

MR01

Particulars of a charge

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Laserform

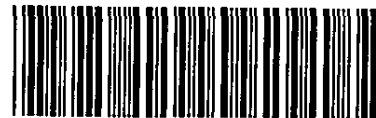
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☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☐ **What this form is NOT for**
You may not use this form to
register a charge where the charge
instrument Use form MR01

TUESDAY



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04/11/2014

#312

COMPANIES HOUSE

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 by a 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. **Do not send the original**

1 Company details

Company number 0 6 4 8 0 3 0 9

Company name in full EUPHORIUM GROUP LIMITED

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 d 1 d 6 m 1 m 0 y 2 y 0 y 1 y 4

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

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

Name TESCO CORPORATE TREASURY SERVICES PLC

Name

Name

Name

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

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

MR01

Particulars of a charge

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Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument

Brief description

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"

Please limit the description to the available space

5

Other charge or fixed security

Does the instrument include a charge (which is not a floating 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

6

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 company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ Yes

☐ No

8

Trustee statement ¹

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

☐

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

9

Signature

Please sign the form here

Signature

Signature

X *Taylor Wadding LLP*

X

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

MR01**Particulars of a charge****Presenter information**

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record

Contact name **Gabriel Estevez**

Company name **Taylor Wessing LLP**

Address **5 New Street Square**

Post town **London**

County/Region

Postcode **E C 4 A 3 T W**

Country

DX **41 London London - Chancery Lane**

Telephone **+44 (0)207 300 7000**

**Certificate**

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

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following

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

**Important information**

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

**How to pay**

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

Make cheques or postal orders payable to 'Companies House'

**Where to send**

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

For companies registered in England and Wales*

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland.

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

For companies registered in Northern Ireland.

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

**Further information**

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

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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 6480309

Charge code: 0648 0309 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 16th October 2014 and created by EUPHORIUM GROUP LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 4th November 2014

Given at Companies House, Cardiff on 7th November 2014



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED

16 October 2014

EUPHORIUM GROUP LIMITED
as Chargor

and

TESCO CORPORATE TREASURY SERVICES PLC
as Security Trustee for the Secured Parties (as defined herein)

DEBENTURE

Certified to be a true copy
of the original

Taylor Wessing LLP
Taylor Wessing LLP

5 New Street Square | London EC4A 3TW
Tel +44 (0)20 7300 7000
Fax +44 (0)20 7300 7100
DX 41 London
www.taylorwessing.com

TaylorWessing

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THIS DEBENTURE is made on

2014

BETWEEN

- (1) **EUPHORIUM GROUP LIMITED** (company number 06480309) whose registered office is at 60 Brewery Road, London, N7 9NH (the "**Chargor**"), and
- (2) **TESCO CORPORATE TREASURY SERVICES PLC** (company number 08629715) whose registered office is at Tesco House, Delamare Road, Cheshunt, Herfordshire EN8 9SL in its capacity as security trustee for the Secured Parties (the "**Security Trustee**")

AGREED TERMS

1. Definitions and Interpretation

1.1 Definitions

In this deed

"**Account**" means any present or future account of the Chargor with a bank or other financial institution or any other account which is opened in place of such account at the request of or with the consent of the Security Trustee,

"**Account Bank**" means any bank or other financial institution with which an Account is held,

"**Administrator**" means any one or more persons appointed as an administrator of the Chargor by the Security Trustee under paragraph 14 of schedule B1 to the Insolvency Act,

"**Business Day**" means any day other than a Saturday or Sunday or an English bank holiday,

"**Charged Property**" means the assets mortgaged, charged or assigned by the Chargor under this deed,

"**Debts**" means all book and other debts and rights to money and income (other than Rental Income) liquidated and unliquidated due or owing to the Chargor including the benefit of all negotiable instruments, securities, guarantees and indemnities for such debts and rights but excluding cash at bank,

"**Delegate**" means any person to whom the Security Trustee delegates any or all of its functions under the Security Trust Deed under and in accordance with the Security Trust Deed,

"**Designated Account**" means any account of the Chargor with any bank which has been notified of the Security Trustee's interest in such account and has agreed in writing not to permit withdrawals from such account except with the written consent of the Security Trustee,

"**Dividends**" means all dividends, interest and other money payable in respect of the Investments,

"**Enforcement Event**" means an Event of Default having occurred and continuing,

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"Environment" means humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following media

- (a) air (including, without limitation, air within natural or man-made structures, whether above or below ground),
- (b) water (including, without limitation, territorial, coastal and inland waters, water under or within land and water in drains and sewers), and
- (c) land (including, without limitation, land under water),

"Environmental Law" means any applicable law or regulation which relates to

- (a) the pollution or protection of the Environment,
- (b) the conditions of the workplace, or
- (c) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including, without limitation, any waste,

"Event of Default" has the meaning given to such term in the relevant Loan Note Instrument,

"Financial Collateral Regulations" means the Financial Collateral Arrangements (No 2) Regulations 2003 SI 2003/3226,

"Insolvency Act" means the Insolvency Act 1986,

"Insolvency" in respect of any person means

- (a) such person is unable to, or admits an inability to, settle its debts as the same fall due for payment,
- (b) that person's bankruptcy, dissolution, liquidation, winding up or administration or that person entering into any voluntary arrangement or composition with creditors,
- (c) the appointment of a receiver or administrative receiver in respect of all or part of that person's assets, and
- (d) any event having a similar effect under the laws of any relevant jurisdiction,

and **"Insolvent"** shall be construed accordingly,

"Intellectual Property" means all present and future rights of the Chargor in respect of any patent, copyright, trade mark, service mark, invention, design, knowhow, confidential information or any other kind of intellectual property whether registered or unregistered and any registration or application for registration, licence or permission relating to any of the foregoing,

"Investment" means any

- (a) stock, share, bond or any form of loan capital of or in any legal entity,
- (b) unit in any unit trust or similar scheme,
- (c) warrant or other right to acquire any such investment,

and any offer, right or benefit in respect of any such investment other than Dividends,

"Lease" includes any underlease, tenancy, letting, licence, any document supplemental or collateral to any of them and any agreement to enter into any of them and the expression tenant will be construed accordingly,

"Loan Note Documents" means the Loan Note Instrument, the Secured Loan Notes, each Security Document, the Security Trust Deed and any other agreement or document which is ancillary or supplemental to any of them,

"Loan Note Instrument" means the loan note instrument dated on or about the date of this deed constituting the Secured Loan Notes,

"LPA" means the Law of Property Act 1925,

"Original Secured Noteholders" means the persons listed in schedule 1,

"Permitted Disposal" means any sale, lease, licence, transfer or other disposal which is on arm's length terms

- (a) of trading stock, receivables or cash made by the Chargor in the ordinary course of its trading,
- (b) of obsolete or redundant vehicles, plant and equipment for cash,
- (c) arising as a result of any Permitted Security, or
- (d) being the grant of leases and/or licences over Real Property (on arm's length terms),

"Permitted Security" means

- (a) any Security in favour of the Security Trustee, and
- (b) a lien arising in the ordinary course of business by operation of law and not as a result of any default or omission by the Chargor, and
- (c) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to the Chargor in the ordinary course of business and on the supplier's standard or usual terms and not arising as a result of any default or omission of the Chargor, and
- (d) any Security to which the Security Trustee has provided its prior written consent to the creation of,

"PIK Notes" has the meaning given to such term in the relevant Loan Note Instrument,

"Plant and Equipment" means any fittings, plant, equipment, machinery, tools, vehicles, furniture and other tangible movable property which are not Real Property,

"Property" means any property described in schedule 2,

"Real Property" means

- (a) any freehold, leasehold or immoveable property (including the Property), and

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- (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated or forming part of such property,

"Receiver" means any one or more persons appointed as a receiver, receiver and manager or administrative receiver under this deed,

"Rental Income" means all rent and other income, payments or sums payable to the Chargor in respect of any Property or any part thereof by any lessee, tenant, licensee or other occupier of all or any part of such Property pursuant to a Lease (including any surety for the same),

"Sale" means the transfer, assignment, sale, compulsory acquisition or other disposal, or the grant or creation of any interest derived out of all or any part of any Property (including the grant of a Lease at a premium) and **"Sold"** shall be construed accordingly,

"Secured Liabilities" means all liabilities and obligations of the Chargor owed or expressed to be owed to the Secured Parties,

"Secured Loan Notes" means the £2,000,000 secured loan notes 2016 created by the Chargor and constituted by the Loan Note Instrument,

"Secured Noteholders" means

- (a) each Original Secured Noteholder, and
- (b) each other person, trust, fund or other relevant entity (excluding HM Revenue & Customs or its nominee) which has acquired Secured Loan Notes under and in accordance with any Loan Note Instrument and who becomes a Secured Noteholder pursuant to Clause 13 (*Termination and Assignment*) of the Security Trust Deed,

and which in each case has not ceased to hold Secured Loan Notes (each a **"Secured Noteholder"**),

"Secured Parties" means

- (a) the Secured Noteholders,
- (b) the Security Trustee, and
- (c) any Receiver or Delegate,

and each a **"Secured Party"**,

"Security Documents" means

- (a) this deed, and
- (b) any other present or future document creating or evidencing a guarantee or Security for, or in respect of, all or any of the Secured Liabilities,

"Security Trustee" means the Security Trustee or any successor security trustee appointed under the terms of the Security Trust Deed,

"Security Trust Deed" the security trust deed dated on or about the date of this deed made between, amongst others, the Secured Noteholders and the Security Trustee,

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect, and

"Short Leasehold Properties" means all the leasehold properties for a term of less than 21 years unexpired at the date of acquisition of the lease (whether registered or unregistered) owned by the Chargor under which the Chargor is obliged to pay rack rent

1 2 *Interpretation*

In this deed, unless a contrary indication appears

- (a) any reference to a provision of law is a reference to that provision as amended or re-enacted from time to time,
- (b) any reference to clauses, paragraphs and schedules are to the clauses, paragraphs of and schedules to this deed,
- (c) any reference to **"this clause"** is to the clause with a bold heading in which such expression appears and includes each sub-clause in that clause,
- (d) any reference to a time is to London time,
- (e) the words **"including"** and **"in particular"** are used by way of illustration or emphasis only and do not limit the generality of any words preceding them,
- (f) the words **"other"** and **"otherwise"** are not limited by any words preceding them,
- (g) clause and schedule headings are for ease of reference only,
- (h) **"obligations"** means obligations and liabilities,
- (i) references to obligations include the whole or any part of them, present and future, actual and contingent,
- (j) any reference to **"powers"** include rights, powers, discretions and authorities,
- (k) a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality),
- (l) references to the parties are to the parties to this deed,
- (m) the singular includes the plural and vice versa, and
- (n) any reference to any asset include any proceeds of sale of any such asset

1 3 *Incorporation*

This deed incorporates the terms of the Loan Note Documents and any side letters between the parties to the extent required to ensure the validity of any purported disposition under this deed of any freehold or leasehold property under s 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989



1.4 Continuation of undertakings

Any undertaking made by or obligation imposed on the Chargor in this deed will continue in force until the Security Trustee is satisfied that the Secured Noteholders have no further obligation to provide financial accommodation to the Chargor and all the Secured Liabilities have been irrevocably paid or discharged in full

2. Undertaking to Pay

The Chargor undertakes with the Security Trustee to pay the Secured Liabilities to the Secured Noteholders when due in accordance with the Loan Note Documents

3. Fixed Security

As continuing security for the payment of the Secured Liabilities the Chargor with full title guarantee

- (a) charges to the Security Trustee by way of legal mortgage all Real Property owned by the Chargor at the date of this deed, including the Property,
- (b) charges to the Security Trustee by way of equitable mortgage any Real Property acquired by the Chargor after the date of this deed,
- (c) assigns to the Security Trustee by way of fixed security its rights and interest in any Rental Income,
- (d) assigns to the Security Trustee by way of fixed security its rights and interest in
 - (i) any present or future right to occupy any Real Property under licence,
 - (ii) rights under any present or future contract for the purchase of any Real Property and damages payable in respect of any such contract,
- (e) assigns to the Security Trustee by way of equitable mortgage its rights and interest in
 - (i) any Investments listed in schedule 3,
 - (ii) any Dividends in respect of any Investments listed in schedule 3,
 - (iii) any other present or future Investment owned by the Chargor,
 - (iv) any Dividends in respect of any such Investments,
- (f) charges to the Security Trustee by way of fixed charge its rights and interest in
 - (i) any present and future Plant and Equipment,
 - (ii) its present and future goodwill and uncalled capital,
 - (iii) any present or future Debts owing to the Chargor,
 - (iv) any money now or at any time after the date of this deed standing to the credit of any Account,

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- (v) any present or future insurances in respect of any Charged Property and the proceeds of such insurances,
- (vi) any present or future Intellectual Property, and
- (g) assigns to the Security Trustee by way of fixed security its rights and interest in any agreements listed in schedule 4 and any guarantee or security for the performance of any such agreements

4. Floating Security

4 1 Floating charge

As continuing security for the payment of the Secured Liabilities the Chargor charges to the Security Trustee by way of floating charge with full title guarantee the whole of its assets to the extent that such assets are not effectively mortgaged, charged or assigned to the Security Trustee by way of fixed security under clause 3 (Fixed Security).

4 2 Conversion

Subject to clause 4 3 (Moratorium under Insolvency Act), the Security Trustee may at any time by written notice to the Chargor convert the floating charge created by clause 4 1 (Floating Charge) into a fixed charge as regards any assets specified in the notice if

- (a) an Event of Default has occurred and is continuing,
- (b) in the reasonable opinion of the Security Trustee (acting in good faith) such assets are at risk of becoming subject to any Security (other than a Permitted Security) or are otherwise at risk of ceasing to be within the ownership or control of the Chargor save as permitted by the Security Trustee under clause 9 2 (Disposals)
- (c) the Chargor does not comply with any provision of this deed and, if in the opinion of the Security Trustee (acting reasonably and in good faith) such non-compliance is capable of remedy, such non-compliance is not remedied within 10 Business Days of the earlier of (i) the Security Trustee giving notice to the Chargor of such non-compliance and (ii) the Chargor becoming aware of such non-compliance,
- (d) any rights conferred upon the Security Trustee by any provision of this deed in any respect cease to be in full force and effect or to be continuing or are or purport to be determined or disputed or become invalid or unenforceable,
- (e) it is or becomes unlawful for the Chargor to perform any of its obligations under this deed, or
- (f) the Chargor repudiates this deed or evidences an intention to repudiate this deed

4 3 Moratorium under Insolvency Act

The Security Trustee shall not be entitled to convert the floating charge created by clause 4 1 (Floating Charge) into a fixed charge as a result only of the Chargor obtaining a moratorium or anything done with a view to obtaining a moratorium under s 1A of and schedule A1 to the Insolvency Act

4 4 *Qualifying floating charge*

Paragraph 14(2)(a) of schedule B1 to the Insolvency Act applies to the floating charge created by clause 4 1 (Floating Charge) which is a "qualifying floating charge" for the purpose of paragraph 14(1) of schedule B1 to the Insolvency Act

5. **Leasehold Security Restrictions**

5 1 There shall be excluded from the Security created by this deed, and from the operation of clause 24 6 (Land Registry Consent), any leasehold property held by the Chargor under a lease which precludes either absolutely or conditionally (including requiring the consent of any third party) the Chargor from creating any charge over its leasehold interest in that property (each an "**Excluded Property**") until the relevant condition or waiver has been satisfied or obtained

5 2 For each Excluded Property, the Chargor undertakes, on request from the Security Trustee to

- (a) apply for the relevant consent or waiver of prohibition or conditions and, to use all reasonable endeavours to obtain that consent or waiver of prohibition as soon as possible,
- (b) upon request, keep the Security Trustee informed of its progress in obtaining such consent or waiver, and
- (c) forthwith upon receipt of such consent or waiver, provide the Security Trustee with a copy

5 3 Immediately upon receipt of the relevant waiver or consent, the relevant formerly Excluded Property shall stand charged to the Security Trustee (as trustee for the Secured Noteholders) under clause 3(a) or clause 3(b) (Fixed security) as the case may be. If reasonably required by the Security Trustee at any time following receipt of that waiver or consent, the Chargor will execute a further valid fixed charge in such form as the Security Trustee shall require

5 4 Notwithstanding the exclusion of an Excluded Property from the Security created by this deed, any Plant and Equipment located at that Excluded Property shall at all times be charged to the Security Trustee (as trustee for the Secured Noteholders) under clause 3(f) (Fixed security)

6 **Debts and Accounts**

6 1 *Dealings with Debts*

The Chargor shall

- (a) use its reasonable endeavours (having regard exclusively to the interests of the Security Trustee) to realise the Debts in the ordinary course of business and not give any release or waiver or do anything which may prejudice the collection and recovery of any of the Debts, and
- (b) from time to time if required by the Security Trustee provide the Security Trustee with the names and addresses of the debtors of the Chargor and the amount of the Debts owing from each of them and such other information relating to the Debts as the Security Trustee may require

7. Representations

7 1 *Duration and scope*

The Chargor makes the representations and warranties set out in this clause to the Security Trustee on the date of this deed

7 2 *Status*

- (a) It is a limited liability company duly incorporated and validly existing under the law of England and Wales
- (b) It has the power to own its assets and carry on its business in England and Wales as it is being conducted
- (c) Its centre of main interests for the purposes of Council Regulation (EC) No 1346/2000 of 29 May 2000 on insolvency procedures is in England and Wales

7 3 *Binding obligations*

The obligations expressed to be assumed by it in this deed are legal, valid, binding and enforceable obligations

7 4 *Non-conflict with other obligations*

The entry into and performance by it of, and the transactions contemplated by, this deed do not and will not conflict with

- (a) any law or regulation applicable to it,
- (b) its constitutional documents, or
- (c) any agreement or instrument binding upon it or any of its assets

7 5 *Power and authority*

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this deed and the transactions contemplated by it

7 6 *Validity and admissibility in evidence*

All authorisations required or desirable

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in this deed, and
- (b) to make this deed admissible in evidence in its jurisdiction of incorporation,

have been obtained or effected and are in full force and effect

7 7 *Security*

There is no Security over any of the assets of the Chargor except for Permitted Security



7 8 *Security Documents*

This deed creates valid Security over the assets to which they relate

8. **Negative Undertakings**

8 1 *Negative pledge*

The Chargor shall not create or permit to subsist any Security over any of the Charged Property other than a Permitted Security

8 2 *Disposals*

- (a) Save for any Permitted Disposal, the Chargor shall not without the prior written consent of the Security Trustee sell, transfer, lease or otherwise dispose or purport or agree to dispose of
 - (i) any of its assets which are expressed to be mortgaged by way of legal or equitable mortgage, assigned by way of security or charged by way of fixed security or charge to the Security Trustee under clause 3 (Fixed Security),
 - (ii) any of its other assets other than on arm's length terms in the ordinary course of its trading
- (b) The proceeds of any disposal permitted by the Security Trustee under paragraph (a) above shall be paid by the Chargor into any bank account nominated by the Security Trustee for such purpose and the Chargor shall not be entitled to withdraw or direct the withdrawal of any monies from any such account without first obtaining the consent in writing of the Security Trustee

9. **Undertakings relating to the Charged Property**

9 1 *Repair*

- (a) The Chargor shall keep the Charged Property which is of a repairable nature in good and substantial repair and condition
- (b) If the Chargor fails to comply with the undertakings in paragraph (a) above the Security Trustee will be entitled to repair and maintain the Charged Property and carry out works of reinstatement at the cost of the Chargor and will for this purpose have the rights of entry set out in this clause

9 2 *Proprietorship*

The Chargor shall not permit any person

- (a) to be registered as proprietor under the Land Registration Act 2002 of any Charged Property nor create or permit to arise any interest referred to in schedule 1 or schedule 3 of such Act affecting any Charged Property, or
- (b) to become entitled to any proprietary right or interest which might affect the value of any Charged Property

9.3 Notification of acquisitions and disposals

The Chargor shall promptly notify the Security Trustee of any proposal, contract, conveyance, option, transfer or other disposition involving the acquisition by the Chargor of any interest in any Real Property (other than any Short Leasehold Property) or, without prejudice to clause 7 (Negative Undertakings), any sale, lease, transfer or other disposal by the Chargor of an interest in any Real Property

9.4 Powers of leasing

The Chargor's statutory and any other powers of entering into Leases and accepting or agreeing to accept surrenders of Leases are excluded and shall not be exercisable by the Chargor in relation to the Charged Property and the Chargor shall not without the prior written consent of the Security Trustee

- (a) part with possession or occupation of, confer any licence or right to occupy nor confer any interest in any Charged Property,
- (b) grant any permission to assign, underlet or part with possession or occupation of any Charged Property,
- (c) agree or permit any amendment to or waiver of the terms of any Lease (including any Lease under which the Chargor is tenant); or
- (d) exercise any power to determine any Lease

9.5 Right of entry

The Chargor shall permit the Security Trustee, its agents and contractors at reasonable times and upon reasonable notice (or at any time without notice after the occurrence of an Enforcement Event or in case of emergency) to enter into or upon any Charged Property without becoming liable as mortgagee in possession

- (a) to view the state and condition of or to value it,
- (b) to comply with or object to any direction or notice or other matter served upon the Chargor, and
- (c) to carry out at the cost of the Chargor any repairs or maintenance or to take any action which the Security Trustee considers necessary or desirable in connection with any Charged Property to procure compliance with any obligation of the Chargor in this deed

9.6 Insurance

- (a) The Chargor shall except as provided in paragraph (c) below keep all Real Property and all its other assets which are of an insurable nature insured (and if required by the Security Trustee in the names of the Security Trustee and the Chargor as co-insureds in the case of the Real Property) against all risks which a prudent person carrying on a business similar to that of the Chargor would reasonably insure against (including, if appropriate, terrorism cover) and against such other risks as the Security Trustee may from time to time specify (acting reasonably)
 - (i) in the case of assets other than buildings to their full replacement value, and

- (ii) in the case of buildings on a full reinstatement basis and against all professional fees, value added tax, demolition and site clearance charges and loss of rental and other income derived from such buildings for at least three years
- (b) All such insurances shall be in amount and form and with an insurance office acceptable to the Security Trustee and the Chargor shall on reasonable request produce the policy and the last receipt for such insurances to the Security Trustee and shall apply all monies received by virtue of such insurances either in making good the loss or damage in respect of which the monies were received or at the option of the Security Trustee in or towards reduction of the Secured Liabilities. If the Chargor fails to comply with this clause the Security Trustee will be entitled to effect any relevant insurance at the cost of the Chargor
- (c) If the Real Property includes any leasehold property of which the Chargor is the tenant and the landlord under the lease (or any superior landlord) is responsible for the insurance of any buildings on such Real Property and if the terms of such insurance are satisfactory to the Security Trustee and the Chargor
 - (i) procures that the interest of the Security Trustee is endorsed on every relevant policy,
 - (ii) procures that every relevant policy contains a clause of the type referred to in paragraph (d) below, and
 - (iii) provides a full copy of every relevant policy to the Security Trustee once in every year together with a copy of the receipt for that year's premium,

then such insurance will be deemed to have been accepted by the Security Trustee in satisfaction of the obligation of the Chargor to insure the relevant buildings
- (d) The Chargor shall ensure that every insurance policy contains a clause (in terms satisfactory to the Security Trustee) under which such insurance will not be prejudiced, vitiated or avoidable as against a mortgagee in the event of any misrepresentation, act or neglect or failure to disclose on the part of the insured party or parties and will not be invalidated as against a mortgagee for failure to pay any premium owing without the insurer giving to the Security Trustee ten working days prior written notice

97 *Identification plate*

The Chargor shall if so requested by the Security Trustee

- (a) place and maintain on any Plant and Equipment forming part of the Charged Property, in a conspicuous place, a clearly legible identification plate containing the following wording

"NOTICE OF CHARGE

This [description of item] and ancillary equipment is subject to a fixed charge in favour of []",

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- (b) obtain from any landlord of premises on which any such Plant and Equipment is located a waiver of such landlord's rights of distress in form and substance satisfactory to the Security Trustee

9 8 Documents of title

The Chargor shall, on request, deposit with the Security Trustee all deeds and documents of title relating to the Charged Property provided that such deeds and documents of title are in its possession or control

9 9 Failure to comply

If the Chargor fails to comply with any of its obligations under this deed the Security Trustee may take such steps as it considers appropriate to procure compliance with such obligations at the cost of the Chargor

10. Enforcement of Security

10 1 Security Trustee's powers

On the occurrence of an Enforcement Event this deed shall become enforceable and the Security Trustee may immediately or at any time thereafter

- (a) appoint one or more persons as an Administrator of the Chargor in accordance with schedule B1 to the Insolvency Act,
- (b) exercise the power of sale and all other powers conferred by s 101 of the LPA as varied or extended by this deed,
- (c) subject to s 72A of and paragraph 43 of Schedule A1 to the Insolvency Act, appoint one or more persons as a receiver and manager or administrative receiver of any Charged Property,
- (d) exercise all the powers conferred on a Receiver by this deed, the LPA and the Insolvency Act;
- (e) by notice to the Chargor end the Chargor's right to possession of all or any Real Property forming part of the Charged Property and enter into possession of all or such part of such Real Property,
- (f) to the extent that this deed constitutes a "security financial collateral arrangement" as defined in the Financial Collateral Regulations, appropriate any Charged Property which constitutes "financial collateral" as defined in the Financial Collateral Regulations in or towards satisfaction of the Secured Liabilities and the Security Trustee shall value such Charged Property by reference to an independent valuation or other procedure selected by the Security Trustee acting reasonably

10 2 Powers under the LPA

- (a) S 103 of the LPA will not apply to this deed
- (b) The power of sale and all other powers conferred by s 101 of the LPA as varied or extended by this deed will arise upon execution of this deed by the Chargor, provided that the Security Trustee shall not exercise such power of sale until the Security constituted by this deed has become enforceable

10.3 *Administrators*

If the Security Trustee appoints two or more persons as Administrator of the Chargor, the appointment may specify whether those persons are to act jointly or concurrently

10.4 *Receivers*

- (a) Upon the occurrence of the Enforcement Event, the Security Trustee may appoint any Receiver upon such terms as to remuneration and otherwise as the Security Trustee thinks fit and the maximum rate specified in s 109(6) of the LPA shall not apply
- (b) Any Receiver will be the agent of the Chargor for all purposes and the Chargor will be responsible for such Receiver's acts and defaults (other than for acts or defaults arising as a consequence of the fraud, gross negligence or wilful default of a Receiver) and for his remuneration, costs, fees, taxes and expenses to the exclusion of liability on the part of the Security Trustee
- (c) Where two or more persons are appointed as Receiver any act authorised to be done by the Receiver may be done by all of them acting jointly or by any one or more of them acting severally
- (d) The Security Trustee may at any time by writing remove any Receiver (subject to the obtaining of any required order of the court in the case of an administrative receiver) whether or not the Security Trustee appoints any other person as Receiver in his place

11. **Powers of Receiver and Security Trustee**

11.1 *Statutory powers*

A Receiver shall have and be entitled to exercise all the powers conferred on a receiver by the LPA and, whether or not such a Receiver is an administrative receiver, all the powers conferred upon an administrative receiver by Schedule 1 to the Insolvency Act which powers are incorporated in this deed

11.2 *Additional powers*

By way of addition to and without limiting any other powers referred to in this clause a Receiver shall have power (both before and after the commencement of any liquidation of the Chargor) to do every act and thing and exercise every power

- (a) which the Chargor would have been entitled to do or exercise if no Receiver had been appointed or which the Receiver would have been entitled to do or exercise if the Receiver were the absolute legal and beneficial owner of the Charged Property,
- (b) which such Receiver in his absolute discretion considers necessary for maintaining or enhancing the value of any Charged Property or for or in connection with the enforcement of the Security created by this deed or the realisation of any Charged Property,

and may use the name of the Chargor in connection with any exercise of such powers

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11 3 *Prior encumbrances*

At any time after the Security given by this deed has become enforceable, the Security Trustee may redeem any prior Security against the Charged Property or procure a transfer of such Security to itself and may agree the accounts of the person entitled to that Security and any accounts so agreed will be binding on the Chargor. Any money paid by the Security Trustee in connection with a redemption or transfer of any prior Security will form part of the Secured Liabilities.

11 4 *Possession*

If the Security Trustee, any Receiver or any Delegate of either of them takes possession of any Charged Property it may go out of possession at any time.

12. *Delegation of Powers by Security Trustee or Receiver*

12 1 *Delegation*

The Security Trustee or any Receiver may from time to time delegate by power of attorney or in any other manner to any person any powers which are for the time being exercisable by the Security Trustee or a Receiver under this deed in relation to any Charged Property and any such delegation may be made upon such terms as the Security Trustee or such Receiver may think fit.

12 2 *Liability for Delegates*

Neither the Security Trustee nor any Receiver will be in any way liable or responsible to the Chargor for any loss or damage arising from any act or omission on the part of any such Delegate unless such loss or damage is caused by the fraud, gross negligence or wilful misconduct of the Delegate.

13. *Exclusion of Liability*

13 1 *No obligation to recover*

Neither the Security Trustee nor any Receiver is under any obligation to take action to collect any money or enforce any rights comprised in the Charged Property whether or not it is in possession of the relevant Charged Property.

13 2 *Liability as mortgagee in possession*

If the Security Trustee or any Receiver takes possession of any Charged Property, it will not be liable to account to the Chargor for anything except actual receipts or be liable to the Chargor for any loss arising from any realisation of any Charged Property or for any default or omission for which a receiver or mortgagee in possession would be liable.

13 3 *Losses on enforcement*

The Security Trustee or any Receiver will not be liable to the Chargor for any loss or damage arising from

- (a) any sale of any Charged Property,
- (b) any act, default or omission of the Security Trustee or any Receiver in relation to any Charged Property, or

- (c) any exercise or non-exercise by the Security Trustee or any Receiver of any power conferred upon it in relation to any Charged Property by or pursuant to this deed or by the LPA,

unless such loss or damage is caused by the fraud, gross negligence or wilful misconduct of the Security Trustee or any Receiver

14. Reimbursement and Indemnity

14.1 Reimbursement

The Chargor shall pay to the Security Trustee on demand

- (a) any money paid by the Security Trustee or any Receiver
- (i) as a result of the Security Trustee or any Receiver taking action which the Security Trustee or any Receiver considers necessary in connection with any Charged Property or to procure compliance with any obligation of the Chargor in this deed, or
- (ii) in respect of any action or thing expressed in this deed to be done at the cost of the Chargor,
- (b) all costs, fees, taxes and expenses properly incurred by the Security Trustee or any Receiver under or in connection with this deed or its enforcement and/or the preservation of the Security Trustee's rights under this deed

14.2 Indemnity

The Chargor shall indemnify each of the Security Trustee and any Receiver against all liabilities, claims and reasonable expenses properly incurred whether arising out of contract or in tort or in any other way (including any liability under any Environmental Law) which it may at any time incur in connection with this deed or for anything done or omitted to be done in the exercise or purported exercise of its powers pursuant to this deed unless such liabilities, claims and expenses are caused by its fraud, gross negligence or wilful misconduct

15. Application of Sums Realised

15.1 Order of application

Subject to claims having priority to the Security created by this deed all money recovered by the Security Trustee or any Receiver as a result of the enforcement of this deed or otherwise by reason of the Security created by this deed will be applied in the following order

- (a) in payment of all reasonable costs, fees, taxes and expenses properly incurred by the Security Trustee or any Receiver in or pursuant to the exercise of the powers set out in this deed and all other outgoings properly payable by any Receiver,
- (b) in payment of remuneration to any Receiver,
- (c) in or towards payment of the Secured Liabilities, and
- (d) the balance (if any) to the Chargor or any other person entitled to it

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15.2 Contingent or future liabilities

If any money is received by the Security Trustee or a Receiver as a result of the enforcement of this deed or otherwise by reason of the Security created by this deed at a time when the Secured Liabilities include contingent or future liabilities the Security Trustee or any Receiver may hold some or all of such money in a suspense account

16. Protection of Persons Dealing with Security Trustee or Receiver

No person dealing with the Security Trustee or any Receiver will be concerned to enquire

- (a) whether any event has happened upon which any of the powers conferred by this deed may have arisen or be exercisable,
- (b) otherwise as to the propriety or regularity of any exercise of the powers conferred by this deed or of any act purporting or intended to be in exercise of such powers, or
- (c) whether any Secured Liabilities remain owing

17 Notice of Subsequent Charge

If the Security Trustee receives notice of any Security or other interest affecting any Charged Property

- (a) it may open a new account for the Chargor in its books and may transfer any outstanding balance owing by the Chargor to such new account, or
- (b) if it does not open a new account then, unless it gives express written notice to the contrary to the Chargor, all payments made by the Chargor to it will as from the time of receipt of such notice be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Liabilities

18. Further Assurance

When required by the Security Trustee or any Receiver the Chargor shall, at its own cost (such cost to be reasonably and properly incurred)

- (a) execute a charge by way of legal mortgage, assignment by way of security or fixed charge over any assets of the Chargor and such legal mortgage, assignment or charge shall secure the Secured Liabilities and contain a power of sale which arises immediately upon execution, provisions excluding s 93 of the LPA and the restrictions contained in s 103 of the LPA and such other provisions including any similar to those in this deed as the Security Trustee may reasonably require,
- (b) execute any documents (on terms no more onerous than those provided for in this deed) or do any other thing which the Security Trustee or any Receiver may require for perfecting or protecting any Security created by this deed or in connection with the exercise of any powers given to the Security Trustee or any Receiver under this deed, and

- (c) following the Security constituted by this deed becoming enforceable, to facilitate realisation, convey, transfer, assign or otherwise deal with any Charged Property in such manner as the Security Trustee or any Receiver may require in connection with any enforcement of any Security created by this deed.

19. Power of Attorney by Chargor

The Chargor irrevocably and by way of security appoints each of the Security Trustee, any person selected by the Security Trustee and any Receiver its attorney in each case (with full power to appoint substitutes and to delegate) severally in its name and on its behalf to, on or after the occurrence of an Enforceable Event, execute any document or do any act or thing which

- (a) the Chargor is entitled to execute or do in relation to the Charged Property including giving a receipt for any money and exercising any rights or remedies forming part of the Charged Property, or
- (b) the Chargor is obliged to execute or do under this deed

20. Discharge of Security

20 1 Discharge conditional

Any discharge of the Chargor by the Security Trustee in reliance on a payment or Security received by the Security Trustee will cease to be effective if that payment or Security is avoided, reduced or invalidated for any reason and the Security Trustee will be entitled to recover from the Chargor on demand the amount of the Secured Liabilities discharged by such payment or Security

20 2 Retention of security

Following any discharge of the Chargor made by the Security Trustee in reliance on a payment or security the Security Trustee may retain the Security constituted by this deed until the expiry of the maximum period within which such payment or Security can be avoided, reduced or invalidated for any reason. If the person making such payment or giving such Security goes into liquidation or administration or equivalent proceedings in any foreign jurisdiction within that period the Security Trustee may retain the Security constituted by this deed for as long as it thinks fit (acting reasonably and on the basis of legal advice received by it for this purpose)

21. Redemption

After the repayment or discharge in full of the Secured Liabilities the Security Trustee will at the request and cost of the Chargor release the Charged Property from the Security created by this deed, reassign any rights assigned under this deed, return all deeds and documents of title delivered to the Security Trustee under this deed and execute and deliver such further deeds or documents as the Chargor acting reasonably may require in order to give effect to this clause (including, without limitation) any filings required to be made in order to remove the restriction referred to at clause 25 6 (Land Registry consent) of this deed)

22. Remedies and Waivers

No failure to exercise, nor any delay in exercising, on the part of the Security Trustee, any right or remedy under this deed shall operate as a waiver of any such right or remedy or constitute an election to affirm this deed. No election to affirm this deed on the part of a Secured Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this deed are cumulative and not exclusive of any rights or remedies provided by law.

23. Calculations and Certificates

23.1 Certificates and Determinations

Any certification or determination by the Security Trustee of a rate or amount under or in connection with the Secured Liabilities or this deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

23.2 Day count convention

Any interest, commission or fee accruing under this deed will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days.

24. Miscellaneous

24.1 Possession

The Chargor shall be entitled to possession of any Real Property forming part of the Charged Property until termination of such right by the Security Trustee under clause 10.1 (Security Trustee's Powers).

24.2 Third Party Rights

- (a) Unless expressly provided to the contrary in this deed, a person who is not a party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "Third Parties Rights Act") to enforce or to enjoy the benefit of any term of this deed.
- (b) Notwithstanding any term of this deed, the consent of any person who is not a party is not required to rescind or vary this deed at any time.
- (c) Any Receiver, Delegate may, subject to this clause 26.2 (Third Party Rights) and the Third Parties Rights Act, rely on any clause of this deed which expressly confers rights on it.

24.3 Continuing Security

This deed is a continuing Security and extends to the balance from time to time of the Secured Liabilities irrespective of any intermediate payment of monies due to the Security Trustee.

24 4 Other Security

This deed is in addition to and will not in any way be prejudiced or affected by the holding or release by the Security Trustee or any other person of any other Security at any time held by the Security Trustee

24 5 Consolidation

The restrictions on the right of consolidating mortgage securities contained in s 93 of the LPA will not apply to this deed

24 6 Land Registry Consent

- (a) By executing this deed the Chargor consents to the entry of the following restriction against any registered freehold titles (and any unregistered freehold properties subject to compulsory first registration) which are at any time subject to this deed

"No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [date] in favour of [chargee] referred to in the charges register or, if appropriate, signed on such proprietor's behalf by its duly authorised officer "

- (b) Clause (a) above shall apply to leasehold registered land (and any unregistered leasehold properties subject to compulsory first registration) (other than Short Leasehold Properties) following notice by the Security Trustee to the Chargor giving effect to this paragraph (b) (which notice may only be made when an Enforcement Event is continuing)

24 7 Changes to the parties

- (a) The Security Trustee may freely transfer or assign any or all of its rights and/or obligations under or in connection with this deed
- (b) The Chargor may not assign any of its rights or transfer any of its rights or obligations under this deed
- (c) The Security Trustee may disclose any information about the Chargor to any person connected to or associated with it, and to any person to whom it proposes to assign or transfer (or has assigned or transferred) any of its rights under this deed except any confidential information or any other information if such disclosure would or might breach any law or be in breach of fiduciary duty

24 8 Counterparts

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

25. Notices

25 1 Communications in writing

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

25 2 Addresses

The address of each party for any communication or document to be made or delivered under or in connection with this deed is

- (a) in the case of the Chargor

Address 60 Brewery Road, London, N7 9NH

- (b) in the case of any Security Trustee

Address Tesco House, Delamare Road, Cheshunt, Hertfordshire
EN8 9SL

or any substitute address as a party may notify to the other by not less than five Business Days' notice. In the case of the Chargor, the address of its registered office or of any place where it carries on business shall also be addresses of the Chargor for the purpose of this clause

25 3 Delivery

- (a) Any communication or document made or delivered by the Security Trustee on the Chargor under or in connection with this deed will be effective

- (i) if left at an address referred to in this clause, when so left,
(ii) if posted by first class post to an address referred to in this clause, on the next working day in the place of receipt following the day when it was posted

- (b) Any communication or document to be made or delivered to the Security Trustee will be effective only when actually received by the Security Trustee

25 4 Notification of address and fax number

Promptly upon receipt of notification of an address or change of address pursuant to clause 25 2 (Addresses) or changing its own address or fax number, the Security Trustee shall notify the Chargor.

26 Law

This deed and any non-contractual obligations arising out of or in connection with this deed shall be governed by English law

27. Jurisdiction

- 27 1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this deed (including a dispute regarding the existence, validity or termination of this deed and a dispute regarding a non-contractual obligation referred to in clause 26 (Law)) (a "Dispute")

- 27 2 The Security Trustee and the Chargor agree that the courts of England are the most appropriate and convenient courts to settle Disputes. The Chargor will not argue to the contrary

27.3 This clause is for the benefit of the Security Trustee only. As a result, the Security Trustee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Trustee may take concurrent proceedings in any number of jurisdictions.

This deed has been executed and delivered as a deed by the Chargor and signed on behalf of the Security Trustee on the date shown at the beginning of this deed.

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SCHEDULE 1

Original Secured Noteholders

| Name | Address |
|---------------------------------------|---|
| Tesco Corporate Treasury Services PLC | Tesco House, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL |

SCHEDULE 3

List of Investments

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EXECUTION PAGE

**EXECUTED as a DEED by
EUPHORIUM GROUP LIMITED**
acting by a director
in the presence of

)
)
)
)



Director

Signature of witness



Name of witness

Atif M. Amin

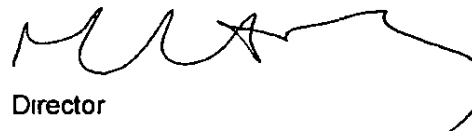
Address of witness

30 Dickinson Quay

Apsley HP3 9WQ

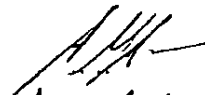
**EXECUTED as a DEED by
TESCO CORPORATE TREASURY
SERVICES PLC**
acting by its director
in the presence of

)
)
)
)



Director

Signature of witness



Name of witness

Atif M. Amin

Address of witness

30 Dickinson Quay

Apsley HP3 9WQ

