



Registration of a Charge

Company name: **ASHTENNE INDUSTRIAL FUND NOMINEE NO.2 LIMITED**

Company number: **04222573**



X5CRBFPS

Received for Electronic Filing: **05/08/2016**

Details of Charge

Date of creation: **27/07/2016**

Charge code: **0422 2573 0181**

Persons entitled: **THE ROYAL BANK OF SCOTLAND PLC AS SECURITY AGENT**

Brief description: **FIXED CHARGES OVER ALL LAND OWNED BY THE COMPANY AT ANY TIME**

Contains fixed charge(s).

Contains floating charge(s) .

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

PAUL CASTLE



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4222573

Charge code: 0422 2573 0181

The Registrar of Companies for England and Wales hereby certifies that a charge dated 27th July 2016 and created by ASHTENNE INDUSTRIAL FUND NOMINEE NO.2 LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 5th August 2016 .

Given at Companies House, Cardiff on 8th August 2016

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 JULY 2016

- (1) ASHTENNE INDUSTRIAL FUND NOMINEE NO.2 LIMITED as Chargor
- (2) THE ROYAL BANK OF SCOTLAND PLC as Security Agent

SECURITY AGREEMENT

PROJECT AVENUE

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This Deed is made on

27 JULY

2016 between:

(1) **ASHTENNE INDUSTRIAL FUND NOMINEE NO.2 LIMITED** a company incorporated in England and Wales with registered number 04222573 whose registered address is 1st Floor Pegasus House, 37 - 43 Sackville Street, London W1S 3DL (the "**Chargor**"); and

(2) **THE ROYAL BANK OF SCOTLAND PLC** (the "**Security Agent**") as security trustee for the Secured Parties.

1. **INTERPRETATION**

1.1 **Definitions**

In this Deed:

"**Associated Benefits**" means, in respect of any asset:

- (a) all monies including (where relevant) all rent, dividends, distributions, profits, compensation, damages, income or interest paid or payable relating to that asset; and
- (b) all Authorisations, rights, benefits, claims or property at any time relating to that asset.

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

"**Book Debts**" means, in relation to the Chargor, all book and other debts, revenues and monetary claims of or owing to, or other amounts recoverable or receivable by, the Chargor and any rights or claims of the Chargor in respect of such debts, revenues and monetary claims.

"**Charged Property**" means the assets of the Chargor which from time to time are, or are expressed to be, the subject of any Security Interests created by this Deed.

"**Credit Agreement**" means a the facility agreement dated on or about the date of this deed and made between, amongst others, (1) Hansteen Holdings PLC as borrower, (2) Hansteen Property Investments Limited and others as guarantors, (3) The Royal Bank of Scotland plc, Barclays Bank PLC and HSBC Bank plc as arrangers, (4) National Westminster Bank plc, Barclays Bank PLC and HSBC Bank plc as original lenders, (5) The Royal Bank of Scotland plc as facility agent and (6) The Royal Bank of Scotland plc as security agent, as the same may be varied, amended, modified, supplemented or replaced.

"**Delegate**" means any delegate, agent, attorney or co-trustee appointed by the Security Agent.

"**Floating Charge Asset**" means, at any time, any Charged Property which, at that time, is the subject of the floating charge created by this Deed.

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

"**Investments**" means:

- (a) the Specified Shares; and
- (b) all other stocks, shares, bonds, securities or investments.

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

"**Real Property**" means:

- (a) all estates or interests in any freehold or leasehold property;
- (b) any buildings, fixtures, fittings, fixed plant or machinery at any time situated on or forming part of that property;
- (c) all easements, rights, agreements and other benefits in respect of that property; and
- (d) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property.

"Receiver" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

"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 Obligor to the Secured Parties (or any of them) under each or any of the Finance Documents together with all costs, charges and expenses incurred by any Secured Party in connection with the protection, preservation or enforcement of its respective rights under the Finance Documents or any other document evidencing or securing any such liabilities.

"Secured Party" means the Security Agent, any Receiver or Delegate, and each of the Finance Parties from time to time but, in the case of each Finance Party, only if it is a party to the Credit Agreement, together the **"Secured Parties"**.

"Security Agent" means The Royal Bank of Scotland plc acting in its capacity as security agent for the Secured Parties (including itself) in relation to the Security Documents for the purpose of and in accordance with the terms of the Finance Documents, or such other or additional trustee or trustees as may from time to time be appointed in that capacity in accordance with the Finance Documents.

"Specified Bank Accounts" means any bank accounts specified in Part III of Schedule 1 (*Details of Charged Property*).

"Specified Shares" means any shares specified in Part II of Schedule 1 (*Details of Charged Property*).

"Subordinated Loan Proceeds" means all proceeds of any Subordinated Loan from time to time in whatever form they may be, including:

- (a) all monies receivable under, arising out of, or evidenced by, any Subordinated Loan;
- (b) any other rights, titles, benefits or interests (whether present, future, *proprietary contractual or otherwise*) of the Chargor in, under, arising out of, or evidenced by, any Subordinated Loan.

"Subordinated Loans" means all indebtedness owed by the Chargor as debtor to any Obligor and owed by any Obligor to the Chargor as creditor from time to time (whether documented or not) and also where the context shall so require or permit any of such contracts or agreements and the expression **"Subordinated Loan"** shall also mean any one of such contracts or agreements (whether documented or not).

1.2 Construction

1.2.1 Unless a contrary indication appears in this Deed:

- 1.2.1.1 terms defined in the Credit Agreement have the same meaning in this Deed;

- 1.2.1.2 the provisions of clause 1.2 (*Construction*) of the Credit Agreement (with the exception of clause 1.2.4) apply to this Deed as if set out in full in this Deed except that references to the Credit Agreement shall be construed as references to this Deed; and
- 1.2.1.3 all provisions in the Credit Agreement that are deemed to apply to the Finance Documents apply to this Deed as if set out in full in this Deed.
- 1.2.2 Unless a contrary indication appears, any reference in this Deed to:
 - 1.2.2.1 any asset includes present and future properties, revenues and rights of every description, all proceeds of sale of such asset, all rights under any agreement for the sale, lease or licence of such asset and any monies paid or payable in respect of such asset;
 - 1.2.2.2 a "**Finance Document**" or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended, restated or replaced from time to time; and
 - 1.2.2.3 an account is a reference to that account as re-designated, re-numbered, substituted or replaced from time to time.
- 1.2.3 each reference to any "**Subordinated Loan Proceeds**" shall include each and any category or part of the Subordinated Loan Proceeds independently of every other category or part.
- 1.2.4 Where this Deed includes the words "**including**", "**in particular**" or "**or otherwise**" (or similar words or phrases), the intention is to state examples and not to be exhaustive.
- 1.2.5 References to any Security Interests "**created by this Deed**" are to be deemed to include such Security Interests created or intended to be created, constituted, given, made or extended by, under or evidenced by this Deed.

1.3 **Incorporation of other terms**

The terms of the other Finance Documents and of any other agreement or document between any of the parties to this Deed are incorporated into this Deed to the extent required to comply with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.4 **Third party rights**

- 1.4.1 Unless expressly provided to the contrary in this Deed, a person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or enjoy the benefit of any term of this Deed.
- 1.4.2 Notwithstanding any term of this Deed, the consent of any person who is not a party to this Deed is not required to rescind or vary this Deed at any time.
- 1.4.3 Any Receiver, Delegate or any person described in clause 17.11.2 (*Exclusion of liability*) of the Credit Agreement may, subject to this Clause 1.4 and the Third Parties Act, rely on any clause of this Deed which expressly confers rights on it.

2. **COVENANT TO PAY**

The Chargor, as principal debtor and not just as surety, covenants with the Security Agent to pay or discharge the Secured Obligations in the manner provided for in the Finance Documents.

3. **LIMITED RECOURSE**

3.1 Subject to Clause 3.2 below, but notwithstanding any other provisions of this Deed:

3.1.1 Ashtenne Industrial Fund Nominee No.2 Limited has executed this Deed solely as nominee of Ashtenne Industrial Fund Limited Partnership with the intention of binding the assets held by it on trust for the Ashtenne Industrial Fund Limited Partnership pursuant to the Declarations of Trust, (together the "**Nominee Assets**");

3.1.2 the aggregate of all liabilities of Ashtenne Industrial Fund Nominee No.2 Limited under or by virtue of this Deed shall at all times and for all purposes extend only to the Nominee Assets;

3.1.3 in no circumstances shall any liability attach to or be enforced or enforceable against the assets of Ashtenne Industrial Fund Nominee No.2 Limited (held in its capacity as nominee of any other trust or in its personal capacity or in any other capacity whatsoever) other than those assets which comprise Nominee Assets; and

3.1.4 all representations, warranties, undertakings, obligations and covenants given in this Deed, or deemed given by incorporation by reference, are made, given, owed or agreed (i) in relation to the Nominee Assets and (ii) by Ashtenne Industrial Fund Nominee No.2 Limited in its capacity as nominee of the Ashtenne Industrial Fund Limited Partnership and shall not be construed to be made, given, owed or agreed by or in relation to the Ashtenne Industrial Fund Nominee No.2 Limited in its capacity as nominee of any other trust, partnership or in its personal capacity or in any other capacity whatsoever or in respect of any other asset save for the Nominee Assets.

3.2 The provisions of Clause 3.1 shall only limit the liability of the Chargor for the discharge of the indebtedness outstanding pursuant to this Deed and shall not (a) until all Charged Property is realised and proceeds of sale received by the Security Agent, reduce the amount of, or discharge such obligations themselves or limit or restrict the accrual of interest on any amount outstanding, nor (b) derogate from, or otherwise limit, the rights of recovery, realisation or application by the Security Agent of any amount from any person other than the Chargor under or pursuant to the Finance Documents or with respect to anything assigned, charged, pledged or secured to the Security Agent under or pursuant to any of the Finance Documents.

4. **GRANT OF SECURITY**

4.1 **Mortgage**

The Chargor charges by way of first legal mortgage:

4.1.1 all its Real Property described opposite its name in Part I of Schedule 1 (*Details of Charged Property*); and

4.1.2 all its other Real Property as at the date of this Deed.

4.2 **Fixed charges**

The Chargor charges by way of first fixed charge:

- 4.2.1 to the extent not effectively mortgaged under Clause 4.1 (*Mortgage*), all its Real Property as at the date of this Deed;
- 4.2.2 all its Real Property acquired after the date of this Deed;
- 4.2.3 all its Specified Shares;
- 4.2.4 its Specified Bank Accounts;
- 4.2.5 all its Investments (other than its Specified Shares charged under Clause 4.2.3)
- 4.2.6 all its Book Debts to the extent not effectively assigned under Clause 4.3 (*Assignment*);
- 4.2.7 all its goodwill and uncalled capital;
- 4.2.8 all rights, benefits and interests under each agreement to which it is party and any agreement in, under or to which it any rights by virtue of the Third Parties Act;
- 4.2.9 save to the extent assigned under Clause 4.3 (*Assignment*), all Associated Benefits relating to the Charged Property, its interests in the Subordinated Loans and its interests in the Subordinated Loan Proceeds; and
- 4.2.10 any monies (including any deposit, advance or instalment payment) payable to the Chargor for or in connection with the disposal (by whatever means and whether or not permitted by this deed) of its interests in the Subordinated Loans.

4.3 **Assignment**

The Chargor assigns by way of security:

- 4.3.1 all Associated Benefits relating to the Charged Property.
- 4.3.2 all its interests in the Subordinated Loans; and
- 4.3.3 all its interests in the Subordinated Loan Proceeds.

4.4 **Floating charge**

- 4.4.1 The Chargor charges by way of floating charge all its assets and undertaking, wherever located, both present and future, not at any time effectively mortgaged, charged or assigned under this Deed or any other Finance Document.
- 4.4.2 Paragraph 14 of Schedule B1 of the Insolvency Act applies to any Security Interests created by this Deed.

4.5 **General**

All Security Interests created by this Deed:

- 4.5.1 are created in favour of the Security Agent, as security trustee for the Secured Parties;
- 4.5.2 unless specifically stated otherwise, are created over the present and future assets of the Chargor to the extent of its rights, title and interest in, under and to such assets at any time; and

- 4.5.3 are created with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

4.6 Continuing security

The Security Interests created by this Deed are continuing security for the payment and discharge of the Secured Obligations. The provisions of this Deed will apply at all times:

- 4.6.1 regardless of the date on which any of the Secured Obligations were incurred;
- 4.6.2 notwithstanding any intermediate payment or discharge; and
- 4.6.3 in respect of the full amount of the Secured Obligations at the relevant time even if the amount of the Secured Obligations had previously been less than that amount or had been nil at any time.

4.7 Independent Security

The Security Interests created by this Deed are in addition to and is not in any way prejudiced by any other guarantee or Security Interests now or subsequently held by any Secured Party. No prior Security Interests held by any Secured Party over the whole or any part of the Charged Property will merge with the Security Interests created by this Deed.

4.8 Validity of details of Charged Property

The fact that incorrect or incomplete details of any Charged Property are included or inserted in any Schedule will not affect the validity or enforceability of the Security Interests created by this Deed.

5. CONSENTS

- 5.1 If the rights, title or interest of the Chargor in, under or to an agreement cannot be charged or assigned without the consent of any person:

- 5.1.1 as soon as practicable and in any event within 10 Business Days of the date of request by the Security Agent, the Chargor shall promptly notify the Security Agent of that fact;
- 5.1.2 this Deed will secure that agreement to the maximum extent permissible under the terms of that agreement;
- 5.1.3 where the agreement itself cannot be assigned or charged, this Deed will secure all amounts which the Chargor may receive, or has received, under that agreement but exclude the agreement itself; and
- 5.1.4 the Chargor shall as soon as practicable and in any event within 10 Business Days of the date of request by the Security Agent, apply to the relevant person for the required consent and thereafter:
 - 5.1.4.1 use all reasonable endeavours to obtain the consent of the relevant person and keep the Security Agent informed of progress of its negotiations with that person;
 - 5.1.4.2 promptly notify the Security Agent upon such consent being granted or refused; and
 - 5.1.4.3 upon receipt of the relevant consent, execute such documents and take such action as the Security Agent may require in order to charge or assign its interests under that agreement in a manner satisfactory to the Security Agent.

6. CONVERSION OF FLOATING CHARGE

6.1 Conversion by notice

The Security Agent may, by notice to the Chargor, crystallise and convert the floating charge created by the Chargor under this Deed into a fixed charge over any or all of the Chargor's Floating Charge Assets if:

- 6.1.1 an Event of Default occurs which is continuing; or
- 6.1.2 the Security Agent becomes aware of any intention or proposal to appoint a liquidator, administrative receiver, receiver, administrator or other similar officer in respect of the Chargor or any of its assets; or
- 6.1.3 the Security Agent considers (acting reasonably) that any Floating Charge Asset is in danger of being seized, or sold under any legal process, or such assets are otherwise in jeopardy.

By way of further assurance, the Chargor shall, promptly upon request following the operation of this Clause 5.1, execute a fixed charge over such assets in such form as the Security Agent shall require.

6.2 Automatic conversion

- 6.2.1 A floating charge created by the Chargor under this Deed will automatically crystallise and convert into fixed charges over the relevant Floating Charge Assets if a liquidator, administrative receiver, receiver, administrator or other similar officer is appointed in respect of the Chargor or any of its assets.
- 6.2.2 No floating charge created under this Deed will automatically crystallise and convert into a fixed charge solely by reason of a moratorium being obtained under section 1A or Schedule A1 of the Insolvency Act (or anything being done with a view to obtaining a moratorium).
- 6.2.3 By way of further assurance, the Chargor shall, promptly upon request following the operation of Clause 6.2.1, execute a fixed charge over such assets in such form as the Security Agent shall require.

7. UNDERTAKINGS

7.1 Negative pledge and restriction on dealing

- 7.1.1 The Chargor may not create or permit to subsist any Security Interests over any of its assets.
- 7.1.2 The Chargor may not:
 - 7.1.2.1 sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by another Obligor;
 - 7.1.2.2 sell, transfer or otherwise dispose of any of its receivables on recourse terms;
 - 7.1.2.3 enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
 - 7.1.2.4 enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

- 7.1.3 Prior to the occurrence of an Event of Default which is continuing, Clauses 7.1.1 and 7.1.2 shall not apply to any Security Interest or arrangement permitted under the Credit Agreement.

7.2 Notice of charge or assignment

The Chargor shall serve notice of each charge or assignment created under this Deed in respect of:

- 7.2.1 any Associated Benefits relating to the Charged Property assigned pursuant to Clause 4.3, by sending a notice in a form set out in Schedule 2 (if applicable) or any other form approved by the Security Agent; and

- 7.2.2 each of its Specified Bank Accounts charged under Clause 4.2.4 by sending a notice substantially in the form of:

7.2.2.1 Part I of Schedule 2, in the case of any account in respect of which the Security Agent has sole signing rights; and

7.2.2.2 Part II of Schedule 2, in the case of any account in respect of which the Security Agent does not have sole signing rights,

in each case promptly following request to do so being given to it by the Security Agent at any time when an Event of Default has occurred and is continuing.

7.3 Acknowledgement of notice of security

The Chargor shall use all reasonable endeavours to procure that each notice served by it under Clause 7.2 (*Notice of charge or assignment*) is acknowledged by the recipient in the form attached to such notice (where applicable) within 10 Business Days of service of the notice.

7.4 Acknowledgement of assignment and charge

By executing this Deed, the Chargor, as debtor, hereby acknowledges that each Obligor which has made a Subordinated Loan available to the Chargor, has granted an assignment and charge over its rights as creditor under each such Subordinated Loans pursuant to a Security Document.

7.5 Charged Property

The Chargor shall, promptly upon request by the Security Agent at any time (following the occurrence of an Event of Default which is continuing, in relation to Charged Property other than the Specified Shares) deposit with the Security Agent all documents of title or other evidence of ownership, together with such deeds, certificates and documents as the Security Agent may require, relating to its Charged Property.

7.6 Real Property Restriction

The Chargor shall, promptly upon request by the Security Agent at any time upon and following the occurrence of an Event of Default which is continuing ensure that a restriction in the following terms is entered on the register of the title of its Real Property at the Land Registry:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [DATE OF SECURITY AGREEMENT] in favour of [SECURITY AGENT] referred to in the charges register, or its conveyancer,"

together with, where applicable, notice of any obligation on the Secured Parties to make further advances under the terms of the Finance Documents. The Chargor shall pay, when due and payable, all fees, costs and expenses incurred in connection with such applications.

7.7 Investments

While any Event of Default is continuing, the Chargor shall:

- 7.7.1 hold any dividends or other income received in respect of the Investments on trust for the Security Agent and pay such amounts into a separate account or otherwise as the Security Agent may direct; and
- 7.7.2 exercise all voting and other rights attaching to the Investments as the Security Agent may direct.

7.8 Charged Accounts

Each Chargor shall operate each Specified Bank Account in accordance with the Credit Agreement and the terms provided in any notice required by the Security Agent to be issued on the relevant account bank and take such other action as the Security Agent may require to ensure that the account mandate for each Specified Bank Account is altered in such way as the Security Agent may direct.

7.9 Exercise of rights and obligations under the Subordinated Loans

- 7.9.1 Whilst no Event of Default exists and is continuing the Security Agent shall permit the Chargor to exercise its rights under any of the Subordinated Loans to which it is party, provided that the exercise of those rights in the manner proposed is in accordance with the terms of the this deed and would not result in an Event of Default.
- 7.9.2 Where an Event of Default exists and is continuing the Chargor shall:
 - 7.9.2.1 save with the prior written consent of the Facility Agent (acting on the instructions of the Majority Lenders), not demand or receive any payment or any distribution (in cash or in kind) as creditor from any Obligor in respect of, or on account of, any Subordinated Loan; and
 - 7.9.2.2 otherwise shall exercise its respective rights under any of the Subordinated Loans in accordance with the instructions of the Security Agent.
- 7.9.3 If the Chargor receives any payment or distribution in breach of Clause 7.9.2.1, it shall immediately pay the relevant amount (or, in the case of a non-cash distribution, transfer it) to the relevant debtor under the relevant Subordinated Loan (unless that debtor is the Borrower). Until it makes payment (or, as the case may be, completes the transfer), the Chargor shall hold the relevant amount (or non-cash distribution) on trust for the relevant debtor.
- 7.9.4 The Chargor shall at all times remain liable to perform all the obligations assumed by it under the Subordinated Loans and the Security Agent shall assume no obligation of any kind whatsoever under the Subordinated Loans, nor be under any liability whatsoever in the event of any failure by a Chargor to perform its respective obligations under the Subordinated Loans and the Chargor will at all times indemnify the Security Agent from and against any demands, claims, damages, costs or expenses arising from or in relation to the Subordinated Loans or any such failure by the Chargor.

7.10 Deposit of documents

The Chargor will promptly at the Security Agent's request, following the occurrence of an Event of Default which is continuing, deposit with the Security Agent (or as the Security Agent directs):

- 7.10.1 (if any) all deeds and documents of title relating to the Subordinated Loans and the Subordinated Loan Proceeds including any other deeds or documents necessary to assist the Security Agent to register or enforce the security created by this deed; and
- 7.10.2 all such other documents relating to the Charged Property as the Security Agent may from time to time reasonably require.

7.11 Further assurance

With the reasonable costs of the same to be for the account of the Chargor if no Event of Default is continuing but otherwise all properly incurred costs to be for the account of the Chargor:

- 7.11.1 the Chargor will upon the Security Agent's written request (acting reasonably), promptly take all such actions, including executing all such documents, notices and instructions in such form as the Security Agent may require:

- 7.11.1.1 to render effective and valid any right or power created or intended to be created or evidenced under or by this deed but which is or may be ineffective or invalid;
- 7.11.1.2 to perfect any such security or to facilitate its enforcement or realisation;
- 7.11.1.3 to protect the Security Agent's position under this deed; or
- 7.11.1.4 in connection with the exercise of any of any rights or powers by any Enforcement Party under or in relation to this deed; and
- 7.11.1.5 to confer on the Secured Parties Security Interests in or over any of its assets located in any jurisdiction other than England and Wales equivalent or similar to the Security Interests created or intended to be created by this Deed,

provided that the Chargor shall not be obliged to perfect any Security Interest over any Charged Property other than Specified Shares or Specified Bank Accounts prior to the occurrence of an Event of Default which is continuing; and

- 7.11.2 the Chargor will upon the Security Agent's written request, promptly take all such actions, including executing all such documents, notices and instructions in such form as the Security Agent may require:

- 7.11.2.1 at any time upon and following the occurrence of an Event of Default which is continuing, to create and perfect fixed charge Security Interests over any asset which is (at that time) a Floating Charge Asset;
- 7.11.2.2 to render effective and valid any Security Interests but which are or may be ineffective or invalid; and
- 7.11.2.3 to protect and maintain any such Security Interests.
- 7.11.2.4

Power to remedy

If the Chargor fails to comply with any of its obligations under this Deed, the Security Agent (or its nominee) may (at the Chargor's expense) take such action as is necessary to protect any assets against the consequences of the Chargor's non-compliance and to ensure compliance with such obligations. The Security Agent is not obliged to perform any obligation of the Chargor nor to take any action which it may be entitled to take under this Deed.

7.12 Power of attorney

- 7.12.1 As security for the performance of its obligations under this Deed, the Chargor irrevocably and severally appoints the Security Agent, each Receiver and each Delegate to be its attorney, with full power of substitution.
- 7.12.2 The attorney may, in the name of the Chargor and on its behalf and at its expense, do anything which the Chargor is obliged to do under any Finance Document to which it is a party but has failed to do or which the Security Agent, Receiver or Delegate may in their absolute discretion consider appropriate in connection with the exercise of any of their rights, powers, authorities or discretions in relation to the Charged Property under or otherwise for the purposes of any Finance Document, or any law or regulation.
- 7.12.3 The Chargor ratifies and confirms anything done by any attorney under this Clause 7.12.

8. RIGHTS OF ENFORCEMENT

8.1 Secured Obligations deemed payable

For the purposes of all rights and powers implied by statute, the Secured Obligations are deemed to be due and payable on the date of this Deed.

8.2 When Security Interests enforceable

The Security Interests created by this Deed is enforceable at any time while an Event of Default is continuing.

8.3 Enforcement powers

At any time (a) when the Security Interests created by this Deed are enforceable or (b) following a request by the Chargor, the Security Agent may, without further notice:

- 8.3.1 appropriate, realise or transfer, including to itself or to any other person, all or any part of the Charged Property;
- 8.3.2 appoint one or more persons to be a Receiver of all or any part of the Charged Property;
- 8.3.3 appoint an administrator of the Chargor;
- 8.3.4 exercise any of the powers, authorities and discretions conferred on mortgagees, administrators or receivers, under the LPA, the Insolvency Act, any other legislation or regulation or under this Deed; and
- 8.3.5 take such further action as it sees fit to enforce all or any part of the Security Interests created by this Deed.

8.4 Rights in relation to a Receiver

The Security Agent may remove any Receiver appointed under this Deed, appoint another person as Receiver or appoint additional Receivers. Each Receiver will be deemed to be

the agent of the Chargor who alone will be responsible for the acts and defaults of the Receiver and for any liabilities incurred by the Receiver. The Security Agent may fix the remuneration of a Receiver which will be payable by the Chargor and form part of the Secured Obligations.

8.5 **Redemption of prior Security Interests**

Where there are any Security Interests created over any of the Charged Property which ranks in priority to the Security Interests created by this Deed and:

- 8.5.1 the Security Interests created by this Deed become enforceable; and
- 8.5.2 the holder of such other Security Interests takes any steps to enforce those Security Interests,

the Security Agent or any Receiver may, at its sole discretion and at the cost and expense of the Chargor, redeem, take a transfer of and repay the indebtedness secured by such other Security Interests. All amounts paid by the Security Agent or a Receiver under this Clause will form part of the Secured Obligations.

8.6 **Appropriation of payments**

Any appropriation by the Security Agent or a Receiver under this Deed will override any appropriation by the Chargor.

8.7 **Financial collateral**

8.7.1 To the extent that any of the assets mortgaged, charged or assigned under this Deed constitute "financial collateral" and this Deed constitutes a "financial collateral arrangement" (in each case for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003) (the "**FC Regulations**") the Security Agent will have the right at any time when such Security Interests are enforceable to appropriate all or any part of that financial collateral in such manner as it sees fit in or towards the satisfaction of the Secured Obligations.

8.7.2 Where any financial collateral is appropriated, its value shall be:

- 8.7.2.1 in the case of cash, its face value at the time of the appropriation;
- 8.7.2.2 if the financial collateral is listed or traded on a recognised exchange, the value at which it could have been sold on that exchange at the time of appropriation; and
- 8.7.2.3 in any other case, the amount reasonably determined by the Security Agent by such process as it may select, including independent valuation,

and the Chargor agrees that the method of valuation provided for in this Clause 8.7.2 is commercially reasonable for the purposes of the FC Regulations.

8.8 **Demands**

Any demand for payment made by any Secured Party shall be valid and effective even if it contains no statement of the relevant Secured Obligations or an inaccurate or incomplete statement of them.

9. **POWERS OF A RECEIVER**

9.1 **General powers**

Any Receiver will have:

- 9.1.1 the rights, powers, privileges and immunities conferred on receivers, receivers and managers and mortgagees in possession under the LPA;
- 9.1.2 the rights, powers, privileges and immunities conferred on administrative receivers (whether or not that Receiver is an administrative receiver) under the Insolvency Act; and
- 9.1.3 all other rights, powers, privileges and immunities conferred by law or regulation on receivers, receivers and managers, mortgagees in possession and administrative receivers.

9.2 **Specific powers**

The rights, powers and remedies provided in this Deed are in addition to any rights powers and remedies under law or regulation. Any Receiver will have the following additional powers:

- 9.2.1 the power to do or omit to do anything which the Chargor could do or omit to do in relation to the Charged Property which is the subject of the appointment;
- 9.2.2 the power to do all other acts and things which the Receiver may consider desirable or necessary for realising any of the Charged Property or incidental or conducive to any of the rights, powers and discretions conferred on a Receiver under this Deed or by law or regulation; and
- 9.2.3 the power to use the Chargor's name for all the above purposes.

9.3 **Variation of statutory powers**

The following statutory provisions do not apply to this Deed or any Security Interests created by this Deed:

- 9.3.1 the restriction on the consolidation of mortgages in section 93 of the LPA;
- 9.3.2 the restrictions on the power to grant or accept the surrender of leases in sections 99 and 100 of the LPA;
- 9.3.3 the conditions to the exercise of a power of sale in section 103 of the LPA;
- 9.3.4 the restrictions on the application of proceeds by a mortgagee or receiver in sections 105, 107(2) and 109(8) of the LPA; and
- 9.3.5 the restrictions on the appointment of a receiver in section 109(1) of the LPA and the provisions regarding a receiver's remuneration in section 109(6) of the LPA.

10. **APPLICATION OF PROCEEDS**

10.1 **Order of application**

- 10.1.1 Subject to Clause 10.2 (*Suspense account*), all amounts from time to time received or recovered by the Security Agent pursuant to the terms of any Finance Document or in connection with the realisation or enforcement of all or any part of any Security Interests (for the purposes of this Clause 10, the "**Recoveries**") shall be held by the Security Agent on trust to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this Clause 10), in the following order of priority:

- 10.1.1.1 in discharging any sums owing to the Security Agent, any Receiver or any Delegate;
- 10.1.1.2 in discharging all costs and expenses incurred by any Finance Party in connection with any realisation or enforcement of the Security Interests carried out in accordance with the terms of any Finance Document;
- 10.1.1.3 in payment or distribution to the Facility Agent on its own behalf and on behalf of the other Finance Parties for application (in accordance with the terms of the Finance Documents) towards the discharge of the Secured Obligations;
- 10.1.1.4 if the Chargor is not under any further actual or contingent liability under any Finance Document, in payment or distribution to any person to whom the Security Agent is obliged to pay or distribute in priority to the Chargor; and
- 10.1.1.5 the balance, if any, in payment or distribution to the Chargor.

10.2 **Suspense account**

The Security Agent may credit any monies at any time received or realised under this Deed to an interest-bearing suspense account, for so long and on such terms as the Security Agent may determine pending their application towards discharging the Secured Obligations provided that, if at any time, there are sufficient monies in any such suspense account to discharge the Secured Obligations in full, then the Security Agent shall apply such monies in discharging the Secured Obligations.

10.3 **New accounts**

If a Secured Party receives or is deemed to have received notice of subsequent Security Interests over the Charged Property, each Secured Party may open a new account with the Chargor. If a Secured Party does not open a new account, it will be treated as having done so at the time when such notice was received and as from that time all payments made by or on behalf of the Chargor to that Secured Party will be credited or be treated as having been credited to the relevant new account and not as having been applied in discharge of the Secured Obligations.

10.4 **Release of Charged Property**

- 10.4.1 If the Security Agent is satisfied that all the Secured Obligations have, subject to Clauses 13.1 (*Reinstatement*) and 13.2 (*Avoidable payments*), been unconditionally and irrevocably paid and discharged in full and all facilities which might give rise to Secured Obligations terminated, the Security Agent will, at the request and cost of the Chargor, execute such documents and take such steps as may be necessary to release the Charged Property from the Security Interests created by this Deed.
- 10.4.2 If any Charged Property is to be released from the Security Interest pursuant to clause 19.7 (*Release of Security*) of the Credit Agreement then the Security Agent will at the request and cost of the Chargor, execute such documents and take such steps as may be necessary to release the relevant Charged Property from the Security Interests created by this Deed.

11. **PROTECTION OF THIRD PARTIES**

- 11.1 No buyer from, or other person dealing with the Security Agent or a Receiver will be concerned to enquire whether:
 - 11.1.1 any money remains due under the Finance Documents;

- 11.1.2 any power which the Security Agent or Receiver is purporting to exercise has arisen or become exercisable; or
 - 11.1.3 the Security Agent or any Receiver is validly appointed and acting within its powers in accordance with this Deed.
- 11.2 The receipt of the Security Agent, any Receiver or any Delegate will be an absolute and conclusive discharge to a purchaser of any of the Charged Property who will have no obligation to enquire how any monies are applied.
- 12. **PROTECTION OF SECURITY AGENT**
 - 12.1 **No liability as mortgagee in possession**

No Secured Party will be liable to account to the Chargor as mortgagee in possession by reason of entering into possession of any of the Charged Property, or for any cost, loss or liability on realisation, nor for any default or omission for which a mortgagee in possession might be liable.
 - 12.2 **Tacking**

The Security Interests created by this Deed is intended to secure any further advances which any Secured Party is obliged to make under the Finance Documents.
 - 12.3 **Discretion of the Secured Parties**

The Chargor has no right to control or restrict any Secured Party's exercise of any of its rights, powers or discretions under this Deed.
- 13. **SAVING PROVISIONS**
 - 13.1 **Reinstatement**

If, at any time, there has been a release, settlement or discharge of the Chargor's obligations under this Deed and, as a consequence of any insolvency (or analogous) proceedings or for any other reason:

 - 13.1.1 any payment made to any person in respect of any of the Secured Obligations is required to be repaid; and
 - 13.1.2 any Security Interests (or other right) held by any Secured Party in respect of any of the Secured Obligations (whether under this Deed or otherwise) is declared void, is set aside or is otherwise affected,

then the Chargor's obligations under this Deed will 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 (as applicable) the relevant obligation or Security Interest (or other right) had not been so affected; and accordingly (but without limiting the Secured Parties' other rights under this Deed) the Security Agent will be entitled to recover from the Chargor the value which the Security Agent has placed upon such Security Interest (or other right) or the amount of any such payment as if such release, settlement or discharge had not occurred.
 - 13.2 **Avoidable payments**

If the Security Agent considers (having taken legal advice) that any amount paid by the Chargor in respect of the Secured Obligations is capable of being avoided, set aside or ordered to be refunded or reduced for any reason, then for the purposes of this Deed such amount will not be considered to have been irrevocably paid.
 - 13.3 **Waiver of defences**

The obligations of the Chargor under this Deed and the Security Interests created under this Deed will not be affected by any act, omission, matter or thing which, but for this clause, would reduce, release or prejudice any of its obligations under this Deed or the Security Interests created under this Deed (without limitation and whether or not known to it or any Secured Party) including:

- 13.3.1 any time, waiver or consent granted to, or composition with, the Chargor, Obligor or other person;
- 13.3.2 the release of any other Chargor, Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- 13.3.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Chargor, Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- 13.3.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargor, Obligor or any other person;
- 13.3.5 any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- 13.3.6 any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- 13.3.7 any insolvency or similar proceedings.

13.4 Chargor Intent

Without prejudice to the generality of Clause 13.3 (*Waiver of defences*), the Chargor expressly confirms that it intends that the Security Interests created under this Deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: acquisitions of any nature; increasing working capital; enabling distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

13.5 Immediate recourse

The Chargor waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Chargor under this Deed. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

13.6 Appropriations

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Secured Party (or any trustee or agent on its behalf) may:

13.6.1 refrain from applying or enforcing any other moneys, security or rights held or received by that Secured Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Chargor shall be entitled to the benefit of the same; and

13.6.2 hold in an interest-bearing suspense account any moneys received from the Chargor or on account of the Chargor's liability under this Deed.

14. CHANGES TO THE PARTIES

14.1 No assignment by Chargor

The Chargor may not assign any of its rights or transfer any of its rights or obligations under this Deed.

14.2 Assignment by Security Agent

The Security Agent may assign any of its rights or transfer any of its rights or obligations under this Deed as provided by the terms of the Credit Agreement.

15. COUNTERPARTS

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

16. GOVERNING LAW

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

17. JURISDICTION

17.1 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**").

17.2 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 to this Deed may argue to the contrary.

17.3 Clause 17.1 (*Jurisdiction*) is for the benefit of the Secured Parties only. As a result, no Secured Party will be prevented from taking proceedings relating to a Dispute in any other court with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

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

SCHEDULE 1

Details of Charged Property

Part I Real Property

Registered Land

Name of Chargor	Address/description of the Real Property	Title Number
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INTENTIONALLY BLANK

Part II Specified Shares

Name of Chargor	Name of company whose shares are held	Company number of company whose shares are held	Number and class of shares
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INTENTIONALLY BLANK

Part III Specified Bank Accounts

Name of Chargor	Name or designation of bank account	Account number	Name of institution and branch at which account held
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INTENTIONALLY BLANK

SCHEDULE 0

Notices

Part I **Form of notice relating to bank account** **(Security Agent has sole signing rights)**

To: [NAME AND ADDRESS OF ACCOUNT HOLDING INSTITUTION]

Dated: [DATE]

Dear Sirs,

Notice of Security

1. We give you notice that, under a debenture dated [DATE] we have [charged/assigned by way of security] to [SECURITY AGENT] (the "**Security Agent**") all our present and future rights, title and interest in, under and to each account listed below (each an "**Account**"), including all monies (including interest) at any time standing to the credit of such accounts:

Name or designation of bank account	Account number	Name of institution and branch at which account held

2. We may not withdraw or attempt to withdraw any amounts from any Account without the prior written consent of the Security Agent.
3. With effect from the date of this notice, we irrevocably and unconditionally authorise and instruct you:
- 3.1 to hold all monies from time to time standing to the credit of each Account to the order of the Security Agent and accordingly 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;
- 3.2 to disclose to the Security Agent such information relating to us and each Account as the Security Agent may from time to time reasonably request, including granting the Security Agent access to our online account details and providing copies of all statements, in electronic or paper form; and
- 3.3 to accept any instructions from the Security Agent to change the signatories on the relevant account mandates to persons specified by the Security Agent.
4. This notice and the authorities and instructions it contains may only be revoked or amended with the prior written consent of the Security Agent.
5. This notice and any non-contractual obligations arising out of or in connection with it are governed by the law of England and Wales.
6. Please confirm your agreement to the above by signing the enclosed copy of this notice and returning it to the Security Agent (with a copy to us).

Yours faithfully,

.....
for and on behalf of

[CHARGOR]

[To be included on copy notice:]

To: [NAME, ADDRESS AND DEPARTMENT OF SECURITY AGENT]

Copy to: [NAME AND ADDRESS OF CHARGOR]

Dated: [DATE]

Dear Sirs

Acknowledgement of notice of security

We acknowledge receipt of the above notice. Terms defined in the notice apply to this acknowledgement. We confirm that we:

1. have not received notice of any other assignment of or charge over any Account and will promptly notify you if we receive any such notice in the future;
2. will comply with the terms of the notice set out above; and
3. will not claim or exercise any right of set-off, counterclaim, lien or right to combine accounts or any other similar right in relation to the monies standing to the credit of any Account.

Yours faithfully,

.....
for and on behalf of **[ACCOUNT BANK]**

Part II
Form of notice relating to bank account
(Security Agent does not have sole signing rights)

To: [NAME AND ADDRESS OF ACCOUNT HOLDING INSTITUTION]

Dated: [DATE]

Dear Sirs,

Notice of Security

1. We give you notice that, under a debenture dated [DATE] we have [charged/assigned by way of security] to [SECURITY AGENT] (the "**Security Agent**") all our present and future rights, title and interest in, under and to each account listed below (each an "**Account**"), including all monies (including interest) at any time standing to the credit of such accounts:

Name or designation of bank account	Account number	Name of institution and branch at which account held

2. We may continue to operate each Account unless and until the Security Agent notifies you in writing to the contrary. With effect from the date of such notification, we may not withdraw any further monies from any Account without the prior written consent of the Security Agent to each withdrawal.
3. We therefore irrevocably and unconditionally authorise and instruct you:
- 3.1 with effect from the date of this notice, to disclose to the Security Agent such information relating to us and each Account as the Security Agent may from time to time reasonably request, including granting the Security Agent access to our online account details and providing copies of all statements, in electronic or paper form; and
- 3.2 with effect from the date of the notification described in paragraph 2 above:
- 3.2.1 to hold all monies from time to time standing to the credit of each Account to the order of the Security Agent and accordingly 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;
- 3.2.2 to accept any instructions from the Security Agent to change the signatories on the relevant account mandates to persons specified by the Security Agent.
4. This notice and the authority and instructions it contains may only be revoked or amended with the prior written consent of the Security Agent.
5. This notice and any non-contractual obligations arising out of or in connection with it are governed by the law of England and Wales.
6. Please confirm your agreement to the above by signing the enclosed copy of this notice and returning it to the Security Agent (with a copy to us).

Yours faithfully,

.....
for and on behalf of **[CHARGOR]**

[To be included on copy notice:]

To: [NAME, ADDRESS AND DEPARTMENT OF SECURITY AGENT]

Copy to: [NAME AND ADDRESS OF CHARGOR]

Dated: [DATE]

Dear Sirs

Acknowledgement of notice of security

We acknowledge receipt of the above notice. Terms defined in the notice apply to this acknowledgement. We confirm that we:

1. have not received notice of any other assignment of or charge over any Account and will promptly notify you if we receive any such notice in the future;
2. will comply with the terms of the notice; and
3. will not claim or exercise any right of set-off, counterclaim, lien or right to combine accounts or any other similar right in relation to the monies standing to the credit of any Account.

Yours faithfully,

.....
for and on behalf of **[ACCOUNT BANK]**

EXECUTION OF SECURITY AGREEMENT

The Chargor

Executed as a deed by **ASHTENNE**)
INDUSTRIAL FUND NOMINEE NO.2)
LIMITED acting by one director in the)
presence of:

[Redacted Signature]

Director

Name:

[Redacted Name]

Witness signature:

[Redacted Signature]

Witness name:

[Redacted Name]

Witness address:

[Redacted Address]

The Security Agent

Executed as a deed by)
)
as attorney for)
THE ROYAL BANK OF SCOTLAND PLC in its)
capacity as Security Agent, in the presence of:

.....

as attorney for **THE ROYAL BANK OF
SCOTLAND PLC** in its capacity as Security
Agent

Witness signature:

Witness name:

Witness address: