

020768/65

In accordance with
Sections 859A and
859J of the Companies
Act 2006

MR01

Particulars of a charge



Companies House

A fee is payable with this form
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online
Please go to www.companieshouse.gov.uk

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☒ **What this form is NOT for**
You may not use this form to
register a charge where there is no
instrument Use form MR08

For further information, please
refer to our guidance at
www.companieshouse.gov.uk

This form must be delivered to the Registrar for registration within
21 days beginning with the day after the date of creation of the charge
delivered outside of the 21 days it will be rejected unless it is accompanied
by a court order extending the time for delivery



You must enclose a certified copy of the instrument with this form. This
must be scanned and placed on the public record

WEDNESDAY



A39CWE80

A26

04/06/2014

#9

COMPANIES HOUSE

1 Company details

Company number 0 5 9 7 4 9 0 9

Company name in full MATALAN GROUP LIMITED

for official use

→ Filling in this form
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 0 2 0 6 2 0 1 4

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name LLOYDS BANK PLC

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

MR01

Particulars of a charge

4	Description	<p>Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security</p>	<p>Continuation page Please use a continuation page if you need to enter more details</p>
Description	<p>INTELLECTUAL PROPERTY - THE SECURITY DOCUMENT INCLUDES FIXED CHARGE OVER THE INTELLECTUAL PROPERTY, SPECIFICALLY, THE REGISTERED TRADEMARK 'MATALAN', WITH REGISTERED NUMBER 1413902 AND DATED 9 FEBRUARY 1990 PLEASE SEE SCHEDULE 5 OF THE ATTACHED SECURITY DOCUMENT FOR FURTHER INFORMATION IN RELATION TO THAT TRADEMARK AND OTHER REGISTERED INTELLECTUAL PROPERTY</p> <p>REAL ESTATE, SHIP AND AIRCRAFT - NONE AT THE DATE OF CREATION OF THE ATTACHED SECURITY DOCUMENT</p>		
5	Fixed charge or fixed security	<p>Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	
6	Floating charge	<p>Is the instrument expressed to contain a floating charge? Please tick the appropriate box</p> <p><input checked="" type="checkbox"/> Yes Continue</p> <p><input type="checkbox"/> No Go to Section 7</p> <p>Is the floating charge expressed to cover all the property and undertaking of the company?</p> <p><input checked="" type="checkbox"/> Yes</p>	
7	Negative Pledge	<p>Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	

MR01

Particulars of a charge

8

Trustee statement ^①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

^① This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here

Signature

Signature

X

Jonathan Perkins

X

This form must be signed by a person with an interest in the charge

MR01

Particulars of a charge

**Presenter information**

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name **JULIA MURAVSKA**

Company name **LATHAM & WATKINS**

Address **99 BISHOPSGATE**

Post town

County/Region **LONDON**

Postcode **E C 2 M 3 X F**

Country **ENGLAND**

DX

Telephone **+442077105842**

**Certificate**

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.

**Checklist**

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☒ The company name and number match the information held on the public Register
- ☒ You have included a certified copy of the instrument with this form
- ☒ You have entered the date on which the charge was created
- ☒ You have shown the names of persons entitled to the charge
- ☒ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☒ You have given a description in Section 4, if appropriate
- ☒ You have signed the form
- ☒ You have enclosed the correct fee
- ☒ Please do not send the original instrument, it must be a certified copy

**Important information**

Please note that all information on this form will appear on the public record

**How to pay**

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper

Make cheques or postal orders payable to 'Companies House'

**Where to send**

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below

For companies registered in England and Wales
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1

**Further information**

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number. 5974909

Charge code: 0597 4909 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 2nd June 2014 and created by MATALAN GROUP LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 4th June 2014

P

Given at Companies House, Cardiff on 10th June 2014



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

2 June 2014

MISSOURI TOPCO LIMITED
and certain of its Subsidiaries
(as Chargors)

and

LLOYDS BANK PLC
(as Security Agent)


DEBENTURE

**This Deed is entered into with the benefits of and
subject to the terms of the Intercreditor Agreement
(as defined herein)**

LATHAM & WATKINS

99 Bishopsgate
London EC2M 3XF
United Kingdom
Tel +44 20 7710 1000
www.lw.com

I certify that, save for material redacted pursuant to section 859G of the Companies Act 2006, the enclosed copy of the security instrument delivered as part of this application for registration under section 859A of the Companies Act 2006 is a correct copy of the original security instrument

Signature  Nisha Bose
Date 02.06.14

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THIS DEBENTURE is made on 2 June 2014

BETWEEN

- (1) **THE COMPANIES** named in Schedule 1 (*The Chargors*), and
- (2) **LLOYDS BANK PLC** as Security Agent

BACKGROUND

- (A) Certain parties entered into a multi-currency revolving facility agreement dated 11 April 2011 as amended from time to time including on or about the date of this Agreement and made between, among others, the Parent (as defined below), the entities listed therein as original borrowers, Lloyds Bank plc as arranger, the financial institutions listed therein as original lenders and Lloyds Bank plc as agent and security agent (the "**Senior Facility Agreement**")
- (B) Each of the parties to the Senior Facility Agreement has agreed to amend and restate the Senior Facility Agreement by way of an amendment and restatement agreement dated 2 June 2014 (the "**Amendment and Restatement Agreement**")
- (C) Pursuant to the terms of the Senior Facility Agreement, the Original Chargors entered into a debenture dated 11 April 2011, under which each Original Chargor granted in favour of the Security Agent, for itself and on behalf of each of the Secured Parties, security interests over all or substantially all of its assets and undertaking (the "**Existing Debenture**")
- (D) To supplement the Existing Debenture and pursuant to the terms of the Amendment and Restatement Agreement, the Original Chargors and the Security Agent have agreed to enter into this Debenture
- (E) Furthermore, in connection with an issue of first lien notes and second lien notes by Matalan Finance plc on or about the date of this Agreement, the Chargors have also agreed to enter into this Debenture for the benefit of the First Lien Noteholders, the Second Lien Noteholders and the Note Trustees (each term as defined in the Intercreditor Agreement)

IT IS AGREED

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless the context otherwise requires, words or expressions defined in the Intercreditor Agreement as amended by the Intercreditor Amendment and Restatement Agreement shall have the same meanings in this Debenture. In addition, in this Debenture

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

"**Assets**" means in relation to a Chargor, all its undertaking, property, assets, revenues and rights of every description, or any part of them

"**Charged Property**" means all the assets and undertakings of the Chargors which from time to time are subject of the security created or expressed to be created in favour of the Security Agent by or pursuant to this Debenture and any Deed of Accession and Charge

"**Chargor**" means each company named in Schedule 1 (*The Chargors*) and (with effect from its accession) each other company which executes a Deed of Accession and Charge and any company which subsequently adopts the obligations of a Chargor

"**Collection Account Notice**" means a notice substantially in the form set out in Schedule 4 (*Form of Collection Account Notice*),

‘Collection Accounts’ means the bank accounts of the Chargors set out in Schedule 9 (*Collection Accounts*) of this Debenture and such other accounts as agreed by the Parent and/or the relevant Chargor and the Security Agent and, (following the occurrence of a Declared Default), such other accounts as the Security Agent shall specify, in each case, together with the debt or debts represented thereby

“Company” means Matalan Finance plc, a company incorporated in England and Wales with registered number 05962488

“Declared Default” means the occurrence of a Senior Acceleration Event, First Lien Note Acceleration Event, Second Lien Note Acceleration Event and/or Additional Second Lien Debt Acceleration Event

“Deed of Accession and Charge” means a deed of accession and charge substantially in the form of Schedule 3 (*Form of Deed of Accession and Charge for a New Chargor*)

“Default” means any event or circumstance specified as such in any of the Senior Finance Documents, the First Lien Note Documents, the Second Lien Note Documents or the Additional Second Lien Debt Documents

“Derivative Rights” includes

- (a) allotments, rights, money or property arising at any time in relation to any Investments by way of conversion, exchange, redemption, bonus, preference, option or otherwise,
- (b) dividends, distributions, interest and other income paid or payable in relation to any Investments, and
- (c) stock, shares and securities offered in addition to or in substitution for any Investments

“Effective Date” has the meaning given to that term in the Amendment and Restatement Agreement

“Event of Default” means any event or circumstance specified as such in any of the Senior Finance Documents, the First Lien Note Documents, the Second Lien Note Documents or the Additional Second Lien Debt Documents

“Fixed Security Asset” means an Asset for the time being comprised within an assignment created by Clause 3 1 (*Assignments*) or within a mortgage or fixed charge created by Clause 3 2 (*Fixed security*) or arising on crystallisation of a floating charge whether under Clause 4 (*Crystallisation*) or otherwise

“Floating Charge Asset” means an Asset for the time being comprised within the floating charge created by Clause 3 3 (*Creation of Floating Charge*) but, in relation to Assets situated in Scotland and charged by paragraph (b) of Clause 3 3 (*Creation of Floating Charge*) only in so far as concerns the floating charge over that Asset

“Hedging Agreements” has the meaning given to that term in the Intercreditor Agreement

“Insolvency Event of Default” means in respect of any Chargor

- (a) an Event of Default under clause 26 7 (*Insolvency*) or clause 26 8 (*Insolvency Proceedings*) of the Senior Facility Agreement,
- (b) an Event of Default under paragraphs (i) or (j) of section 6 01 of the First Lien Note Indenture,

- (c) an Event of Default under paragraphs (i) or (j) of section 6.01 of the Second Lien Note Indenture, or
- (d) an equivalent Event of Default under the Additional Second Lien Debt Documents or any other Debt Document

“Insurance Policy” means any contract or policy of insurance of any Chargor (including all cover notes) of whatever nature which are from time to time taken out by or on behalf of any Chargor or (to the extent of its interest) in which any Chargor has an interest at any time excluding, in each case, contracts and policies of insurance which relate to liabilities of third parties

“Intellectual Property” means patents (including supplementary protection certificates), utility models, registered and unregistered trade marks (including service marks), rights in passing off, copyright, database rights, registered and unregistered rights in designs (including in relation to semiconductor products) anywhere in the world and, in each case, any extensions and renewals of, and any applications for, such rights

“Intellectual Property Rights” in relation to a Chargor, means all and any of its Intellectual Property and all other intellectual property rights, causes of action, interests and assets charged by it pursuant to paragraphs (b)(xi) to (xvi) inclusive of Clause 3.2 (*Fixed security*)

“Intercreditor Agreement” means the intercreditor agreement dated 30 March 2010 (as amended and restated on 11 April 2011 and on the Effective Date pursuant to the Intercreditor Amendment and Restatement Agreement) and made between, amongst others, Missouri Topco Limited as Parent, Matalan Finance Plc as the Company, the companies named therein as Debtors, Lloyds Bank plc as Senior Agent, Lloyds Bank plc as Senior Arranger, Deutsche Trustee Company Limited as First Lien Note Trustee, Deutsche Trustee Company Limited as Second Lien Note Trustee, the Companies listed therein as Intra-Group Lenders, the financial institutions named therein as Senior Lenders, the Hedge Counterparties and Lloyds Bank plc as Security Agent

“Intercreditor Amendment and Restatement Agreement” means the intercreditor amendment and restatement agreement between, among others, the Parent and the Security Agent and dated 2 June 2014

“Investments” means all shares, stock, debentures, debenture stock, bonds and other investments (as listed in Schedule 2, Part II of the Financial Services and Markets Act 2000), whether certificated or uncertificated and whether in registered or bearer form, including all depository interests representing any of them and including all rights and benefits of a capital nature accruing at any time in respect of any Investments by way of redemption, repayment, substitution, exchange, bonus or preference, option, rights or otherwise

“Liability” means any liability, damage, loss, costs, claim or expense of any kind or nature, whether direct, indirect, special, consequential or otherwise

“Material Property” means

- (a) the freehold and leasehold property (if any) specified in Schedule 2 (*Material Properties*) or in any relevant Deed of Accession and Charge, and/or
- (b) such other freehold property acquired by a Chargor after the date of this Debenture, and/or
- (c) all leasehold properties which (i) have a market value equal to or more than £5,000,000 or (ii) have a term of 10 years or more unexpired at the date of the acquisition of the lease (whether registered or unregistered) owned by any Chargor wheresoever situated

"New Chargor" means a member of the Group which becomes a Chargor under this Debenture in accordance with Clause 28 (*Accession of a New Chargor*)

"Parent" means Missouri Topco Limited a limited liability company incorporated under the laws of Guernsey with registered number 45618

"Party" means a party to this Debenture

"Property" means all freehold and leasehold property from time to time owned by a Chargor or in which a Chargor is otherwise interested and shall include

- (a) the proceeds of sale of all or any part of such property,
- (b) all rights, benefits, privileges, warranties, covenants, easements, appurtenances and licences relating to such property,
- (c) all money received by or payable to a Chargor in respect of such property,
- (d) all buildings, fixtures and fittings from time to time on such property, and
- (e) including, but not limited to the property, if any, specified in Schedule 2 (*Material Properties*),

"Receivables" in relation to a Chargor, means all sums of money receivable by it at any time consisting of or payable under or derived from any Asset described in Clause 3.2 (*Fixed security*)

"Receiver" means a receiver and manager appointed under Clause 16 (*Appointment of a Receiver or an Administrator*) including (where the context requires or permits) any substituted receiver and manager

"Secured Obligations" means all the Liabilities (as defined in the Intercreditor Agreement) and all other present and future obligations at any time due, owing or incurred by any member of the Group and by each Debtor to any Secured Party under the Debt Documents, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity

"Secured Parties" means the Security Agent, Senior Creditors, the First Lien Noteholders, the Second Lien Noteholders, the Additional Second Lien Creditors, the Creditor Representatives, the Senior Arranger, the Security Agent and any Receiver or Delegate from time to time but, in the case of each Creditor Representative, Senior Arranger, Senior Creditor, Additional Second Lien Creditor (other than an Additional Second Lien Noteholder) or Hedge Counterparty only if it is a party to the Intercreditor Agreement or has acceded to the Intercreditor Agreement, in the appropriate capacity, pursuant to clause 19.12 (*Creditor/Creditor Representative Accession Undertaking*) of the Intercreditor Agreement

"Security Agent" means Lloyds Bank plc acting as security agent and trustee for the Secured Parties including any successor appointed by the Secured Parties pursuant to the Intercreditor Agreement

"Specified Intellectual Property" means the Intellectual Property listed in Schedule 5 (*Specified Intellectual Property*)

"Specified Investments" means, in relation to a Chargor, all Investments which at any time

- (a) are specified in Schedule 10 (*Shares and Investments*),

- (b) represent a holding in a Subsidiary of such Chargor or an undertaking which would be its subsidiary undertaking if in section 1162(2)(a) of the Act "30 per cent or more" were substituted for "a majority",
- (c) are held in the name of the Security Agent or its nominee or to its order, or
- (d) that Chargor has deposited certificates with the Security Agent or which, if uncertificated, are held in an escrow or other account in favour of the Security Agent or its nominee

12 Interpretation

Unless the context otherwise requires, the interpretative provisions set out in the paragraphs below shall apply in this Debenture

- (a) References to any Party shall be construed so as to include that Party's respective successors in title, permitted assigns and permitted transferees
- (b) "**Including**" and "**in particular**" shall not be construed restrictively but shall mean respectively "including, without prejudice to the generality of the foregoing" and "in particular, but without prejudice to the generality of the foregoing"
- (c) A "**person**" includes any person, firm, company, corporation, government, state or agency of a state or any association, joint venture, trust or partnership (whether or not having separate legal personality) of two or more of the foregoing
- (d) "**Property**" includes any interest (legal or equitable) in real or personal property and any thing in action
- (e) "**Variation**" includes any variation, amendment, accession, novation, restatement, modification, assignment, transfer, supplement, extension, deletion or replacement however effected and "vary" and "varied" shall be construed accordingly
- (f) "**Writing**" includes facsimile transmission legibly received except in relation to any certificate, notice or other document which is expressly required by this Debenture to be signed and "written" has a corresponding meaning
- (g) Subject to Clause 32.4 (*Variations*), references to this Debenture or to any other document (including any Debt Document) include references to this Debenture or such other document as varied and/or replaced in any manner from time to time, even if changes are made to the composition of the parties to this Debenture or such other document or to the nature or amount of any facilities made available under such other document (even if any of the same increases the obligations of any member of the Group or provides for further advances) and, in addition, references to this Debenture shall include (with effect from the date on which it comes into force) each Deed of Accession and Charge executed pursuant to it
- (h) The singular shall include the plural and vice versa and any gender shall include the other genders
- (i) Clauses, paragraphs and Schedules shall be construed as references to Clauses and paragraphs of, and Schedules to, this Debenture
- (j) Any reference to any statute or statutory instrument or any section of it shall be deemed to include a reference to any statutory modification or re-enactment of it for the time being in force in relation to the particular circumstances

- (k) Any reference in this Debenture to the security constituted hereby becoming "enforceable" shall mean that such security has become enforceable in accordance with Clause 9 (*Enforcement of Security*)
- (l) Headings in this Debenture are inserted for convenience and shall not affect its interpretation
- (m) A Default and an Event of Default is "continuing" if it has not been remedied or waived

1 3 Conflict of terms

If there is any conflict or inconsistency between

- (a) any provision of this Debenture and any provision of the Intercreditor Agreement, the provision of the Intercreditor Agreement shall prevail, and
- (b) the covenants and undertakings in Clause 12 (*Property*) and Clause 13 (*Intellectual Property Rights*) of this Debenture and the covenants and undertakings in clause 25 (*General Undertakings*) of the Senior Facility Agreement, the covenants and undertakings given in the Senior Facility Agreement shall prevail

2. COVENANT TO PAY

2 1 Covenant to pay

Each Chargor (as primary obligor and not merely as surety) covenants with the Security Agent that it will, on the Security Agent's written demand, pay or discharge the Secured Obligations at the times and in the manner provided in the relevant Debt Document

2 2 Proviso

The covenants contained in this Clause 2 and the security created by this Debenture shall not extend to or include any liability or sum which would otherwise cause any such covenant or security to be unlawful or prohibited by any applicable law

2 3 Demands

- (a) The making of one demand shall not preclude the Security Agent from making any further demands
- (b) Any third party dealing with the Security Agent or any Receiver shall not be concerned to see or enquire as to the validity of any demand under this Debenture

3. CREATION OF SECURITY

3 1 Assignments

Each Chargor, with full title guarantee, as security for the payment or discharge of all Secured Obligations, assigns absolutely (subject to a proviso for reassignment on redemption) to the Security Agent

- (a) all of its rights, title and interest from time to time in respect of any sums payable to it pursuant to the Insurance Policies, and
- (b) all its rights, title and interest from time to time in respect of the Hedging Agreements

3 2 Fixed Security

Each Chargor, with full title guarantee, as security for the payment or discharge of all Secured Obligations, charges to the Security Agent

- (a) by way of legal mortgage, all Material Property now belonging to or vested in it together with all buildings and fixtures on that Material Property,
- (b) by way of fixed charge
 - (i) all other interests (not effectively charged under paragraph (a) of this Clause 3 2) in Property or the proceeds of sale of Property which is now, or in the future becomes, its property,
 - (ii) all plant and machinery now or in the future attached to any Property which, or an interest in which, is charged by it under the preceding provisions of this Clause 3 2,
 - (iii) all rental and other income and all debts and claims now or in the future due or owing to it under or in connection with any lease, agreement or licence relating to Property,
 - (iv) all Specified Investments which are now its property, including all proceeds of sale derived from them,
 - (v) all Specified Investments in which that Chargor may in the future acquire any interest (legal or equitable), including all proceeds of sale derived from them,
 - (vi) all Derivative Rights of a capital nature now or in the future accruing or offered in respect of its Specified Investments,
 - (vii) all Derivative Rights of an income nature now or in the future accruing or offered at any time in respect of its Specified Investments,
 - (viii) all insurance or assurance contracts or policies now or in the future held by or otherwise benefiting it which relate to Fixed Security Assets or which are now or in the future deposited by it with the Security Agent, together with all its rights and interests in such contracts and policies (including the benefit of all claims arising and all money payable under them) apart from any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) in this Debenture,
 - (ix) all its goodwill and uncalled capital for the time being,
 - (x) all Specified Intellectual Property belonging to it,
 - (xi) all other Intellectual Property presently belonging to it, including any Intellectual Property to which it is not absolutely entitled or to which it is entitled together with others,
 - (xii) all Intellectual Property that may be acquired by or belong to it in the future, including any such Intellectual Property to which it is not absolutely entitled or to which it is entitled together with others,
 - (xiii) the benefit of all agreements and licences now or in the future entered into or enjoyed by it relating to the use or exploitation of any Intellectual Property in any part of the world,

- (xiv) all its rights now or in the future in relation to trade secrets, confidential information and knowhow in any part of the world,
- (xv) all its rights and causes of action in respect of infringement(s) (past, present or future) of the rights referred to in sub-paragraphs (c)(xii) to (xvi) inclusive of this Clause,
- (xvi) all trade debts now or in the future owing to it,
- (xvii) all debts owing to it as described in Schedule 8 (*Details of Debts Owing to a Chargor by another member of the Group which are subject to a fixed charge*),
- (xviii) all other debts now or in the future owing to it, excluding those arising on fluctuating accounts with other members of the Group,
- (xix) the benefit of all instruments, guarantees, charges, pledges and other security and all other rights and remedies available to it in respect of any Fixed Security Asset except to the extent that such items are for the time being effectively assigned under Clause 3.1 (*Assignments*),
- (xx) any beneficial interest, claim or entitlement it has to any pension fund now or in the future,
- (xxi) all monies standing to the credit of the Collection Accounts and any other bank accounts which it may have with any bank, financial institution or other person and all of its rights, title and interest in relation to those accounts,
- (xxii) all rights, money or property accruing or payable to it now or in the future under or by virtue of a Fixed Security Asset except to the extent that such rights, money or property are for the time being effectively assigned or charged by fixed charge under the foregoing provisions of this Debenture, and
- (xxiii) the benefit of all licences, consents and authorisations held in connection with its business or the use of any Asset and the right to recover and receive all compensation which may be payable in respect of them

3.3 Creation of floating charge

Each Chargor, with full title guarantee, charges to the Security Agent as security for the payment or discharge of all Secured Obligations, by way of floating charge

- (a) all its Assets, except to the extent that such Assets are for the time being effectively assigned by way of security by virtue of Clause 3.1 (*Assignments*) or charged by any fixed charge contained in Clause 3.2 (*Fixed security*), including any Assets comprised within a charge which is reconverted under Clause 4.4 (*Reconversion*), and
- (b) without exception, all its Assets in so far as they are for the time being situated in Scotland,

but in each case so that such Chargor shall not create any Security over any such Asset (whether having priority over, or ranking *pari passu* with or subject to, this floating charge) or take any other step referred to in Clause 8 (*Negative pledge and other restrictions*) with respect to any such Asset, and such Chargor shall not, without the consent of the Security Agent, sell, transfer, part with or dispose of any such Asset (except by way of sale in the ordinary course of its business to the extent that such action is not prohibited by any of the Debt Documents)

3 4 Notices of Assignment

- (a) The Chargors shall on the date of the Debenture (or, in respect of any New Chargor, on the date of the relevant Deed of Accession and Charge) execute a notice of assignment in respect of the security over Insurance Policies and their proceeds created by this Debenture in substantially the form set out in Part 2 of Schedule 6 (*Forms of Notice of Assignment*) and promptly deliver the notice to each of the relevant insurers (or any broker)
- (b) Each relevant Chargor shall on the date of this Debenture (or, if later, on the date on which it enters into the Hedging Agreements) execute a notice of assignment in respect of the Hedging Agreements in substantially the form set out in Part 1 of Schedule 6 (*Forms of Notice of Assignment*) and promptly deliver the notice to each Hedge Counterparty
- (c) The Company and the Parent shall use reasonable endeavours to procure the execution and delivery to the Security Agent of acknowledgments by the addressees of the notices delivered to them pursuant to paragraphs (a) and (b) above
- (d) The Security Agent hereby undertakes that, following delivery by the relevant Chargor of the notices pursuant to paragraphs (a) and (b) of this Clause 3 4, it shall not, prior to the occurrence of a Declared Default
 - (i) issue any notice or instruction referred to in paragraph 1 of the notice to insurers set out in Part 2 of Schedule 6 (*Forms of Notice of Assignment*), or
 - (ii) issue any written notice or instruction to any Hedge Counterparty to (A) hold all or any sums from time to time due and payable by that Hedge Counterparty to any Chargor and/or (B) pay or release all or any part of the sums from time to time due and payable by that Hedge Counterparty to any Chargor to any party other than that Chargor

3 5 Priority

- (a) Any fixed Security created by a Chargor and subsisting in favour of the Security Agent shall (save as the Security Agent may otherwise declare at or after the time of its creation) have priority over the floating charge created by Clause 3 3 (*Creation of floating charge*)
- (b) Any Security created in the future by a Chargor (except in favour of the Security Agent) shall be expressed to be subject to this Debenture and shall rank in order of priority behind the charges created by this Debenture

3 6 Application to the Land Registry

Each Chargor

- (a) in relation to each register of title of any present and future Material Property of that Chargor which is charged to the Security Agent under this Debenture or pursuant to Clause 10 (*Further Assurance*), consents to the Security Agent (or its solicitors) at any time
 - (i) submitting a Form RX1 (application to register a restriction) in the following terms

“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] in favour of [Chargee] referred to on the charges register or their conveyancer ”, and

- (ii) submitting a Form CH2 (application to enter an obligation to make further advances), and
- (b) covenants to submit an application to the appropriate Land Registry for the first registration of any unregistered Material Property mortgaged by Clause 3 2 (*Fixed security*) at its own expense, as soon as reasonably practicable following its execution of this Debenture

3 7 Lessor's consent

- (a) There shall be excluded from the charge created by Clause 3 2 (*Fixed Security*) and from the operation of Clause 10 (*Further Assurance*) any leasehold property held by a Chargor under a lease which either precludes absolutely or conditionally (including requiring the consent of any third party) that Chargor from creating any charge over its leasehold interest in that property (each an "**Excluded Property**") until the relevant condition or waiver has been satisfied or obtained
- (b) For each Excluded Property, each relevant Chargor undertakes to apply for the relevant consent or waiver of prohibition or condition within fourteen days of the date of this Debenture (or, as the case may be, the date of the acquisition of the relevant Excluded Property) and, in respect of each Excluded Property which provides that the relevant third party will not unreasonably withhold its consent to charging, to use reasonable endeavours to obtain that consent as soon as possible and to keep the Security Agent informed of the progress of its negotiations
- (c) Forthwith upon receipt of the relevant waiver or consent, the relevant formerly Excluded Property shall stand charged to the Security Agent under Clause 3 2 (*Fixed Security*) If required by the Security Agent at any time following receipt of that waiver or consent, the relevant Chargor will forthwith execute a valid legal mortgage in such form as the Security Agent shall reasonably require
- (d) If, despite the Chargor's endeavours no consent has been obtained and the relevant third party takes, or threatens to take, proceedings to terminate the lease of such Excluded Property on the grounds that consent has not been obtained to the creation of the charge created over the Excluded Property by the Debenture, the Security Agent will (if so requested by such Chargor) release the fixed security created by this Debenture over that Excluded Property

3 8 Existing Debenture

The Parties acknowledge that the security for the payment of the Secured Obligations created pursuant to Clause 3 1 (*Assignments*), Clause 3 2 (*Fixed Security*) and Clause 3 3 (*Creation of floating charge*) above is subject to the Existing Debenture and the Intercreditor Agreement and that the application of proceeds pursuant to this Debenture and the Existing Debenture is provided for in the Intercreditor Agreement

4. CRYSTALLISATION

4 1 Crystallisation by notice

The floating charge created by each Chargor in Clause 3 3 (*Creation of floating charge*) may, subject to Clause 4 5 (*Moratorium Assets*), be crystallised into a fixed charge by notice in writing given at any time by the Security Agent to the relevant Chargor (or to the Parent on its behalf) if

- (a) a Declared Default has occurred,
- (b) an Insolvency Event of Default has occurred and is continuing,

- (c) the Security Agent in good faith and acting reasonably considers that the Assets specified in the notice may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process and such crystallisation shall only apply in respect of such assets, or
- (d) a circumstance envisaged by paragraph (a) of Clause 4.2 (*Automatic Crystallisation*) occurs and the Security Agent in good faith and acting reasonably considers that such crystallisation is necessary in order to protect the priority of its security

Such crystallisation shall take effect over the class of Assets specified in the notice. If no such Assets are specified, it shall take effect over all Floating Charge Assets of the relevant Chargor.

4.2 Automatic crystallisation

If, without the Security Agent's prior written consent

- (a) any Chargor, in contravention of any Debt Document, resolves to take or takes any step to
 - (i) charge or otherwise encumber any of its Floating Charge Assets,
 - (ii) create a trust over any of its Floating Charge Assets, or
 - (iii) dispose of any Floating Charge Asset,
 in each case except where to do so would not be prohibited by any of the Debt Documents, or
- (b) any person resolves to take or takes any step to seize or sell any Floating Charge Asset pursuant to any form of legal process, or
- (c) an Insolvency Event of Default has occurred and is continuing,

then the floating charge created by Clause 3.3 (*Creation of floating charge*) shall, subject to Clause 4.5 (*Moratorium Assets*), be automatically and instantly crystallised (without the necessity of notice) into a fixed charge over such Floating Charge Asset or, in the case of paragraph (c) above into a fixed charge over all Floating Charge Assets of the relevant Chargor.

4.3 Future Floating Charge Assets

Except as otherwise stated in any notice given under Clause 4.1 (*Crystallisation by notice*) or unless the crystallisation relates to all its Floating Charge Assets, prospective Floating Charge Assets acquired by any Chargor after crystallisation has occurred under Clause 4.1 (*Crystallisation by notice*) or 4.2 (*Automatic crystallisation*) shall become subject to the floating charge created by Clause 3.3 (*Creation of floating charge*), so that the crystallisation shall be effective only as to the specific Floating Charge Assets affected by the crystallisation.

4.4 Reconversion

Any charge which has crystallised under Clause 4.1 (*Crystallisation by notice*) or 4.2 (*Automatic crystallisation*) may, by notice in writing given at any time by the Security Agent to the relevant Chargor (or to the Parent on its behalf), be reconverted into a floating charge in relation to the Assets specified in such notice.

4.5 **Moratorium Assets**

The floating charge created by each Chargor in Clause 3.3 (*Creation of floating charge*) may not be converted into a fixed charge on Assets for which a moratorium is in force if and for so long as such conversion would breach paragraph 13 in Schedule A1 of the Insolvency Act 1986. Furthermore the floating charge created by each Chargor pursuant to this Debenture shall not convert into a fixed charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of such Chargor.

5. **REPRESENTATIONS AND WARRANTIES**

Each Chargor represents and warrants to the Security Agent as set out in this Clause 5 on the date of this Debenture (or on the date of the relevant Deed of Accession and Charge, as applicable).

5.1 **Material Property**

Schedule 2 (*Material Properties*) identifies

- (a) all freehold property, and
- (b) all leasehold property which at the date of this Debenture comprises a leasehold interest of 10 years or more or which has a market value equal to or more than £5,000,000,

in each case owned by it as at the date of this Debenture.

5.2 **Shares**

Schedule 10 (*Shares and Investments*) identifies all shares beneficially owned by a Chargor in respect of its Subsidiaries at the date of this Debenture and all those shares are fully paid.

6. **TITLE DOCUMENTS AND TRANSFERS**

6.1 **Deposit of documents**

Subject to Clause 6.2 (*Existing Debenture - Deposit of documents*) below and the rights of any prior chargee and except as otherwise expressly agreed in writing by the Security Agent, each Chargor shall if requested by the Security Agent

- (a) deposit with the Security Agent, and the Security Agent shall be entitled to retain during the continuance of the security created by this Debenture, all deeds and documents of title relating to all its Fixed Security Assets, including policies of insurance and assurance, certificates of registration and certificates constituting or evidencing Specified Investments and Intellectual Property Rights, and
- (b) execute and deliver to the Security Agent such documents and transfers and give such instructions and perform such other acts as the Security Agent may reasonably require at any time to constitute or perfect an equitable or legal charge (at the Security Agent's option) over its Specified Investments.

6.2 **Existing Debenture - Deposit of documents:**

- (a) To the extent that the relevant deeds and documents of title set out in Clause 6.1 (*Deposit of documents*) above have already been deposited with the Security Agent pursuant to the terms of the Existing Debenture, each Chargor shall not be required to deposit such documents with the Security Agent and the Security Agent shall treat

such documents as being deposited under the terms of this Debenture as well as under the terms of the Existing Debenture

- (b) The Security Agent may retain any document delivered to it (or deemed to be delivered to it) under this Clause 6 or otherwise until the security created under both this Debenture and the Existing Debenture is released and, if for any reason it ceases to hold any such document before that time, it may by notice to the relevant Chargor require that the document be redelivered to it and the relevant Chargor shall promptly comply (or procure compliance) with that notice
- (c) Any document required to be delivered to the Security Agent under Clause 6.1 (*Deposit of documents*) which is for any reason not so delivered or which is released by the Security Agent to a Chargor shall be held on trust by the relevant Chargor for the Security Agent

7. COLLECTION OF RECEIVABLES

7.1 Collection Account

Each Chargor shall, as agent for the Security Agent, collect and realise all its Receivables and, promptly on receipt, pay all money so collected into a Collection Account and pending such payment, hold all money so received upon trust for the Security Agent

7.2 Collection Account Notices

- (a) Each Chargor (or the Parent on its behalf) shall, promptly after the execution of this Debenture, serve a Collection Account Notice to each bank with which a Collection Account is held and use reasonable endeavours to ensure that such bank delivers to the Security Agent an acknowledgement substantially in the form of the schedule to the Collection Account Notice
- (b) The Security Agent shall not be entitled to give any notice referred to in paragraph 2(b) of the Collection Account Notice, withdrawing its consent to the making of withdrawals by the Chargors in respect of the Collection Accounts, unless and until a Declared Default has occurred

7.3 No derogation

No Chargor shall purport, without the Security Agent's prior written consent, to charge, factor, discount, assign, postpone, subordinate, release or waive its rights in respect of any Receivable in favour of any person or do or omit to do anything which might delay or prejudice its full recovery

7.4 Factored debts

If the Security Agent releases, waives or postpones its rights in respect of any Receivable to enable a Chargor to factor or discount them to any person (the "**factor**"), the charges created by this Debenture shall in all other respects remain in full force and effect. In particular, all amounts becoming due to such Chargor from the factor and any Receivables reassigned, or due to be reassigned to such Chargor, shall be subject to the relevant fixed charge created by this Debenture, subject only to any defences or rights of set-off which the factor may have against such Chargor

7.5 Information

Each Chargor shall deliver to the Security Agent such particulars as to the amount and nature of its Receivables as the Security Agent may from time to time reasonably require

8. NEGATIVE PLEDGE AND OTHER RESTRICTIONS

No Chargor shall, without the prior written consent of the Security Agent

- (a) create, or agree or attempt to create, or permit to subsist, any Security or Quasi Security or any trust over any of the Charged Property, or
- (b) sell, assign, lease, license or sub-license, or grant any interest in, any of the Charged Property, or part with possession or ownership of them, or purport or agree to do so, or
- (c) dispose of the equity of redemption in respect of all or any part of the Charged Property,

in each case, except to the extent not prohibited by any of the Debt Documents

9. ENFORCEMENT OF SECURITY

9.1 Enforcement Powers

For the purpose of all rights and powers implied or granted by statute, the Secured Obligations are deemed to have fallen due on the date of this Debenture. The power of sale and other powers conferred by section 101 of the Law of Property Act 1925 and all other enforcement powers conferred by this Debenture shall be immediately exercisable at any time after a Declared Default has occurred.

9.2 Statutory Powers

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

9.3 Exercise of Powers

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

9.4 Disapplication of Statutory Restrictions

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

9.5 Powers of sale extended

- (a) The statutory powers of sale, leasing and accepting surrenders exercisable by the Security Agent by virtue of this Debenture are extended so as to authorise the Security Agent upon this Debenture becoming enforceable (whether in its own name or that of the Chargor concerned) to
- (b) grant a lease of any Property vested in a Chargor or in which it has an interest on such terms and conditions as the Security Agent shall think fit, and
- (c) sever any fixtures from Property vested in a Chargor and sell them separately

9 6 Right of Appropriation

- (a) The Security Agent may, on or at any time after the security constituted by this Debenture becomes enforceable, by notice in writing to the relevant Chargor appropriate with immediate effect any of its Assets hereby charged comprising financial collateral which is subject to a security financial collateral arrangement (within the meaning of the Financial Collateral Arrangements (No 2) Regulations 2003) and apply it in or towards the discharge of the Secured Obligations, whether such Assets are held by the Security Agent or otherwise
- (b) The value of any financial collateral appropriated under (a) of this Clause 9 6 shall be
 - (i) in the case of cash, its face value at the time of appropriation, and
 - (ii) in the case of financial instruments or other financial collateral their market value at the time of appropriation as determined (after appropriation) by the Security Agent by reference to a public index or other applicable generally recognised source or such other process as the Security Agent may select, including an independent valuation carried out by an independent firm of accountants or valuers appointed by the Security Agent,

as converted, where necessary, into sterling at a market rate of exchange prevailing at the time of appropriation selected by the Security Agent
- (c) The Security Agent will account to the relevant Chargor for any amount by which the value of the appropriated Assets exceeds the Secured Obligations then due and the Chargors shall remain liable to the Security Agent for any amount by which the value of the appropriated Assets is less than the Secured Obligations then due
- (d) Each Chargor agrees that (i) all financial instruments have been delivered, transferred, held, registered or otherwise designated so as to be in the possession or under the control of the Security Agent or a person acting on its behalf, and (ii) the method of valuing such Assets under paragraph (b) of this Clause 9 6 is commercially reasonable

10. FURTHER ASSURANCE

- (a) Each Chargor shall (and the Parent shall procure that each Chargor will) promptly do all such acts and execute all such documents (including assignments, transfers, mortgages, charges, notices, forms and instructions) as the Security Agent may reasonably specify and in such form as the Security Agent may reasonably require (in favour of the Security Agent or its nominee(s)) in order to
 - (i) perfect or protect the Security created or intended to be created by this Debenture (which may include the execution of a mortgage, charge, assignment, transfer, notice, instruction or other Security over all or any of the Assets which are, or are intended to be, the subject of the Security constituted by this Debenture) or for the exercise of any rights, powers and remedies of any Secured Party provided by this Debenture or by law,
 - (ii) confer on the Security Agent or confer on the Secured Parties, Security over any Assets of that Chargor located in any jurisdiction outside England and Wales which is (to the extent permitted by local law) equivalent or similar to the Security intended to be conferred by or pursuant to this Debenture, and/or
 - (iii) upon the occurrence of a Declared Default that is continuing, facilitate the realisation of the Assets subject to the Security conferred or intended to be conferred by this Debenture or the exercise of any rights vested in the Security Agent, any Receiver, Administrator or nominee, including executing any transfer, conveyance, charge, assignment or assurance of all or any of the

Assets which are the subject of the Security constituted by this Debenture, making any registration and giving any notice, order or instructions

- (b) Each Chargor shall (and the Parent shall procure that each Chargor shall) take all such reasonable action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Secured Parties by or pursuant to this Debenture. Without prejudice to the generality of this Clause 10, at the request of the Security Agent each Chargor will promptly execute a legal mortgage, charge or assignment over any of the Assets subject to or intended to be subject to any fixed security created by this Debenture in favour of the Security Agent in such form as the Security Agent may reasonably require.
- (c) Without prejudice to the Chargors' obligations under any Debt Document, each Chargor irrevocably authorises the Security Agent to effect such registrations, renewals, payments and notifications or carry out such acts or things at the expense of such Chargor as shall, in the reasonable opinion of the Security Agent, be necessary or prudent to protect the Security Agent's interests in relation to the Intellectual Property Rights or to protect or maintain the Intellectual Property Rights or any of them. Each Chargor shall give the Security Agent all such reasonable assistance as it may request.

11. CONTINUING SECURITY

This Debenture shall be a continuing security for the Secured Parties, notwithstanding any intermediate payment or settlement of accounts or other matter whatever, and shall be in addition to and shall not prejudice or be prejudiced by any right of set-off, combination, lien or other rights exercisable by any Secured Party as banker against any Chargor or any security, guarantee, indemnity and/or negotiable instrument now or in the future held by any Secured Party (including but not limited to the Existing Debenture)

12. PROPERTY

12.1 Positive Covenants

Each Chargor covenants that it shall

- (a) comply in all material respects with the terms of all agreements, assignments, contracts, conveyances, grants and other deeds and documents for the time being binding on it or affecting its Property or its use or enjoyment and not take any action which, or omit to take any action the omission of which, results in any of its interests or estates in its Property being adversely affected, and
- (b) punctually pay the rents reserved by and observe and perform in all material respects the other material covenants, agreements or obligations on its part to be observed and performed which are contained in any lease, agreement for lease, tenancy agreement or licence to occupy relating to any Property and enforce the observance and performance by the landlord or licensor of its material obligations under any such document.

12.2 Negative covenants

No Chargor shall without the prior written consent of the Security Agent, except where to do so would not be prohibited by any of the Debt Documents

- (a) enter into any onerous or restrictive obligation affecting its Property or create or permit to arise any overriding interest or any easement or right whatever in or over it which would be reasonably likely to affect adversely its value or the value of the Security constituted by this Debenture over it, or

- (b) extend, renew on substantially different terms or vary any lease or tenancy agreement or give any licence to assign or underlet in relation to its Property to the extent that it would be reasonably likely to materially adversely affect its value or the value of the Security constituted by this Debenture, provided that the Security Agent will as soon as reasonably practicable consent to an assignment or under-letting where any Chargor is required in the ordinary course of trade to consent to the same under the terms of any lease tenancy or licence

13. INTELLECTUAL PROPERTY RIGHTS

13.1 Intellectual Property Restricting Charging

- (a) There shall be excluded from the charge created by Clause 3.2 (*Fixed Security*) and from the operation of Clause 10 (*Further Assurance*) any Intellectual Property in which a Chargor has an interest under any licence or other agreement which either precludes absolutely or conditionally (including requiring the consent of any third party) that Chargor from creating any charge over its interest in that Intellectual Property (each an "**Excluded Intellectual Property**") until the relevant condition or waiver has been satisfied or obtained
- (b) For each Excluded Intellectual Property, each relevant Chargor undertakes to apply for the relevant consent or waiver of prohibition or condition within fourteen days of the date of this Debenture (or, as the case may be, the date of the acquisition of the relevant Excluded Intellectual Property) and, in respect of any licence or agreement which provides that the relevant third party will not unreasonably withhold its consent to charging, to use its reasonable endeavours to obtain such consent as soon as possible and to keep the Security Agent informed of the progress of its negotiations
- (c) Forthwith upon receipt of the relevant waiver or consent, the relevant formerly Excluded Intellectual Property shall stand charged to the Security Agent under Clause 3.2 (*Fixed Charges*). If required by the Security Agent, at any time following receipt of that waiver or consent, the relevant Chargor will forthwith execute a valid fixed charge or legal assignment in such form as the Security Agent shall reasonably require
- (d) If, despite the Chargor's endeavours no consent has been obtained and the relevant counterparty under any licence or agreement relating to the use or exploitation of any Intellectual Property Rights takes, or threatens to take, proceedings to terminate such licence or agreement on the grounds that consent has not been obtained to the creation of the charge created over the Intellectual Property Rights by the Debenture, the Security Agent will (if so requested by such Chargor) release the fixed security created by this Debenture over those Intellectual Property Rights

13.2 Filings and registrations:

Each Chargor shall, as soon as reasonably practicable after the date of this Debenture execute any document and do all acts and things as the Security Agent may require to procure that the security created by this Debenture be recorded at such patent, trade mark or other intellectual property register or authority as may be available in each jurisdiction in which any Specified Intellectual Property is registered and maintain or renew such filings and registrations where applicable

14. SPECIFIED INVESTMENTS

14 1 Voting and other rights

Each Chargor undertakes not to exercise any voting or other rights in a way which would prejudice the value of its Specified Investments or otherwise jeopardise the Security constituted by this Debenture over them

14 2 Before Enforcement

Unless and until this Debenture has become enforceable

- (a) all voting and other rights attaching to Specified Investments belonging to a Chargor shall continue to be exercised by such Chargor for so long as it remains their registered owner and such Chargor shall not permit any person other than such Chargor, the Security Agent or the Security Agent's nominee to be registered as holder of such Specified Investments or any part of them, and
- (b) if Specified Investments belonging to a Chargor are registered in the name of the Security Agent or the Security Agent's nominee, all voting and other rights attaching to them shall be exercised by the Security Agent or the Security Agent's nominee in accordance with instructions in writing from time to time received from such Chargor and, in the absence of any such instructions, the Security Agent or the Security Agent's nominee shall not exercise any such rights

14 3 After Enforcement

At any time after this Debenture has become enforceable

- (a) the Security Agent may exercise (but is not obliged to exercise) in the name of a Chargor or otherwise and without any further consent or authority on the part of any Chargor, all voting and other rights attaching to the Specified Investments, including any rights to nominate or remove a director as if the Security Agent were the sole beneficial owner of the Specified Investments,
- (b) all Derivative Rights shall, if received by a Chargor or its nominee, be held on trust for and forthwith paid or transferred to the Security Agent, and
- (c) each Chargor shall (and shall procure that its nominees shall) accept short notice for and attend any meeting of the holders of any Specified Investments, appoint proxies and exercise voting and other rights and powers exercisable by the holders of the Specified Investments as the Security Agent may direct from time to time

14 4 Positive covenants

Each Chargor covenants with the Security Agent that it shall (at its own expense)

- (a) procure that any person holding Specified Investments as its nominee or to its order shall execute and deliver to the Security Agent or as it directs a letter substantially in the form set out in Schedule 7 (*Form of Nominee's Undertaking Relating to Specified Investments*) **provided that** the Security Agent shall not, prior to the occurrence of a Declared Default, require such nominee or person holding Specified Investments to deal with the Specified Investments other than in accordance with the instructions of the relevant Chargor, and
- (b) in the event of any consolidation, sub-division, conversion or variation of its Specified Investments, promptly provide to the Security Agent an updated share certificate and blank executed stock transfer form

14 5 Negative covenants

Each Chargor covenants with the Security Agent that it will not, without the prior written consent of the Security Agent, give an instruction for its uncertificated Specified Investments to be recertificated (or for its certificated Specified Investments to be converted into uncertificated form) without the Security Agent's prior written consent and shall ensure that on recertification the new certificates are delivered to the Security Agent immediately on their issue

14 6 Cancellation of share certificates

Where Specified Investments are to be consolidated, sub-divided, converted or varied in accordance with the Senior Finance Documents, the Security Agent shall, upon request from the relevant Chargor (acting reasonably) return to that Chargor the share certificate(s) relating to the relevant Specified Investments and such share certificate(s) shall promptly be cancelled

15. OPENING OF NEW ACCOUNTS

15 1 Creation of new account

On receiving notice that any Chargor has granted Security over or otherwise encumbered or disposed of any of its Assets in contravention of any Debt Document, a Secured Party may rule off all its accounts and open new accounts with such Chargor

15 2 Credits to new account

If a Secured Party does not open a new account immediately on receipt of such notice, it shall nevertheless be treated as if it had done so on that day. From that day, all payments made by the Chargor to that Secured Party shall be treated as having been credited to a new account and shall not operate to reduce the amount owing from the Chargor to such Secured Party at the time when it received such notice provided that if such monies at any time are sufficient to irrevocably discharge the Secured Obligations in full they shall be applied in the repayment of the Secured Obligations

16. APPOINTMENT OF A RECEIVER OR AN ADMINISTRATOR

16 1 Appointment

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to this Debenture and the floating charges contained in this Debenture. At any time after

- (a) the occurrence of a Declared Default,
- (b) a step or proceeding is taken for the appointment of an administrator, liquidator or provisional liquidator in relation to a Chargor,
- (c) notices to creditors are sent out under section 98 of the Insolvency Act 1986 in relation to a Chargor,
- (d) a proposal is made in relation to a Chargor for a voluntary arrangement under Part I of the Insolvency Act 1986,
- (e) a step or proceeding is taken in relation to a Chargor with a view to seeking a moratorium, or
- (f) a request has been made by the Parent and/or a Chargor to the Security Agent for the appointment of a Receiver or an administrator over its Assets or in respect of a Chargor,

then this Debenture shall become enforceable and, notwithstanding the terms of any other agreement between such Chargor and any Secured Party, the Security Agent may (unless precluded by law) appoint in writing any person or persons to be a receiver and manager or receivers and managers of all or any part of the Assets of such Chargor or, an administrator or administrators of such Chargor, as the Security Agent may choose in its entire discretion

16.2 Power to act separately

Where more than one Receiver or administrator is appointed, the appointees shall have power to act separately unless the Security Agent shall specify to the contrary

16.3 Receiver's remuneration

The Security Agent may from time to time determine the remuneration of a Receiver

16.4 Removal of Receiver

The Security Agent may (subject to section 45 of the Insolvency Act 1986) remove a Receiver from all or any of the Assets of which he is the Receiver

16.5 Further appointments of a Receiver

Such an appointment of a Receiver shall not preclude

- (a) the Security Agent from making any subsequent appointment of a Receiver over all or any Assets over which a Receiver has not previously been appointed or has ceased to act, or
- (b) the appointment of an additional Receiver to act while the first Receiver continues to act

16.6 Receiver's agency

The Receiver shall be the agent of the relevant Chargor (which shall be solely liable for his acts, defaults and remuneration) unless and until such Chargor goes into liquidation, after which time he shall act as principal and shall not become the agent of the Security Agent or any other Secured Party

16.7 Section 109(1) Law of Property Act

Section 109(1) of the Law of Property Act 1925 shall not apply to this Debenture

17. POWERS OF A RECEIVER

The Receiver may exercise, in relation to each Chargor over whose Assets he is appointed, all the powers, rights and discretions set out in Schedules 1 and 2 to the Insolvency Act 1986 and in particular, by way of addition to and without limiting such powers, the Receiver may, with or without the concurrence of others

- (a) sell, lease, let, license, grant options over and vary the terms of, terminate or accept surrenders of leases, licences or tenancies of, all or any of the Assets of the relevant Chargor, without the need to observe any of the provisions of Sections 99 and 100 of the Law of Property Act 1925, in such manner and generally on such terms and conditions as he shall think fit in his absolute and unfettered discretion and any such sale or disposition may be for cash, investments or other valuable consideration (in each case payable in a lump sum or by instalments) and carry any such transactions into effect in the name of and on behalf of such Chargor,

- (b) promote the formation of a Subsidiary of the relevant Chargor with a view to such Subsidiary purchasing, leasing, licensing or otherwise acquiring interests in all or any of the Assets of such Chargor,
- (c) sever any fixtures from Property and/or sell them separately,
- (d) exercise all voting and other rights attaching to Investments owned by the relevant Chargor,
- (e) arrange for the purchase, lease, licence or acquisition of all or any Assets of the relevant Chargor by any Subsidiary contemplated by paragraph (b) above on a basis whereby the consideration may be for cash, Investments, shares of profits or sums calculated by reference to profits or turnover or royalties or licence fees or otherwise, whether or not secured on the assets of such Subsidiary and whether or not such consideration is payable or receivable in a lump sum or by instalments over such period as the Receiver may think fit,
- (f) make any arrangement or compromise with any Secured Party or others as he shall think fit,
- (g) make and effect all repairs, renewals and improvements to the Assets of the relevant Chargor and effect, renew or increase insurances on such terms and against such risks as he shall think fit,
- (h) appoint managers, officers and agents for the above purposes at such remuneration as the Receiver may determine,
- (i) redeem any prior encumbrance and settle and pass the accounts of the encumbrancer and any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the relevant Chargor and the money so paid shall be deemed an expense properly incurred by the Receiver,
- (j) pay the proper administrative charges of any Secured Parties in respect of time spent by their agents and employees in dealing with matters raised by the Receiver or relating to the receivership of the relevant Chargor,
- (k) commence and/or complete any building operations upon any Property of the relevant Chargor and apply for and obtain any planning permissions, building regulation consents or licences, in each case as he may in his absolute discretion think fit,
- (l) take all steps necessary to effect all registrations, renewals, applications and notifications as the Receiver may in his discretion think prudent to maintain in force or protect any of the relevant Chargor's Intellectual Property Rights, and
- (m) do all such other acts and things as may be considered by the Receiver to be incidental or conducive to any of the above matters or powers or otherwise incidental or conducive to the preservation, improvement or realisation of the relevant Assets

18. POWER OF ATTORNEY

18.1 Appointment of attorney

Each Chargor, by way of security and to more fully secure the performance of its obligations under this Debenture, hereby irrevocably appoints the Security Agent (whether or not a Receiver or administrator has been appointed) and any Receiver, in each case, whilst an Event of Default is continuing (or the Security constituted by this Debenture has become enforceable) separately to be its attorney (with full power to appoint substitutes and to delegate) with power in its name and on its behalf, and as its act and deed or otherwise to

- (a) do anything which that Chargor is obliged to do (but has not done) in accordance with this Debenture, including to execute and deliver and otherwise perfect any agreement, assurance, deed, instrument or document, and
- (b) enable the Security Agent or any such Receiver to exercise (or to delegate) all or any of the rights conferred on it by this Debenture or by statute in relation to this Debenture or the Assets charged, or purported to be charged, by it

18.2 Ratification

Each Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to his appointment under this clause

18.3 Sums recoverable

All sums expended by the Security Agent or any Receiver under this Clause 18 shall be recoverable from each Chargor under Clause 24 (*Costs, expenses and liabilities*)

19 OTHER POWERS EXERCISABLE BY THE SECURITY AGENT

19.1 Receiver's powers

All powers of a Receiver conferred by this Debenture may be exercised by the Security Agent after this Debenture has become enforceable. In that event, paragraph (i) of Clause 17 (*Powers of a Receiver*) shall be read and construed as if the words "be charged on the Assets of the relevant Chargor" were substituted for the words "be deemed an expense properly incurred by the Receiver"

19.2 Receipt of debts

The Security Agent or any manager, officer, nominee or agent of the Security Agent is hereby irrevocably empowered after this Debenture has become enforceable to

- (a) receive all trade debts and other debts and claims which may be assigned to the Security Agent pursuant to this Debenture and/or Clause 10 (*Further assurance*),
- (b) on payment give an effectual discharge for them and on non-payment to take and institute (if the Security Agent in its sole discretion so decides) all steps and proceedings either in the name of the relevant Chargor or in the name of the Security Agent for their recovery, and
- (c) agree accounts and make allowances and give time to any surety

Each Chargor ratifies and confirms whatever the Security Agent or any manager or officer of the Security Agent shall do or purport to do under this clause

19.3 Security Agent's powers

The Security Agent shall have no liability or responsibility to any Chargor arising out of the exercise or non-exercise of the powers conferred on it by this Clause 19, except for gross negligence or wilful default

19.4 No duty of enquiry

The Security Agent need not enquire as to the sufficiency of any sums received by it in respect of any debt or claim or make any claim or take any other action to collect in or enforce them

20. APPLICATION OF MONEY RECEIVED BY THE SECURITY AGENT OR A RECEIVER

20 1 Order of priority

Any money received or realised under the powers conferred by this Debenture shall be paid or applied in the following order of priority, subject to the discharge of any prior-ranking claims

- (a) in or towards satisfaction of the Secured Obligations in the manner applicable under clause 15 1 (*Order of Application*) of the Intercreditor Agreement, and
- (b) as to the surplus (if any), to the person or persons entitled to it

20 2 Suspense account

Until all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full, the Security Agent may place and keep to the credit of a suspense account any money received from or realised in respect of any Chargor's liability under this Debenture. The Security Agent shall have no intermediate obligation to apply such money in or towards the discharge of any of the Secured Obligations provided that if such monies at any time are sufficient to irrevocably discharge the Secured Obligations in full they shall be applied in repayment of the Secured Obligations. Amounts standing to the credit of any such suspense account shall bear interest at a rate considered by the Security Agent in good faith to be a fair market rate.

20 3 Discretion to apply

Until all Secured Obligations have been unconditionally and irrevocably paid and discharged in full, the Security Agent may refrain from applying or enforcing any other moneys, security or rights held by it in respect of the Secured Obligations or may apply and enforce such moneys, security or rights in such manner and in such order as it shall decide in its unfettered discretion.

20 4 Section 109 Law of Property Act 1925

Sections 109(6) and (8) of the Law of Property Act shall not apply to a Receiver appointed under this Debenture.

21. PROTECTION OF THIRD PARTIES

21 1 No duty to enquire

No purchaser from, or other person dealing with, the Security Agent or any Receiver or administrator appointed under this Debenture shall be concerned to enquire whether any of the powers which the Security Agent has exercised or purported to exercise has arisen or become exercisable, or whether this Debenture has become enforceable, or whether a Receiver or administrator has been validly appointed, or whether any event or cause has happened to authorise the Security Agent or a Receiver or administrator to act or as to the propriety or validity of the exercise or purported exercise of any such power, and the title of such a purchaser and the position of such a person shall not be impeachable by reference to any of those matters.

21 2 Receipt

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

22. PROTECTION OF THE SECURITY AGENT AND RECEIVER

22 1 Limitation

Neither the Security Agent nor any Receiver shall be liable in respect of any Liability which arises out of the exercise or the purported exercise of, or the failure to exercise, any of their respective powers under or by virtue of this Debenture, except if and in so far as such Liability results from its own gross negligence or wilful default

22 2 Entry into possession

Without prejudice to the generality of Clause 22 1 (*Limitation*), neither the Security Agent nor any Receiver shall be liable to account as mortgagee in possession or otherwise for any sum not actually received by it or him respectively. If and whenever the Security Agent enters into possession of any Assets, it shall be entitled at any time at its discretion to go out of possession

22 3 Primary Liability of Chargor

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

22 4 Cumulative Powers

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

23. SECURITY AGENT

23 1 Security Agent as trustee

The Security Agent declares itself to be a trustee of this Debenture (and any other Security created in its favour pursuant to this Debenture) for the Secured Parties. The retirement of the person for the time being acting as Security Agent and the appointment of a successor shall be effected in the manner provided for in the Intercreditor Agreement

23 2 Trustee Act 2000

The Parties agree that the Security Agent shall not be subject to the duty of care imposed on trustees by the Trustee Act 2000

23 3 Perpetuity period

The perpetuity period applicable to the trust hereby constituted shall be 125 years

23 4 No partnership

Nothing in this Debenture shall constitute or be deemed to constitute a partnership between any of the Secured Parties and the Security Agent

24. COSTS, EXPENSES AND LIABILITIES

24 1 Costs and expenses

Each Chargor will, promptly on the Security Agent's written demand from time to time, reimburse the Security Agent for all costs and expenses (including agreed legal fees) on a full indemnity basis, together with VAT thereon, reasonably and properly incurred by it in connection with

- (a) the negotiation, preparation and execution of this Debenture and any Deed of Accession and Charge, and
- (b) the completion of the transactions and perfection of the Security contemplated in this Debenture in Clause 10 (*Further Assurance*) and in any Deed of Accession and Charge

24 2 Enforcement costs

Each Chargor will, within three Business Days of the Security Agent's written demand, pay to the Security Agent, for each Secured Party on a full indemnity basis, the amount of all costs and expenses (including legal, valuation, accountancy and consultancy fees and disbursements and out-of-pocket expenses), and any VAT thereon, incurred by the Security Agent and/or any other Secured Party in connection with the exercise, enforcement and/or preservation of any of its rights under this Debenture and any Deed of Accession and Charge (or any of the documents contemplated by such documents) or any proceedings instituted by or against the Security Agent, in any jurisdiction

24 3 Indemnity for Liabilities

Each Chargor shall also, within three Business Days of the Security Agent's written demand, reimburse or pay to the Security Agent, its employees or agents, on demand (on the basis of a full indemnity) the amount of all Liabilities incurred by the Security Agent, its employees or agents, in connection with

- (a) any default or delay by such Chargor in the performance of any of its obligations under this Debenture,
- (b) the exercise, or the attempted or purported exercise, by or on behalf of the Security Agent of any of its powers or any other action taken by or on behalf of the Security Agent with a view to or in connection with the recovery of the Secured Obligations, the enforcement of the Security created by this Debenture or for any other purpose contemplated in this Debenture,
- (c) the carrying out or consideration of any other act or matter which the Security Agent may consider to be conducive to the preservation, improvement or benefit of any Asset, and
- (d) any stamp duty, stamp duty reserve tax or similar tax which may be payable as a result of the execution or performance of this Debenture,

provided that such Liabilities (in the case of paragraph (c) above) are reasonably and properly incurred

25. INTEREST ON OVERDUE AMOUNTS

- (a) Any amount not paid in accordance with this Debenture when due shall (subject to paragraph (b) below) carry interest at the rate and in accordance with the terms contained in the relevant Debt Document in relation to overdue sums or at such other rate as may be agreed between the relevant Chargor and Secured Party from time to time. In each case, interest shall accrue on a day to day basis until the date of irrevocable and unconditional repayment in full and, if unpaid, shall be compounded on the terms so agreed or (in the absence of such agreed terms) with quarterly rests on the Security Agent's usual quarterly interest days. Interest shall continue to be charged and compounded on this basis after as well as before any demand or judgment.
- (b) Paragraph (a) above shall not apply to the extent that default interest on such amount for such period is charged pursuant to the relevant Debt Document and itself constitutes part of the Secured Obligations.

26. SET-OFF

After the occurrence of an Event of Default, a Secured Party may (but is not obliged to) retain any money standing to the credit of any Chargor with such Secured Party in any currency upon any account or otherwise (whether or not in such Chargor's name) as cover for any Secured Obligations and/or at any time or times without notice to such Chargor combine or consolidate all or any of such money with all or such part of the Secured Obligations due or owing by it as such Secured Party may select and such Secured Party may purchase with any such money any other currency required to effect such combination or consolidation.

27. TRANSFER BY A SECURED PARTY

- (a) Any Secured Party may at any time assign and transfer all or any of its rights in relation to this Debenture to any person to whom it is permitted to transfer any of its rights under the relevant Debt Document or otherwise grant an interest in them to any person.
- (b) The Security Agent may assign and transfer all of its rights and obligations under this Debenture to any replacement Security Agent appointed in accordance with the Intercreditor Agreement. Upon such assignment and transfer becoming effective, the replacement Security Agent shall be, and be deemed to be, acting as agent and trustee for each of the Secured Parties (including itself) for the purposes of this Debenture in replacement of the previous Security Agent.

28. ACCESSION OF A NEW CHARGOR

28.1 Method

Any member of the Group may at any time, with the prior written approval of the Security Agent, become a party to this Debenture by delivering to the Security Agent in form and substance satisfactory to it:

- (a) a Deed of Accession and Charge, and
- (b) certified extracts from the minutes of a meeting of its Board of Directors evidencing the due authorisation and execution of the Deed of Accession and Charge and any other conditions precedent required by any Debt Document.

28.2 New Chargor bound

The New Chargor shall become a chargor under this Debenture with effect from the time when the Deed of Accession and Charge takes effect, at which point

- (a) the New Chargor shall become bound by all the terms of this Debenture and shall assume the same obligations as "Chargor" as if it were an original party to this Debenture, and
- (b) the other Chargors shall assume the same obligations in respect of the New Chargor as if it were an original party to this Debenture

28 3 Consent of Chargors

- (a) Each Chargor consents to new Subsidiaries becoming Chargors as contemplated by Clauses 28 1 (*Method*) and 28 2 (*New Chargor Bound*) above
- (b) Each Chargor confirms that the execution of any Deed of Accession and Charge by a new Subsidiary will in no way prejudice or affect the security granted by each of them under (and the covenants given by each of them in), the Debenture and that the Debenture shall remain in full force and effect as supplemented by any such Deed of Accession and Charge
- (c) Each Chargor further confirms that the execution of any other supplemental security document by a Chargor will in no way prejudice or affect the security granted by each of them under (and the covenants given by each of them in), the Debenture and that the Debenture shall remain in full force and effect as supplemented by any such supplemental security document

29. RELEASE OF SECURITY

29 1 Redemption

Subject to Clause 29 2 (*Avoidance of Payments*), if all Secured Obligations have been unconditionally and irrevocably paid in full and none of the Secured Parties are under any further actual or contingent liability to make, advance or provide other financial accommodation to any person under any Debt Document, the Security Agent will (at the request and cost of the Chargors), execute and do all such reasonable acts as may be necessary to release the Assets from the Security constituted by this Debenture. Such release shall not prejudice the rights of the Security Agent under Clause 24 (*Costs, Expenses and Liabilities*). For the avoidance of doubt, if a Chargor is not prohibited from disposing of any Charged Property pursuant to the terms of the Debt Documents, the Security Agent shall, to the extent permitted under the terms of the Debt Documents, promptly upon request by the relevant Chargor (and at the cost of the relevant Chargor) and with effect from such disposal, release such Charged Property from the security created by this Debenture.

29 2 Avoidance of Payments

If the Security Agent considers in good faith that any amount received in payment or purported payment of the Secured Obligations is capable of being avoided or reduced by virtue of any insolvency, bankruptcy, liquidation or other similar laws, the liability of each Chargor under this Debenture and the Security constituted by this Debenture shall continue and such amount shall not be considered to have been irrevocably paid.

29 3 Permitted Transactions

The terms of this Debenture shall not operate or be construed so as to prohibit or restrict any transaction, matter or other step not prohibited by the Debt Documents or to prevent the release of a security interest over any Charged Property that is otherwise automatically released pursuant to the terms of the Debt Documents. In each case, and in accordance with the terms of the Debt Documents, the Security Agent shall promptly enter into such documentation and/or take such other action as is required by a Chargor (acting reasonably) in order to facilitate any such transaction, matter, release or other step and with effect from such transaction, matter, release or other step, including by way of executing any confirmation,

consent to dealing, release or other similar or equivalent document in connection with the Debenture, provided that any costs and expenses incurred by the Security Agent entering into such documentation and/or taking such other action at the request of such Chargor pursuant to this Clause 29 3 shall be for the account of such Chargor

30. THIRD PARTY RIGHTS

30 1 Directly enforceable rights

Pursuant to the Contracts (Rights of Third Parties) Act 1999

- (a) the provisions of Clause 26 (*Set-off*), and Clause 27 (*Transfer by a Secured Party*) shall be directly enforceable by a Secured Party,
- (b) the provisions of Clause 16 (*Appointment of a Receiver or an Administrator*) to Clause 22 (*Protection of the Security Agent and Receiver*) inclusive shall be directly enforceable by any Receiver, and
- (c) the provisions of Clause 21 (*Protection of third parties*) shall be directly enforceable by any purchaser

30 2 Exclusion of Contracts (Rights of Third Parties) Act 1999

Save as otherwise expressly provided in Clause 30 1 (*Directly enforceable rights*), no person other than a Party shall have any right by virtue of either the Contracts (Rights of Third Parties) Act 1999 or any other provision of English law under which rights might accrue to persons other than a party, to enforce any term (express or implied) of this Debenture

30 3 Rights of the Parties to vary

The Parties (or the Parent, on behalf of the Chargors, and the Security Agent (on behalf of the Secured Parties)) may by agreement vary any term of this Debenture (including this Clause 30) without the necessity of obtaining any consent from any other person

31. JOINT AND SEPARATE LIABILITY

All covenants, agreements, representations and warranties on the part of the Chargors contained in this Debenture are given by them jointly and separately and shall be construed accordingly

32. FORBEARANCE, SEVERABILITY, VARIATIONS AND CONSENTS

32 1 Delay etc.

All rights, powers and privileges under this Debenture shall continue in full force and effect, regardless of any Secured Party exercising, delaying in exercising or omitting to exercise any of them

32 2 Severability

No provision of this Debenture shall be avoided or invalidated by reason only of one or more other provisions being invalid or unenforceable

32 3 Illegality, invalidity, unenforceability

Any provision of this Debenture which is or becomes illegal, invalid or unenforceable shall be ineffective only to the extent of such illegality, invalidity and unenforceability, without invalidating the remaining provisions of this Debenture

32.4 Variations

No variation of this Debenture shall be valid and constitute part of this Debenture, unless such variation shall have been made in writing and signed by the Security Agent (on behalf of the Secured Parties) and the Parent (on behalf of the Chargors) or by all Parties

32.5 Consents

Save as otherwise expressly specified in this Debenture, any consent of the Security Agent may be given absolutely or on any terms and subject to any conditions as the Security Agent may determine in its entire discretion

32.6 Failure to Execute

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

33. COUNTERPARTS

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

34. NOTICES

34.1 Communications in writing

Any communication to be made under or in connection with this Debenture shall be made in writing and, unless otherwise stated, may be made by fax or letter

34.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Debenture is

- (a) in the case of the Chargors, set out in Schedule 1 (*The Chargors*) and in the case of any New Chargor, set out in the relevant Deed of Accession and Charge, and
- (b) in the case of the Security Agent, that identified with its name at the end of this Debenture,

or any substitute address, fax number or department or officer as the Chargor may notify to the Security Agent (or the Security Agent may notify to the Parent if a change is made by the Security Agent) by not less than five Business Days' notice

34.3 Delivery

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

and, if a particular department or officer is specified as part of its address details provided under Clause 34.2 (*Addresses*), if addressed to that department or officer

- (b) Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of and actually received by the department or officer identified with the Security Agent's signature below (or any substitute department or officer as the Security Agent shall specify for this purpose)
- (c) Any communication or document made or delivered to the Parent in accordance with this Clause will be deemed to have been made or delivered to each of the Chargors

34.4 Electronic Mail

Notices under this Debenture may not be served by electronic mail or other electronic means of communication, other than facsimile

34.5 Notification of Change

Promptly upon receipt of notification of an address or fax number or change of address or fax number pursuant to Clause 34.2 (*Addresses*) or changing its own address or fax number, the Security Agent shall notify the other parties

35. SECURITY AGENT

The provisions of clause 14 (*Proceeds of disposals*) and clause 17 (*The Security Agent*) of the Intercreditor Agreement shall apply to the Security Agent's rights, obligations and duties under this Debenture as if set out in this Debenture in full

36. GOVERNING LAW

This Debenture and all non-contractual obligations arising in any way whatsoever out of or in connection with this Debenture are governed by, and shall be construed and take effect in accordance with English law

37. ENFORCEMENT

37.1 Jurisdiction

- (a) The courts of England shall have exclusive jurisdiction to settle any claim, dispute or matter of difference which may arise in any way whatsoever out of or in connection with this Debenture (including a dispute regarding the existence, validity or termination of the Debenture or any claim for set-off) or the legal relationships established by the Debenture (a "**Dispute**"), only where such Dispute is the subject of proceedings commenced by a Chorgor
- (b) For the benefit of the Secured Parties, the Secured Parties are entitled to bring proceedings in relation to a Dispute in any court or courts of competent jurisdiction (including but not limited to the courts of England. If any Chorgor raises a counter-claim in the context of proceedings commenced by one or more of the Secured Parties, that Chorgor shall bring such counter-claim before the court seized of the Secured Party's claim and no other court
- (c) The commencement of legal proceedings in one or more jurisdictions shall not, to the extent allowed by law, preclude any Secured Party from commencing legal actions or proceedings in any other jurisdiction, whether concurrently or not
- (d) To the extent allowed by law, each Chorgor irrevocably waives any objection it may now or hereafter have on any grounds whatsoever to the laying of venue of any legal proceeding, and any claim it may now or hereafter have that any such legal proceeding has been brought in an inappropriate or inconvenient forum

37.2 Service of process

Without prejudice to any other mode of service allowed under any relevant law, each Chargor (other than a Chargor incorporated in England and Wales)

- (a) irrevocably appoints Matalan Group Limited at its registered office at the date of this Debenture (or such other address in England and Wales as Matalan Group Limited may notify to the Security Agent in writing) as its agent for service of process in relation to any proceedings before the English courts in connection with this Debenture (and Matalan Group Limited by its execution of this Agreement, accepts that appointment), and
- (b) agrees that failure by an agent for service of process to notify the relevant Chargor of the process will not invalidate the proceedings concerned

37.3 Matalan Group Limited expressly agrees and consents to the provisions of Clause 36 (*Governing law*) and of Clause 37 (*Enforcement*)

This Debenture has been executed by each Chargor as a deed and signed by the Security Agent and it shall take effect on the date stated at the beginning of this document

Schedule 1**THE CHARGORS**

Name of Chargor	Registered Number and Jurisdiction of Incorporation	Address for Service
Missouri Topco Limited	Guernsey 45618	Gillibrands Road Skelmersdale West Lancashire WN8 9TB
Matalan Group Limited	England & Wales 5974909	Gillibrands Road Skelmersdale West Lancashire WN8 9TB
Matalan Finance plc	England & Wales 5962488	Gillibrands Road Skelmersdale West Lancashire WN8 9TB
Matalan Limited	England & Wales 1579910	Gillibrands Road Skelmersdale West Lancashire WN8 9TB
Matalan Retail Ltd	England & Wales 2103564	Gillibrands Road Skelmersdale West Lancashire WN8 9TB
Matalan Holding Company Limited	England & Wales 4250515	Gillibrands Road Skelmersdale West Lancashire WN8 9TB

Schedule 2

MATERIAL PROPERTIES

REGISTERED PROPERTY

None at the date of this Debenture

UNREGISTERED PROPERTY

None at the date of this Debenture

The address for service of the Security Agent in the case of registered land is Lloyds Bank plc, 3rd Floor, 10 Gresham Street, London EC2V 7AE Fax 02071583198 Attn Wholesale Loans Agency

Schedule 3

FORM OF DEED OF ACCESSION AND CHARGE FOR A NEW CHARGOR

THIS DEED OF ACCESSION AND CHARGE is made on [●]

BETWEEN

- (1) [***INSERT THE NAME OF THE NEW CHARGOR***] (registered in [England and Wales] under number [***]) (the "New Chargor"),
- (2) **MISSOURI TOPCO LIMITED** (registered in Guernsey under number 45618) (the "Parent"), and
- (3) **LLOYDS BANK PLC** (the "Security Agent")

WHEREAS

- (A) This Deed is supplemental to a Debenture (the "Principal Deed") dated [***insert date***] between (1) the [***Identify original Chargors***] and (2) the Security Agent as agent and trustee for the Secured Parties named in the Principal Deed (the "Secured Parties")

[***Note: Set out details of any previous Deed of Accession and Charge.***]

- (B) The New Chargor has agreed to charge in favour of the Security Agent, on the terms contained in the Principal Deed, all of its property, undertaking and assets to secure the Secured Obligations, and to accede to the Principal Deed

THIS DEED WITNESSES as follows

1. DEFINITIONS AND INTERPRETATION

Words and phrases defined in the Principal Deed and principles of interpretation provided for in the Principal Deed shall, unless the context otherwise requires or unless otherwise re-defined below, have the same meaning and shall apply (as the case may be) in this Deed

2. ACCESSION BY THE NEW CHARGOR TO THE PRINCIPAL DEED¹

2.1 Accession

The New Chargor agrees to be bound by the terms of the Principal Deed and to perform all its obligations (whether as Chargor or otherwise) under the Principal Deed with effect from the date of this Deed as if it had been an original party to the Principal Deed

2.2 Covenant to pay

The New Chargor (as primary obligor and not merely as surety) covenants with the Security Agent that it will pay or discharge the Secured Obligations at the times and in the manner provided in the relevant Debt Document

2.3 Proviso

The covenants contained in this Clause and the security created by this Deed shall not extend to or include any liability or sum which would otherwise cause any such covenant or security to be unlawful or prohibited by any applicable law

¹ The New Chargor will also need to accede to the Senior Facility Agreement to, inter alia, give cross-guarantees of the indebtedness of the other Chargors

2 4 **Parent's agreement to the accession**

The Parent (on behalf of itself and the other members of the Group which are parties to the Principal Deed) hereby agrees to the New Chargor's accession

3. **ASSIGNMENTS**

[*** Incorporate in the execution copy of the deed of accession the relevant final text from Clause 3 1 (*Assignments*) of the Principal Deed This will include the assignment of Insurance Policies as a minimum ***]

4. **FIXED SECURITY**

[*** Incorporate in the execution copy of the deed of accession the final text from Clause 3 2 of the Principal Deed with consequential changes Note where the New Chargor has real property, intercompany debts or IP it will be scheduled and a definition included of Specified Intellectual Property ***]²

5. **CREATION OF FLOATING CHARGE**

5 1 [*** Incorporate in the execution copy of the deed of accession the final text (when settled) from Clause 3 3 of the Principal Deed with consequential amendments ***]

5 2 The parties agree (without limitation to the general nature of the New Chargor's accession to the Principal Deed contained in Clause 2) that the crystallisation provisions contained in Clause 4 of the Principal Deed shall equally apply to the floating charge contained in this Deed as if set out in full in this Deed

6. **APPLICATION TO THE LAND REGISTRY**

The New Chargor

- (a) in relation to each register of title of any present and future Material Property of the New Chargor which is charged to the Security Agent under this Deed, consents to the Security Agent (or its solicitors) at any time
 - (i) submitting a Form RX1 (application to register a restriction) in the following terms

“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] in favour of [Chargee] referred to on the charges register or their conveyancer”, and
 - (ii) submitting a Form CH2 (application to enter an obligation to make further advances), and
- (b) covenants to submit an application to the appropriate Land Registry for the first registration of any unregistered Material Property in England and Wales mortgaged by Clause 4 (*Fixed security*) at its own expense, immediately following its execution of this Deed

7. **POWER OF ATTORNEY**

7 1 **Appointment of attorney**

² If the New Chargor has any claims under an acquisition agreement add an assignment clause here

The New Chargor, by way of security and to more fully secure the performance of its obligations under this Deed, hereby irrevocably appoints the Security Agent (whether or not a Receiver or administrator has been appointed) and any Receiver, in each case, whilst an Event of Default is continuing (or the Security constituted by this Debenture has become enforceable) separately, to be its attorney (with full power to appoint substitutes and to delegate) with power in its name and on its behalf, and as its act and deed or otherwise to

- (a) do anything which the New Chargor is obliged to do (but has not done) in accordance with this Deed, including to execute and deliver and otherwise perfect any agreement, assurance, deed, instrument or document, and
- (b) enable the Security Agent or any such Receiver to exercise (or to delegate) all or any of the rights conferred on it by this Deed or by statute in relation to this Deed or the Assets charged, or purported to be charged, by it

7.2 Ratification

The New Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause

7.3 Sums recoverable

All sums expended by the Security Agent or any Receiver under this clause shall be recoverable from the New Chargor under Clause 24 (*Costs, expenses and liabilities*) of the Principal Deed

8. NOTICES

All notices or demands to be given or made pursuant to this Deed shall be given or made in the manner set out in Clause 34 (*Notices*) of the Principal Deed. The New Chargor's address for service is set out in Schedule 6 (*Notice Details*)

9. COUNTERPARTS

This Deed may be executed in any number of counterparts, each of which when executed and delivered shall be an original, but all of which when taken together shall constitute a single document

10. GOVERNING LAW

This Deed and all non-contractual obligations arising in any way out of or in connection with this Deed shall be governed by, construed and take effect in accordance with English law

11. ENFORCEMENT

Jurisdiction

- (a) The courts of England shall have exclusive jurisdiction to settle any claim, dispute or matter of difference which may arise in anyway whatsoever out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or any claim for set-off) or the legal relationships established by this Deed (a "**Dispute**"), only where such Dispute is the subject of proceedings commenced by the New Chargor
- (b) Where a Dispute is the subject of proceedings commenced by one or more Secured Parties, the Secured Parties are entitled to bring such proceedings in any court or courts of competent jurisdiction (including but not limited to the courts of England). If any Chargor raises a counter-claim in the context of proceedings commenced by

one or more of the Secured Parties, that Chargor shall bring such counter-claim before the court seized of the Secured Parties' claim and no other court

- (c) The commencement of legal proceedings in one or more jurisdictions shall not, to the extent allowed by law, preclude the Secured Parties from commencing legal actions or proceedings in any other jurisdiction, whether concurrently or not.
- (d) To the extent allowed by law, the New Chargor irrevocably waives any objection it may now or hereafter have on any grounds whatsoever to the laying of venue of any legal proceeding, and any claim it may now or hereafter have that any such legal proceeding has been brought in an inappropriate or inconvenient forum

12. [*SERVICE OF PROCESS**

Without prejudice to any other mode of service allowed under any relevant law, the New Chargor

- (a) irrevocably appoints [***Matalan Group Limited***] as its agent for service of process in relation to any proceedings before the English courts in connection with this Deed, and
- (b) agrees that failure by a process agent to notify it of the process will not invalidate the proceedings concerned ***]³

13. FINANCE DOCUMENT

This Deed is a Finance Document (as such term is defined in the Senior Facility Agreement)

This Deed of Accession and Charge has been executed by the New Chargor and the Parent as a deed and signed by the Security Agent and it shall take effect on the date stated at the beginning of this document

³ Only include Clause 12 if the New Chargor is incorporated in a jurisdiction other than England and Wales

Schedules to Deed of Accession and Charge

SCHEDULE 1

PROPERTIES

[•]

SCHEDULE 2

SHARES AND INVESTMENTS

[•]

SCHEDULE 3

INTELLECTUAL PROPERTY

[•]

SCHEDULE 4

BANK ACCOUNTS

[•]

SCHEDULE 5

INSURANCE POLICIES

[•]

Schedule 6 to Deed of Accession and Charge

Notice Details

[***Set out here the notice details for the New Chargor***]

EXECUTION

THE NEW CHARGOR

Executed and Delivered as a)	Director
Deed by [***insert name of New Chargor***])	
(pursuant to a resolution of its Board)	
of Directors) acting by)	Director/Secretary

THE PARENT

Executed and Delivered as a Deed by)	Director
Missouri Topco Limited)	
(pursuant to a resolution of its Board)	
of Directors) acting by)	Director/Secretary

THE SECURITY AGENT

Signed by)	
for and on behalf of)	
Lloyds Bank plc)	Authorised Signatory

Schedule 4

FORM OF COLLECTION ACCOUNT NOTICE

To [insert name and address of Account Bank] (the "Account Bank")

Dated [●]

Dear Sirs

Re: The Matalan Group of Companies - Security over Bank Accounts

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

1 We irrevocably authorise and instruct you

- (a) to hold all monies from time to time standing to the credit of the Charged Accounts to the order of the Security Agent and to pay all or any part of those monies to the Security Agent (or as it may direct) promptly following receipt of written instructions from the Security Agent to that effect, and
- (b) to disclose to the Security Agent any information relating to the Customers and the Charged Accounts which the Security Agent may from time to time request you to provide

2 We also advise you that

- (a) the Customers may not withdraw any monies from the Charged Accounts designated as "Blocked" in the schedule below without first having obtained the prior written consent of the Security Agent,
- (b) by counter-signing this notice the Security Agent confirms that the Customers may make withdrawals from the Charged Accounts designated as "Not blocked" in the schedule below until such time as the Security Agent shall notify you (with a copy to the Chargor) in writing that their permission is withdrawn. That permission may be withdrawn or modified by the Security Agent in its absolute discretion at any time, and
- (c) the provisions of this notice may only be revoked or varied with the prior written consent of the Security Agent

3 Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to the Chargor) by way of your confirmation that

- (a) you agree to act in accordance with the provisions of this notice,
- (b) you have not received notice that any Customer has assigned its rights to the monies standing to the credit of the Charged Accounts or otherwise granted any security or other interest over those monies in favour of any third party,

- (c) you will not exercise any right to combine accounts or any rights of set-off or lien or any similar rights in relation to the monies standing to the credit of the Charged Accounts, except for the netting of credit and debit balances pursuant to current account netting arrangements previously approved in writing by the Security Agent, and
- (d) you have not claimed or exercised, nor do you have outstanding any right to claim or exercise against the Chargor, any right of set-off, counter-claim or other right relating to the Charged Accounts

The provisions of this notice are governed by English law

Schedule

Customer	Account Number	Sort Code	Status
[•]	[•]	[•]	[Blocked][Not blocked]

Yours faithfully,

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

Counter-signed by

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

[On acknowledgement copy]

To *[Insert name and address of Security Agent]*

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

We acknowledge receipt of the above notice and confirm the matters set out in paragraphs (a) to (d) above

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

Dated [●]

Schedule 5

SPECIFIED INTELLECTUAL PROPERTY

Country	Mark	Classes	App Date	App No	Reg No	Renewal Date	Proprietor
United Kingdom	CANDY COUTURE [words]	25 Clothing, footwear and headgear	17/09/2009	2526307	2526307	17/09/2019	MATALAN LIMITED
United Kingdom	EASY [word]	25 Jeans being articles of clothing	05/12/1979	1125121	1125121	05/12/2020	MATALAN LIMITED
United Kingdom	EASY [word]	25 Articles of outer clothing, jeans, trousers, jackets, shirts, t-shirts, sweatshirts, waistcoats, cardigans	20/06/1995	2024591	2024591	20/06/2015	MATALAN LIMITED
United Kingdom	FALMER HERITAGE [words]	14 18	23/12/2011	2605426	2605426	23/12/2021	MATALAN LIMITED
United Kingdom	FIORE [Logo]	25 Articles of clothing, headgear, footwear	11/08/2000	2242266	2242266	11/08/2020	MATALAN LIMITED
United Kingdom	J HAMPTON AND SONS [words]	25 Clothing, footwear, headgear	27/09/2011	2596072	2596072	27/09/2021	MATALAN LIMITED
United Kingdom	MATALAN [word]	25 Articles of outerclothing, articles of underclothing, but not including shoes or boots or goods of the same description as shoes or boots, all included in Class 25	09/02/1990	1413902	1413902	09/02/2017	MATALAN LIMITED
United Kingdom	MATALAN [Logo]	35	04/01/2001	2257116	2257116	04/01/2021	MATALAN LIMITED
United Kingdom	MATALAN [Logo]	25 Articles of clothing, footwear, headgear, all included in Class 25	20/02/1993	1527571	1527571	20/02/2020	MATALAN LIMITED
United Kingdom	PAPAYA [word]	25 Articles of clothing	17/03/1995	2014742	2014742	17/03/2015	MATALAN LIMITED

Country	Mark	Classes	App Date	App No	Reg No	Renewal Date	Proprietor
United Kingdom	ROGERS+ROGERS ROGERS AND ROGERS [words - series of two] SOLEFLEX [words - series of 2] SOON [word]	25 Clothing, footwear and headgear	27/12/1996	2119631A	2119631A	27/12/2016	MATALAN LIMITED
United Kingdom		25 Clothing, footwear and headgear	10/09/2009	2525847	2525847	10/09/2019	MATALAN LIMITED
United Kingdom		25 Articles of clothing, all included in Class 25, but not including footwear	25/11/1993	1554730	1554730	25/11/2020	MATALAN LIMITED
United Kingdom	SPORTING PRO [logo]	18 25 28 35	05/09/2013	3020827	3020827	05/09/2023	MATALAN LIMITED
United Kingdom	Taylor & Wnght [logo]	25 Articles of clothing, footwear and headgear	23/01/2002	2290920	2290920	23/01/2022	MATALAN LIMITED
United Kingdom	The Homestore [logo]	35	11/01/2007	2443403	2443403	11/01/2017	MATALAN LIMITED
European Community	EASY [word]	25 Denim clothing, jeans, jackets, shirts, T- shirts, sweatshirts, belts	01/05/1996	250779	250779	01/05/2016	MATALAN LIMITED
European Community	FIORE [word]	14 18 21 25 26 28	24/03/2003	3106366	3106366	24/03/2023	MATALAN LIMITED

Country	Mark	Classes	App Date	App No	Reg No	Renewal Date	Proprietor
European Community	J HAMPTON & SON [words]	14 18 25	13/09/2010	9371055	9371055	13/09/2020	MATALAN LIMITED
European Community	MATALAN [word]	03 06 08 09 11 14 16 18 20 21 24 25 26 27 28 35	07/04/1998	795419	795419	30/04/2018	MATALAN LIMITED
European Community	MATALAN THE HOME STORE [logo]	03 06 07 08 09 11 14 16 18 20 21 24 26 27 28 35	07/04/1998	795419	795419	30/04/2018	MATALAN LIMITED
European Community	PAPAYA [word]	25 Articles of clothing, headgear, footwear	07/04/1998	794164	794164	30/04/2018	MATALAN LIMITED
European Community	ROGERS+ROGERS [logo]	18 25 35	04/02/2003	3036076	3036076	04/02/2023	MATALAN LIMITED
European Community	ROGERS+ROGERS [words]	18 25 35	04/02/2003	3036076	3036076	04/02/2023	MATALAN LIMITED
European Community	SOON [word]	18 24 25	14/12/2009	8753782	8753782	14/12/2019	MATALAN LIMITED
European Community	U S ATHLETIC [words]	24 25 28	07/03/2002	2605897	2605897	07/03/2022	MATALAN LIMITED

Schedule 6

FORM OF NOTICE OF ASSIGNMENT

Part 1

Form of Notice of Assignment of Hedging Agreements

To [*Hedge Counterparty*]

[*date*]

Dear Sirs,

Notice of Assignment

We refer to a Debenture (the "**Debenture**") dated [***] made between, inter alia, Lloyds Bank plc (the "**Security Agent**") and ourselves. Terms defined in the Debenture are to have the same meanings in this letter.

We hereby give you notice that we have assigned all our rights, title and interest in and to the Hedging Agreements [* define *] to the Security Agent by Clause 3 1(b) (*Assignments*) of the Debenture.

We irrevocably and unconditionally instruct and authorise you (notwithstanding any previous directions which we may have given you to the contrary)

- 1 unless otherwise directed by the Security Agent, to furnish or disclose to the Security Agent in addition to ourselves all notices, matters or things required under the Hedging Agreements to be furnished and disclosed to ourselves,
- 2 to hold to the order of the Security Agent following receipt by you of written instructions from the Security Agent to hold such monies to their order all sums from time to time due and payable by you to us under the Hedging Agreements,
- 3 to pay or release all or any part of the sums from time to time due and payable by you to us under the Hedging Agreements in accordance with the written instructions given to you by the Security Agent from time to time and, in the absence of any written instructions from the Security Agent to the contrary, pay or release all such sums to us, and
- 4 to comply with the terms of any written notice or instructions in any way relating to, or purporting to relate to the Debenture, the sums payable to the Company from time to time under the Hedging Agreements or the debts represented thereby, which you receive from the Security Agent from time to time without reference to or further authority from the Company and without any enquiry by you as to the justification for or validity of such notice or instruction.

The instructions and authorisations contained in this letter shall remain in full force and effect until we and the Security Agent together give you notice in writing revoking them.

This letter and all non-contractual obligations arising in any way whatsoever out of or in connection with this letter shall be governed by, construed and take effect in accordance with English law.

Please confirm your acknowledgement of this Notice by signing the acknowledgements set out at the foot of the enclosed duplicate hereof and by returning the same to [●] at [●] and to [****Security Agent's name and address****] marked for the attention of [***].

Signed

for and on behalf of
[***The Company***]

[on copy]

Acknowledgement

To [●]

To [*** Security Agent ***]]

For the attention of [***]

We, [*** Hedge Counterparty***] hereby acknowledge receipt of a notice of assignment from the Company of which the attached is a copy (the “**Notice of Assignment**”)

We confirm that we have not received notice of any other assignment of the Hedging Agreements described in the Notice of Assignment or any interest therein

For and on behalf of

[*** Hedge Counterparty ***]]

Dated

Part 2

Form of Insurance Notice

To [insert name and address of insurance company]

Dated [●]

Dear Sirs

Re: [here identify the relevant insurance policy(ies)] (the “Policies”)

We notify you that, [insert name of Chargor] (the “Chargor”) has assigned to [insert name of Security Agent] (the “Security Agent”) for the benefit of itself and certain other banks and financial institutions (the “Secured Parties”) all its right, title and interest in the Policies as security for certain obligations owed by the Chargor to the Secured Parties by way of a debenture dated [●]

We further notify you that

- 1 you may continue to deal with the Chargor in relation to the Policies until you receive written notice to the contrary from the Security Agent. Thereafter the Chargor will cease to have any right to deal with you in relation to the Policies and therefore from that time you should deal only with the Security Agent,
- 2 you are authorised to disclose information in relation to the Policies to the Security Agent on request, and
- 3 the provisions of this notice may only be revoked with the written consent of the Security Agent

Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to the Chargor) by way of confirmation that

- (a) you agree to act in accordance with the provisions of this notice,
- (b) after receipt of written notice in accordance with paragraph 1 above, you will pay all monies to which the Chargor is entitled under the Policies direct to the Security Agent (and not to the Chargor) unless the Security Agent otherwise agrees in writing,
- (c) you have not received notice that the Chargor has assigned its rights under the Policies to a third party or created any other interest (whether by way of security or otherwise) in the Policies in favour of a third party, and
- (d) you have not claimed or exercised nor do you have any outstanding right to claim or exercise against the Chargor, any right of set-off, counter-claim or other right relating to the Policies

The provisions of this notice are governed by English law

Yours faithfully

for and on behalf of
[insert name of Chargor]

[On acknowledgement copy]

To [insert name and address of Security Agent]

Copy to [insert name and address of Chargor]

We acknowledge receipt of the above notice and confirm the matters set out in paragraphs (a) to (f) above

for and on behalf of
[insert name of insurance company]

Dated [●]

Schedule 7

FORM OF NOMINEE'S UNDERTAKING RELATING TO SPECIFIED INVESTMENTS

To **[***Security Agent***]**

[*Address***]**

From **[***Nominee*** Limited]**

[*Address***]**

Dated **[***]**

Dear Sirs

DEBENTURE DATED [*INSERT DATE***] (THE "DEBENTURE") BETWEEN MISSOURI TOPCO LIMITED AND THE OTHER COMPANIES LISTED THEREIN (1) AND LLOYDS BANK PLC (2) (THE "SECURITY AGENT") AS TRUSTEE FOR THE SECURED PARTIES (AS DEFINED IN THE DEBENTURE)**

- 1 We confirm that we hold the Investments listed in the Schedule (the "Nominee Investments") as nominee for or to the order of [insert name] (the "Chargor") and agree that we will, following receipt of written notice from you so to do, hold them to your order, as Specified Investments, on and subject to the terms of the Debenture
- 2 We will notify you immediately of the contents of any communication or document received by us as holder of the Nominee Investments
- 3 Following receipt of written notice from you so to do, we will
 - (a) immediately pay to you or as you may direct any money received by us under the Derivative Rights relating to the Nominee Investments and declare ourselves as trustee of such money to hold, pending such payment, upon trust to pay to you,
 - (b) exercise, or refrain from exercising, all of our voting rights in respect of the Nominee Investments or any other rights forming part of the Nominee Investments strictly in accordance with the terms of the Debenture, and
- 4 We will promptly give such instructions or directions as you require relating to any Nominee Investments or their Derivative Rights to protect or preserve your security
- 5 We irrevocably appoint you by way of security our attorney (with full power to appoint substitutes and to delegate), in our name and on our behalf and as our act and deed, at any time following receipt of a written notice from you that a Declared Default has occurred, to execute, deliver and perfect any transfer, renunciation, proxy, mandate, legal or other charge, mortgage, assignment, deed or other document, perform any act, or give any instructions under the rules and practices of a Relevant System or otherwise which may be required of the Chargor under the Debenture (or of us under this Undertaking) or deemed by you necessary or desirable for any purpose of the Debenture or this Undertaking or to enhance or perfect the security intended to be constituted by the Debenture or to transfer legal ownership of any of the Nominee Investments or their Derivative Rights and we shall ratify and confirm all acts and things done by you or any substitute or delegate in the exercise or purported exercise of this power of attorney

- 6 This Undertaking and all non-contractual obligations arising in any way whatsoever out of or in connection with this Undertaking shall be governed by, construed and take effect in accordance with English law and we irrevocably submit for your benefit to the non-exclusive jurisdiction of the English courts
- 7 Terms defined in the Debenture and principles of interpretation provided for in it shall have the same meanings and shall apply in this Undertaking, unless otherwise defined in this Undertaking or the context otherwise requires

This Undertaking has been executed as a Deed the day and year first above written

Executed and delivered as a)
Deed by [***insert name of Nominee***])
(pursuant to a resolution)
by its Board of Directors) acting by) Director

Director/Secretary

[***Address***]

Facsimile No [***]
Telephone No [***]
Attention [***]

SCHEDULE - THE NOMINEE INVESTMENTS

Number of Shares	Denomination and Class of Shares	Name of Issuer
-------------------------	---	-----------------------

Schedule 8

**DETAILS OF DEBTS OWING TO A CHARGOR BY ANOTHER MEMBER OF THE
GROUP WHICH ARE SUBJECT TO A FIXED CHARGE**

None at the date of this Debenture

Schedule 9**COLLECTION ACCOUNTS**

Name of Chargor	Name and address of institution at which account is held	Account Number	Sort Code
Matalan Retail Limited	Lloyds Bank plc, King Street, Manchester M2 3DL	00983607 (GBP)	30-95-42
Matalan Retail Limited	As above	00483701 (GBP)	30-95-42
Matalan Finance Plc	As above	00004153 (GBP)	30-95-42
Matalan Group Limited	As above	02488204 (GBP)	30-95-42
Missouri Topco Limited	As above	02488301 (GBP)	30-95-42
Matalan Holding Company Limited	As above	00454418 (GBP)	30-95-42
Matalan Limited	As above	00449805 (GBP)	30-95-42
Matalan Retail Limited	As above	00449708 (GBP)	30-95-42
Matalan Retail Limited	As above	86316925 (EUR)	30-96-34
Matalan Retail Limited	As above	49006157 (HKD)	30-96-34
Matalan Retail Limited	As above	11504649 (USD)	30-96-34
Matalan Retail Limited	As above	02153008 (GBP)	30-95-42
Matalan Retail Limited	As above	00448302 (GBP)	30-95-42

Schedule 10

SHARES AND INVESTMENTS

Shares

Name of Chargor which holds the shares	Name of company issuing shares	Number and class of shares
Missouri Topco Limited	Matalan Group Limited	218,688,223 ordinary shares
Matalan Group Limited	Matalan Finance Plc	218,668,222 ordinary shares
Matalan Finance Plc	Matalan Limited	408,581,386 ordinary shares
Matalan Limited	Matalan Retail Ltd	1,000 ordinary shares
Matalan Limited	Matalan Holding Company Limited	3,950,000 ordinary shares

Investments

Name of Chargor which holds the investments	Name of issuer	Number and description of investments
--	-----------------------	--

None at the date of this Debenture

Execution Page

THE CHARGORS

Executed and Delivered as a Deed by
Missouri Topco Limited
(pursuant to a resolution of its Board
of Directors) acting by a director
in the presence of

)
)
)
)
)

[REDACTED]

Witness signature

[REDACTED]

Name

WILLIAM LODDER

Address

[REDACTED]

Occupation:

SOLICITOR

[REDACTED]

Address

Gillibrands Road, Skelmersdale, West Lancashire, WN8 9YB

Attn

Stephen Hill

Executed and Delivered as a Deed by
Matalan Group Limited
(pursuant to a resolution of its Board
of Directors) acting by a director
in the presence of

)
)
)
)
)

[REDACTED]

Witness signature

[REDACTED]

Name

WILLIAM LODDER

Address:

[REDACTED]

Occupation

SOLICITOR

[REDACTED]

Address

Gillibrands Road, Skelmersdale, West Lancashire, WN8 9YB

Attn

Stephen Hill

SIGNATURE PAGE TO THE DEBENTURE

Executed and Delivered as a Deed by
Matalan Finance plc
(pursuant to a resolution of its Board
of Directors) acting by a director
in the presence of

)
)
)
)
)

[Redacted]

Witness signature

[Redacted]

Name

WILLIAM LODDER

Address

[Redacted]

Occupation

Solicitor

[Redacted]

Address

Gillibrands Road, Skelmersdale, West Lancashire, WN8 9YB

Attn

Stephen Hill

Executed and Delivered as a Deed by
Matalan Limited
(pursuant to a resolution of its Board
of Directors) acting by a director
in the presence of

)
)
)
)
)

[Redacted]

Witness signature

[Redacted]

Name

WILLIAM LODDER

Address

[Redacted]

Occupation

Solicitor

[Redacted]

Address

Gillibrands Road, Skelmersdale, West Lancashire, WN8 9YB

Attn

Stephen Hill

Executed and Delivered as a Deed by
Matalan Retail Ltd.
(pursuant to a resolution of its Board
of Directors) acting by a director
in the presence of

)
)
)
)
)

[Redacted]

Witness signature

[Redacted]

Name

William Loddar

Address

[Redacted]

Occupation

Solicitor

[Redacted]

Address Gillibrands Road, Skelmersdale, West Lancashire, WN8 9YB

Attn Stephen Hill

Executed and Delivered as a Deed by
Matalan Holding Company Limited
(pursuant to a resolution of its Board
of Directors) acting by a director
in the presence of

)
)
)
)
)

[Redacted]

Witness signature

[Redacted]

Name

William Loddar

Address

[Redacted]

Occupation

Solicitor

[Redacted]

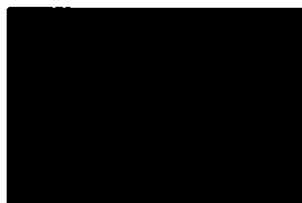
Address Gillibrands Road, Skelmersdale, West Lancashire, WN8 9YB

Attn Stephen Hill

THE SECURITY AGENT

Executed and Delivered as a Deed by
Lloyds Bank plc
acting by **ANDREW MOORE**
in the presence of
Witness signature

)
)
)
)



Name

CLIFF BAYLES

Address



Occupation

BANK MANAGER

Address details

3rd Floor, 10 Gresham Street, London EC2V 7AE

Fax

02071583198

Attention

Wholesale Loan Agency