the terms of any written notice or instruction relating to any Charged Account received by you from the Security Agent; and
  - (c) to disclose to the Security Agent any information relating to the Customers and the Charged Accounts which the Security Agent may, from time to time in writing, request you to provide.
2. The provisions of this notice may only be revoked or varied with the prior written consent of the Security Agent.
3. Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to the Chargor) by way of your confirmation that:
  - (a) you agree to act in accordance with the provisions of this notice;
  - (b) you 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 Accounts, except for the netting of credit or debit balances pursuant to current account netting previously approved in writing by the Security Agent;
  - (c) you have not claimed or exercised, nor do you have any outstanding any right to claim or exercise against the Chargor, any right of set-off, counter-claim or other right relating to the Charged Accounts; and
  - (d) you have not received notice that any Customer has assigned its rights to the monies standing to the credit of the Charged Accounts or otherwise granted any security or other interest over those monies in favour of any third party.

The provisions of this notice and any non-contractual obligations arising under or in connection with it are governed by English law.



|          | Schedule       |           |
|----------|----------------|-----------|
| Customer | Account Number | Sort Code |
| [ ● ]    | [ ● ]          | [ ● ]     |

Yours faithfully

---

for and on behalf of  
[Insert name of Chargor]  
as agent for and on behalf of  
all of the Customers

Counter-signed by

---

for and on behalf of  
[Insert name of Security Agent]

[On acknowledgement copy]

To: [Insert name and address of Security Agent]

Copy to: [Insert name of Chargor] (on behalf of all the Customers)

We acknowledge receipt of the above notice and confirm the matters set out above.

---

for and on behalf of  
[Insert name of Account Bank]

Dated: [ ● ]

## SCHEDULE 3

### FORM OF SECURITY ACCESSION DEED

This Security Accession Deed is made on [ ● ]

Between:

- (1) [ ● ], a company incorporated in England and Wales with registered number [ ● ] (the “New Chargor”); and
- (2) [ ● ] as Security Agent for itself and the other Secured Parties (the “Security Agent”). Recital:

This deed is supplemental to a debenture dated [ ● ] between, amongst others, the Chargors named therein and the Security Agent, as previously supplemented and amended by earlier Security Accession Deeds (if any) (the “Debenture”).

Now this Deed Witnesses as follows:

#### 1. Interpretation

##### 1.1 Definitions

Terms defined in the Debenture shall have the same meaning when used in this deed.

##### 1.2 Construction

Clauses 1.2 (*Construction*) to 1.5 (*Miscellaneous*) of the Debenture will be deemed to be set out in full in this deed, but as if references in those clauses to the Debenture were references to this deed.

#### 2. Accession of new Chargor

##### 2.1 Accession

The New Chargor agrees to be a Chargor for the purposes of the Debenture with immediate effect and agrees to be bound by all of the terms of the Debenture as if it had originally been a party to it as a Chargor.

##### 2.2 Covenant to pay

Subject to any limits on its liability specified in the Debt Documents, the New Chargor shall, as primary obligor and not only as a surety, promptly on demand of the Security Agent pay to the Security Agent any Secured Obligation which is due but unpaid.

##### 2.3 Specific Security

Subject to paragraph 2.6 (*Excluded Assets*) below, the New Chargor, as continuing security for the payment and discharge of the Secured Obligations, charges in favour of the Security Agent with full title guarantee the following assets, both present and future, from time to time owned by it or in which it has an interest by way of first fixed charge:

- (a) the Accounts; and
- (b) all Shares and all corresponding Related Rights.

## **2.4 Floating charge**

- (a) Subject to paragraph 2.6 (*Excluded Assets*) below, as further continuing security for the payment and discharge of the Secured Obligations, the New Chargor charges with full title guarantee in favour of the Security Agent by way of first floating charge all its present and future assets, undertakings and rights together with all corresponding Related Rights including to the extent not effectively charged by way of fixed charge under Clause 2.3 (*Specific Security*).
- (b) The floating charge created by the New Chargor pursuant to paragraph (a) of this Clause 2.4 shall be deferred in point of priority to all fixed Security constituted by this Debenture.
- (c) The floating charge created by the New Chargor pursuant to paragraph (a) of this Clause 2.4 is a “qualifying floating charge” for the purposes of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

## **2.5 Excluded Assets**

For the avoidance of doubt, all and any Excluded Assets owned by the New Chargor or in which the New Chargor has any interest shall be excluded from the charge created by Clause 2.3 (*Specific Security*) of this deed and from the operation of Clause 4 (*Further Assurance*) of the Debenture.

## **2.6 Consent of existing Chargors**

The existing Chargors agree to the terms of this deed and agree that its execution will in no way prejudice or affect the security granted by each of them under (and covenants given by each of them in) the Debenture.

## **2.7 Construction of Debenture**

The Debenture and this deed shall be read together as one instrument on the basis that references in the Debenture to “this deed” or “this Debenture” will be deemed to include this deed, unless the context otherwise requires.

## **3. Governing Law and Jurisdiction**

Clause 24 (*Governing Law and Jurisdiction*) of the Debenture shall apply to this deed mutatis mutandis.

In Witness whereof this deed has been duly executed on the date first above written.

**Signatories to Deed of Accession**

**The New Chargor**  
**Executed as a Deed by**  
[Name of New Chargor] acting by:

}  
.....  
Signer

as Director:

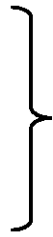
.....  
Signer

**Witnessed**

}  
.....  
Wit 1

.....  
Witness Name:  
Witness Occupation:  
Witness Address:

**The Security Agent**  
**Executed as a Deed by**  
[*Name of Security Agent*] acting by:

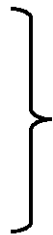


.....  
Signer

as Authorised Signatory:

.....  
Signer

**Witnessed**



.....  
Wit 1

.....  
Witness Name:  
Witness Occupation:  
Witness Address:

**SCHEDULES TO DEED OF ACCESSION**

**SCHEDULE 1**

**ACCOUNTS**


**[ ● ]**

Executed as a Deed by  
SUNRISE MEDICAL HOLDINGS  
LIMITED  
acting by

  
Signature of Director

ADRIAN PLATT  
Name of Director

in the presence of:

  
Signature of witness:

Name of witness: JULIE TORDOFT

Address of witness: 127 VICARAGE RD, WOLLASTON, STOLENBIDGE, DY8 4QZ, UK

Occupation of witness: EXECUTIVE ASSISTANT

Address: SUNRISE MEDICAL LTD, THBENS RD, BRIERLEY HILL, UK

Fax:



Executed as a Deed by  
RGK WHEELCHAIRS LIMITED  
acting by



Signature of Director

Adrian Plass

Name of Director

in the presence of:

Signature of witness:

Name of witness: JULIE TORROFF

Address of witness: 127 VICARAGE RD, WOLLASTON, STOURBRIDGE, DY8 4QZ, UK

Occupation of witness: EXECUTIVE ASSISTANT

Address: SUNRISE MEDICAL LTD, THORNTON RD, BRIDGEMAN, UK

Fax:

Executed as a Deed by  
**SUNRISE MEDICAL LIMITED**  
acting by



Signature of Director

Name of Director

in the presence of:

Signature of witness:

Name of witness: JULIE TORDOFF

Address of witness: 127 VICARAGE RD, WOLLASTON, STOURBRIDGE, UK

Occupation of witness: EXECUTIVE ASSISTANT

Address: SUNRISE MEDICAL LTD, THORNS RD, BRIDLEY HILL, UK

Fax:

**THE SECURITY AGENT**

**NATIXIS** as Security Agent

By:



Name:

Title: Hannah Sullivan  
Authorised Signature

By:



Name:

Title: Sarah Kushin  
Authorised Signature

Address:

Fax No.: Cannon Bridge House  
Email: 25 Dowgate Hill  
London  
Attention: EC4R 2YA