



**Registration of a Charge**

Company Name: **THE PHARMACY GROUP CORPORATION LTD**

Company Number: **07728529**



XC0PA30F

Received for filing in Electronic Format on the: **03/04/2023**

**Details of Charge**

Date of creation: **31/03/2023**

Charge code: **0772 8529 0001**

Persons entitled: **LLOYDS PHARMACY LIMITED**

Brief description:

**Contains fixed charge(s).**

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

**Contains negative pledge.**

**Authentication of Form**

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

**Authentication of Instrument**

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

Certified by: **EVERSHEDS SUTHERLAND (INTERNATIONAL) LLP**



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

Company number: 7728529

Charge code: 0772 8529 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 31st March 2023 and created by THE PHARMACY GROUP CORPORATION LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 3rd April 2023 .

Given at Companies House, Cardiff on 5th April 2023

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



**Companies House**



**THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES**

EVERSHEDS  
SUTHERLAND

We certify this document as a true copy of the original, save for material redacted pursuant to section 859G Companies Act 2006

*Eversheds Sutherland (International) LLP*

Date: 3 April 2023

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**Dated:** 31 March 2023

- (1) THE PHARMACY GROUP CORPORATION LTD AS THE CHARGOR
- (2) LLOYDS PHARMACY LIMITED AS THE SELLER

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**Debenture**

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**THIS DEBENTURE** is made on 31 March 2023

**BETWEEN:**

- (1) **THE PHARMACY GROUP CORPORATION LTD** (registered number 07728529) whose registered office is at 8 Manor Road, Leeds, West Yorkshire, United Kingdom, LS11 9AH (the "**Chargor**"); and
- (2) **LLOYDS PHARMACY LIMITED** (registered number 00758153) whose registered office is at Sapphire Court, Walsgrave Triangle, Coventry CV2 2TX (the "**Seller**").

**WITNESSES AS FOLLOWS:**

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

Unless the context otherwise requires, words or expressions defined in the Business Purchase Agreements shall have the same meanings in this Debenture. In addition, in this Debenture:

**"Account Bank"** means any bank or financial institution with which the Chargor maintains a Bank Account.

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

**"Bank Account"** means any account with any bank or financial institution in which the Chargor now or in the future has an interest including any replacement or substitute or subdivision or sub-account of that account and to the extent of such interest, all credit balances now or in the future on such accounts and all Related Rights.

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

**"Business Purchase Agreement"** means each business purchase agreement entered into between the Seller and the Chargor on or around the date of this Debenture in respect of the retail pharmacy businesses at:

- (a) 76 Warwick Road, Carlisle, CA1 1DU;
- (b) Unit 2, The Forum, Wythenshawe, Greater Manchester, M22 5RX;
- (c) 999 York Road, Seacroft, Leeds, West Yorkshire, LS14 6NX;
- (d) 69 Vesper Road, Leeds, West Yorkshire, LS5 3QT;
- (e) 412 Huntington Road, Huntington, York, North Yorkshire, YO31 9HU; and
- (f) 26 Morrill Street, Hull, East Riding of Yorkshire, HU9 2LJ,

pursuant to which the Chargor will purchase certain business and assets (as specified therein) of the Seller (together, the "**Business Purchase Agreements**").

**"Debt Document"** means this Deed, each Business Purchase Agreement and any other document designated as a "Debt Document" by the Seller and the Chargor.

**"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.

**"Event of Default"** means the failure by the Chargor to comply with any obligation under or pursuant to any Business Purchase Agreement.

**"Financial Collateral"** in relation to the 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.

**"Fixed Security Asset"** means an Asset for the time being comprised within an assignment created by Clause 3.1 (*Security 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*).

**"Fixtures"** means trade and other fixtures and fittings and fixed plant, machinery and other apparatus;

**"Floating Charge Asset"** means an Asset for the time being comprised within the floating charge created by Clause 3.3 (*Creation of Floating Charge*) but, in relation to Assets situated in Scotland and charged by clause 3.3(b) (*Creation of floating charge*) only in so far as concerns the floating charge over that Asset.

**"Insurance Policy"** means any contract or policy of insurance of the Chargor (including all cover notes) of whatever nature which are from time to time taken out by or on behalf of the Chargor or (to the extent of its interest) in which the Chargor has an interest at any time but excluding any liability insurance and any directors' and officers' insurance.

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

**"Intellectual Property Rights"** in relation to the 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 Clauses 3.2(xiii) to 3.2(xviii) (*Fixed security*) inclusive.

**"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.

**"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 fixed plant or machinery from time to time situated on or forming part of such land, trade and tenant's fixtures) and includes all Related Rights.

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

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

**"Material Intellectual Property"** means any Intellectual Property owned by the 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 (including but not limited to Specified Intellectual Property).

**"Material Land"** means all Land other than:

- (a) Restricted Land;
- (b) leasehold property of the Chargor with a term of less than 15 years left to run; or
- (c) freehold property with a value of less than £250,000.

**"Mortgaged Land"** means any property specified in Schedule 1 (*Registered Land to be Mortgaged*) to this Debenture.

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

**"Payment Obligations"** has the meaning given to that term in each Business Purchase Agreement.

**"Personal Chattels"** means plant, machinery, office equipment, computers, vehicles, goods and other chattels (including all spare parts, replacements, modifications and additions) but not Fixtures on Real Property charged under Clause 3.2(a) and 3.2(b)(i) (*Fixed Security*) or stock in trade or work in progress and all Related Rights.

**"Planning Acts"** means the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991, the Planning and Compulsory Purchase Act 2004 and any re-enactment, variation or modification of any of them and any orders, regulations or permissions made, issued or granted under or by virtue of the foregoing Acts or any of them.

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

**"Receiver"** means any receiver or receiver and manager or administrative receiver appointed under Clause 15 (*Appointment of a Receiver or an Administrator*) or otherwise, including pursuant to any supplemental Legal Mortgage, whether sole, joint and/or several and including (where the context requires or permits) any substituted receiver or receiver and manager.

**"Related Rights"** means, in relation to any asset:

- (a) the proceeds of sale of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, powers, benefits, claims, contracts, warranties, negotiable instruments, remedies, Security, guarantees, indemnities or covenants for title in respect of that asset; and



- (d) any moneys and proceeds paid or payable in respect of that asset;
- (e) in relation to a Mortgaged Land, each and every part of that Mortgaged Land, including the land, cellars, eaves, buildings, structures, fixtures and fittings (including such trade fixtures and fittings, furnishings and Equipment in which the Chargor has an interest) now or in the future on that property and all easements and other rights attaching to that property;
- (f) in relation to a Mortgaged Land, the benefit of any undertakings, servitudes, covenants or warranties in respect of that property or any moneys paid or payable in respect of those undertakings, servitudes, covenants or warranties.

**"Relevant Account"** means the Specified Bank Accounts (and any renewal or redesignation of any such account) and any other Bank Account that may from time to time be identified in writing as a Relevant Account by the Seller and any Chargor (and any replacement or substitute account or any subdivision or sub account of such account)

**"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.

**"Restricted IP"** means any Intellectual Property owned by or licensed to the Chargor which, in each case, precludes either absolutely or conditionally the Chargor from creating a charge over its interest in that Intellectual Property and in respect of which consent has not yet been obtained.

**"Restricted Land"** means any leasehold property held by the Chargor under a lease which precludes either absolutely or conditionally the Chargor from creating a mortgage or charge over its leasehold interest in that property and in respect of which consent has not yet been obtained pursuant to Clause 3.4(a) (*Third Party Consents*).

**"Secured Sums"** means all present and future obligations and liabilities (whether actual or contingent and whether incurred jointly or severally as principal or surety of in any other capacity whatsoever) of the Chargor to the Seller under each or any of the Debt Documents, in each case together with all costs, charges and expenses incurred by the Seller in connection with the protection, preservation or enforcement of its rights under any Debt Document.

**"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.

**"Specified Bank Accounts"** means the Bank Accounts described in Schedule 4 (*Specified Bank Accounts*).

**"Specified Intellectual Property"** means the Intellectual Property listed in Schedule 2 (*Specified Intellectual Property*).

**"Specified Investments"** means, without limitation, the Specified Investments listed in Schedule 5 (*Specified Investments*) and in relation to the 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 Companies Act 2006 "30 per cent or more" were substituted for "a majority";

- (a) that the Chargor has deposited certificates in respect of with the Seller or which, if uncertificated, are held in an escrow or other account in favour of the Seller or its nominee.

## 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 person, firm, company, corporation, government, state or agency of a state or any association, joint venture, trust or partnership (whether or not having separate legal personality) of two or more of the foregoing.
- (d) "Property" includes any interest (legal or equitable) in real or personal property and any thing in action.
- (e) "Variation" includes any variation, amendment, accession, novation, restatement, modification, assignment, transfer, supplement, extension, deletion or replacement however effected and "vary" and "varied" shall be construed accordingly.
- (f) "Writing" includes facsimile transmission legibly received except in relation to any certificate, notice or other document which is expressly required by this Debenture to be signed and "written" has a corresponding meaning.
- (g) References to this Debenture or to any other document (including any Debt 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.
- (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 Event of Default is "continuing" if it has not been remedied or waived.

- (n) **"Blank stock transfer form"** means a stock transfer form validly executed by the relevant Chargor but with the section relating to the consideration and the transferee left blank.
- (o) **"Schedules"**: Any failure to state any Land, Intellectual Property, Investments or Bank Accounts of the Chargor on the date of this Debenture in any of Schedule 1 (*Registered Land to be Mortgaged*), Schedule 2 (*Specified Intellectual Property*) or Schedule 3 (*Specified Investments*), or Schedule 4 (*Specified Bank Accounts*) will not affect any Charges over such assets.

### 1.3 Full Title Guarantee

Any charge or assignment which is expressed to be made with "full title guarantee" shall be construed so that the covenants implied by section 4(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall not extend to the state of repair of any relevant land and are subject to and qualified by reference to the Legal Reservations and any Permitted Security.

### 1.4 Dispositions

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

### 1.5 Execution

This Debenture shall take effect as a deed notwithstanding that the Seller has executed it under hand.

## 2. COVENANT TO PAY

### 2.1 Covenant to pay

The Chargor (as primary obligor and not merely as surety) covenants with the Seller that it will, on the Sellers written demand, pay or discharge the Secured Sums when due at the times and in the manner provided in the relevant Debt Documents.

### 2.2 Demands

- (a) The making of one demand shall not preclude the Seller from making any further demands.
- (b) Any third party dealing with the Seller 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 Security assignments

The Chargor, with full title guarantee, as security for the payment or discharge of all Secured Sums, assigns and agrees to assign absolutely (subject to a proviso for reassignment on redemption) to the Seller all of its rights, title and interest from time to time in respect of any sums payable to it pursuant to the Insurance Policies.

### 3.2 Fixed security

The Chargor, with full title guarantee, as security for the payment or discharge of all Secured Sums, charges in favour of the Seller:

- (a) by way of legal mortgage, all Land in England and Wales now vested in it and registered at the Land Registry or which will be subject to first registration at the Land Registry upon the execution and delivery of this Debenture, in each case as described in Schedule 1 (*Registered Land to be Mortgaged*);
- (a) by way of fixed charge:
  - (i) with the exception of any Restricted Land, all other Land which is now its property and all rights under any licence or other agreement or document which gives the Chargor a right to occupy or use such Land not mortgaged pursuant to paragraph (a) above;
  - (ii) with the exception of any Restricted Land, all other Land which in the future becomes its property and all rights under any licence or other agreement or document which gives the Chargor a right to occupy or use such Land;
  - (iii) all Land which has ceased to fall within the definition of Restricted Land by virtue of receipt of the relevant landlord's consent to charge that Land, but only with effect from the date on which that consent is obtained;
  - (iv) all other interests and rights in or relating to Land or in the proceeds of sale of Land now or in the future belonging to it including any Related Rights;
  - (v) all plant and machinery now or in the future attached to any Land which, or an interest in which, is charged by it under the preceding provisions of this Clause 3.2;
  - (vi) all rental and other income, guarantee of any rental 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;
  - (vii) all Specified Investments which are now its property, including all proceeds of sale derived from them;
  - (viii) all Specified Investments in which the Chargor may in the future acquire any interest (legal or equitable), including all proceeds of sale derived from them;
  - (ix) all Derivative Rights of a capital nature now or in the future accruing or offered in respect of its Specified Investments;
  - (x) all Derivative Rights of an income nature now or in the future accruing or offered at any time in respect of its Specified Investments;
  - (xi) 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 Seller, together with all its rights and interests in such contracts and policies (including the benefit of all claims arising and all money payable under them) apart from any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) in this Debenture;
  - (xii) all its goodwill and uncalled capital for the time being;
  - (xiii) all Specified Intellectual Property belonging to it;

- (xiv) with the exception of any Restricted IP, 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;
- (xv) with the exception of any Restricted IP, 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;
- (xvi) with the exception of any Restricted IP, 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;
- (xvii) all Intellectual Property (including any Intellectual Property to which it is not absolutely entitled or to which it is entitled together with others, and 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) which by virtue of obtaining third party consent to charge such Intellectual Property has ceased to fall within the definition of Restricted IP, but only with effect from the date on which that consent is obtained;
- (xviii) all its rights now or in the future in relation to trade secrets, confidential information and knowhow in any part of the world;
- (xix) 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)(xiii) to (xviii) inclusive of this Clause;
- (xx) all trade debts now or in the future owing to it;
- (xxi) all other debts now or in the future owing to it;
- (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 (*Security 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 Bank 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**

The Chargor, with full title guarantee, charges to the Seller 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 (*Security 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 the Chargor shall not create any Security over any such Floating Charge Asset (whether having priority over, or ranking *pari passu* with or subject to, this floating charge) or take any other step referred to in Clause 7 (*Negative pledge and other restrictions*) with respect to any such Floating Charge Asset, and such Chargor shall not, without the consent of the Seller, sell, transfer, part with or dispose of any such Floating Charge Asset (except as permitted under any Debt Document).

### 3.4 Third Party Consents

- (a) If the Chargor has an interest in any Restricted Land, which, if it ceased to be Restricted Land, would be Material Land, that Chargor shall on request:
  - (i) within 5 Business Days of its execution of this Debenture or within 20 Business days of the Chargor acquiring such interest if acquired after the date of this Debenture, use its reasonable endeavours to obtain the consent of each landlord of such Restricted Land to the creation of the charges envisaged by Clause 3.2(iii) (*Fixed security*) (including paying the reasonable costs and any reasonable consent fee of any such landlord);
  - (ii) keep the Seller informed of the progress of its negotiations with any such landlord; and
  - (iii) provide the Seller with a copy of each such consent promptly after its receipt.

### 3.5 Notices

Subject to the rights of any prior chargee and except as otherwise expressly agreed in writing by the Seller:

- (a) the Chargor shall, within 5 Business Days of the date of this Debenture execute a notice of charge to the insurers (and any broker) of the security over the Insurance Policies and their proceeds created by this Debenture in substantially the form set out in Part 1 of Schedule 5 (*Forms of Notice of Assignment/Charge*) and, as soon as reasonably practicable, serve that notice on each such insurer and broker;
- (b) On request, the Chargor shall, within 5 Business Days of the date of this Debenture execute a notice of charge to the relevant Account Bank in respect of the security over any Relevant Accounts created by this Debenture substantially in the form set out in Part 2 of Schedule 5 (*Forms of Notice of Assignment/Charge*) and, as soon as reasonably practicable, serve that notice on each Account Bank.
- (c) On request, the Chargor shall use all reasonable endeavours (including expending reasonable costs and expenses) to procure the execution and delivery to the Seller of acknowledgments by the addressees of the notices delivered to them pursuant to this Clause 3.5.

### 3.6 Priority

- (a) Any fixed Security created by the Chargor and subsisting in favour of the Seller shall have priority over the floating charge created by Clause 3.3 (*Creation of floating charge*).
- (b) Any Security created in the future by the Chargor (except in favour of the Seller) shall be expressed to be subject to this Debenture and shall rank in order of priority behind the charges created by this Debenture (except to the extent mandatorily preferred by law).

### 3.7 Application to the Land Registry

The Chargor:

- (a) in relation to each register of title of any present and future Land of the Chargor which is charged to the Seller under this Debenture, consents to the Seller (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 \_\_\_\_ 2022 in favour of [●] 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.

## 4. CRYSTALLISATION

### 4.1 Crystallisation by notice

The floating charge created by the 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 Seller to the Chargor if:

- (a) an Event of Default has occurred and is continuing; or
- (b) the Seller in good faith reasonably considers that any of the Assets expressed to be charged to the Seller by this Debenture may be in danger of being seized or sold pursuant to any form of legal process; or
- (c) a circumstance envisaged by paragraph (a) of Clause 4.2 (*Automatic crystallisation*) occurs and the Seller in good faith reasonably considers that such crystallisation is necessary or 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 Chargor.

#### 4.2 Automatic crystallisation

If, without the Seller's prior written consent:

- (a) the Chargor, in contravention of any Debt Document, resolves to take or takes any step to:
  - (i) charge or otherwise encumber any of its Floating Charge Assets;
  - (ii) create a trust over any of its Floating Charge Assets; or
  - (iii) dispose of any Floating Charge Asset (except by way of sale in the ordinary course of such Chargor's business to the extent that such disposal is not otherwise prohibited by any Debt 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; or
- (c) an Event of Default 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 Seller 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 and/or paragraph 43 of Schedule A1 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 Seller, the Chargor shall:

- (a) deposit with the Seller, and the Seller shall be entitled to retain during the continuance of the security created by this Debenture, all deeds and documents of title relating to its Fixed Security Assets that are necessary to give effect to or to perfect the fixed security described in Clause 3.2 (*Fixed Security*), including:
  - (i) certificates of registration in relation to the Security constituted by this Debenture;
  - (ii) certificates constituting or evidencing Specified Investments and Material Intellectual Property;
  - (iii) all deeds and documents of title relating to any Intellectual Property Right which is Material Intellectual Property and, by virtue of obtaining third party consent has ceased to fall within the definition of Restricted IP; and
  - (iv) all deeds and documents of title relating to any Land which by virtue of receipt of the relevant landlords consent to charge that Land pursuant to paragraph (a) of Clause 3.4 (*Third Party Consents*) has ceased to fall within the definition of Restricted Land; and
- (b) as soon as reasonably practicable, and in any event within 5 Business Days of request, execute and deliver to the Seller such documents and transfers and give such instructions and perform such other acts as the Seller may reasonably require at any time to constitute or perfect any Security over its Specified Investments, including any Specified Investments eligible to participate in a Relevant System.

## 5.2 Insurance

If any default shall be made by the Chargor at any time in effecting or maintaining any insurance required by the terms of the Debt Documents, or if the Chargor fails within 5 Business Days of demand to produce such evidence as the Seller reasonably requires to prove such compliance (including copies of insurance policies and/or premium receipts), then:

- (a) the Seller may take out or renew such insurances in such sums as the Seller reasonably considers to be appropriate (at that Chargor's expense); and
- (b) all money expended by the Seller under this provision shall be recoverable by the Seller.

## 6. RECEIVABLES

### 6.1 Restriction

The Chargor shall not purport, without the Seller's prior written consent, to charge, factor, discount, assign, postpone, subordinate, release or waive its rights in respect of any Receivable in favour of any person or do or omit to do anything which might delay or prejudice its full recovery other than in relation to the commutation of Receivables with its customers in the ordinary course of trade or unless such action is permitted under the Debt Documents.

### 6.2 Factoring

If the Seller releases, waives or postpones its rights in respect of any Receivable to enable the Chargor to factor or discount them to any person (the "**factor**"), the charges created by

this Debenture shall in all other respects remain in full force and effect. In particular, all amounts becoming due to the Chargor from the factor and any Receivables reassigned, or due to be reassigned to the Chargor, shall be subject to the charges created by this Debenture, subject only to any defences or rights of set-off which the factor may have against the Chargor.

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

Without the prior written consent of the Seller, except as specifically permitted by the Debt Documents, the Chargor shall not:

- (a) create, or agree or attempt to create, or permit to subsist, any Security or any trust over any of its Assets; or
- (b) sell, assign, lease, license or sub-license, or grant any interest in, any of its Fixed Security Assets, or part with possession or ownership of them, or purport or agree to do so.

## **8. RIGHT OF APPROPRIATION**

### **8.1 Financial Collateral Arrangement**

The Parties acknowledge and intend that the charges over the 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 Seller may, on or at any time after the security constituted by this Debenture becomes enforceable in accordance with its terms, by notice in writing to the Chargor appropriate with immediate effect all or any of its Financial Collateral charged by this Debenture 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 Seller or otherwise.

### **8.3 Value**

The value of any Financial Collateral appropriated under Clause 8.2 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 Seller by reference to a public index or other applicable generally recognised source or such other process as the Seller may select, including a valuation carried out by an independent firm of accountants or valuers appointed by the Seller,

as converted, where necessary, into sterling at a market rate of exchange prevailing at the time of appropriation selected by the Seller.

### **8.4 Surplus or Shortfall:** The Seller 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 Seller for any amount by which the value of the appropriated Assets is less than the Secured Sums.

### **8.5 Confirmation:** The Chargor agrees that the method of valuing Financial Collateral under Clause 8.3 is commercially reasonable.

## 9. CONTINUING SECURITY

This Debenture shall be a continuing security for the Seller, notwithstanding any intermediate payment or settlement of accounts.

## 10. LAND

### 10.1 Positive Covenants:

The Chargor covenants that it shall:

#### (a) Compliance with lease:

Punctually pay the rents reserved by and observe and perform in all material respects the other material covenants, agreements or obligations on its part to be observed and performed which are contained in any lease, agreement for lease, tenancy agreement or licence to occupy relating to any Land and, to the extent that it makes commercial sense to do so, enforce the observance and performance by the landlord or licensor of its material obligations under any such document shall not do anything or permit anything to be done which could result in the termination of any such lease, tenancy agreement or licence to occupy; and

### 10.2 Negative covenants:

The Chargor shall not (without the prior written consent of the Seller):

#### (a) No onerous obligations:

enter into any onerous or restrictive obligation affecting its Land or create or permit to arise any overriding interest or any easement or right whatever in or over it which, in each case, would be reasonably likely to affect materially and adversely its value or the value of the Security constituted by this Debenture over it; or

#### (b) No sharing:

share the occupation of any Land with any other person (or agree to do so) to the extent that to do so would materially adversely affect (i) the value of such Land; or (ii) the interests of the Seller.

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

### 10.4 Leasing and Other Undertakings:

The Chargor shall (whether in exercise of any statutory power or otherwise):

- (a) not grant, or agree to grant, any lease or tenancy of all or any part of any Land that is the subject of any Security created or purported to be created by or pursuant to this Debenture or confer or agree to confer upon any person any contractual licence or right to occupy or use any Land that is the subject of any Security created or purported to be created by or pursuant to this Debenture save as permitted under the Debt Documents;
- (b) comply with the provisions of Schedule 6 (*Real Property Undertakings*);
- (c) comply with all laws or material regulations, directives, consents, authorisations, covenants or planning permissions relating to or affecting any Land that is the subject

of any Security created or purported to be created by or pursuant to this Debenture;  
and

- (d) not determine or extend or renew on substantially different terms or accept any surrender of any lease, tenancy, licence or right to occupy comprised in the any Land that is the subject of any Security created or purported to be created by or pursuant to this Debenture or agree to do any of these things.

#### 10.5 Real Property Representations and Warranties:

The Chargor represents and warrants to the Seller that:

- (a) it is the sole legal and beneficial owner of all the Mortgaged Land listed against its name in Schedule 1 (*Registered Land to be Mortgaged*) and no other person has any legal or beneficial interest or rights on, over or in any part of the Charged Real Property (other than as disclosed to and approved by the Seller);
- (b) no part of the any Land that is the subject of any Security created or purported to be created by or pursuant to this Debenture is subject to any covenants, restrictions, easements or rights, orders, agreements, notices or disputes which are of an unusual or onerous nature or which may materially and adversely affect its intended use or its disposal and nothing has arisen or been created or is subsisting which could be or could create an overriding interest over such Land;
- (c) there subsists no breach of any Planning Acts, by-laws or local authority or statutory requirements which materially and adversely affects or which materially or adversely affects the value of the Land that is the subject of any Security created or purported to be created by or pursuant to this Debenture owned by the Chargor;
- (d) no facilities necessary for the enjoyment and use of the Land that is the subject of any Security created or purported to be created by or pursuant to this Debenture or any part of it are enjoyed or used by such Land on terms entitling any person to terminate or curtail its or their use;
- (e) the Land that is the subject of any Security created or purported to be created by or pursuant to this Debenture or any part of it is free from any lease, tenancy, licence or right to occupy other than as disclosed to and approved by the Seller; and
- (f) except for the Mortgaged Land, neither it nor any of its Subsidiaries owns any estate or interest in any Land save as disclosed to and approved by the Seller prior to the date of this Debenture.

#### 10.6 Right to Remedy:

If the Chargor fails to perform any obligation affecting its Land that is the subject of any Security created or purported to be created by or pursuant to this Debenture, the Chargor must allow the Seller or its agents and contractors:

- (a) upon reasonable notice, to enter any part of such Land and carry out any repairs or other works which the Chargor has failed to do; and
- (b) to comply with or object to any notice served on the Chargor in respect of such Land.

### 11. INTELLECTUAL PROPERTY RIGHTS

- 11.1 **Negative covenants:** Without the prior written consent of the Seller, the Chargor shall not in respect of its Material Intellectual Property:

- (a) **Trade marks:** amend the specification of any registered trade mark included in such Intellectual Property Rights; or
- (b) **Patents:** amend the specification or drawings referred to in any such granted patent.

## 12. SPECIFIED INVESTMENTS

12.1 **Voting and other rights:** The Chargor undertakes not to exercise any voting powers or rights in a way which would be reasonably likely to prejudice the value of its Specified Investments or otherwise to jeopardise the Security constituted by this Debenture over them.

12.2 **Before Enforcement:** Unless and until the occurrence of an Event of Default:

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

12.3 **After Enforcement:** At any time after the occurrence of an Event of Default:

- (a) the Seller 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 the Chargor or otherwise and without any further consent or authority on the part of the Chargor, all voting powers and rights attaching to the Specified Investments (including Derivative Rights) as it sees fit, including any rights to nominate or remove a director, as if the Seller were the sole beneficial owner of the Specified Investments;
- (b) all Derivative Rights shall, if received by the Chargor or the Seller's nominee, be held on trust for and forthwith paid or transferred to the Seller; and
- (c) the Chargor shall (and shall procure that the Seller'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 Seller 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 Seller 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 Chargor.

12.4 **Negative covenant:** The Chargor covenants with the Seller that it will not, without the prior written consent of the Seller, consent to its Specified Investments being consolidated, sub-divided or converted or any rights attached to them being varied.

## 13. BANK ACCOUNTS:

13.1 **Bank Accounts: maintenance and variation:**

The Chargor shall:

- (a) deliver to the Seller on the date of this Debenture (and, if any charge account thereafter, on the date falling five Business Days after such charge), details of each Bank Account maintained by the Chargor; and
- (b) not without the Seller's prior written consent, permit or agree to any variation of the rights attached to any Bank Account the result of which is materially prejudicial to the Seller.

### 13.2 Operation of Bank Accounts:

- (a) Until the Security constituted by this Debenture become enforceable, the Chargor shall be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Bank Account;
- (b) After the Security constituted by this Debenture becomes enforceable, the Chargor shall not be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Bank Account except with the prior written consent of the Seller.

### 13.3 Relevant Accounts:

The Chargor may not withdraw or otherwise transfer any credit balance from time to time on any Relevant Account, unless expressly permitted to do so by the Debt Documents or with the consent of the Seller.

### 13.4 Exercise of rights following enforcement by Seller:

After the Security constituted by this Debenture has become enforceable, the Seller shall be entitled without notice to exercise all rights and powers held by it in relation to the Relevant Accounts and to:

- (a) demand and receive any moneys due under or arising out of each Relevant Account; and
- (a) exercise all rights the relevant Chargor was then entitled to exercise in relation to the Relevant Accounts or would, but for this Debenture, be entitled to exercise.

## 14. POWERS OF SALE, LEASING AND ACCEPTING SURRENDERS

**14.1 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 Seller shall not exercise such power of sale until this Debenture has become enforceable.

**14.2 Powers of sale extended:** The statutory powers of sale, leasing and accepting surrenders exercisable by the Seller by virtue of this Debenture are extended so as to authorise the Seller (whether in its own name or that of the Chargor) to:

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

## 15. APPOINTMENT OF A RECEIVER OR AN ADMINISTRATOR

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

- (a) the occurrence of an Event of Default;
- (b) in relation to the Chargor, a step or proceeding is taken, or a proposal made, for the appointment of an administrator, liquidator or provisional liquidator or for a voluntary arrangement under Part I of the Insolvency Act 1986; or
- (c) a request has been made by the Chargor to the Seller for the appointment of a Receiver or an administrator over its Assets or in respect of the Chargor,

then this Debenture shall become immediately enforceable and, notwithstanding the terms of any other agreement between the Chargor and the Seller, the Seller may (unless precluded by law) appoint in writing any person or persons to be a Receiver (or Receivers) of all or any part of the Assets of the Chargor or, an administrator or administrators of the Chargor, as the Seller may choose in its entire discretion.

- 15.2 **Power to act separately:** Where more than one Receiver or administrator is appointed, the appointees shall have power to act separately unless the Seller shall specify to the contrary.
- 15.3 **Receiver's remuneration:** The Seller may from time to time determine the remuneration of a Receiver.
- 15.4 **Removal of Receiver:** The Seller 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.
- 15.5 **Further appointments of a Receiver:** Such an appointment of a Receiver shall not preclude:
- (a) the Seller 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.
- 15.6 **Receiver's agency:** The Receiver shall be the agent of the Chargor (which shall be solely liable for his acts, defaults and remuneration) unless and until the Chargor goes into liquidation, after which time he shall act as principal and shall not become the agent of the Seller.

## 16. POWERS OF A RECEIVER

The Receiver may exercise, in relation to the 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 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 the Chargor;

- (b) promote the formation of a Subsidiary of the 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 Chargor;
- (e) arrange for the purchase, lease, licence or acquisition of all or any Assets of the 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 the Seller or others as he shall think fit;
- (g) make and effect all repairs, renewals and improvements to the Assets of the 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 Chargor and the money so paid shall be deemed an expense properly incurred by the Receiver;
- (j) pay the proper administrative charges of the Seller in respect of time spent by its agents and employees in dealing with matters raised by the Receiver or relating to the receivership of the Chargor;
- (k) commence and/or complete any building operations upon any Land of the 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 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.

## 17. POWER OF ATTORNEY

**17.1 Appointment of attorney:** The Chargor, by way of security and to more fully secure the performance of its obligations under this Debenture, hereby irrevocably appoints the Seller 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 at any time to:

- (a) do anything which the Chargor is obliged to do (but has not done within 5 Business Days of being notified by the Seller of such failure and being requested to comply) in accordance with this Debenture, including to execute and deliver and otherwise perfect any agreement, assurance, deed, instrument or document; and



- (b) following the occurrence of an Event of Default, enable the Seller 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.

17.2 **Ratification:** The Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to his appointment under this clause.

17.3 **Sums recoverable:** All sums expended by the Seller, any nominee and/or any Receiver under this Clause 17 shall be recoverable from each Chargor.

## 18. OTHER POWERS EXERCISABLE BY THE SELLER

18.1 **Receiver's powers:** All powers of a Receiver conferred by this Debenture may be exercised by the Seller after this Debenture has become enforceable. In that event, paragraph (i) of Clause 16 (*Powers of a Receiver*) shall be read and construed as if the words "be charged on the Assets of the Chargor" were substituted for the words "be deemed an expense properly incurred by the Receiver".

18.2 **Receipt of debts:** Following the occurrence of an Event of Default, the Seller, its nominee or any manager, officer or agent of the Seller is hereby irrevocably empowered to:

- (a) receive all trade debts and other debts and claims which may be assigned to the Seller pursuant to this Debenture and/or under any other Debt Document;
- (b) on payment give an effectual discharge for them and on non-payment to take and institute (if the Seller in its sole discretion so decides) all steps and proceedings either in the name of the Chargor or in the name of the Seller for their recovery; and
- (c) agree accounts and make allowances and give time to any surety.

The Chargor ratifies and confirms whatever the Seller or any manager or officer of the Seller shall do or purport to do under this clause.

18.3 **Seller's powers:** The Seller shall have no liability or responsibility to the Chargor arising out of the exercise or non-exercise of the powers conferred on it by this Clause 18, except for gross negligence or wilful default.

18.4 **No duty of enquiry:** The Seller 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.

## 19. APPLICATION OF MONEY RECEIVED BY THE SELLER OR A RECEIVER

19.1 **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:

- (a) in discharging any costs and expenses incurred by the Seller, or any Receiver or in connection with this Debenture or any of the Debt Documents;
- (b) in or towards discharging the Secured Sums; and
- (c) in payment of the surplus (if any) to the Chargor or other person entitled to it.

19.2 **Suspense account:** Until all the Secured Sums have been unconditionally and irrevocably paid and discharged in full, the Seller may place and keep to the credit of an interest bearing suspense account any money received from or realised in respect of the Chargor's liability under this Debenture. The Seller 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 Seller in good faith to be a fair market rate.

- 19.3 **Discretion to apply:** Until all Secured Sums have been unconditionally and irrevocably paid and discharged in full, the Seller 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.

## 20. PROTECTION OF THIRD PARTIES

- 20.1 **No duty to enquire:** No purchaser from, or other person dealing with, the Seller, its nominee or any Receiver or administrator appointed under this Debenture shall be concerned to enquire whether any of the powers which the Seller 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 Seller, 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.

- 20.2 **Receipt:** The receipt of the Seller 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 Seller.

## 21. PROTECTION OF THE SELLER, ANY NOMINEE AND RECEIVER

- 21.1 **Limitation:** Neither the Seller 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.

- 21.2 **Entry into possession:** Without prejudice to the generality of Clause 21.1 (*Limitation*), neither the Seller, 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 Seller, or any nominee enters into possession of any Assets, it shall be entitled at any time at its discretion to go out of possession.

## 22. INTEREST ON OVERDUE AMOUNTS

Any amount not paid in accordance with this Debenture when due shall carry interest at the rate and in accordance with the terms contained in the relevant Debt Document in relation to overdue sums or at such other rate as may be agreed between the Chargor and the Seller from time to time.

## 23. SET-OFF

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

## 24. TRANSFER BY THE SELLER

The Seller may at any time assign and transfer all or any of its rights in relation to this Debenture to any person or otherwise grant an interest in them to any person to the extent that it is permitted to transfer its rights under the terms of the Business Purchase Agreements.

## 25. RELEASE OF SECURITY

**25.1 Redemption:** Subject to Clause 25.2 (*Avoidance of Payments*), if all Payment Obligations under each Business Purchase Agreement have been unconditionally and irrevocably discharged by the Chargor, the Seller will (at the request and cost of the Chargor), execute and do all such reasonable acts as may be necessary to release the Assets from the Security constituted by this Debenture.

**25.2 Avoidance of Payments:** If the Seller has reasonable grounds to consider 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 the 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.

## 26. THIRD PARTY RIGHTS

**26.1 Exclusion of Contracts (Rights of Third Parties) Act 1999:** 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.

**26.2 Rights of the Parties to vary:** The Parties may by agreement vary any term of this Debenture (including this Clause 26) without the necessity of obtaining any consent from any other person.

## 27. FORBEARANCE, SEVERABILITY, VARIATIONS AND CONSENTS

**27.1 Delay etc:** All rights, powers and privileges under this Debenture shall continue in full force and effect, regardless of the Seller, nominee or Receiver exercising, delaying in exercising or omitting to exercise any of them.

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

**27.3 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.

**27.4 Consents:** Save as otherwise expressly specified in this Debenture, any consent of the Seller may be given absolutely or on any terms and subject to any conditions as the Seller may determine in its entire discretion.

## 28. 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.

## 29. NOTICES

**Notices provision:** Any communications to be made under or in connection with this Debenture shall be made in accordance with the notice provisions of the Business Purchase Agreements.

**30. 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.

**31. ENFORCEMENT**

**31.1 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 the Chargor.
- (b) To the extent allowed by law, the 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 the Chargor as a deed and signed by the Seller and it has been delivered and shall take effect on the date stated at the beginning of this document.

**SCHEDULE 1**

**REGISTERED LAND TO BE MORTGAGED**

<b>Name of Chargor</b>	<b>Description of Property</b>	<b>Title Number</b>
<b>NOT APPLICABLE</b>	<b>NOT APPLICABLE</b>	<b>NOT APPLICABLE</b>

**Unregistered land subject to first registration upon the execution of this Debenture**

<b>NOT APPLICABLE</b>
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**SCHEDULE 2**

**SPECIFIED INTELLECTUAL PROPERTY**

***NOT APPLICABLE***

**SCHEDULE 3**

**SPECIFIED INVESTMENTS**

<b>Chargor</b>	<b>Name of company in which Securities are held</b>	<b>Securities held</b>
<b><i>NOT APPLICABLE</i></b>	<b><i>NOT APPLICABLE</i></b>	<b><i>NOT APPLICABLE</i></b>

**SCHEDULE 4**

**SPECIFIED BANK ACCOUNTS**

<b>Chargor</b>	<b>Bank</b>	<b>Account details</b>
<b><i>NOT APPLICABLE</i></b>	<b><i>NOT APPLICABLE</i></b>	<b><i>NOT APPLICABLE</i></b>



## SCHEDULE 5

### FORMS OF NOTICE OF ASSIGNMENT/CHARGE

#### PART 1

##### Form of Notice of Assignment - Insurances

###### SERVED BY RECORDED DELIVERY OR BY HAND

To: *[insert name and address of Insurer]*

*[Date]*

Dear Sirs

Re: **[describe relevant policies] between (1) you and (2) [insert name of Charging Company]**

1. We give notice that, by a debenture (the "**Debenture**") dated [●] 2021 made between inter alia [●] (the "**Seller**") and ourselves, we have assigned by way of security to the Seller Trustee all our rights, title and interest from time to time in respect of any sums payable to us pursuant to the above referenced polic[y][ies] (together with any other agreement supplementing or amending the same, the "**Policies**").
2. We irrevocably authorise and instruct you from time to time to disclose to the Seller (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 Policies as the Seller may from time to time request.

Following receipt of a notice from the Seller notifying you that its security is enforceable, you shall:

- (a) hold all sums from time to time due and payable by you to us under the Policies to the order of the Seller and to pay or release all or any part of those sums only in accordance with the written instructions given to you by the Seller from time to time; and
- (b) comply with any written notice or instructions relating to the Debenture, the sums payable by you to us from time to time under the Policies (or the debts represented by them) which you may receive from the Seller (without any 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).

Prior to receipt of such notice from the Seller, you should continue to comply with our instructions in relation to the Policies and pay all sums due and payable under the Policies to us.

3. We irrevocably instruct you to note on the relevant Policies the Sellers interest as first priority assignee of the proceeds under the Policies and the rights, remedies, proceeds and claims referred to above.
4. This notice may only be revoked or amended with the prior written consent of the Seller.

5. 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 [●] that you:
- (a) accept the instructions and authorisations contained in this notice and undertake to comply with this notice; and
  - (b) have not received notice of the grant of any security or the existence of any other interest of any third party in or to the Policies or any proceeds of them.
6. This notice is governed by English law.

Signed

.....  
for and on behalf of

**[Chargor]**

**[on copy]**

To: [●]

Copy to: [Chargor]

Dear Sirs

We acknowledge receipt of the above notice and consent and agree to its terms.

for and on behalf of

*[Name of Insurer]*

Dated:

## PART 2

### Form of Notice to Account Bank for a Relevant Bank Account

To: [name of Account Bank]

[address]

Dated: [●]

Dear Sirs

[●] (the "**Chargor**")

[number and description of the relevant account] (the "**Specified Accounts**"): debenture dated [●] 2021 made between, amongst others, the Chargor and [●] as Seller (the "**Debenture**")

1. Pursuant to the Debenture, the Chargor has charged by way of first fixed charge in favour of the Seller all its rights to, and interest in, the balance standing from time to time to the credit of the Specified Accounts and any other bank account maintained with you and the debts represented by them (the "**Accounts**"). A copy of the Debenture is enclosed. The Debenture prohibits any dealing with the Accounts except with the consent of the Seller as provided in the Deed.
2. The Chargor hereby irrevocably and unconditionally instructs and authorises you:
  - (a) to disclose to the Seller any information relating to the Accounts which the Seller requests you to disclose;
  - (b) to pay or to release any moneys standing to the credit of the Accounts, in accordance with any instructions which you receive from the Seller;
  - (c) following notice from the Seller that the Security created under the Deed has become enforceable, not to permit any withdrawal by the Chargor of any moneys standing to the credit of the Accounts, without the prior written consent of the Seller and to hold all such moneys to the order of the Seller; and
  - (d) to comply with the terms of any written notices or instructions relating to the Deed and/or the Accounts and the debts represented by them which you receive from the Seller.
3. The Seller hereby confirms that it consents to the following transactions in relation to the Accounts.
  - (a) you may collect and pay to the credit of any Specified Accounts the proceeds of credits for the account of the Chargor;

- (b) you may make payments to third parties or to other Accounts in the name of the Chargor on the instructions of the Chargor and debit the amounts involved to any Accounts;
- (c) you may debit to any Account amounts due to you from the Chargor for operating such account; and
- (d) in order to enable you to make available net overdraft facilities on the Accounts, you may set-off debit balances against credit balances on any of the following Accounts:

[Specify accounts and account numbers]

- 4. You shall transfer amounts standing to the credit of the Specified Accounts into another Account and shall not otherwise, without the prior written consent of the Seller, make any payments or transfers from the Specified Accounts.
- 5. The Seller may, by notice to you, amend or withdraw the consents given in paragraph 3 above.
- 6. [If the consent referred to in paragraph 3(d) above is withdrawn, you may immediately set-off debit balances and credit balances on the Accounts existing immediately prior to the receipt by you of the notice of such withdrawal.]
- 7. The instructions and authorisations which are contained in this letter shall remain in full force and effect until the Chargor and the Seller together give you notice in writing revoking or amending them. You may comply with the instructions contained in this letter without further authority from the Chargor.
- 8. The instructions and authorisations in this letter supersede any instructions and authorisations to the contrary given to you by or on behalf of any Chargor.
- 9. This letter is governed by English law.

Please acknowledge your acceptance of the instructions and authorisations contained in this notice by signing the attached Form of Acknowledgement and returning the same to [●].

Yours faithfully

*[name of Chargor]*

*[name of Seller]*

By .....

By .....

Authorised Signatory

Authorised Signatory

[ON COPY]

**Acknowledgment**

To: [●]

Copy: [Chargor]

Dear Sirs

**Debenture dated [●] 2021 between [●] as Seller and [●] as Chargor (the "Deed")**

We hereby acknowledge receipt of the notice (a copy of which is attached hereto) dated [●] 2021 and addressed to us by you regarding the Accounts and confirm that we:

- (a) accept the instructions and authorisations contained in the notice and agree to comply with the terms thereof;
- (b) do not have, and will not make or exercise, any claims or demands, any rights of counterclaim, Security, rights of set-off or rights against the Chargor in respect of the Accounts and/or the debts represented by them [other than in respect of fees for operating the accounts];
- (c) have not received notice of any interest of any third party in any Account and/or the debts represented by them and to our knowledge there are no restrictions on the creation of Security over the Accounts pursuant to the Deed; and
- (d) [shall not permit any amount to be withdrawn from any Account save as permitted by the notice or with your prior written consent.]

We agree that, in the event that we become aware at any time that any person other than yourselves has or will have any right or interest in the Accounts and/or the debts represented by them, we will promptly notify you.

The only Account[s] maintained with us [is] [are] the Specified Account[s] referred to in the notice [and [●]].

Yours faithfully

.....

[name of bank]

## **SCHEDULE 6**

### **REAL PROPERTY UNDERTAKINGS**

1. **Adverse Rights:** The Chargor, save with the consent of the Seller, shall not create or permit to arise any overriding interest or any easement or right which might be reasonably likely to adversely affect, in any material respect, the value of the Charged Real Property or of any Fixtures thereon.
2. **Registration:** The Chargor must promptly provide, if so requested by the Seller:
  - (a) a clear Land Charges Registry search against the Chargor or clear Land Registry priority search results in favour of the Seller on the appropriate Land Registry forms against all of the registered titles comprising the Chargor's interests comprised within the Charged Real Property and giving not less than 28 days priority;
  - (b) appropriate Land Registry application forms duly completed accompanied by all necessary Land Registry fees; and
  - (c) notice to the reversioner of the assignment/transfer of any headlease to the relevant Chargor and the charging of that headlease to the Seller, together with the appropriate registration fees, where such notification is required under those headleases.
3. **Enforcement of Lessee's Covenants:** The Chargor shall:
  - (a) not accelerate or defer payment of any moneys due or agree to any reduction in rent or waive or vary any obligation under the terms of any lease or other property agreement and duly and promptly implement any rent review under the same but not agree to the reviewed rent or appoint or agree to the appointment of a third party to determine the same without the prior written approval of the Seller; and
  - (b) give prompt notice in writing to the Seller if any tenant, lessee or licensee shall withhold rent or exercise any right of set-off against sums payable under any property agreement or purports, attempts or threatens to do so.
4. **Compulsory Acquisition:** The Chargor shall not, without the consent of the Seller, enter into any negotiations with any competent agency of any state with regard to the compulsory acquisition of any Charged Assets nor consent to the compulsory acquisition thereof. However, if so requested by the Seller the Chargor shall permit the Seller or its representatives to conduct such negotiations or give such consent on such Chargor's behalf.
5. **Affixing of Charged Assets:** The Chargor shall not fix or permit the affixing of the Charged Assets to any Real Property other than Charged Real Property.
6. **Rent Reviews:** The Chargor shall comply with any rent review procedures in leases comprised within Charged Real Property and not agree to any revised rent without the prior written consent of the Seller.
7. **Planning:** The Chargor shall not, without the prior written consent of the Seller, carry out or permit to be carried out on any part of its Charged Real Property any development (within the meaning of that expression in the Planning Acts) nor to make any application for planning permission for the development or change of use or its Charged Real Property or carry out

any work for which planning permission has been granted or enter into any agreement under section 106 of the Town and Country Planning Act 1990, section 33 of the Local Government (Miscellaneous Provisions) Act 1982 or any other agreement with any local government, planning or other regulatory authority to build roads, amenities or carry out other works.

8. VAT: The Chargor shall not elect to charge value added tax or to transfer the right to recover or levy value added tax or to treat supplies made by it as taxable supplies for the purposes of value added tax or fail to do any of the foregoing without the prior written consent of the Seller.
9. Repair: The Chargor shall keep all buildings on its Charged Real Property in no worse repair and condition than on the date of this Deed and shall keep all Fixtures and other Personal Chattels from time to time on or in any Charged Real Property belonging to it or its Subsidiaries in good and substantial repair and in good working order and will not, without the prior written consent of the Seller, alter, pull down, remove or dispose of any of them, except in the ordinary course of repair, maintenance or improvement or as otherwise expressly permitted by the Debt Documents.
10. No Building: No Chargor shall, without the prior written consent of the Seller, save in the ordinary course of business where such works do not adversely affect the value of such Charged Real Property or as required by law or regulation, carry out any building work on its Charged Real Property, or make any structural alteration to any building on its Charged Real Property, or at any time sever, remove or dispose of any fixture on it.
11. No Onerous Obligations: No Chargor shall without the prior written consent of the Seller, enter into onerous or restrictive obligations affecting its Charged Real Property or create or permit to arise any overriding interest or any easement or right whatever in or over it which would be reasonably likely to adversely affect its value or the value of the Security constituted by this Deed over it.
12. Certificate of Title: The Chargor shall promptly on demand by the Seller provide to the Seller at the expense of the Chargor a certificate of title in such form as the Seller may reasonably require addressed to the Secured Parties or any of them or the Seller for and on behalf of the Secured Parties in relation to any of its Real Property which is or may become charged by it under this Deed.
13. Notices: The Chargor shall promptly deliver a copy of any material communication received by it which has been given with respect to any Charged Real Property and take such steps as the Seller shall reasonably require in relation thereto.
14. Entry: The Chargor shall permit the Seller and any person nominated by it at all reasonable times and with reasonable prior notice to enter any of its Charged Real Property to view its condition.



EXECUTION PAGE

THE CHARGOR

Executed as a deed by THE PHARMACY  
GROUP CORPORATION LTD  
acting by a director in the presence of

)  
)  
)  
)



Name of witness



Signature

CHRISTIAN PEACE

Address



Occupation

SOLICITOR

THE SELLER

Executed as a deed by  
LLOYDS PHARMACY LIMITED  
acting by two directors or  
one director and its secretary

)  
)  
)  
)

Signature of director

Signature of director/secretary

**EXECUTION PAGE**

**THE CHARGOR**

Executed as a deed by **THE PHARMACY** )  
**GROUP CORPORATION LTD** )  
acting by a director in the presence of: )  
)

.....

Name of witness: .....

Signature: .....

Address: .....

.....

Occupation: .....

**THE SELLER**

Executed as a deed by )  
**LLOYDS PHARMACY LIMITED** )  
acting by two directors or )  
one director and its secretary )



Signature of director



Signature of director/secretary