



Registration of a Charge

Company name: **AMK AUTOMOTIVE COMPONENTS LIMITED**

Company number: **05835514**



X4LJBM3N

Received for Electronic Filing: **04/12/2015**

Details of Charge

Date of creation: **23/11/2015**

Charge code: **0583 5514 0013**

Persons entitled: **1. CAR PARTS INDUSTRIES UK LIMITED (COMPANY NUMBER 06586098)
2. ELSTOCK A/S, A COMPANY REGISTERED IN DENMARK AND HAVING ITS REGISTERED OFFICE AT BERGSOESVEJ 12, 8600 SILKEBORG, DENMARK
3. BORG AUTOMOTIVE A/S A COMPANY REGISTERED IN DENMARK AND HAVING ITS REGISTERED OFFICE AT BERGOESVEJ 12, 8600 SILKEBORG, DENMARK**

Brief description: **1. BY WAY OF FIRST LEGAL MORTGAGE ALL ESTATES OR INTERESTS IN ANY FREEHOLD OR LEASEHOLD PROPERTY NOW OWNED BY IT. 2. TO THE EXTENT THAT THEY ARE NOT THE SUBJECT OF A MORTGAGE UNDER 1 ABOVE, ALL ESTATES OR INTERESTS IN ANY FREEHOLD OR LEASEHOLD PROPERTY. 3. BY WAY OF FIRST FIXED CHARGE, ALL OF ITS RIGHTS IN RESPECT OF: ANY KNOW-HOW, PATENT, TRADE MARK, SERVICE MARK, DESIGN, BUSINESS NAME, TOPOGRAPHICAL OR SIMILAR RIGHT, THIS INCLUDES THE PATENTS AND TRADEMARKS (IF ANY); ANY COPYRIGHT OR OTHER INTELLECTUAL PROPERTY MONOPOLY RIGHT; OR ANY INTEREST (INCLUDING BY WAY OF LICENCE) IN ANY OF THE ABOVE, IN EACH CASE WHETHER REGISTERED OR NOT AND INCLUDING ALL APPLICATIONS FOR THE SAME.**

Contains fixed charge(s).

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

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: **MARTIN BLAKE, FARRER & CO LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 5835514

Charge code: 0583 5514 0013

The Registrar of Companies for England and Wales hereby certifies that a charge dated 23rd November 2015 and created by AMK AUTOMOTIVE COMPONENTS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 4th December 2015 .

Given at Companies House, Cardiff on 7th December 2015

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED 23RD NOVEMBER 2015

AMK AUTOMOTIVE COMPONENTS (1)
LIMITED
as Chargor

CAR PARTS INDUSTRIES UK LIMITED, (2)
ELSTOCK A/S
BORG AUTOMOTIVE A/S
as Lenders

SECURITY AGREEMENT

We hereby certify that save for material redacted Pursuant to S. 8599 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.

Farrer + Co LLP 04/12/2015

Farrer + Co LLP

FARRER&Co

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THIS DEED is made on 23RD NOVEMBER 2015.

BETWEEN

- (1) **AMK AUTOMOTIVE COMPONENTS LIMITED** a company registered in England and Wales with registered number 05835514 and having its registered office at Greengates Mill, Chickenley Lane, Dewsbury, West Yorkshire WF12 8QD (the **Chargor**); and

the following entities as lenders (together the **Lenders** and each a **Lender**):

- (2) **BORG AUTOMOTIVE A/S** a company registered in Denmark and having its registered office at Bergsøesvej 12, 8600 Silkeborg, Denmark;
- (3) **CAR PARTS INDUSTRIES UK LIMITED** a company registered in England and Wales with registered number 06586098 and having its registered office at Unit 13-16 Newman Park, Western Way, Wednesbury, West Midlands WS10 7BJ; and
- (4) **ELSTOCK A/S** a company registered in Denmark and having its registered office at Bergsøesvej 12, 8600 Silkeborg, Denmark.

WHEREAS

- (A) Each Lender has made available and agreed to make available various credit facilities available to the Chargor.
- (B) The Chargor has agreed to provide security to each Lender to secure the payment and discharge of the Secured Liabilities on the terms set out in this Deed.

IT IS AGREED as follows:

1. Interpretation

1.1 Definitions

In this Deed:

Account Bank means in relation to a Controlled Account, the bank in the United Kingdom with which the Controlled Account is maintained.

Act means the Law of Property Act 1925.

Administrator means an administrator appointed to manage the affairs, business and property of the Borrower pursuant to Clause 19.5 (*Appointment of an Administrator*).

Business Day means a day (other than a Saturday or Sunday) on which banks are open for general business in London and Copenhagen.

Controlled Account means the account held with: [REDACTED] with account number: [REDACTED] and sort code: [REDACTED] and includes:

- (a) if there is a change of Account Bank, any account into which all or part of a credit balance from a Controlled Account is transferred; and

- (b) any account which is a successor to a Controlled Account on any re-numbering or re-designation of accounts and any account into which all or part of a balance from a Controlled Account is transferred for investment or administrative purposes.

Controlled Proceeds means any proceeds or other moneys received by the Chargor from time to time which, under the terms of the Finance Documents, the Chargor must either:

- (a) apply in repayment or prepayment of the Secured Liabilities; or
- (b) pay into a Controlled Account.

Default Rate means the rate at which default interest is chargeable under any Finance Document (if any) or otherwise 5% per annum.

Equipment means, in relation to the Chargor, all its fixed and moveable plant, machinery, tools, vehicles, computers and office and other equipment and the benefit of all related authorisations, agreements and warranties.

Event of Default means any default by the Chargor in relation to the payment or performance of any of the Secured Liabilities.

Existing Security means:

- (a) the security agreement dated 11 November 2014 between the Borrower and Car Parts Industries UK Limited; and
- (b) the security agreement dated 27 September 2013 between the Borrower, Elstock A/S and Borg Automotive A/S.

Finance Document means any document which from time to time evidences, sets out the terms of or secures the Secured Liabilities.

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

Insurance Policy means any contract or policy of insurance taken out by the Chargor or on its behalf or in which it has an interest.

Investments means:

- (a) the Shares;
- (b) all other shares, stocks, debentures, bonds or other securities and investments from time to time legally and beneficially owned by the Chargor or in which the Chargor has an interest;
- (c) any dividend or interest paid or payable in relation to any of the above; and
- (d) any right, money or property accruing or offered at any time in relation to any of the above by way of redemption, substitution, exchange, bonus or preference under option rights or otherwise.

Party means a party to this Deed.

Receivables means all present and future book and other debts, and monetary claims due or owing to the Borrower, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Borrower in relation to any of them.

Receiver means a receiver or receiver and manager or administrative receiver of the whole or any part of the Security Assets.

Regulations means the Financial Collateral Arrangements (No 2) Regulations 2003 (S.I. 2003/3226) or equivalent legislation in any applicable jurisdiction bringing into effect Directive 2002/47/EC on financial collateral arrangements.

Secured Liabilities means all present and future obligations and liabilities of any nature (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) owing or incurred by the Chargor to each Lender.

Security means a mortgage, charge, pledge, lien, assignment by way of security, retention of title provision, trust or flawed asset arrangement (for the purpose of or which has the effect of granting security) or other security interest securing any obligation of any person or any other agreement or arrangement in any jurisdictions having a similar effect.

Security Assets means all assets of the Chargor which are, or are intended to be, the subject of any Security by virtue of this Deed.

Security Period means the period beginning on the date of this Deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

Shares means all shares owned by the Chargor or held by any nominee on its behalf in any of its Subsidiaries.

Stock means the stock of car parts, work in progress, finished goods and all other stocks and stores belonging to the Chargor from time to time.

Subsidiary means a subsidiary within the meaning of section 1159 of the Companies Act 2006.

Underlying Transaction means the arrangements, agreements and/or contracts from time to time entered into between the Chargor and third parties in respect of which a Receivable is owed to the Chargor.

1.2 Construction

1.2.1 Unless a contrary indication appears, any reference in this Deed to:

- (a) this **Deed** or any other Finance Document is a reference to this Deed or such Finance Document as amended, varied, novated, supplemented and replaced from time to time;
- (b) **this Security** means any Security created by this Deed;
- (c) the **Chargor**, a **Lender** or a **Receiver** includes any one or more of its assigns, transferees and successors in title (in the case of the Chargor, so far as any are permitted);

- (d) a **Lender** or a **Receiver** includes its duly appointed nominees, attorneys, correspondents, trustees, advisers, agents, delegates and sub-delegates;
- (e) a document in **agreed form** is a document which is previously agreed in writing by or on behalf of the Chargor and the Lenders or, if not agreed, is in the form specified by the Lenders;
- (f) **assets** includes present and future properties, revenues and rights of every description;
- (g) **indemnify** and **indemnifying** any person against any circumstance includes indemnifying and keeping him harmless from all claims, demands, actions and proceedings from time to time made against him and all loss or damage and all payments, costs, expenses, fines and charges made or incurred by that person as a consequence of or which would not have arisen but for that circumstance;
- (h) **notice** includes any notice, demand, consent or other communication;
- (i) a **person** includes any individual, firm, company, corporation, body corporate, unincorporated organisation, consortium, government, state or agency or department of a state or any association, trust or partnership (whether or not having separate legal personality) executors, administrators or successors in title of any of the foregoing or two or more of the foregoing;
- (j) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (k) **writing** or **written** includes faxes and e-mail;
- (l) a provision of law is a reference to that provision as amended or re-enacted;
- (m) Section, Clause and Schedule headings are for ease of reference only;
- (n) clauses and schedules is to clauses and schedules of this Deed and references to sub-clauses and paragraphs are references to sub-clauses and paragraphs of the clause or schedule in which they appear and any schedule to this Deed shall have the same force and effect as if set out in the body of this Deed;
- (o) a time of day is reference to London time;
- (p) words in the singular include the plural and vice versa and words in one gender include any other gender;
- (q) general words shall not be given a restrictive meaning;

- (i) if they are introduced by the word **other** or **including** or similar words;
- (ii) by reason of the fact that they are preceded by words indicating a particular class of act, matter or thing; or
- (iii) by reason of the fact that they are followed by particular examples intended to be embraced by those general words;
- (r) a term used in any Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Deed; and
- (s) an Event of Default is **continuing** if it has not been remedied or waived.

1.2.2 The terms of the Finance Documents and of any side letters between any Parties in relation to any Finance Document are incorporated in this Deed to the extent required to ensure that any purported disposition of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.2.3 If a Lender considers that an amount paid to that Lender under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.

1.2.4 Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of sale of that Security Asset.

1.3 Third Party Rights

1.3.1 Unless expressly provided to the contrary in this Deed, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.

1.3.2 Notwithstanding any term of this Deed, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.

1.4 Effect as a Deed

It is intended that this document takes effect as a deed notwithstanding the fact that a Party to it may only execute it under hand.

2. Creation of Security

2.1 General

2.1.1 All the security created under this Deed:

- (a) is created in favour of each Lender;
- (b) is created over present and future assets of the Chargor;

- (c) is security for the payment of all the Secured Liabilities; and
- (d) is made with full title guarantee (except that the covenant set out in section 3(1) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to all charges, encumbrances and rights, even if the Chargor does not know and could not reasonably be expected to know about them).

2.2 Trust

2.2.1 Subject to Clause 2.2.2, if or to the extent that for any reason the assignment or charging of any Security Asset is prohibited, the Chargor shall hold it on trust for each Lender.

2.2.2 If the reason referred to in Clause 2.2.1 is that:

- (a) a consent or waiver must be obtained; or
- (b) a condition must be satisfied,

then:

- (i) subject to Clause 2.2.3, the Chargor shall apply for the consent or waiver; and
- (ii) the Chargor shall use all reasonable endeavours to satisfy the condition,

in each case within 14 days of the date of this Deed or, if the Security Asset is acquired after the date of this Deed, within 14 days of the date of acquisition.

2.2.3 Where the consent or waiver is not to be unreasonably withheld, the Chargor shall:

- (a) use all reasonable endeavours to obtain it as soon as possible; and
- (b) keep each Lender informed of the progress of the negotiations to obtain it.

2.2.4 On the waiver or consent being obtained, or the condition being satisfied, the Security Asset shall be mortgaged, charged or assigned (as appropriate) under this Clause 2 and, in relation to such Security Asset, the trust referred to in Clause 2.2.1 shall terminate.

2.3 Land

2.3.1 The Chargor charges:

- (a) by way of a first legal mortgage all estates or interests in any freehold or leasehold property now owned by it; and
- (b) to the extent that they are not the subject of a mortgage under Clause 2.3.1(a)) by way of first fixed charge all estates or interests in any freehold or leasehold property.

2.3.2 A reference in this Clause 2.3 to a mortgage or charge of any freehold or leasehold property includes:

- (a) all buildings, fixtures, fittings and fixed plant and machinery on that property; and
- (b) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

2.4 Shares and Investments

The Chargor charges:

2.4.1 by way of a first legal mortgage all the Shares; and

2.4.2 (to the extent that they are not the subject of a mortgage under Clause 2.4.1) by way of a first fixed charge all Investments.

2.5 Equipment

The Chargor charges by way of a first fixed charge any Equipment owned by it and its interest in any Equipment in its possession to the extent that it is not charged by way of legal mortgage under Clause 2.3.

2.6 Stock

The Chargor charges by way of a first fixed charge any Stock owned by it and its interest in any Stock in its possession.

2.7 Controlled Credit Balances

The Chargor assigns absolutely all amounts standing to the credit of each Controlled Account and all its right, title and interest in and relating to each such Controlled Account.

2.8 Receivables

The Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights in relation to the Receivables.

2.9 Insurances

The Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights in respect of any Insurance Policy.

2.10 Other Contracts

The Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights in respect of:

- 2.10.1 any agreement to which it is a party except to the extent that it is subject to any fixed security created under any other term of this Deed;
- 2.10.2 any letter of credit issued in its favour; and

2.10.3 any bill of exchange or other negotiable instrument held by it.

2.11 Intellectual Property

The Chargor charges by way of a first fixed charge, all of its rights in respect of:

2.11.1 any know-how, patent, trade mark, service mark, design, business name, topographical or similar right, this includes the patents and trademarks (if any);

2.11.2 any copyright or other intellectual property monopoly right; or

2.11.3 any interest (including by way of licence) in any of the above,

in each case whether registered or not and including all applications for the same.

2.12 Miscellaneous

The Chargor charges by way of first fixed charge:

2.12.1 any beneficial interest, claim or entitlement it has in any pension fund;

2.12.2 its goodwill; and

2.12.3 its uncalled capital.

2.13 Floating Charge

2.13.1 The Chargor charges by way of a first floating charge all its present and future business, undertaking and assets not at any time otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, charge or assignment under this Clause 2.

2.13.2 The floating charge created by this Clause 2.13 is a **qualifying floating charge** for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

3. Conversion of Floating Charge

3.1 Conversion on Notice

Except as provided below, a Lender may by notice to the Chargor convert the floating charge created by the Chargor under Clause 2.13 into a fixed charge as regards any of the Chargor's assets specified in that notice, if:

3.1.1 an Event of Default is outstanding; or

3.1.2 a Lender considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

3.2 Limitation

The floating charge created by Clause 2.13 may not be converted into a fixed charge solely by reason of:

- 3.2.1 the obtaining of a moratorium; or
 - 3.2.2 anything done with a view to obtaining a moratorium,
- in accordance with schedule A1 of the Insolvency Act 1986.

3.3 Automatic Conversion

The floating charge created by the Chargor under Clause 2.13 will automatically convert into fixed charges:

- 3.3.1 if a Lender receives notice of an intention to appoint an administrator of the Chargor;
- 3.3.2 if any steps are taken (including the presentation of a petition, the passing of a resolution or the making of an application) to appoint a liquidator, provisional liquidator, administrator or Receiver in respect of the Chargor over all or any part of its assets, or if such person is appointed;
- 3.3.3 if the Chargor creates or attempts to create Security over all or any of the Security Assets;
- 3.3.4 on the crystallisation of any floating charge over the Security Assets;
- 3.3.5 if any person seizes, attaches, charges, takes possession of or sells any Security Asset under any form of distress, sequestration, execution or other process or attempts to do so; and
- 3.3.6 in any other circumstances prescribed by law.

4. Representations and Warranties - General

The Chargor makes the representations and warranties set out in this Clause 4 to each Lender.

4.1 Status

It is a limited liability company, duly incorporated and validly existing under the laws of the jurisdiction of its incorporation.

4.2 Legal Validity

The obligations expressed to be assumed by the Chargor in this Deed are legal, valid, binding and enforceable obligations.

4.3 Nature of Security

This Deed creates the Security it purports to create and is not liable to be avoided or otherwise set aside on its liquidation or administration or otherwise.

4.4 Immunity

It is not entitled to claim immunity from suit, execution, attachment or other legal process in any proceedings taken in its jurisdiction of incorporation in relation to this Deed.

4.5 Times for Making Representations and Warranties

- 4.5.1 The representations and warranties set out in this Deed (including in this Clause) are made on the date of this Deed.
- 4.5.2 Unless a representation and warranty is expressed to be given at a specific date, each representation and warranty under this Deed is deemed to be repeated by the Chargor on each date during the Security Period.
- 4.5.3 When a representation and warranty is repeated, it is applied to the circumstances existing at the time of repetition.

5. Restrictions on Dealings

The Chargor may not:

- 5.1.1 create or permit to subsist any Security on any Security Asset; or
- 5.1.2 sell, transfer, licence, lease or otherwise dispose of any Security Asset, except as expressly allowed under any Finance Document or any Existing Security.

6. Controlled Credit Balances

6.1 Account Bank

Each Controlled Account must be maintained at a branch of the Account Bank approved by the Lenders.

6.2 Representations

The Chargor represents to each Lender that:

- 6.2.1 it is the sole legal and beneficial owner of the credit balance from time to time in each Controlled Account which it maintains; and
- 6.2.2 those credit balances are free of any Security (except for those created by or under this Deed) and any other rights or interests in favour of third parties.

6.3 Withdrawals

Except with the prior consent of the Lenders, the Chargor may not withdraw any moneys (including interest) standing to the credit of any Controlled Account.

6.4 Notices of Charge

The Chargor must following the execution of this Deed:

- 6.4.1 immediately serve a notice of charge, substantially in the form of Part 1 of Schedule 1 (*Forms of Letter for Account Bank*) on each Account Bank; and
- 6.4.2 procure that the Account Bank acknowledges the notice, substantially in the form of Part 2 of Schedule 1 (*Forms of Letter for Account Bank*).

- 6.5 The Chargor must take whatever action the Account Bank may require in order to acknowledge the notice referred to above, including completing and returning any new mandate forms and providing all other documentation and assistance required by the Lenders or the Account Bank.
- 6.6 In the event that the Account Bank does not return the notice referred to above within a time period to be stipulated by the Lenders, the Chargor shall take whatever action a Lender deems necessary or desirable in order to give control of the Controlled Account to the Lenders.

7. Receivables

7.1 Representations

The Chargor represents to each Lender that:

- 7.1.1 the Receivables are and shall be in the sole and beneficial ownership of the Chargor, free from any other Security, encumbrances, claims and other rights except pursuant to this Deed and the Existing Security;
- 7.1.2 there is no prohibition on assignment or the creation of any Security over any Receivable; and
- 7.1.3 other than pursuant to this Deed, no other party has any other right in respect of the Receivables.

7.2 Undertakings

The Chargor undertakes:

- 7.2.1 to get in and realise the Receivables in the ordinary course of its business and promptly pay into the Controlled Account all proceeds of the getting in and realisation and all monies which it may receive in respect of the Receivables forthwith on receipt (except to the extent that the Lenders may agree otherwise in writing) and, pending such payment, to hold such proceeds and monies on trust for the Lenders;
- 7.2.2 not to assign, charge, factor, encumber, transfer or otherwise dispose of or deal with any part of the Receivables or any interest therein or waive or amend any of its rights therein (otherwise than by demanding, collecting and receiving the same) except as directed by or with the consent of the Lenders in writing; and
- 7.2.3 to perform its obligations under the Underlying Transactions in a prompt and diligent manner, to take all necessary steps which are reasonable and prudent to procure the due performance by the other parties to the Underlying Transactions of their respective obligations under the Underlying Transactions, to notify the Lenders of any default by the Chargor and/or any other party under the Underlying Transactions and to institute and maintain all such proceedings as may be necessary or expedient to enforce the Underlying Transactions or preserve or protect the interests of the Chargor under the Underlying Transactions.

7.3 Notice of charge

If requested by a Lender, the Chargor shall serve a notice of charge (in form and substance satisfactory to the Lenders) to each counterparty to an Underlying Transaction notifying them of the security over the relevant Receivable comprised by this Deed.

8. Intellectual Property

8.1 General

In this Clause **Intellectual Property Rights** means:

- 8.1.1 any know-how, patent, trade mark, service mark, design, business name, topographical or similar right;
- 8.1.2 any copyright or other intellectual property monopoly right;
- 8.1.3 any interest (including by way of licence) in any of the above; or
- 8.1.4 any application for any of the above,

in each case, whether registered or not.

8.2 Representations

The Chargor represents to each Lender that:

- 8.2.1 the Intellectual Property Rights owned by it are all of the Intellectual Property Rights required by it in order for it to carry on its business as it is now being conducted;
- 8.2.2 it is the sole legal and beneficial owner of those Intellectual Property Rights;
- 8.2.3 those Intellectual Property Rights are free of any Security (except for that created by or under this Deed) and any other rights or interests (including any licences) in favour of third parties;
- 8.2.4 it does not, in carrying on its business, infringe any Intellectual Property Rights of any third party; and
- 8.2.5 to its knowledge, no Intellectual Property Right owned by it is being infringed, nor is there any threatened infringement of any such Intellectual Property Right.

8.3 Preservation

8.3.1 The Chargor must:

- (a) make such registrations and pay such fees, registration taxes and similar amounts as are necessary to keep its Intellectual Property Rights in force;
- (b) take all other steps which are reasonably practicable to maintain and preserve its interests in its Intellectual Property Rights;

- (c) if requested to do so by a Lender make entries in any public register of its Intellectual Property Rights which either record the existence of this Deed or the restrictions on disposal imposed by this Deed; and
- (d) take such steps as are necessary (including the institution of legal proceedings) to prevent third parties infringing those Intellectual Property Rights.

8.3.2 The Chargor must ensure that, except with the prior consent of the Lenders, none of its Intellectual Property Rights which are registered are abandoned or cancelled, lapse or are liable to any claim of abandonment for non-use or otherwise.

9. When Security Becomes Enforceable

9.1 Event of Default

This Security will become immediately enforceable:

- 9.1.1 on the occurrence of an Event of Default; or
- 9.1.2 if the Chargor so requests.

9.2 Discretion

After this Security has become enforceable, a Lender may in its absolute discretion enforce all or any part of this Security in any manner it sees fit.

9.3 Power of Sale

The power of sale and other powers conferred by Section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

10. Enforcement of Security

10.1 General

- 10.1.1 For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- 10.1.2 Section 103 of the Act (restricting the power of sale) and Section 93 of the Act (restricting the right of consolidation) do not apply to this Security.
- 10.1.3 The statutory powers of leasing conferred on each Lender are extended so as to authorise a Lender to lease, make agreements for leases, accept surrenders of leases and grant options as that Lender may think fit and without the need to comply with any provision of section 99 or 100 of the Act.
- 10.1.4 To the extent that any Security Asset constitutes Financial Collateral, a Lender may at any time after this Security has become enforceable, appropriate all or any of that Security Asset and transfer the title in it to itself, insofar as not already transferred, subject to paragraphs (1) and (2) of Regulation 18 of the Regulations.

10.1.5 The value of any Security Asset appropriated in accordance with Clause 10.1.4 shall be the price of that Security Asset at the time the right of appropriation is exercised as listed on any recognised market index or determined by such other method as a Lender may select (including independent valuation).

10.1.6 The Chargor agrees that the methods of valuation provided for in Clause 10.1.5 are commercially reasonable for the purposes of the Regulations.

10.2 No Liability as Mortgagee in Possession

Neither a Lender nor any Receiver will be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

10.3 Privileges

Each Receiver and each Lender is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that Section 103 of the Act does not apply.

10.4 Protection of Third Parties

No person (including a purchaser) dealing with a Lender or a Receiver or its or his agents will be concerned to enquire:

10.4.1 whether the Secured Liabilities have become payable;

10.4.2 whether any power which a Lender or a Receiver is purporting to exercise has become exercisable or is being properly exercised;

10.4.3 whether any money remains due under the Finance Documents; or

10.4.4 how any money paid to a Lender or a Receiver is to be applied.

10.5 Redemption of Prior Mortgages

10.5.1 At any time after this Security has become enforceable, a Lender may:

(a) redeem any prior Security against any Security Asset;

(b) procure the transfer of that Security to itself; and/or

(c) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the Chargor.

10.5.2 The Chargor must pay to a Lender, immediately on demand, the costs and expenses incurred by that Lender in connection with any such redemption and/or transfer, including the payment of any principal or interest.

10.6 Contingencies

- 10.6.1 If this Security is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, the Lenders (or the Receiver) may pay the proceeds of any recoveries effected by it into a suspense account.
- 10.6.2 The suspense account referred to in Clause 10.6.1 shall bear interest, if any, at the rate agreed in writing between the Chargor and a Lender and the proceeds may be held in such an account for so long as that Lender or Receiver thinks fit.

11. Receiver

11.1 Appointment of Receiver

- 11.1.1 Except as provided in Clause 11.1.4, a Lender may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:
- (a) this Security has become enforceable; or
 - (b) the Chargor so requests the Lenders in writing at any time.
- 11.1.2 Any appointment under Clause 11.1.1 may be by deed, under seal or in writing under its hand.
- 11.1.3 Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the Act) does not apply to this Deed.
- 11.1.4 The Lenders are not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) in accordance with schedule A1 of the Insolvency Act 1986.

11.2 Removal

A Lender may by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

11.3 Remuneration

A Lender may fix the remuneration of any Receiver appointed by it and the maximum rate specified in Section 109(6) of the Act will not apply.

11.4 Agent of the Chargor

- 11.4.1 A Receiver will be deemed to be the agent of the Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. The Chargor is responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for liabilities incurred by a Receiver.

- 11.4.2 A Lender will not incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

11.5 Relationship with the Lenders

To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by a Lender in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

12. Powers of Receiver

12.1 General

- 12.1.1 A Receiver has all of the rights, powers and discretions set out below in this Clause in addition to those conferred on it by any law, this includes all the rights, powers and discretions:

- (a) in the case of an administrative receiver, conferred on an administrative receiver under the Insolvency Act 1986;
- (b) of the Lenders under this Deed;
- (c) which are specified in Schedule 1 of the Insolvency Act 1986 in relation to, and to the extent applicable to, the Security Assets or any of them (whether or not the Receiver is an administrative receiver within the meaning of the Insolvency Act 1986) together with the additional powers set out in Schedule 2 (*Additional Powers of Receiver*); and
- (d) in relation to any Security Asset, which he would have if he were its only and absolute beneficial owner.

- 12.1.2 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

12.2 Other Powers

A Receiver may:

- 12.2.1 do all other acts and things which he may consider desirable or necessary for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;
- 12.2.2 exercise in relation to any Security Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Security Asset; and
- 12.2.3 use the name of the Chargor for exercising any of the powers or carrying out any of the purposes referred to in this Clause 12.

13. Application of Proceeds

13.1 Any moneys received by a Lender or any Receiver after this Security has become enforceable must be applied in the following order:

13.1.1 **first**, in or towards payment of or provision for all costs and expenses incurred by a Lender or any Receiver under or in connection with this Deed and of all remuneration due to any Receiver under or in connection with this Deed;

13.1.2 **second**, in or towards the discharge of liabilities having priority to the Secured Liabilities;

13.1.3 **third**, in or towards payment of or provision for the Secured Liabilities; and

13.1.4 **fourth**, in payment of the surplus (if any) to the Chargor or other person entitled to it.

13.2 This Clause is subject to the payment of any claims having priority over this Security. This Clause does not prejudice the right of the a Lender to recover any shortfall from the Chargor.

13.3 Neither a Lender nor any Receiver shall be bound (whether by virtue of section 109(8) of the Law of Property Act 1925 or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

14. Costs and Indemnity

14.1 The Chargor shall within three Business Days of demand, pay each Lender or any Receiver the amount of any costs and expenses (including legal fees) reasonably incurred by that Lender or any Receiver in connection with the enforcement of or the preservation of any rights under this Deed or the investigation of any possible Event of Default.

14.2 The Chargor shall indemnify each Lender and any Receiver and their respective officers and employees against all actions, proceedings, demands, claims, costs, expenses and other liabilities incurred by them in respect of all or any of the following:

14.2.1 any act or omission by any of them in relation to all or any of the Security Assets;

14.2.2 any payment relating to or in respect of all or any of the Security Assets which becomes payable at any time by any of them;

14.2.3 any stamp, registration or similar Tax or duty which becomes payable in connection with the entry into, or performance or enforcement of this Deed;

14.2.4 carrying out or purporting to carry out any of the rights, powers, discretions conferred on them by or permitted under this Deed;

14.2.5 any breach by the Chargor of any of its covenants or other obligations to the Lenders or any default or delay by the Chargor in performing any of its obligations under this Deed,

except in the case of gross negligence or wilful misconduct on the part of that person.

15. Delegation

15.1 Power of Attorney

A Lender or any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed.

15.2 Terms

Any such delegation may be made upon any terms (including power to sub-delegate) which a Lender or any Receiver may think fit.

15.3 Liability

Neither a Lender nor any Receiver will be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.

16. Further Assurances

16.1 The Chargor must, at its own expense, take whatever action a Lender or a Receiver may require for:

16.1.1 creating, perfecting or protecting any security intended to be created by this Deed; or

16.1.2 facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Lender or any Receiver or any of its delegates or sub-delegates in respect of any Security Asset.

16.2 This includes:

16.2.1 the execution of any transfer, conveyance, assignment or assurance of any property, whether to the Lenders or to their nominee; or

16.2.2 the giving of any notice, order or direction and the making of any registration,

which in any such case, a Lender may think expedient.

17. Power of Attorney

The Chargor, by way of security, irrevocably and severally appoints each Lender, each Receiver and any of its delegates or sub-delegates to be its attorney to take any action which the Chargor is obliged to take under this Deed. The Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause.

18. Changes to the Parties

- 18.1 At any time, without the consent of the Chargor, each Lender may assign or transfer any or all of its rights and obligations under this Deed.
- 18.2 Each Lender may disclose to any actual or proposed assignee or transferee any information that relates to the Chargor, the Security Assets and this Deed that such Lender considers appropriate.
- 18.3 The Chargor may not assign or transfer any of its rights or obligations under this Deed.
- 18.4 The Chargor shall, immediately upon request by a Lender and at the cost of the Chargor, enter into such documents as may be necessary or desirable to effect any assignment or transfer referred to in Clause 18.1.

19. Miscellaneous

19.1 Covenant to Pay

The Chargor must pay or discharge the Secured Liabilities in the manner provided for in the Finance Documents.

19.2 Continuing Security

This Security is a continuing security and shall remain in full force and effect during the Security Period and shall not be discharged by any intermediate discharge or payment on account of the Secured Liabilities or any settlement of account.

19.3 Tacking

For the purposes of section 94(1) of the Act and section 49(3) of the Land Registration Act 2002 the Lenders confirm that they shall each make any further advances to the Borrower on the terms and subject to the conditions of the Finance Documents.

19.4 New Accounts

- 19.4.1 If any subsequent charge or other interest affects any Security Asset, the Lenders may open a new account with the Chargor.
- 19.4.2 If the Lenders do not open a new account, they will nevertheless be treated as if they had done so at the time when it received or was deemed to have received notice of that charge or other account.
- 19.4.3 As from that time all payments made to a Lender will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability.

19.5 Appointment of an Administrator

- 19.5.1 A Lender may, without notice to the Borrower, appoint any one or more persons to be an Administrator of the Borrower pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the Security constituted by this Deed becomes enforceable.

19.5.2 Any appointment under this Clause 19.5 shall:

- (a) be in writing signed by a duly authorised signatory of the relevant Lender; and
- (b) take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.

19.5.3 A Lender may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this Clause 19.5 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

19.6 Discharge of Security

Upon the irrevocable and unconditional payment and discharge in full of the Secured Liabilities, the Lenders shall, unless any third party has any subrogation or other rights in respect of the Security created by this Deed at that time, or shall procure that its appointees will, at the request and cost of the Chargor:

19.6.1 release the Security Assets from this Deed; and

19.6.2 re-assign to the Chargor those Security Assets that have been assigned to the Lenders pursuant to this Deed.

20. Governing Law and Enforcement

20.1 Governing Law

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

20.2 Jurisdiction

20.2.1 The English courts have exclusive jurisdiction to settle any dispute including a dispute relating to non-contractual obligations arising out of or in connection with this Deed.

20.2.2 The English courts are the most appropriate and convenient courts to settle any such dispute in connection with this Deed. The Chargor agrees not to argue to the contrary and waives objection to those courts on the grounds of inconvenient forum or otherwise in relation to proceedings in connection with this Deed.

20.2.3 This Clause 20.2 is for the benefit of the Lenders only. To the extent allowed by law the Lenders may take:

- (a) proceedings in any other court; and
- (b) concurrent proceedings in any number of jurisdictions.

20.2.4 References in this Clause 20.2 to a dispute include any dispute as to the existence, validity or termination of this Deed.

This document is executed as a deed and is delivered by the parties or their duly authorised representatives on the date written at the beginning of it.

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Schedule 1
Forms of Letter for Account Bank

Part 1
Notice to Account Bank

To: [REDACTED] as Account Bank

Copy: Borg Automotive A/S
Car Parts Industries UK Limited
Elstock A/S

[REDACTED] 2015

Dear Sirs,

Security Agreement dated [REDACTED] 2015 between AMK Automotive Components Limited as the Chargor and Borg Automotive A/S, Car Parts Industries UK Limited and Elstock A/S as the Lenders (Security Agreement)

This letter constitutes notice to you that under the Security Agreement we (**Chargor**) have charged (by way of a first fixed charge) in favour of Borg Automotive A/S, Car Parts Industries UK Limited and Elstock A/S as the Lenders (**Lenders**) all our rights in respect of any amount standing to the credit of the account maintained by us with you (Account Number [REDACTED] Sort Code [REDACTED]) (**Controlled Account**) and the debt represented by it.

We irrevocably instruct and authorise you to:

- (a) disclose to the Lenders any information relating to the Controlled Account requested from you by a Lender;
- (b) comply with the terms of any written notice or instruction relating to the Controlled Account received by you from a Lender;
- (c) hold all sums standing to the credit of the Controlled Account to the order of the Lenders; and
- (d) pay or release any sum standing to the credit of the Controlled Account in accordance with the written instructions of a Lender.


We are not permitted to withdraw any amount from the Controlled Account without the prior written consent of the Lenders. We acknowledge that you may comply with the instructions in this letter without any further permission from us or enquiry by you. The instructions in this letter may not be revoked or amended without the prior written consent of the Lenders.

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

Please confirm your agreement to the above by sending the attached acknowledgement to the Lenders at Bergsøesvej 12, 8600 Silkeborg, Denmark for the attention of Kim Kruse Andersen with a copy to us.

Yours faithfully,

Director

 Simon M. Sallaway

AMK Automotive Components Limited

Part 2
Acknowledgement of Account Bank

To: Borg Automotive A/S
Car Parts Industries UK Limited
Elstock A/S

Copy: AMK Automotive Components Limited

_____, 2015

Dear Sirs,

Security Agreement dated _____ 2015 between AMK Automotive Components Limited as the Chargor and Borg Automotive A/S, Car Parts Industries UK Limited and Elstock A/S as the Lenders (Security Agreement)

We confirm receipt from AMK Automotive Components Limited (**Chargor**) of a notice dated _____ 2015 of a charge upon the terms of the Security Agreement over all the rights of the Chargor to any amount standing to the credit of its account with us (Account Number _____ Sort Code _____) (**Controlled Account**) and the debt represented by it.

We confirm that we:

- (a) accept the instructions contained in the notice and agree to comply with the notice;
- (b) have not received notice of the interest of any third party in the Controlled Account;
- (c) have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of the Controlled Account; and
- (d) will not permit any amount to be withdrawn from the Controlled Account without your prior written consent.

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

Yours faithfully,

(Authorised Signatory)

_____ as Account Bank

Schedule 2
Additional Powers of Receiver

In addition to the powers conferred by the Act on receivers and those conferred by Clause 12, each Receiver shall have the powers to take any of the actions set out in this Schedule.

1. Possession

To take immediate possession of, get in and collect any Security Asset.

2. Carry on Business

- 2.1 To carry on any business of the Chargor in any manner he thinks fit.
- 2.2 To manage the Security Assets.
- 2.3 To give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Security Asset.
- 2.4 To delegate his powers in accordance with this Deed.

3. Employees

- 3.1 To appoint and discharge managers, officers, agents, accountants, solicitors, architects, surveyors, insurance brokers, estate agents, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he thinks fit.
- 3.2 To discharge any person appointed by the Chargor.

4. Borrow and Lend Money

- 4.1 To raise and borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which he thinks fit.
- 4.2 To lend money or advance credit to any customer of the Chargor.

5. Sale of Assets

- 5.1 To sell, exchange, surrender, renounce, deal with, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which he thinks fit.
- 5.2 The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he thinks fit.
- 5.3 Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the Chargor.

6. Property

- 6.1 To grant without restriction any lease or tenancy for any term and at any rent (with or without a premium) which he thinks fit and may accept a surrender of any lease

or tenancy on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender).

- 6.2 To exercise, observe and perform for and on behalf of the Chargor any or all of the powers, obligations or duties conferred or imposed on any owner or occupier of property (whether as a landlord or a tenant) at common law or by statute.
- 6.3 To acquire, renew, extend, grant, vary or otherwise deal with such easements, servitudes, rights, privileges and licences as it or the Chargor may consider expedient.

7. Legal Actions and Compromise

- 7.1 To bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which he thinks fit.
- 7.2 To settle, adjust, refer to arbitration, compromise or arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of the Chargor or relating in any way to any Security Asset.

8. Subsidiaries

- 8.1 To form a Subsidiary of the Chargor and transfer to that Subsidiary any Security Asset.
- 8.2 To promote, incorporate, manage, wind up either alone or with others any company either for the purposes of:
 - (a) taking a conveyance, transfer, assignment assignation or lease of or other interest in any Security Asset;
 - (b) undertaking works on and/or providing services to the occupiers of any Security Asset,

in each case where it is desirable or convenient to do so and/or in connection with all or any of the powers contained in this Deed as a Lender or a Receiver may consider expedient.

9. Protection of Assets

- 9.1 To effect any repair or insurance and do any other act which the Chargor might do in the ordinary conduct of its business to protect or improve any Security Asset.
- 9.2 To construct or complete any building and any roads, access ways and services and generally to develop the Mortgaged Property in such manner as a Lender or the Receiver may consider expedient.
- 9.3 To carry out any work involving furnishing or fitting out or the installation or provision of any plant, machinery, equipment or service.
- 9.4 To apply for and maintain any planning permission, building regulation approval or any other authorisation.
- 9.5 To initiate, oppose, negotiate, participate in, compromise or conclude any review or revision of rent payable in respect of any lease or tenancy.

SIGNATORIES

The Chargor

EXECUTED as a DEED by
AMK AUTOMOTIVE COMPONENTS LIMITED
acting by a Director in the presence of a witness:

Witness name:

JOHN SUTTON

Witness signature:




Witness Address:

21 FAIRFIELD COURT
ALWOODLEY
LEEDS
LS17 8UA

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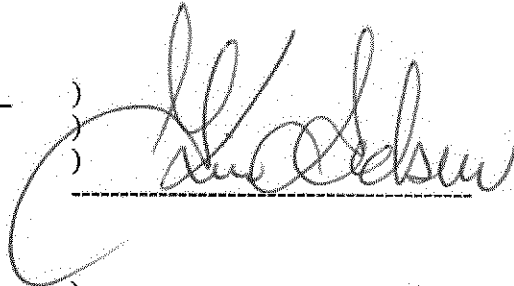
Director


Simon M. Sillaway

The Lenders

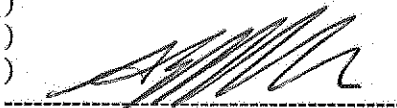
EXECUTED by Kim ANDERSEN
for and on behalf of
BORG AUTOMOTIVE A/S

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)



EXECUTED by ALAN GRIFFITHS
for and on behalf of
CAR PARTS INDUSTRIES UK LIMITED

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EXECUTED by Kim ANDERSEN
for and on behalf of
ELSTOCK A/S

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