

# MR01

## Particulars of a charge



229516/13

**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](http://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](http://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. If delivered outside of the 21 days it will be rejected unless it is accompanied court order extending the time for delivery



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

FRIDAY



A25 02/08/2013 #123  
COMPANIES HOUSE

1

### Company details

Company number ☒ 0 6 2 4 7 5 6 3

Company name in full ☒ Eldee Franchising Limited (the "Charging Company")

2 For official use

→ **Filing 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 ☒ 2 ☒ 6 ☒ 0 ☒ 7 ☒ 2 ☒ 0 ☒ 1 ☒ 3

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 TSB Bank plc

(as Security Agent and trustee for the Beneficiaries)

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

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**Description**

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

**Continuation page**

Please use a continuation page if you need to enter more details

Description

Terms defined in the Debenture registered by virtue of this Form MR01 shall have the same meanings when used in this Form MR01

The Charging Company, with full title guarantee, charged to the Security Agent, amongst other things by way of fixed charge

- (a) all 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 (except for any Floating Charge Intellectual Property),
- (b) 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 (except for any Floating Charge Intellectual Property), and
- (c) with effect from the relevant Intellectual Property Consent Date, all Intellectual Property which by virtue of obtaining third party consent pursuant to paragraph (a) of clause 3.7 (*Intellectual Property Consent*) of the Debenture has ceased to be a Floating Charge Intellectual Property

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**Fixed charge or fixed security**

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

- ☒ Yes  
☐ No

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**Floating charge**

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

- ☒ Yes Continue  
☐ No Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

- ☒ Yes

7

**Negative Pledge**

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

- ☒ Yes  
☐ No

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**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 *Hygen Loans International LLP.*

X

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

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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 **F3/SJB/SHAFEOLI/ORIORDAD**

Company name **Hogan Lovells International LLP**

Address **Atlantic House**

**Holborn Viaduct**

Post town **London**

County/Region

Postcode **E C 1 A 2 F G**

Country **United Kingdom**

DX **57 London Chancery Lane**

Telephone **+44 (20) 7296 2000**



**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](http://www.companieshouse.gov.uk) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.companieshouse.gov.uk)**

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

Company number: 6247563

Charge code: 0624 7563 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 26th July 2013 and created by ELLDEE FRANCHISING LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 2nd August 2013.

DX

Given at Companies House, Cardiff on 6th August 2013



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES

DATED

26 July

2013

**LEADERS LETTINGS LIMITED**  
and certain of its Subsidiaries  
(as Chargors)

- and -

**LLOYDS TSB BANK PLC**  
(as Security Agent)

**PROJECT CAESAR**

**DEBENTURE**

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

Save For material  
redacted pursuant  
to s859G of the  
Companies Act 2006,  
we hereby certify that  
this is a true copy  
of the composite original.



*Hogan Lovells International LLP*

Ref F3/SJB/SHAFEOLI/3329080  
J0743 00100

Hogan Lovells International LLP, Atlantic House, Holborn Viaduct, London EC1A 2FG

Hogan Lovells  
International LLP  
Atlantic House  
Holborn Viaduct  
London  
EC1A 2FG

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THIS DEBENTURE is made on

26 July

2013

**BETWEEN**

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

**WITNESSES AS FOLLOWS:**

**1 DEFINITIONS AND INTERPRETATION**

**1.1 Definitions:**

Unless the context otherwise requires, words or expressions defined in the Facilities Agreement shall have the same meanings in this Debenture and this construction shall survive the termination of the Facilities Agreement. In addition, in this Debenture

**"Account Bank"** means a bank or financial institution at which the Mandatory Prepayment Account is held,

**"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,

**"Beneficiary"** means each Secured Party from time to time but, in the case of each Arranger or any Lender, only if it is a party to the Intercreditor Agreement or has acceded to the Intercreditor Agreement, in the appropriate capacity, pursuant clause 20.10 (*Creditor Accession Undertaking*) of the Intercreditor Agreement,

**"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,

**"Declared Default"** means the occurrence of an Event of Default which has resulted in any notice being given by the Agent under clause 25.19 (*Acceleration*) of the Facilities Agreement,

**"Deed of Accession and Charge"** means a deed of accession and charge substantially in the form of Schedule 2 (*Form of Deed of Accession and Charge for a New Chargor*),

**"Default"** means a Default under and as defined in the Facilities Agreement,

**"Deposit Account"** means the accounts of the Group in which any Deposits are held,

**"Deposits"** means means the tenant deposits held by Lloyds TSB Bank plc or the Royal Bank of Scotland plc (or in each case, one of its Affiliates) or any Acceptable Bank in connection with the Group's business which are held subject to the Housing Act 2004 (as amended),

**"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,

**"Enforcement Date"** means the date on which

- (a) a Declared Default occurs,
- (b) a step or proceeding is taken for the appointment of an administrator, liquidator or provisional liquidator in relation to a Chargor,
- (c) an Event of Default under clause 25.6 (*Insolvency*) or clause 25.7 (*Insolvency Proceedings*) of the Facilities Agreement has occurred and is continuing, or
- (d) a request has been made by a Chargor to the Security Agent for the appointment of a Receiver or an administrator over its Assets or in respect of a Chargor,

save that paragraphs (b) to (d) above shall not apply to

- (i) any winding up petition which is frivolous or vexatious and is discharged, stayed or dismissed before it is advertised and in any event within 14 days of commencement,
- (ii) any application for administration made by a person other than any member of the Group or any of their directors or any designated officer in the exercise of the power conferred by Section 87A of the Magistrates Court Act 1980 and which is
  - (1) frivolous or vexatious, and
  - (2) discharged, stayed or dismissed within three Business Days of presentation and in any event at least seven Business Days before the date on which such application is due to be heard,

and provided that the Parent has delivered to the Agent a copy of any such administration application within two Business Days of receipt of such application by any Material Company,

**"Event of Default"** means an Event of Default under and as defined in the Facilities Agreement,

**"Excluded Investments"** means the shares held in

- (a) each Dormant Subsidiary;
- (b) Emperor Insurance Guernsey Limited (formerly RO Leaders Insurance Company Limited), a company incorporated in Guernsey with registered number 45555,
- (c) Leaders Group, a private unlimited company incorporated in England and Wales with registered number 03042443,
- (d) Hepburns Insurance Services Limited, a company incorporated in England and Wales with registered number 03101637, and
- (e) any company, limited partnership or limited liability partnership not incorporated in England and Wales

**"Facilities Agreement"** means the senior and super senior facilities agreement dated on or about the date of this Debenture between, amongst others, the Parent, the companies listed therein as Original Borrowers, the companies listed therein as Original Guarantors, Intermediate Capital Group plc and Lloyds TSB Bank plc (as the Arrangers) and Lloyds TSB Bank plc (as Agent and Security Agent),

**"Finance Document"** has the meaning given to that term in the Facilities Agreement (and shall also include any Hedging Agreement),

**"Financial Collateral"** in relation to a Chargor, means any of its Assets comprising financial collateral within the meaning of the Financial Collateral Regulations,

**"Financial Collateral Regulations"** means the Financial Collateral Arrangements (No 2) Regulations 2003, as amended from time to time,

**"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 and includes all Assets assigned, mortgaged or charged by the equivalent provisions in any Deed of Accession and Charge,

**"Floating Charge Asset"** means an Asset for the time being comprised within the floating charge created by clause 3 3 (*Creation of Floating Charge*) (or by the equivalent provision of any Deed of Accession and Charge) but, in relation to Assets situated in Scotland and charged by paragraph (b) of clause 3 3 only in so far as concerns the floating charge over that Asset (or by the equivalent provision of any Deed of Accession and Charge),

**"Floating Charge Intellectual Property"** means

- (a) any Intellectual Property owned by a Chargor, and
- (b) the benefit of any agreements and licences now or in the future entered into or enjoyed by a Chargor relating to the use or exploitation of any Intellectual Property in any part of the world,

in each case, which that Chargor is prohibited or restricted from charging or for which third party consent is required and has not yet been obtained,

**"Group"** has the meaning given to that term in the Facilities Agreement,

**"Hedge Counterparty"** has the meaning given to that term in the Intercreditor Agreement,

**"Hedging Agreements"** has the meaning given to that term in the Intercreditor Agreement,

**"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 but excluding third party liability insurance and insurance of employees,

**"Intellectual Property"** means patents (including supplementary protection certificates), utility models, registered and unregistered trademarks (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 Consent Date"** means in relation to any Floating Charge Intellectual Property, the date on which the relevant Chargor obtains consent from the

relevant third party in accordance with paragraph (a) of clause 3 7 (*Intellectual Property consent*) to the creation of a fixed charge under paragraph (a)(xvi) or (a)(xvii) of clause 3 2 (*Fixed security*) (as applicable),

**"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 (a)(xi) to (xviii) inclusive of clause 3 2 (*Fixed security*) (or pursuant to the equivalent provisions in any Deed of Accession and Charge),

**"Intercreditor Agreement"** means the intercreditor agreement dated the same date as this Agreement and made between, among others, the Lenders, Intermediate Capital Group plc and Lloyds TSB Bank plc (as Arrangers), Leaders Lettings Limited (as the Parent), Leaders The Rental Agents Limited (as the Company), the Original Debtors, the Investors, the Intra-Group Lenders and Lloyds TSB Bank plc (as Agent and Security Agent) (each term as defined in the Intercreditor Agreement),

**"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,

**"Jordans Loan Notes"** means the loan note instrument dated 31 October 2012 made by Leaders Jordans Limited constituting the issue of up to £3,200,000 subordinated unsecured fixed rate loan notes 2017 of Leaders Jordans Limited to Leaders Lettings Limited,

**"Land"** means freehold and leasehold, and any other estate in, land and (outside England and Wales) immovable property and in each case all buildings and structures upon and all things affixed to Land (including trade and tenant's fixtures),

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

**"Material Intellectual Property"** means any Intellectual Property owned by a Chargor which is material in the context of its business and which is required by it in order to carry on its business as it is being conducted,

**"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 Leaders Lettings Limited a limited liability company incorporated under the laws of England and Wales with registered number 07111438,

**"Party"** means a party to this Debenture,

**"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*) or described in the equivalent provision of any Deed of Accession and Charge,

**"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,

**"Relevant System"** has the meaning given to that term by the Uncertificated Securities Regulations 2001 and includes the CREST system and also any other system or facility (whether established in the United Kingdom or elsewhere) providing means for the deposit of, and clearance of transactions in, Investments,

**"Secured Parties"** means each Finance Party from time to time party to the Facilities Agreement and any Receiver or Delegate,

**"Secured Sums"** means all present and future moneys, obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Chargor owing or incurred by it to all or any of the Beneficiaries under each or any of the Finance Documents, including any liability (secured or unsecured) of any Chargor to a third party which subsequently becomes payable to a Beneficiary by assignment or otherwise, in each case together with

- (c) all interest, commission, costs, charges and expenses incurred by any Beneficiary in connection with the protection, preservation or enforcement under any of its rights under any Finance Document from time to time, and
- (d) all moneys, obligations and liabilities due, owing or incurred in respect of any variations or increases in the amount or composition of the facilities provided under any Finance Document from time to time or the obligations and liabilities imposed under such agreements or documents,

**"Security Agent"** means Lloyds TSB Bank plc acting as security agent and trustee for the Beneficiaries including any successor appointed by the Beneficiaries pursuant to the Finance Documents,

**"Shareholders' Agreement"** means the subscription and shareholders deed dated 31 October 2012 and made between Leaders Lettings Limited, William Astley Jordan and Leaders Jordans Limited,

**"Shareholders' Agreement Claims"** means all of the Parent's rights, title and interest and benefit in and to, and any sums payable to the Parent pursuant to all, all representations, warranties, undertakings and indemnities to, agreements with and security to be provided in favour of the Parent and any rights of abatement or set-off, and all other rights of recovery under or pursuant to the Shareholders' Agreement,

**"Specified Intellectual Property"** means the Intellectual Property listed in Schedule 3 (*Specified Intellectual Property*),

**"Specified Investments"** means, without limitation, the Specified Investments listed in Schedule 6 (*Specified Investments*) and in relation to a Chargor, all Investments which at any time

- (a) 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",
- (b) are held in the name of the Security Agent or its nominee or to its order, or
- (c) that Chargor has deposited certificates for 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,

but excluding the Excluded Investments

## 1 2 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 individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (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 Finance Document) include references to this Debenture or such other document as varied 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 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) References to uncertificated Investments are to Investments the title to which can be transferred by means of an electronic or other entry in a Relevant System and references to certificated Investments are to Investments which are not uncertificated Investments
- (i) The singular shall include the plural and vice versa and any gender shall include the other genders
- (j) Clauses, paragraphs and Schedules shall be construed as references to clauses and paragraphs of, and Schedules to, this Debenture
- (k) 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
- (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

- (n) **"Blank stock transfer form"** means a stock transfer form executed by two directors or a director and witness or a director and the secretary of the company that owns the relevant shares but with the sections relating to the consideration and the transferee left blank

1.3 **Conflict of terms:** If any conflict arises between any provision of this Debenture and the provisions of the Facilities Agreement the provisions given in the Facilities 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 Sums at the times and in the manner provided in the relevant Finance Documents

2.2 **Proviso:** The covenants contained in this clause 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 Sums, assigns absolutely 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;
- (b) all of its rights, title and interest from time to time in respect of the Hedging Agreements,
- (c) all of its rights, title and interest from time to time in respect of the Shareholders' Agreement, and
- (d) all of its rights, title and interest from time to time in respect of the sums payable to it pursuant to the Jordans Loan Notes

3.2 **Fixed Security:** Each Chargor, with full title guarantee, as security for the payment or discharge of all Secured Sums, charges to the Security Agent

- (a) by way of fixed charge
  - (i) all interests and rights in the proceeds of sale of Land now or in the future belonging to it,
  - (ii) all plant and machinery now or in the future attached to any Land,
  - (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 Land,

- (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) where Specified Investments are held in a Relevant System, all its rights against the operator of the Relevant System or any participant in respect of such Specified Investments,
- (ix) all rights and interests in 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 (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,
- (x) all its goodwill and uncalled capital for the time being,
- (xi) all Specified Intellectual Property belonging to it,
- (xii) 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 (except for any Floating Charge Intellectual Property),
- (xiii) 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 (except for any Floating Charge Intellectual Property),
- (xiv) 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 (except for any Floating Charge Intellectual Property),
- (xv) all its rights now or in the future in relation to trade secrets, confidential information and knowhow in any part of the world (except for any Floating Charge Intellectual Property),
- (xvi) with effect from the relevant Intellectual Property Consent Date, all Intellectual Property which by virtue of obtaining third party consent pursuant to paragraph (a) of clause 3.7 (*Intellectual Property consent*) has ceased to be a Floating Charge Intellectual Property,
- (xvii) with effect from the relevant Intellectual Property Consent Date, 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 which by virtue of obtaining third party consent pursuant to paragraph (a) of clause 3.7 (*Intellectual Property consent*) has ceased to be a Floating Charge Intellectual Property,



- (xviii) all its rights and causes of action in respect of infringement(s) (past, present or future) of the rights referred to in sub-paragraphs (a)(xi) to (xvii) inclusive of this clause,
- (xix) all trade debts now or in the future owing to it,
- (xx) all debts owing to it as described in Schedule 5 (*Details of Debts owing to a Chargor by another member of the Group which are subject to a fixed charge*),
- (xxi) all other debts now or in the future owing to it, excluding those arising on fluctuating accounts with other members of the Group,
- (xxii) 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*),
- (xxiii) any beneficial interest, claim or entitlement it has to any pension fund now or in the future,
- (xxiv) 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,
- (xxv) all moneys at any time standing to the credit of any Mandatory Prepayment Account, and the debt represented by any such credit balance, and
- (xxvi) 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 Sums, 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 Floating Charge Asset (whether having priority over, or ranking *par passu* with or subject to, this floating charge) or take any other step referred to in clause 7 (*Negative pledge and other restrictions*) with respect to any such Floating Charge Asset, (except to the extent permitted under any Finance Document)

**3.4 Notices of Assignment:**

- (a) The Parent shall, on the date of this Debenture, execute a notice of assignment in respect of the Shareholders' Agreement in substantially the form set out in Part 1

of Schedule 4 (*Forms of Notice of Assignment*) and within 3 Business Days deliver the notice to each other party to the Shareholders' Agreement

- (b) The Parent 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 2 of Schedule 4 (*Forms of Notice of Assignment*) and within 3 Business Days deliver the notice to each Hedge Counterparty
- (c) The relevant Chargors shall, on the date of this Debenture, execute a notice of assignment in respect of the security over the Insurance Policies and their proceeds created by this Debenture substantially in the form set out at Part 3 of Schedule 4 (*Forms of Notice of Assignment*) and promptly deliver the notice to the insurers (and any broker) and otherwise comply with its obligations in clause 24.24 (*Insurance*) of the Facilities Agreement
- (d) The Parent shall, on the date of this Debenture, execute a notice of assignment in respect of the security over the Jordans Loan Notes and their proceeds created by this Debenture substantially in the form set out at Part 4 of Schedule 4 (*Forms of Notice of Assignment*) and within 3 Business Days deliver the notice to the each other party to the Jordans Loan Notes
- (e) The Parent shall execute a notice of assignment in respect of the security over the Mandatory Prepayment Account in the form set out at Part 5 of Schedule 4 (*Forms of Notice of Assignment*) within 3 Business Days of the date on which such account is opened and within 3 Business Days of that date deliver the notice to the Account Bank at which the respective account is held for acknowledgment
- (f) The Parent shall use all reasonable but commercially prudent endeavours (including expending reasonable costs and expenses) 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) to (e) above

### 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 Land of that Chargor which is charged to the Security Agent under this Debenture or pursuant to clause 9 (*Further Assurance*), consents to the Security Agent (or its solicitors) at any time submitting to the Land Registry any and all of the following
  - (i) a form AP1 (*application to change the register*) in respect of the security created by this Debenture,
  - (ii) a form AN1 (*application to enter an agreed notice*) in respect of the security created by this Debenture,
  - (iii) 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 [Security Agent] referred to on the charges register or their conveyancer ", and

- (iv) 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 Land in England and Wales mortgaged by clause 3 2 (*Fixed security*) at its own expense, immediately following its execution of this Debenture

### 3 7 Intellectual Property consent:

- (a) If the creation of the charges envisaged by paragraph (a) (xvi) and (xvii) of clause 3 2 (*Fixed Security*) requires the consent of any third party, upon becoming aware of the need for such consent the applicable Chargor, if such Floating Charge Intellectual Property is Material Intellectual Property (and not in respect of Intellectual Property that is not Material Intellectual Property), shall use its reasonable endeavours to obtain such consent and at the reasonable request of the Security Agent, keep the Security Agent informed of the progress of its negotiations with the third party and provide the Security Agent with a copy of each consent promptly after its receipt
- (b) With effect from the relevant Intellectual Property Consent Date in relation to any Floating Charge Intellectual Property, that property shall no longer be designated as a Floating Charge Intellectual Property but shall instead be subject to a charge under paragraph (c) (xvi) or (xvii) of clause 3 2 (*Fixed security*) (as applicable)
- (c) If any charge created by clause 3 3 (*Creation of floating charge*) breaches the terms of any Floating Charge Intellectual Property, such breach shall not in turn constitute a breach of any of the representations and warranties given by any Chargor in the Finance Documents

## 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) the Security Agent in good faith considers that a Default under clause 25 6 (*Insolvency*) or clause 25 7 (*Insolvency Proceedings*) of the Facilities Agreement has occurred and is continuing, or
- (c) the Security Agent acting reasonably considers that any of the Assets expressed to be charged to the Security Agent by this Debenture may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process where such Assets have an aggregate value in excess of £500,000, or
- (d) a circumstance envisaged by paragraph (a) of clause 4 2 (*Automatic Crystallisation*) occurs and the Security Agent acting reasonably considers that such crystallisation is desirable in order to protect the priority of its security

Such crystallisation shall take effect over the Floating Charge Assets or class of Assets specified in the notice. If no Floating Charge 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, save as permitted under any Finance 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 contravention of any Finance Document, 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 in breach of the provisions of clause 25.8 (*Creditors' Process*) of the Facilities Agreement, or
- (c) an Event of Default under clause 25.6 (*Insolvency*) or clause 25.7 (*Insolvency Proceedings*) of the Facilities Agreement has occurred,

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 clause 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 clause 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 and/or paragraph 43 of the Insolvency Act 1986.

**5 TITLE DOCUMENTS, INSURANCE POLICIES AND TRANSFERS**

**5.1 Documents:** Subject to the rights of any prior chargee and except as otherwise expressly agreed in writing by the Security Agent, if so requested by the Security Agent, each Chargor shall

- (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, including any eligible to participate in a Relevant System

**5 2 Insurance:**

- (a) Each Chargor shall
  - (i) maintain at all times insurance policies which comply with clause 24 24 (*Insurance*) of the Facilities Agreement and comply with the terms of all such insurance policies, including any stipulations or restrictions as to use or operation of any asset, and shall not do or permit anything which may make any insurance policy void or voidable,
  - (ii) make notifications to insurers of any claims or prospective claims in accordance with the provisions of the relevant insurance policy and diligently pursue the making of recoveries from insurers, and
  - (iii) advise the Security Agent if any claim which would lead to a mandatory prepayment under clause 9 2 (*Disposal, Insurance and Acquisition Proceeds and Excess Cashflow*) of the Facilities Agreement is rejected by insurers
- (b) Each Chargor shall use its reasonable endeavours to procure that
  - (i) the security interest of the Security Agent shall be noted on the face of all its insurance policies in such form as the Security Agent may reasonably require, and
  - (ii) the members of the Group shall punctually make all premium and other payments necessary for effecting or maintaining such insurances and on demand shall produce to the Security Agent the receipts of such payments
- (c) If any default shall at any time be made in effecting or maintaining insurance required by this clause or in producing any payment receipt to the Security Agent on demand or depositing any policy with the Security Agent pursuant to the Transaction Security Documents, the Security Agent may take out or renew such insurances in such sums as are necessary to maintain such insurances and all money expended by the Security Agent under this provision shall be recoverable by the Security Agent under clause 19 (*Costs and expenses*) of the Facilities Agreement

**6 COLLECTION OF RECEIVABLES**

- 6 1 **No Derogation:** While an Event of Default under the Facilities Agreement is continuing and except to the extent of any Permitted Security and subject to clause 6 2 (*Factored Debts*) below 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 omit to do anything which might delay or prejudice its full recovery
- 6 2 **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 the Security Agent, pursuant 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.

- 6.3 **Information:** While an Event of Default under the Facilities Agreement is continuing 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.

## 7. **NEGATIVE PLEDGE AND OTHER RESTRICTIONS**

Except as otherwise permitted under any Finance Documents or with the prior written consent of the Security Agent

- (a) no Chargor shall create or permit to subsist any Security over any of its Assets;
- (b) no Chargor shall sell, transfer or otherwise dispose of any of its Receivables, and
- (c) no Chargor shall
  - (i) sell, transfer or otherwise dispose of any of its Assets on terms whereby they are or may be leased to or re-acquired by any other member of the Group;
  - (ii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts, or
  - (iii) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction would be in breach of the Facilities Agreement.

## 8. **RIGHT OF APPROPRIATION**

- 8.1 **Financial Collateral Arrangement:** The Parties acknowledge and intend that the charges over each Chargor's Financial Collateral provided under or pursuant to this Debenture will each constitute a "security financial collateral arrangement" for the purposes of the Financial Collateral Regulations.

- 8.2 **Right of Appropriation:** 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 all or any of its Financial Collateral hereby charged which is subject to a security financial collateral arrangement (within the meaning of the Financial Collateral Regulations) and apply it in or towards the discharge of the Secured Sums, whether such Assets are held by the Security Agent or otherwise.

- 8.3 **Value:** The value of any Financial Collateral appropriated under clause 8.2 (*Right of Appropriation*) shall be

- (a) in the case of cash, its face value at the time of appropriation, and
- (b) 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 a

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

**8 4 Surplus or Shortfall:** The Security Agent will account to the relevant Chargor for any amount by which the value of the appropriated Assets exceeds the Secured Sums 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 Sums

**8 5 Confirmation:** Each Chargor agrees that (i) all its Financial Collateral requested to be delivered, transferred, held, registered or otherwise designated by the Security Agent has been so 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 Financial Collateral under clause 8 3 is commercially reasonable

**9 FURTHER ASSURANCE**

(a) Subject to the Agreed Security Principles, 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) and in each case, in a manner which is consistent with the provisions of this Debenture and, in the case of any document to be executed under this clause 9(a), containing clauses corresponding to and in so far as possible on terms no more onerous than the provisions of this Debenture) in order to

(i) perfect or protect or in relation to Receivables enhance 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 (and which for the avoidance of doubt, includes any Security intended to be created pursuant to paragraph (a) of clause 3 2 (*Fixed security*))) or for the exercise of any rights, powers and remedies of any Beneficiary provided by this Debenture or by law,

(ii) confer on the Security Agent or confer on the Beneficiaries, 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 save to the extent that it would result in any personal liability for any director or officer of any Chargor or any Chargor incurring costs that are, in the reasonable opinion of the Security Agent, disproportionate to the benefit obtained by the Security Agent, and/or

(iii) facilitate the realisation, after the security intended to be created by this Debenture has become enforceable, of the Assets subject to the Security conferred or intended to be conferred by this Debenture or the exercise of any rights, powers and remedies of the Security Agent, any Receiver, Administrator or nominee provided by or pursuant to the Finance Documents or by law 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 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 Beneficiaries by or pursuant to this Debenture. Without prejudice to the generality of this clause 9, 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) **Authorisations:** Without prejudice to the Chargors' obligations under any Finance 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.

## 10 CONTINUING SECURITY

Without prejudice to any release of Security created under this Debenture, as permitted by the Finance Documents, this Debenture shall be a continuing security for the Beneficiaries, 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 Beneficiary as banker against any Chargor or any security, guarantee, indemnity and/or negotiable instrument now or in the future held by any Beneficiary.

## 11 LAND

**Consolidation of Mortgages:** Section 93 of the Law of Property Act 1925, dealing with the consolidation of mortgages, shall not apply to this Debenture.

## 12 INTELLECTUAL PROPERTY RIGHTS

### 12.1 **Positive Covenants:** Each Chargor shall (or authorises the Security Agent on its behalf to)

**Filings and registrations** promptly file and register at such patent, trade mark or other intellectual property register or authority (in the UK or at any relevant supra-national registry) in such name as may be required by the law of the place of registration, such of the following as may be capable of filing or registration there

- (a) this Debenture, and
- (b) all future assignments, mortgages and/or charges of Material Intellectual Property Rights made pursuant to this Debenture,

and maintain or renew such filings and registrations where applicable



- 12 2 **Negative covenants:** Without the prior written consent of the Security Agent (other than as expressly permitted by the Finance Documents), no Chargor shall
- (a) **Trademarks:** amend the specification of any registered trade mark included in its Intellectual Property Rights relating to any Material Intellectual Property or authorise or permit any third party to register any trade mark which is the same as or confusingly similar to any such trade mark in respect of goods or services which are the same as or similar to the goods or services for which such trade mark is registered, or
  - (b) **Patents:** amend the specification or drawings referred to in any granted patent to the extent that it would be reasonably likely to materially and adversely affect the interests of the Beneficiaries or the security constituted by this Debenture
- 12 3 **Lapse:** Notwithstanding the provisions of clause 12 1 and clause 12 2 but subject to the terms of any other Finance Document, until the occurrence of a Declared Default, a Chargor shall be free to deal with its Intellectual Property in the ordinary course of its business (including, without limitation, allowing its Intellectual Property to lapse if no longer material to its business provided that it gives the Security Agent reasonable notice of its intention to do so)
- 13 **SPECIFIED INVESTMENTS**
- 13 1 **Voting and other rights:** Each Chargor undertakes not to exercise any voting powers or rights in a way which would be reasonably likely to materially prejudice the value of its Specified Investments or otherwise to jeopardise the Security constituted by this Debenture over them
- 13 2 **Before Enforcement:** Unless and until the Enforcement Date
- (a) all voting powers and 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 powers and 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
- 13 3 **After Enforcement:** At any time after the Enforcement Date
- (a) the Security Agent may, for the purpose of protecting its interests in relation to the Secured Sums, 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 powers and rights attaching to the Specified Investments as it sees fit, including any rights to nominate or remove a director, as if the Security Agent were the sole beneficial owner of such Specified Investments;
  - (b) all Derivative Rights shall, if received by a Chargor or the Security Agent's nominee, be held on trust for and forthwith paid or transferred to the Security Agent, and

- (c) each Chargor shall (and shall procure that the Security Agent's nominees shall) accept short notice for and attend any shareholders meetings relating to the 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 as it sees fit for the purpose of protecting its interests in relation to the Secured Sums

For the avoidance of doubt, unless and until the Security Agent takes any steps to exercise any voting powers or rights attaching to the Specified Investments after becoming entitled (but not obliged) to do so under this clause, all such powers and rights remain with the relevant Chargor

- 13 4 **Negative covenant:** Each Chargor covenants with the Security Agent that it will not (unless permitted under the Finance Documents) without the prior written consent of the Security Agent consent to its Specified Investments being consolidated, sub-divided or converted or any rights attached to them being varied

#### 14 OPENING OF NEW ACCOUNTS

- 14 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 Finance Document, a Beneficiary may rule off all its accounts and open new accounts with such Chargor

- 14 2 **Credits to new account:** If a Beneficiary 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 Beneficiary 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 Beneficiary at the time when it received such notice

#### 15 POWERS OF SALE, LEASING AND ACCEPTING SURRENDERS

- 15 1 **Section 103 of the LPA:** Section 103 of the Law of Property Act 1925 shall not apply to this Debenture, and the statutory power of sale shall arise on, and be exercisable at any time after, the execution of this Debenture. However, the Security Agent shall not exercise such power of sale until the Enforcement Date

- 15 2 **Powers of sale extended:** 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 (whether in its own name or that of the Chargor concerned) to

- (a) grant a lease of any Land vested in a Chargor or in which it has an interest on such terms and conditions as the Security Agent shall think fit, and
- (b) sever any fixtures from Land vested in a Chargor and sell them separately

#### 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 on or after the Enforcement Date this Debenture shall become enforceable and, notwithstanding the terms of any other agreement between such Chargor and any Beneficiary, 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 Beneficiary

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 Land 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 Beneficiary 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 Beneficiaries 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 Land 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 separately any nominee and/or any Receiver 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) give effect to any further assurance, perfection or material obligation which that Chargor is obliged to do (but has not done promptly following written request by the Security Agent) in accordance with this Debenture, including to execute and deliver and otherwise perfect any agreement, assurance, deed, instrument or document the Security Agent considers in its reasonable opinion is necessary for these purposes; and
- (b) from the Enforcement Date, enable the Security Agent or any such nominee and/or 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 nominee and/or any Receiver under this clause 18 shall be recoverable from each Chargor under clause 19 (*Costs and expenses*) of the Facilities Agreement

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, its nominee or any manager, officer or agent of the Security Agent is hereby irrevocably empowered 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 9 (*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 Sums in the manner applicable under the terms 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 the Enforcement Date or until all the Secured Sums 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 Sums. 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 the Enforcement Date or until all Secured Sums 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 Sums 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

## 21 PROTECTION OF THIRD PARTIES

21.1 **No duty to enquire:** No purchaser from, or other person dealing with, the Security Agent, its nominee 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 any nominee, Receiver or administrator has been validly appointed, or whether any event or cause has happened to authorise the Security Agent, any nominee 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, ANY NOMINEE AND RECEIVER

22.1 **Limitation:** Neither the Security Agent nor any nominee nor 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, any nominee 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, or any nominee enters into possession of any Assets, it shall be entitled at any time at its discretion to go out of possession

## 23 SECURITY AGENT AS TRUSTEE

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 Beneficiaries. 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 **No partnership:** Nothing in this Debenture shall constitute or be deemed to constitute a partnership between any of the Beneficiaries and the Security Agent

## 24 COSTS, EXPENSES AND LIABILITIES

24.1 **Costs and expenses:** Each Chargor will, within five Business Days of the Security Agent's written demand from time to time, reimburse the Security Agent for all costs and expenses (including legal fees) on a full indemnity basis, together with VAT thereon, reasonably 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 9 (*Further Assurance*) and in any Deed of Accession and Charge

**24 2 Indemnity for Liabilities:** Each Chargor shall also, within five Business Days, indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability (together with any applicable VAT) incurred by any of them

- (a) in relation to or as a result of
  - (i) the taking, holding, protection or enforcement of the Transaction Security,
  - (ii) the exercise of any of the rights, powers, discretions and remedies vested in the Security Agent, each Receiver and each Delegate by the Debenture or by law, or
  - (iii) any default by any Chargor in the performance of any of the obligations expressed to be assumed by it in this Debenture, or
- (b) which otherwise relates to any of the Security Property (as defined in the Intercreditor Agreement) (otherwise than as a result of its gross negligence or wilful misconduct)

**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 Finance Document in relation to overdue sums or at such other rate as may be agreed between the relevant Chargor and Beneficiary 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 Finance Document and itself constitutes part of the Secured Sums

**26 SET OFF**

**26 1 By Security Agent:** After the occurrence of an Event of Default which is continuing, the Security Agent may (but is not obliged to) retain any money it is holding (in any capacity) standing to the credit of any Chargor in any currency upon any account or otherwise (whether or not in such Chargor's name) (save for any amounts standing to the credit of a Deposit Account) as cover for any Secured Sums and/or at any time or times without notice to such Chargor set off all or any of such money against all or such part of the Secured Sums due, owing or incurred by that Chargor as the Security Agent may select. If the obligations are in different currencies, the Security Agent may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off

**26 2 By Ancillary Lender.** an Ancillary Lender may (but is not obliged to), other than in respect of amounts standing to the credit of a Deposit Account, retain any money standing to the credit of any Chargor with that Ancillary Lender in any currency upon any account or otherwise (whether or not in such Chargor's name) (save for any amounts

standing to the credit of a Deposit Account) as cover for any Ancillary Outstandings owed to that Ancillary Lender and/or at any time or times without notice to such Chargor set off against, or combine or consolidate all or any of such money with, all or such part of the Ancillary Outstandings due, owing or incurred by that Chargor (whether as principal or as surety) as that Ancillary Lender may select and that Ancillary Lender may purchase with any such money any other currency required to effect such set-off, combination or consolidation

**27 TRANSFER BY A BENEFICIARY**

- (a) Any Beneficiary 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 Finance Documents 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 Beneficiaries (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 in accordance with the terms of the Finance Documents at any time 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 the Finance Documents

**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



**29 RELEASE OF SECURITY**

- 29 1 Redemption:** Subject to clause 29 2 (*Avoidance of Payments*), if all Secured Sums have been unconditionally and irrevocably paid in full and none of the Beneficiaries are under any further actual or contingent liability to make advance or provide other financial accommodation to any person under any Finance Document, the Security Agent will (at the request and cost of the Chargors), promptly 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 19 (*Costs and expenses*) of the Facilities Agreement. The Security Agent shall promptly return all documents or deeds of title delivered to it under this Debenture following such redemption and/or release.

**Partial Release:** Where a Chargor makes a Permitted Disposal the Security Agent and each Beneficiary shall, at the request and cost of such Chargor, take all or any action (including the provision of a letter of non-crystallisation) which may be necessary to release, re-assign or re-convey (without recourse or warranty) the Security Property (as defined in the Intercreditor Agreement) which is the subject of such Permitted Disposal from the security constituted 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 Sums 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.

**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 Beneficiary*) shall be directly enforceable by a Beneficiary,
  - (b) the provisions of clause 16 (*Appointment of a Receiver or an Administrator*) to clause 22 (*Protection of the Security Agent, any nominee and Receiver*) inclusive shall be directly enforceable by any nominee or 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 Beneficiaries)) 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 Beneficiary, nominee or Receiver 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 Beneficiaries) and the Parent (on behalf of the Chargors) or by all Parties

32 5 **Consents:** Save as otherwise expressly specified in this Debenture and provided that such consent is given in accordance with the provisions of the Intercreditor Agreement, 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

### 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 26 (*Consents, Amendments and Overrde*) and clause 19 (*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 shall be governed by, 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 this Debenture or any claim for set-off) or the legal relationships established by this Debenture (a "**Dispute**"), only where such Dispute is the subject of proceedings commenced by a Chargor

- (b) Where a Dispute is the subject of proceedings commenced by one or more Beneficiaries, the Beneficiaries 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 Beneficiaries, that Chargor shall bring such counter-claim before the court seized of the Beneficiary'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 Beneficiary from commencing legal actions or proceedings in any other jurisdiction, whether concurrently or not
- (d) To the extent allowed by law, each 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

**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**

<b>Name of Chargor</b>	<b>Registered number</b>	<b>Address for Service and Fax Number</b>
Leaders Lettings Limited	07111438	Becket House 6 Littlehampton Road Worthing BN13 1QE  Fax 0845 345 4132  Attention Finance Director
Leaders First In Letting Limited	08614101	As above
Leaders The Rental Agents Limited	08619691	As above
Leaders Lettings Trading Limited	05476878	As above
Leaders Limited	01690574	As above
Relocate UK Limited	03009421	As above
Elidee Franchising Limited	06247563	As above
Leaders Jordans Limited	08224805	As above
Residential Holdings Limited	05516670	As above
Jordans Residential Lettings Limited	04192520	As above

## SCHEDULE 2

### Form of Deed of Accession and Charge for a New Chargor

THIS DEED OF ACCESSION AND CHARGE is made on

2013

#### BETWEEN:

- (1) [\*\*\*INSERT THE NAME OF THE NEW CHARGOR\*\*\*] (registered in [England and Wales] under number [ \*\*\* ]) (the "New Chargor"),
- (2) **Leaders Lettings Limited** (registered in England and Wales under number 07111438) (the "Parent"), and
- (3) **Lloyds TSB Bank plc** (the "Security Agent")

#### WHEREAS:

- (A) This Deed is supplemental to a Debenture (the "Principal Deed") dated [\*\*\*insert date\*\*\*] between (1) the Leaders Lettings Limited and certain of its subsidiaries as Chargors and (2) the Security Agent as agent and trustee for the Beneficiaries named in the Principal Deed (the "Beneficiaries")

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

- (B) The New Chargor has agreed, on the terms contained in the Principal Deed, to charge in favour of the Security Agent (acting as security agent and trustee for the beneficiaries) all of its property, undertaking and assets to secure the Secured Sums, and to accede to the Principal Deed

#### THIS DEED WITNESSES as follows:

##### 1 DEFINITIONS AND INTERPRETATION

- 1.1 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

##### 1.2 Additional Definitions

In this Deed

**[\*\*\* "Structured Intra-Group Loans" means [ ] \*\*\*]**

**[\*\*\* "Specified Intellectual Property" means [ ] \*\*\*]**

##### 2 ACCESSION BY THE NEW CHARGOR TO THE PRINCIPAL DEED

- 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 Sums at the times and in the manner provided in the relevant Finance Documents

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

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 and Intra-Group Liabilities. \*\*\* ]

### 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 **RIGHT OF APPROPRIATION**

6.1 The parties acknowledge and intend that the charges over the New Chargor's Financial Collateral provided under or pursuant to this Deed will each constitute a "security financial collateral arrangement" for the purposes of the Financial Collateral Regulations

6.2 The Security Agent may, on or at any time after the Enforcement Date, by notice in writing to the New Chargor appropriate with immediate effect all or any of its Financial Collateral hereby charged which is subject to a security financial collateral arrangement (within the meaning of the Financial Collateral Regulations) and apply it in or towards the discharge of the Secured Sums, whether such Assets are held by the Security Agent or otherwise

6.3 The value of any Financial Collateral appropriated under clause 6.2 shall be

(a) in the case of cash, its face value at the time of appropriation, and

(b) 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 price source or such other process as the Security Agent may select, including a 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

- 6 4 The Security Agent will account to the New Chargor for any amount by which the value of the appropriated Assets exceeds the Secured Sums and the New Chargor shall remain liable to the Security Agent for any amount by which the value of the appropriated Assets is less than the Secured Sums

The New Chargor agrees that (i) all its Financial Collateral has 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 Financial Collateral under clause 6 3 is commercially reasonable

## 7 APPLICATION TO THE LAND REGISTRY

The New Chargor

- (a) in relation to each register of title of any present and future Land 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 submitting to the Land Registry any and all of the following
  - (i) a form AP1 (*application to change the register*) in respect of the security created by this Debenture,
  - (ii) a form AN1 (*application to enter an agreed notice*) in respect of the security created by this Debenture,
  - (iii) 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 [Security Agent] referred to on the charges register or their conveyancer ", and
  - (iv) 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 Land in England and Wales mortgaged by clause 1 1(a) (*Fixed security*) at its own expense, immediately following its execution of this Deed

## 8 POWER OF ATTORNEY

- 8 1 **Appointment of attorney:** 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 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 within 5 Business Days of being notified of that failure and being requested to comply) in accordance with this Deed, including to execute and deliver and otherwise perfect any agreement, assurance, deed, instrument or document,
- (b) give any instruction under the rules and practices of a Relevant System, and



- (c) following the occurrence of the Enforcement Date, 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.

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

8.3 **Sums recoverable:** All sums expended by the Security Agent or any Receiver under this clause shall be recoverable from the New Chargor under clause 19 (*Costs and expenses*) of the Facilities Agreement

## 9 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 2 (*Notice Details*)

## 10 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

## 11 GOVERNING LAW

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

## 12 ENFORCEMENT

### 12.1 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 Beneficiaries, the Beneficiaries 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 Beneficiaries, that Chargor shall bring such counter-claim before the court seized of the Beneficiaries' 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 Beneficiaries 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

**12.2 Service of process:** Without prejudice to any other mode of service allowed under any relevant law, the New Chargor

- (a) irrevocably appoints the Parent 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

**13 FINANCE DOCUMENT**

This Deed is a Finance Document

**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.

**Schedule 1 to Deed of Accession**

**Registered land to be mortgaged**

<b>Name of Chargor/Registered Proprietor</b>	<b>Description of Property</b>	<b>Title Number</b>

Unregistered land subject to first registration upon the execution of this Deed


The address for service of the Security Agent in the case of registered land is [\*\*\*insert details and include any relevant department or officer to whom notices are to be addressed. The above address for service must be situated in the United Kingdom. \*\*\*]

**Note:** Incorporate here full details of all Land to be mortgaged under clause 3.2(a) (*Fixed security*) and which is registered at the Land Registry (this may include leases with at least 7 years left to run and other unregistered land which becomes the subject of first registration at the Land Registry on execution of the Deed of Accession). Any title numbers must be set out here.

**Schedule 2 to Deed of Accession**

**Notice Details**

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

**EXECUTION**

**THE NEW CHARGOR**

Executed and Delivered as a deed by )  
[\*\*\*insert name of New Chargor\*\*\*] )  
(pursuant to a resolution of its Board of )  
Directors) acting by

Director

in the presence of

Witnessed by

Name

Occupation

Address

**THE PARENT**

Executed and Delivered as a deed by )  
**LEADERS LETTINGS LIMITED** (pursuant )  
to a resolution of its Board of )  
Directors) acting by

Director

in the presence of

Witnessed by

Name

Occupation

Address

**THE SECURITY AGENT**

Signed by [ ]  
for and on behalf of **LLOYDS TSB**  
**BANK PLC**

)  
)  
)

Authorised Signatory

Notice details





150 Fountainbridge  
Edinburgh  
EH3 9PE

Attention Angus Gray

Fax. 0131 229 0234

**SCHEDULE 3**

**Specified Intellectual Property**

<b>Proprietor</b>	<b>Trade Mark</b>	<b>Class(es)</b>	<b>Trade Mark number</b>
Leaders Limited	LEADERS	36, 42	UK00002245394
Leaders Limited		36, 38, 42, 45	UK00002245415
			
Leaders Limited		36, 38, 42, 45	UK00002509882
			

**SCHEDULE 4**

**Forms of Notice of Assignment**

**Part 1 - Form of Notice of Assignment of rights under the Shareholders' Agreement**

To [\*\*\*]

[\*date\*]

Dear Sirs,

**Notice of Assignment**

We refer to the Shareholders' Agreement dated [ \*\*\* ] made between yourselves (1) and Leaders Lettings Limited (2) relating to the shares of Leaders Jordans Limited

We refer to a Debenture (the "**Debenture**") dated [ \*\*\* ] made between, among others, Lloyds TSB 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 the Shareholders' Agreement Claims have been assigned to the Security Agent under the terms of clause 3.1 (*Assignments*) of the Debenture

Upon your receipt from the Security Agent of written notice that the Enforcement Date has occurred, we irrevocably and unconditionally instruct and authorise you (notwithstanding any previous directions which we may have given you to the contrary)

- 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 Shareholders' Agreement to be furnished and disclosed to ourselves, and
- to accept from and agree with the Security Agent (and not ourselves) all claims under, discharges for and waivers, variations, terminations and cancellations of the Shareholders' Agreement and/or the Shareholders' Agreement Claims without any reference to or further authority from us

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, and receipt of, this Notice by signing the acknowledgements set out at the foot of the enclosed duplicate hereof and by returning the same to Lloyds TSB Bank plc, 150 Fountainbridge, Edinburgh, EH3 9PE marked for the attention of Angus Gray and a copy to Hogan Lovells International LLP at Atlantic House, London EC1A 2FG (Ref F3/SJB/RAIGGERT/J0743/00100)

Signed

.. . . .  
for and on behalf of  
Leaders Lettings Limited

[on copy]

**ACKNOWLEDGEMENT**

To Hogan Lovells International LLP  
Atlantic House  
London EC1A 2FG  
Ref F3/SJB/RAIGGERT/J0743/00100

To Lloyds TSB Bank plc  
150 Fountainbridge  
Edinburgh  
EH3 9PE

Fax 0131 229 0234

For the attention of Angus Gray

We, [ \*\*\* ] hereby acknowledge receipt of a notice of assignment from Leaders Lettings Limited (the "Assignor") of which the attached is a copy (the "Notice of Assignment")

We confirm that

- (a) we have not received notice of any other assignment of the Shareholders' Agreement Claims described in the Notice of Assignment or any interest therein,
- (b) we will not, without the prior written consent of the Security Agent, vary, rescind or otherwise alter or terminate the Shareholders' Agreement or in any way prejudice the rights of the Security Agent and the Beneficiaries under the Shareholders' Agreement, and
- (c) we confirm that we will act in accordance with the instructions given by the Assignor in the Notice of Assignment

For and on behalf of

[ \*\*\* ]  
Dated



**Part 2 - 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, among others, Lloyds TSB 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 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
- 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 Parent 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 Parent 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 Lloyds TSB Bank plc, 150 Fountainbridge, Edinburgh, EH3 9PE marked for the attention of Angus Gray and a copy to Hogan Lovells International LLP at Atlantic House, London EC1A 2FG (Ref F3/SJB/RAIGGERT/J0743/00100).

Signed

.....  
for and on behalf of  
Leaders Lettings Limited

[on copy]

**ACKNOWLEDGEMENT**

To Hogan Lovells International LLP  
Atlantic House  
London EC1A 2FG  
Ref F3/SJB/RAIGGERT/J0743/00100

To Lloyds TSB Bank plc  
150 Fountainbridge  
Edinburgh  
EH3 9PE

Fax 0131 229 0234

For the attention of Angus Gray

We, [ \*\*\* Hedge Counterparty\*\*\* ] hereby acknowledge receipt of a notice of assignment from the Parent 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 3 - Form of Notice of Assignment of Insurance Policies**

To     [\*Insurer\*]  
       [\*Insurance broker\*]

2013

Dear Sirs,

**[Identify the relevant insurance policy(ies) (the "Policies")]**

We refer to a Debenture (the "**Debenture**") dated [\*\*\*] 2013 made between, among others, Lloyds TSB Bank plc (the "**Security Agent**") and ourselves

We hereby give you notice that we have charged to the Security Agent for the benefit of itself and certain other banks and financial institutions (the "**Beneficiaries**") all our rights, title and interest in the Policies (including the benefit of all claims arising and all money payable under them) as security for certain obligations owed by us to the Beneficiaries

We further notify you that

- (a) you may continue to deal with us in relation to the Policies until you receive written notice to the contrary from the Security Agent stating that a Declared Default has occurred (a "**Default Notice**"),
- (b) you are authorised to disclose information in relation to the Policies to the Security Agent on request, and
- (c) 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 us) by way of confirmation that

- (a) you agree to act in accordance with the provisions of this notice,
- (b) you have not received notice that we have assigned our rights under the Policies to a third party or created any other charge or interest (whether by way of security or otherwise) in the Policies in favour of a third party,
- (c) following receipt of a Default Notice, you will hold to the order of the Security Agent all monies to which we are entitled under the Policies and pay or release all or any part of the monies to which we are entitled under the policies in accordance with the written instructions given to you by the Security Agent from time to time, and
- (d) following receipt of a Default Notice, you will comply with the terms of any written notice or instructions in any way relating to or purporting to relate to the Policies, the sums payable thereunder or the debts represented thereby, which you receive from the Security Agent from time to time without reference to or further authority from ourselves 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 shall be governed by and construed in accordance with the laws of England

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 Lloyds TSB Bank plc, 150 Fountainbridge, Edinburgh, EH3 9PE marked for the attention of Angus Gray and a copy to Hogan Lovells International LLP at Atlantic House, London EC1A 2FG (Ref F3/SJB/RAIGGERT/J0743/00100)

Signed

for and on behalf of

[ \*\*\* Chargor \*\*\* ]

[on copy]

**ACKNOWLEDGEMENT**

To Hogan Lovells International LLP  
Atlantic House  
London EC1A 2FG

Ref F3/SJB/RAIGGERT/J0743/00100

To Lloyds TSB Bank plc  
150 Fountainbridge  
Edinburgh  
EH3 9PE

Fax 0131 229 0234

For the attention of Angus Gray

We, [ \*\*\* insurer / insurance broker \*\*\* ] hereby acknowledge receipt of a notice of assignment from [ \*\*\* Chargor \*\*\* ] of which the attached is a copy (the "**Notice of Assignment**") and confirm the matters set out in paragraphs (d) to (g) of the Notice of Assignment

For and on behalf of

[ \*\*\* Insurer / Insurance broker \*\*\* ]

Dated

**Part 4 - Form of Notice of Assignment of rights under the Jordans Loan Notes**

To [\*\*\*]

[\*date\*]

Dear Sirs,

**Notice of Assignment**

- 1 We refer to a Debenture (the "**Debenture**") dated [ \*\*\* ] made between, among others, Lloyds TSB Bank plc (the "**Security Agent**") and ourselves. Terms defined in the Debenture are to have the same meanings in this letter.
- 2 We hereby give you notice that we have assigned to the Security Agent by clause 3.1 (*Assignments*) of the Debenture all our rights, title and interest in and to the loan note instrument dated 31 October 2012 made by Leaders Jordans Limited constituting the issue of up to £3,200,000 subordinated unsecured fixed rate loan notes 2017 of Leaders Jordans Limited to Leaders Lettings Limited (the "**Jordans Loan Notes**")
- 3 We irrevocably and unconditionally instruct and authorise you (notwithstanding any previous directions which we may have given you to the contrary) 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 Jordans Loan Notes to be furnished and disclosed to ourselves,
- 4 At any time following receipt of a notice from the Security Agent that the Debenture has become enforceable
  - (a) to hold to the order of the Security Agent all sums from time to time due and payable by you to us under the Jordans Loan Notes,
  - (b) to pay or release all or any part of the sums from time to time due and payable by you to us under the Jordans Loan Notes in accordance with the written instructions given to you by the Security Agent from time to time, and
  - (c) 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 us from time to time under the Jordans Loan Notes or the debts represented thereby, which you receive from the Security Agent from time to time without reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction
- 5 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
- 6 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
- 7 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 Lloyds TSB Bank plc, 150 Fountainbridge, Edinburgh, EH3 9PE marked for the attention of

Angus Gray and a copy to Hogan Lovells International LLP at Atlantic House, London  
EC1A 2FG (Ref F3/SJB/RAIGGERT/J0743/00100)

Signed

..  
for and on behalf of  
Leaders Lettings Limited

[on copy]

**ACKNOWLEDGEMENT**

To Hogan Lovells International LLP  
Atlantic House  
London EC1A 2FG

Ref F3/SJB/RAIGGERT/J0743/00100

To Lloyds TSB Bank plc  
150 Fountainbridge  
Edinburgh  
EH3 9PE

Fax 0131 229 0234

For the attention of Angus Gray

We, [ \*\*\* ] hereby acknowledge receipt of a notice of assignment from Leaders Lettings Limited (the "**Assignor**") 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 Loan Notes described in the Notice of Assignment or any interest therein

For and on behalf of

[ \*\*\* ]  
Dated



**Part 5 – Form of Notice of Assignment of Mandatory Prepayment Account**

To [\*\*\* Insert name and address of Account Bank \*\*\*]

For the attention of [\*\*\*]

[\*\*\*] 2013

Dear Sirs

**DEBENTURE DATED [\*\*\*] 2013 (THE "DEBENTURE") BETWEEN (1) LEADERS LETTINGS LIMITED AND CERTAIN OF ITS SUBSIDIARIES (THE "CHARGORS") AND (2) LLOYDS TSB BANK PLC (THE "SECURITY AGENT") AS TRUSTEE FOR THE BENEFICIARIES (AS DEFINED IN THE DEBENTURE)**

- 1 This letter constitutes notice to you that, under the Debenture, we have
- (a) charged the account set out below (the "Account") to the Security Agent by way of fixed charge and charged all our interests and rights (if any) in or to any money at any time standing to the credit of such account to the Security Agent by way of fixed charge, and
  - (b) assigned to the Security Agent our rights to require you to repay to us any deposit(s) standing now or hereafter to the credit of the Account and to pay interest on such deposit(s) back to us

Account	Sort Code	Account Number	Currency	Bank Name
Mandatory Prepayment Account	[***]	[***]	Sterling	[***]

2. We hereby irrevocably and unconditionally instruct and authorise you (notwithstanding any previous instructions which we may have given you to the contrary)
- (a) to disclose to the Security Agent, without any reference to or further authority from us and without any enquiry by you as to the justification for such disclosure, such information relating to the Account and the amount from time to time standing to its credit as the Security Agent may, at any time and from time to time, request you to disclose to it,
  - (b) at any time and from time to time upon receipt by you of instructions in writing from the Security Agent, to pay or release to the Security Agent all or any of the money standing to the credit of the Account and generally to act in accordance with such instructions in relation to the Account, without any reference to or further authority from us and without any enquiry by you as to the justification for such instructions or their validity,
  - (c) at any time and from time to time upon receipt by you of instructions in writing from the Security Agent, to comply with the terms of those written instructions in any way relating or purporting to relate to the Account without any reference to or further authority from us and without any enquiry by you as to the justification for such notice, statement or instructions or its or their validity,
  - (d) not to act upon our instructions with regard to the Account unless the Security Agent confirms those instructions to you in writing, and

- (e) to hold all sums from time to time standing to the credit of the Account to the order of the Security Agent
- 3 We are not permitted to withdraw any amount from the Account without the prior written consent of the Security Agent
- 4 The instructions and authorisations which are 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
- 5 This letter and all non-contractual obligations arising in any way out of or in connection with this letter shall be governed by and construed and take effect in accordance with English law
- 6 Please will you acknowledge receipt of this letter and confirm your acceptance of the instructions and authorisations contained in it by sending a letter addressed to us and to the Security Agent in the form attached to this letter

Yours faithfully

For and on behalf of  
**Leaders Lettings Limited**

[ON COPY]

[\*\*\*ON THE HEADED NOTEPAPER OF THE ACCOUNT BANK\*\*\*]

**ACKNOWLEDGEMENT**

To Lloyds TSB Bank plc  
150 Fountainbridge  
Edinburgh  
EH3 9PE

For the attention of Angus Gray

Cc Hogan Lovells International LLP  
Atlantic House  
London EC1A 2FG  
Ref F3/SJB/RAIGGERT/J0743/00100

Dear Sirs

**Mandatory Prepayment Account (the "Account")**

We hereby acknowledge receipt of a letter (a copy of which is attached) dated [\*\*\*] 2013 (the "Notice") addressed to us by Leaders Lettings Limited (the "Chargor") We confirm that we hold the Account

We hereby agree with the Security Agent for itself and on behalf of the Beneficiaries that we

- 1 accept the instructions contained in the Notice and undertake to act in accordance and comply with the Notice,
- 2 have not as at the date of this letter received notice of the interest of any third party in the Account,
- 3 have not on or before this date claimed or exercised nor will claim or exercise without your prior written consent any security interest, set-off, counterclaim or other rights in respect of the Account or funds in them or debts represented by them,
- 4 shall not accept from the Chargor any further instructions received by us in respect of the Account without having received your written confirmation of such instructions,
- 5 shall pay all moneys received by us for the account of the Account to (and only to) the credit of the Account in the name of the Chargor unless you otherwise agree in writing, and
- 6 shall not permit any amount to be withdrawn from the Accounts without your prior written consent

The expressions defined or incorporated by reference in the Notice shall, unless the context otherwise require, have the same meanings in this letter

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

Yours faithfully

For and on behalf of  
[\*\*\* Account Bank \*\*\*]

**SCHEDULE 5**

**Details of debts owing to a Chargor by another member of the Group which are subject to a fixed charge**

- 1      £5,573,030 intra-group loan between Leaders Lettings Trading Limited as borrower and Leaders The Rental Agents Limited as lender dated on or about the date of this Debenture

**SCHEDULE 6**

**Specified Investments**

<b>Name of Issuer</b>	<b>Denomination and Class of Shares</b>	<b>Number of Shares</b>
Leaders First In Letting Limited	Ordinary Shares of £1 00	1
Leaders The Rental Agents Limited	Ordinary Shares of £1 00	1
Leaders Limited	Ordinary Shares of £0 01	100,000
Relocate UK Limited	Ordinary Shares of £1 00	100
Eildee Franchising Limited	Ordinary Shares of £1 00	2
Leaders Lettings Trading Limited	A Ordinary Shares of £1 00	83,000
	B Ordinary Shares of £1 00	17,000
Leaders Jordans Limited	A Ordinary Shares of £1 00	751
Residential Holdings Limited	A Ordinary Shares of £1 00	10,000
	B Ordinary Shares of £1 00	10,000
	C Ordinary Shares of £1 00	10,000
	D Ordinary Shares of £1 00	10,000
Jordans Residential Lettings Limited	Ordinary Shares of £0 50	2,000

EXECUTION PAGE

THE CHARGORS

Executed as a deed by  
LEADERS LETTINGS LIMITED

)  
)

Signature of Director



Name of Director

Paul Weller

in the presence of

Signature of witness

Witnessed by... Richard Hill

Name of witness



Address of witness

Trainee Solicitor  
S J Berwin LLP  
10 Queen Street Place  
London EC4R 1BE

Occupation of witness

Executed as a deed by  
LEADERS FIRST IN LETTING LIMITED

)  
)

Signature of Director



Name of Director

Paul Weller

in the presence of

Signature of witness

Witnessed by... Richard Hill

Name of witness



Address of witness

Trainee Solicitor  
S J Berwin LLP  
10 Queen Street Place  
London EC4R 1BE


Occupation of witness

Executed as a deed by  
LEADERS THE RENTAL AGENTS  
LIMITED

)  
)

Signature of Director

Name of Director

  
Paul Weller


in the presence of

Signature of witness

Name of witness

Address of witness

Witnessed by Richard Hill

  
Trainee Solicitor  
S J Berwin LLP  
10 Queen Street Place  
London EC4R 1BE

Occupation of witness

Executed as a deed by  
LEADERS LIMITED

)  
)

Signature of Director

Name of Director

  
Paul Weller

in the presence of

Signature of witness

Name of witness

Address of witness

Witnessed by Richard Hill

  
Trainee Solicitor  
S J Berwin LLP  
10 Queen Street Place  
London EC4R 1BE

Occupation of witness



Executed as a deed by  
RELOCATE UK LIMITED

)  
)

Signature of Director



Name of Director

Paul Weller

in the presence of

Signature of witness

Witnessed by... Richard Hill

Name of witness



Address of witness

Trainee Solicitor  
S J Berwin LLP  
10 Queen Street Place  
London EC4R 1BE

Occupation of witness

\_\_\_\_\_  
\_\_\_\_\_

Executed as a deed by  
ELLDEE FRANCHISING LIMITED

)  
)

Signature of Director



Name of Director

Paul Weller

in the presence of

Signature of witness

Witnessed by... Richard Hill

Name of witness



Address of witness

Trainee Solicitor  
S J Berwin LLP  
10 Queen Street Place  
London EC4R 1BE

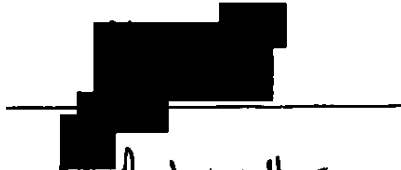
Occupation of witness

\_\_\_\_\_  
\_\_\_\_\_

Executed as a deed by  
LEADERS LETTINGS TRADING LIMITED

)  
)

Signature of Director



Name of Director

Paul Weller

in the presence of

Signature of witness

Witnessed by Richard Hill

Name of witness



Address of witness

Trainee Solicitor  
S J Berwin LLP  
10 Queen Street Place  
London EC4R 1BE

Occupation of witness

\_\_\_\_\_

Executed as a deed by  
LEADERS JORDANS LIMITED

)  
)

Signature of Director



Name of Director

Paul Weller

in the presence of

Signature of witness

Witnessed by Richard Hill

Name of witness



Address of witness

Trainee Solicitor  
S J Berwin LLP  
10 Queen Street Place  
London EC4R 1BE

Occupation of witness

\_\_\_\_\_

Executed as a deed by  
RESIDENTIAL HOLDINGS LIMITED

)  
)

Signature of Director



Name of Director

Paul Weller

in the presence of

Signature of witness

\_\_\_\_\_

Name of witness

Witnessed by Richard Hill



Address of witness

Trainee Solicitor  
S J Berwin LLP  
10 Queen Street Place  
London EC4R 1BE

Occupation of witness

\_\_\_\_\_  
\_\_\_\_\_

Executed as a deed by  
JORDANS RESIDENTIAL LETTINGS  
LIMITED

)  
)

Signature of Director



Name of Director

Paul Weller

in the presence of

Signature of witness

\_\_\_\_\_

Name of witness

Witnessed by Richard Hill

Address of witness



Trainee Solicitor  
S J Berwin LLP  
10 Queen Street Place  
London EC4R 1BE

Occupation of witness

\_\_\_\_\_  
\_\_\_\_\_

THE SECURITY AGENT

LLOYDS TSB BANK PLC

By *KANILA GALEX*

Address 150 Fountainbridge  
Edinburgh  
EH3 9PE

Attention Angus Gray

E-mail Angus.Gray@lloydsbanking.com

Fax +44 (0) 131 229 0234