



**Registration of a Charge**

Company Name: **THE LAKES DISTILLERY COMPANY PLC**

Company Number: **07769363**



Received for filing in Electronic Format on the: **20/09/2022**

XBCYM5Z5

**Details of Charge**

Date of creation: **09/09/2022**

Charge code: **0776 9363 0014**

Persons entitled: **ALTER DOMUS TRUSTEES (UK) LIMITED (AS SECURITY AGENT)**

Brief description: **THE FREEHOLD PROPERTY KNOWN AS DISTILLERY, CAR PARK AND DISTILLERY HOUSE, HIGHAM ESTATE, SETMURTHY, COCKERMOUTH AS EDGED RED ON THE PLAN ATTACHED AT THE APPENDIX OF THE INSTRUMENT AND FORMING PART OF TITLE NUMBER CU333174**

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

Certified by:

**PINSENT MASONS LLP**



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

Company number: 7769363

Charge code: 0776 9363 0014

The Registrar of Companies for England and Wales hereby certifies that a charge dated 9th September 2022 and created by THE LAKES DISTILLERY COMPANY PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 20th September 2022 .

Given at Companies House, Cardiff on 21st September 2022

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



**Companies House**



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

DATED 9 September 2022

- (1) THE LAKES DISTILLERY COMPANY PLC AND OTHERS
- (2) ALTER DOMUS TRUSTEES (UK) LIMITED (AS SECURITY AGENT)

---

GUARANTEE AND DEBENTURE

---

## CONTENTS

1.	DEFINITIONS AND INTERPRETATION .....	1
2.	GUARANTEE AND INDEMNITY .....	7
3.	CREATION OF SECURITY .....	7
4.	REPRESENTATIONS AND WARRANTIES .....	9
5.	NEGATIVE PLEDGE AND NO DISPOSAL .....	10
6.	PRESERVATION AND MAINTENANCE .....	10
7.	MATERIAL CONTRACTS .....	11
8.	INSURANCE .....	15
9.	RECEIVABLES .....	16
10.	BLOCKED ACCOUNTS .....	16
11.	NEW PROPERTY .....	16
12.	MATERIAL INTELLECTUAL PROPERTY .....	17
13.	SECURITIES .....	17
14.	NOTICE OF SECURITY .....	18
15.	DEPOSIT OF DOCUMENTS .....	19
16.	THE LAND REGISTRY .....	19
17.	FURTHER ADVANCES .....	19
18.	WHEN SECURITY BECOMES ENFORCEABLE .....	19
19.	ENFORCEMENT OF SECURITY .....	19
20.	RECEIVER .....	20
21.	POWERS OF RECEIVER .....	21
22.	FINANCIAL COLLATERAL .....	23
23.	APPLICATION OF PROCEEDS AND SUSPENSE ACCOUNT .....	24
24.	SECURITY AND GUARANTEE PROTECTIONS .....	24
25.	COSTS, EXPENSES AND INDEMNITIES .....	27
26.	PAYMENTS .....	28
28.	SET-OFF BY SECURED PARTY .....	29
30.	FURTHER ASSURANCE AND POWER OF ATTORNEY .....	29
31.	TIME DEPOSITS .....	30
32.	CHANGE TO PARTIES .....	31
33.	THIRD PARTY RIGHTS .....	31
34.	NOTICES .....	31
35.	GENERAL .....	31
36.	GOVERNING LAW AND JURISDICTION .....	31
	SCHEDULE 1 - PROPERTY .....	33
	SCHEDULE 2 - MATERIAL CONTRACTS .....	35
	SCHEDULE 3 - MATERIAL EQUIPMENT .....	36
	SCHEDULE 4 - BANK ACCOUNTS .....	37

PART 1 - BLOCKED ACCOUNTS .....	37
PART 2 - OTHER BANK ACCOUNTS.....	37
SCHEDULE 5- SUBSIDIARY SHARES .....	38
SCHEDULE 6 - PRIOR CHARGES .....	39
SCHEDULE 7- FORMS OF NOTICE AND ACKNOWLEDGEMENT.....	40
PART 1 - FORM OF NOTICE AND ACKNOWLEDGEMENT OF ASSIGNMENT OF INSURANCE .....	40
PART 2 - FORM OF NOTICE AND ACKNOWLEDGEMENT OF ASSIGNMENT OF MATERIAL CONTRACTS.....	42
PART 3 - FORM OF NOTICE AND ACKNOWLEDGEMENT OF ACCOUNT CHARGE .....	44
SCHEDULE 8 - FORM OF SECURITY ACCESSION DEED .....	46

DATE

9 September

2022

**PARTIES**

- (1) **THE LAKES DISTILLERY COMPANY PLC** a company incorporated and registered in England and Wales (registered number 07769363) whose registered office is at 1st Floor Offices Grandstand Garage, Kenton Road, Gosforth, Newcastle Upon Tyne, NE3 4NB (the **Original Company**); and
- (2) **ALTER DOMUS TRUSTEES (UK) LIMITED** (company number 09272338) as security agent for the Secured Parties (the **Security Agent**).

**IT IS AGREED**

**1. DEFINITIONS AND INTERPRETATION**

**1.1** In this deed the following definitions apply:

**Administrator**

any person appointed to be an administrator of a Company under Schedule B1 Insolvency Act;

**Authorisation**

any authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;

**Bank Accounts**

in relation to a Company, all its accounts (held by it or by any trustee or nominee on its behalf) with any bank, financial institution or other person together with all sub-accounts, additions to or sub-divisions, renewals or replacements of those accounts (in whatever currency) including any account specified in Part 2 of schedule 4 or listed as a 'Bank Account' in any Security Accession Deed;

**Blocked Accounts**

any Bank Account specified in Part 1 of schedule 4 or listed as a 'Blocked Account' in any Security Accession Deed, and any other Bank Account designated a 'Blocked Account' by the relevant Company and the Security Agent (or, following an Event of Default, by the Security Agent alone) together with all sub-accounts, additions to or sub-divisions, renewals or replacements of those accounts (in whatever currency);

**Business Day**

has the meaning given in the Facility Agreement;

**Charged Assets**

in relation to a Company, all its property and assets which are, or are intended or expressed to be, subject to any Security Interest created by this deed (and references to the Charged Assets includes any part of them);

**Claim**

any action, proceeding, right, claim or demand of any nature, whether actual or contingent or otherwise;

**Companies**

the Original Company and any other company which grants security over its assets in favour of the Security Agent by executing a Security Accession Deed;

**Conditions**

the Beechbrook UK SME Credit terms and conditions version 4.0;

**Default Rate**

has the meaning given in the Facility Agreement;

**Delegate**

any delegate, agent, attorney or co-trustee appointed by the Security Agent;

**Environment**

humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following:

- (a) air (including air within natural or man-made structures, whether above or below ground);
- (b) water (including territorial, coastal and inland waters, water under or within land and water in drains and sewers); and
- (c) land (including land under water);

**Environmental Claim**

means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law;

**Environmental Law**

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 any waste;

**Equipment**

in relation to a Company, all equipment, plant, machinery, tools, vehicles, furniture, fittings, installations, apparatus and other tangible moveable property owned by it (or any trustee or nominee on its behalf), including any part of it and all spare parts, replacements, modifications and additions and the benefit of all manuals, instructions, warranties, licences and maintenance agreements relating to the equipment;

**Event of Default**

has the meaning given in the Facility Agreement;

**Facility Agreement**

the facility agreement dated 18 July 2022 and made between (1) the Original Company as Borrower, (2) Beechbrook UK SME Credit Ltd as Arranger, Agent and Original Lender (each as defined therein) and (3) the Security Agent including, for the avoidance of doubt, the Conditions;

**Finance Documents**

has the meaning given in the Facility Agreement;

**Financial Collateral**

has the meaning given in the Financial Collateral Regulations;

**Financial Collateral Regulations**

the Financial Collateral Arrangements (No 2) Regulations 2003 (SI 2003/3226);

**Fixtures**

all (trade) fixtures and fittings and fixed plant and machinery now or at any time after the date of this deed on the Property;



**Floating Charge Asset**

any Charged Asset which is subject to the floating charge created by this deed;

**Group**

has the meaning given in the Facility Agreement;

**Guarantee**

each guarantee, indemnity and undertaking given under clause 2 of this deed or in any Security Accession Deed;

**Headlease**

means a lease under which a Company holds title to all or any part of a Property;

**Indemnified Parties**

(a) the Security Agent;

(b) any Receiver, and

(c) any Delegate,

or any of them and any of their agents, officers and employees;

**Insolvency Act**

the Insolvency Act 1986;

**Insurance**

in relation to a Company,

(a) any insurance policies in which it has an interest; and

(b) any rights in respect of those policies;

**Intellectual Property**

in relation to a Company, all its intellectual property rights or equivalent (held by it or by any trustee or nominee on its behalf), including:

(a) patents, utility models, trade marks and service marks, business names, domain names, rights in get-up and trade dress, goodwill and right to sue for passing off or unfair competition, copyright and neighbouring and related rights, moral rights, rights in designs, rights in and to inventions, plant variety rights, database rights, rights in computer software and topography rights;

(b) registrations and applications for any or all of the rights in (a) above, together with the right to apply for registration of and be granted, renewals, extensions or and right to claim priority from those rights; and

(c) rights to use and protect the confidentiality of confidential information (including, know-how, trade secrets, technical information, customer and supplier lists) and any other proprietary knowledge or information of whatever nature and however arising,

in each case whether registered or unregistered and together with any rights or types of protection of the same or of a similar nature to those listed in (a), (b) or (c) above which subsist or may subsist in the future anywhere in the world and in each case for their full term (including any reversions or extensions) and effect (and any reference to Intellectual Property includes any part of it);

**Intercreditor Agreement**

has the meaning given in the Facility Agreement;

**Lenders**

has the meaning given in the Facility Agreement;

**Losses**

any loss, cost, damage, award, charge, penalty, fine, expense or any other liability which any of the Indemnified Parties have incurred or suffered, or may, directly or indirectly, incur or suffer, including legal costs and any VAT or similar tax on any of those;

**LPA**

the Law of Property Act 1925;

**LPMPA**

the Law of Property (Miscellaneous Provisions) Act 1994;

**Material Contracts**

any contracts specified in schedule 2 or listed as a 'Material Contract' in any Security Accession Deed or otherwise designated a 'Material Contract' by the relevant Company and the Security Agent;

**Material Equipment**

in relation to a Company, any of its Equipment described in schedule 3 or listed as 'Material Equipment' in any Security Accession Deed or designated 'Material Equipment' by the relevant Company and the Security Agent;

**Material Intellectual Property**

any Intellectual Property that is, becomes or is likely to become material to a Company's business or otherwise designated 'Material Intellectual Property' by the relevant Company and the Security Agent;

**New Property**

has the meaning given in clause 12.1;

**Party**

a party to this deed;

**Permitted Disposal**

has the meaning given in the Facility Agreement;

**Permitted Security**

has the meaning given in the Facility Agreement;

**Premises**

any building or erection on the Property;

**Prior Charge**

any Security Interest described in schedule 6 or listed as a 'Prior Charge' in any Security Accession Deed and any Security Interest granted to the Security Agent in respect of the Secured Liabilities from time to time;

**Property**

in relation to a Company, any of its freehold, heritable and leasehold property including any property specified in schedule 1 or in any Security Accession Deed, together with:

- (a) the benefit of all rights, easements and privileges relating to that property;
- (b) all covenants given in respect of that property;
- (c) all licences to enter or use land; and
- (d) all Premises and Fixtures on that property at any time,

(and references to Property includes any part of it);

**Property Insurances**

means any contract of insurance required under Clause 7.9.1 (*Insurances*);

**Receivables**

in relation to a Company:

- (a) all book and other debts and owing to it;
- (b) all other monetary claims or money due and owing to it;
- (c) any rights in respect of any item listed in paragraph (a) and (b) above,

but excluding any such debts or claims in relation to the Blocked Accounts, the Material Contracts and the Insurance;

**Receiver**

any receiver, manager or receiver and manager appointed under this deed;

**Related Rights**

in connection with any Securities:

- (a) all dividends, interest and other distributions paid or payable;
- (b) all rights, money or property accruing or offered at any time by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise; and
- (c) any other rights;

**Repeating Representation**

has the meaning given in the Facility Agreement;

**Secured Liabilities**

- (a) all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity) of any Company to any Secured Party under the Finance Documents; and
- (b) any amounts which would be included in paragraph (a) above but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings;

**Secured Parties**

has the meaning given in the Facility Agreement;

**Securities**

in relation to a Company, all its stocks, shares, loan capital, debentures, bonds, warrants, coupons or other securities or investments (whether or not marketable) (including its Subsidiary Shares) (held by it or by any trustee or nominee on its behalf) together with all Related Rights;

**Security Accession Deed**

a deed executed by a member of the Group substantially in the form set out in schedule 8;

**Security Financial Collateral Arrangement**

has the meaning given in the Financial Collateral Regulations;

**Security Interest**

a mortgage, charge, pledge, trust, assignment by way of security, lien, hypothecation or other encumbrance, arrangement or security interest securing any obligation of any person or any other agreement or arrangement having a similar effect or any title retention rights or set-off rights created by agreement;

**Security Period**

the period beginning on the date of this deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full;

**Subsidiary**

has the meaning given in the Facility Agreement;

**Subsidiary Shares**

in relation to a Company, any of its Securities described in schedule 5 or listed as 'Subsidiary Shares' in any Security Accession Deed and any other Securities owned by it (or held by any trustee or nominee on its behalf) in any of its Subsidiaries, in each case including all Related Rights;

**Tax**

any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of them);

**Third Parties Act**

the Contracts (Rights of Third Parties) Act 1999; and

**VAT**

value added tax provided for in the Value Added Tax Act 1994 and any other Tax of a similar nature.

- 1.2 Capitalised terms defined in the Facility Agreement have the same meaning in this deed unless expressly defined in this deed.
- 1.3 Notwithstanding any other provision in this deed, in the event of any conflict between the provisions of this deed and the Facility Agreement (including any representations and undertakings) the provisions of the Facility Agreement shall prevail.
- 1.4 In this deed, unless stated otherwise, a reference to:
- 1.4.1 a clause or schedule is to a clause or schedule to this deed;
  - 1.4.2 a paragraph is to a paragraph of a schedule;
  - 1.4.3 a provision of law includes that provision as replaced, modified or re-enacted from time to time and any secondary legislation made under that statutory provision from time to time, in each case whether before or after the date of this deed;
  - 1.4.4 a person includes any individual, firm, company, corporation, government, state or agency of state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
  - 1.4.5 a "Party", a "Company", the "Security Agent", a "Lender", a "Secured Party" or any other person includes its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Finance Documents and, in the case of the Security Agent, any person for the time being appointed as Security Agent under the Finance Documents;
  - 1.4.6 "disposal" or "dispose" includes any sale, transfer, assignment, grant, lease, licence, declaration of trust or other disposal, whether voluntary or involuntary;
  - 1.4.7 a company includes any company, corporation or other body corporate, wherever and however incorporated or established;
  - 1.4.8 writing, subject to clause 35, includes any mode of reproducing words in a legible and non-transitory form;
  - 1.4.9 this deed or any provision of this deed or any other agreement, document or instrument is to this deed, that provision or that agreement, document or instrument as amended, novated, supplemented, extended, restated or replaced; and

- 1.4.10 a time of day is to London time.
- 1.5 The contents table and headings are for convenience only and do not affect interpretation of this deed.
- 1.6 Words in the singular include the plural (and *vice versa*) and gender specific words include every gender.
- 1.7 The schedules form part of this deed as if set out in the body of this deed.
- 1.8 The words "other", "include", "including" and "in particular" (or any similar words or expression) do not limit the generality of any preceding words and any words which follow them will not be limited by any preceding words where a wider interpretation is possible.
- 1.9 For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Facility Agreement, the other Finance Documents and of any side letters between any parties relating to any Finance Document are incorporated into this deed.
- 1.10 In this deed, unless the context requires otherwise, references to :
- 1.10.1 "this Security" is to any Security Interest created or intended or expressed to be created by this deed;
- 1.10.2 "this deed" includes any Security Accession Deed;
- 1.10.3 a Charged Asset includes the proceeds of that Charged Asset;
- 1.10.4 any **rights** in respect of an asset includes:
- (a) all amounts and proceeds paid or payable;
- (b) all rights to make any demand or Claim; and
- (c) all powers, remedies, causes of action, security, guarantees and indemnities,
- in each case in respect of or derived from that asset.
- 1.11 "£" and "sterling" represent lawful currency of the United Kingdom.
- 1.12 The Parties intend this document to take effect as a deed despite the fact the Security Agent may only execute it under hand.
- 2. GUARANTEE AND INDEMNITY**
- Each Company irrevocably and unconditionally jointly and severally:
- 2.1 guarantees to each Secured Party punctual performance by each other Company of all that other Company's obligations under the Finance Documents;
- 2.2 undertakes with each Secured Party that whenever another Company does not pay any amount when due under, or in connection with, any Finance Document, that Company shall immediately on demand pay that amount as if it was the principal obligor; and
- 2.3 agrees with each Secured Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Secured Party immediately on demand against any cost, loss or liability it incurs as a result of a Company not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by a Company under this indemnity will not exceed the amount it would have had to pay under this clause 2 if the amount claimed had been recoverable on the basis of a guarantee.
- 3. CREATION OF SECURITY**
- 3.1 Security**
- 3.1.1 Each Company covenants to pay or discharge, on demand, the Secured Liabilities owed by it when they fall due.

- 3.1.2 This Security is:
- (a) created in favour of the Security Agent (for the benefit of itself and the other Secured Parties);
  - (b) created over present and future assets of the Companies;
  - (c) security for payment of all the Secured Liabilities owed by the relevant Company under clause 3.1.1;
  - (d) made with full title guarantee under the LPMMPA; and
  - (e) ranks subject only to the Prior Charges (if any).
- 3.1.3 Clause 3.2 and clause 3.3 shall be construed as creating a separate and distinct mortgage, fixed charge or security assignment over each Charged Asset within any particular class of assets specified.
- 3.1.4 Any failure to create an effective fixed Security Interest (for whatever reason) over a Charged Asset shall not affect the fixed nature of the Security Interest over any other Charged Asset, whether within the same class of assets or not.
- 3.1.5 The Security Agent holds the benefit of this deed and this Security on trust for the Secured Parties.

### 3.2 Fixed charges

- 3.2.1 Each Company charges by first legal mortgage its Property listed in schedule 1.
- 3.2.2 Each Company charges by first fixed charge:
- (a) all its other interests in Property (not effectively charged by clause 3.2.1);
  - (b) all its Material Equipment;
  - (c) all its other Equipment;
  - (d) its Subsidiary Shares;
  - (e) all its other Securities;
  - (f) its Blocked Accounts;
  - (g) all its other Bank Accounts;
  - (h) the benefit of all Authorisations used in connection with its business or any of its Charged Assets and the right to recover and receive compensation which may be payable to it in respect of any of those Authorisations;
  - (i) all its Intellectual Property;
  - (j) all its goodwill and uncalled capital;
  - (k) all its Receivables; and
  - (l) to the extent not effectively assigned under clause 3.3:
    - (i) all its Insurance; and
    - (ii) its Material Contracts.

### 3.3 Assignments

Each Company assigns and will assign absolutely (subject to a condition for reassignment on irrevocable discharge in full of the Secured Liabilities) all its rights, title, interest and benefit in and to:

- 3.3.1 Insurance; and
- 3.3.2 Material Contracts and the benefit of any guarantee or Security Interest for the performance of any of its Material Contracts.

**3.4 Floating charge**

3.4.1 Each Company charges by a first floating charge all its assets not effectively mortgaged, charged or assigned by fixed mortgage, fixed charge or assignment.

3.4.2 The floating charge created by clause 3.4.1 is a qualifying floating charge for the purpose of Paragraph 14 of Schedule B1 to the Insolvency Act.

**3.5 Conversion of floating charge by notice**

3.5.1 If:

- (a) an Event of Default is continuing; or
- (b) the Security Agent, in its reasonable opinion:
  - (i) considers any Floating Charge Asset to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy; or
  - (ii) considers it desirable to protect the priority of this Security,

the Security Agent may, by written notice to any Company, convert the floating charge created by this deed into a fixed charge over those Charged Assets specified in the notice.

3.5.2 The floating charge created by this deed may not be converted into a fixed charge solely by reason of:

- (a) obtaining a moratorium; or
- (b) anything done with a view to obtaining a moratorium, under Part A1 Insolvency Act.

3.5.3 Clause 3.5.2 does not apply to any floating charge referred to in subsection (4) of section A52 of Part A1 Insolvency Act.

3.5.4 The giving by the Security Agent of a notice under clause 3.5.1 relating to any class of assets of a Company shall not be construed as a waiver or abandonment of the rights of the Security Agent to serve similar notices for any other class of assets or of any of the other rights of the Security Agent.

**3.6 Automatic conversion of floating charge**

3.6.1 The floating charge created by this deed will (in addition to the circumstances in which this will occur under general law) automatically be converted into a fixed charge over any Floating Charge Asset:

- (a) if any Company creates or attempts to create any Security Interest in breach of clause 5 over any Floating Charge Asset;
- (b) if any person levies or attempts to levy any distress, execution, attachment or other process against any Floating Charge Asset;
- (c) if any person presents a petition to wind up a Company or an application is made to the court for an administration order in respect of a Company or a notice of intention to appoint an Administrator is filed at court or served on any party; or
- (d) upon the enforcement of this deed.

3.6.2 Clause 3.6.1 will not apply to any assets situated in Scotland if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to section 72 of the Insolvency Act by reason of such automatic conversion.

**4. REPRESENTATIONS AND WARRANTIES**

4.1 Each Company makes the following representations and warranties to the Security Agent:

- 4.1.1 all Property beneficially owned by that Company at the date of this deed is identified in schedule 1;
- 4.1.2 it is the legal and beneficial owner of the Subsidiary Shares identified against its name in schedule 5 or in the Security Accession Deed by which it acceded to this deed (or, in the case of any held by a nominee on its behalf, the beneficial owner); and
- 4.1.3 it is the legal and beneficial owner of the other Charged Assets.
- 4.2 Each Company makes the representations and warranties in clause 4.1 on the date of this deed or, if later, on the date of its accession to this deed by way of a Security Accession Deed, and the representations and warranties in clause 4.1.2 and 4.1.3 on each day a Repeating Representation (under the Facility Agreement) is repeated or deemed to be repeated.
- 5. **NEGATIVE PLEDGE AND NO DISPOSAL**
  - No Company may:
    - 5.1 create, purport to create or permit to exist any Security Interest over any Charged Asset (unless it is Permitted Security); or
    - 5.2 dispose of any Charged Asset (unless it is a Permitted Disposal),  
except as permitted by and in accordance with the Facility Agreement or otherwise with the prior written consent of the Security Agent.
- 6. **PRESERVATION AND MAINTENANCE**
  - 6.1 No Company may do (or allow to be done) anything which might:
    - 6.1.1 depreciate, jeopardise or otherwise prejudice this Security; or
    - 6.1.2 materially reduce the value of any Charged Asset.
  - 6.2 Each Company must:
    - 6.2.1 comply with all laws, regulations, licences or consents affecting any of the Charged Assets where failure to do so would have or is reasonably likely to have a Material Adverse Effect;
    - 6.2.2 observe and perform in all material respects all covenants and stipulations from time to time affecting any Charged Assets, make all payments, carry out all registrations or renewals and generally take all steps to preserve, maintain and renew where necessary or desirable all of the Charged Assets;
    - 6.2.3 not enter into any onerous or restrictive obligations affecting the Charged Assets without the prior written consent of the Security Agent;
    - 6.2.4 produce to the Security Agent within 14 days of receipt by it, every material notice, order or proposal given or made relating to the Charged Assets by any competent authority and either comply with them or make any objections and representations against them that the Security Agent requires or approves;
    - 6.2.5 keep all Premises in a good state of repair and keep all other Charged Assets in good working order and condition (ordinary wear and tear excepted); and
    - 6.2.6 not, except with the prior written consent of the Security Agent:
      - (a) part with or share possession or occupation of the Property;
      - (b) grant any lease or other right or licence to occupy the Property or any licence to assign or sub-let the Property;
      - (c) forfeit, determine, accept or agree to accept the surrender of any lease relating to the Property;
      - (d) vary the terms of any lease or licence of the Property;
      - (e) agree any rent review of any lease or licence of the Property;



- (f) surrender or agree to surrender any leasehold interest held by it relating to the Property or allow that interest to be forfeited;
- (g) create or permit to arise on the Property any interest having overriding effect; or
- (h) permit any person to become entitled to any right, easement, covenant or other matter which might adversely affect the use, value or marketability of the Property.

## 7. **PROPERTY UNDERTAKINGS**

### 7.1 **Title**

- 7.1.1 Each Company must exercise its rights and comply in all material respects with any covenant, stipulation or obligation (restrictive or otherwise) at any time affecting its Property.
- 7.1.2 No Company may agree to any amendment, supplement, waiver, surrender or release of any covenant, stipulation or obligation (restrictive or otherwise) at any time affecting its Property.

### 7.2 **Leases**

- 7.2.1 No Company may without the consent of the Security Agent:
  - (a) enter into any agreement for lease in respect of its Property;
  - (b) grant or agree to grant any occupational lease in respect of its Property; or
  - (c) grant any licence or right to use or occupy any part of its Property.

### 7.3 **Headleases**

- 7.3.1 Each Company must:
  - (a) exercise its rights and comply with its obligations under each Headlease;
  - (b) use all reasonable endeavours to ensure that each landlord complies with its obligations under each Headlease; and
  - (c) if so required by the Security Agent, apply for relief against forfeiture of any Headlease,

in a proper and timely manner.

- 7.3.2 No Company may:
  - (a) agree to any amendment, supplement, waiver, surrender or release of any Headlease;
  - (b) exercise any right to break, determine or extend any Headlease;
  - (c) agree to any rent review in respect of any Headlease; or
  - (d) do or allow to be done any act as a result of which any Headlease may become liable to forfeiture or otherwise be terminated.

### 7.4 **Maintenance**

- 7.4.1 Each Company must ensure that all buildings, plant, machinery, fixtures and fittings on its Property are in, and maintained in:
  - (a) good and substantial repair and condition and, as appropriate, in good working order; and
  - (b) such repair, condition and, as appropriate, good working order as to enable them to be let in accordance with all applicable laws and regulations.
- 7.4.2 Each Company must carry out any energy efficiency improvements necessary, or take any other steps necessary, to ensure that at all times each part of its Property which is designed to be let can be let or can continue to be let without

breaching any applicable laws or regulations in respect of minimum levels of energy efficiency for properties.

7.5 Development

7.5.1 No Company may:

- (a) make or allow to be made any application for planning permission in respect of any part of its Property; or
- (b) carry out, or allow to be carried out, any demolition, construction, structural alterations or additions, development or other similar operations in respect of any part of its Property.

7.5.2 Clause 7.5.1 above shall not apply to:

- (a) the maintenance of the buildings, plant, machinery, fixtures and fittings in accordance with the Finance Documents;
- (b) the carrying out of non-structural improvements or alterations which affect only the interior of any building on a Property; or
- (c) any demolition, construction, structural alterations or additions, development or other similar operations made with the prior consent of the Agent.

7.5.3 Each Company must comply in all respects with all planning laws, permissions, agreements and conditions to which its Property may be subject.

7.6 Notices

Each Company must, within 14 days after the receipt by it of any application, requirement, order or notice served or given by any public or local or any other authority or any landlord with respect to its Property (or any part of it):

7.6.1 deliver a copy to the Security Agent; and

7.6.2 inform the Security Agent of the steps taken or proposed to be taken to comply with the relevant requirement, order or notice.

7.7 Investigation of title

Each Company must grant the Security Agent or its lawyers on request all facilities within the power of the Borrower to enable the Security Agent or its lawyers to:

7.7.1 carry out investigations of title to any Property; and

7.7.2 make such enquiries in relation to any part of any Property as a prudent mortgagee might carry out.

7.8 Power to remedy

7.8.1 If a Company fails to perform any obligations under the Finance Documents affecting its Property, that Company must allow the Security Agent or its agents and contractors:

- (a) to enter any part of its Property;
- (b) to comply with or object to any notice served on the Company in respect of its Property; and
- (c) to take any action that the Security Agent may reasonably consider necessary or desirable to prevent or remedy any breach of any such term or to comply with or object to any such notice.

7.8.2 A Company must immediately on request by the Security Agent pay the costs and expenses of the Security Agent or its agents and contractors incurred in connection with any action taken by it under this Clause 7.8.

7.8.3 No Finance Party shall be obliged to account as mortgagee in possession as a result of any action taken under this Clause 7.8.

## 7.9 Insurances

7.9.1 Each Company must ensure that at all times insurances are maintained in full force and effect, which:

- (a) insure the Company in respect of its interests in each Property and the plant and machinery on each Property (including fixtures and improvements) for their full replacement value (being the total cost of entirely rebuilding, reinstating or replacing the relevant asset if it is completely destroyed, together with all related fees and demolition costs);
- (b) provide cover against loss or damage by fire, storm, tempest, flood, earthquake, lightning, explosion, impact, aircraft and other aerial devices and articles dropped from them, riot, civil commotion and malicious damage, bursting or overflowing of water tanks, apparatus or pipes and all other normally insurable risks of loss or damage for a property of the type of the Properties;
- (c) provide cover for site clearance, shoring or propping up, professional fees and value added tax together with adequate allowance for inflation;
- (d) provide cover against acts of terrorism, including any third party liability arising from such acts;
- (e) include property owners' public liability and third party liability insurance;
- (f) insure such other risks as a prudent company or other person in the same business as the Obligors would insure; and
- (g) in each case are in an amount, and in form, and with an insurance company or underwriters, acceptable at all times to the Security Agent.

7.9.2 Each Company must procure that the Security Agent (as security trustee for the Secured Parties) is named as composite insured in respect of its own separate insurable interest under each of the Property Insurances (other than public liability and third party liability insurances) but without:

- (a) any liability on the part of the Security Agent or any other Finance Party for any premium in relation to those Insurances (unless the Security Agent has expressly and specifically requested to be made liable in respect of any increase in premium or unpaid premium in respect of any of those Property Insurances); or
- (b) any obligation on the part of the Security Agent or any other Finance Party to make any disclosure to any insurer or any insurance broker in relation to those Insurances unless and until the Security Agent becomes a mortgagee in possession of any Property, in which circumstance an obligation shall apply on the part of the Security Agent or any other Finance Party to make disclosure to any insurer or any insurance broker in relation to the Property Insurance or Property Insurances in respect of that Property pursuant to the terms of that Property Insurance or those Property Insurances.

7.9.3 Each Company must procure that the Property Insurances comply with the following requirements:

- (a) each of the Property Insurances must contain:
  - (i) a non-invalidity and non-vitiation clause under which the Insurances will not be avoided or vitiated as against any insured party as a result of any circumstances beyond the control of that insured party or any misrepresentation, non-disclosure, or breach of any policy term or condition, on the part of any other insured party or any agent of any other insured party;
  - (ii) a waiver of the rights of subrogation of the insurer as against each Company, each Secured Party and the tenants of each Property other than any such rights arising in connection with any fraud or

criminal offence committed by any of those persons in respect of any Property or any Property Insurance; and

- (iii) a loss payee clause under which the Security Agent is named as first loss payee in respect of any claim or series of connected claims in excess of £50,000 (other than in respect of any claim under any public liability and third party liability insurances);
- (b) each insurer must give at least 30 days' notice to the Security Agent if it proposes to:
  - (i) repudiate, rescind or cancel any Property Insurance;
  - (ii) treat any Property Insurance as avoided in whole or in part;
  - (iii) treat any Property Insurance as expired due to non-payment of premium; or
  - (iv) otherwise decline any claim under any Insurance by or on behalf of any insured party,

and, in respect of paragraph (iii) above, must in the notice give the Security Agent the opportunity to rectify any such non-payment of premium within the notice period; and

- (c) the relevant Company must be free to assign or otherwise grant Security over all amounts payable to it under each of its Insurances and all its rights in connection with those amounts in favour of the Security Agent.

7.9.4 Each Company must use all reasonable endeavours to ensure that the Security Agent receives copies of the Property Insurances, receipts for the payment of premiums for insurance and any information in connection with the Insurances and claims under them which the Security Agent may reasonably require.

7.9.5 Each Company must:

- (a) comply with the terms of the Property Insurances;
- (b) not do or permit anything to be done which may make void or voidable any of the Property Insurances; and
- (c) comply with all reasonable risk improvement requirements of its insurers.

7.9.6 Each Company must ensure that:

- (a) each premium for the Property Insurances is paid within the period permitted for payment of that premium; and
- (b) all other things necessary are done so as to keep each of the Insurances in force.

7.9.7 If a Company fails to comply with any term of this Clause 7.9, the Security Agent may, at the expense of the Obligors, effect any insurance and generally do such things and take such other action as the Agent may reasonably consider necessary or desirable to prevent or remedy any breach of this Clause 7.9.

## 7.10 Environmental matters

7.10.1 Each Company must:

- (a) comply and ensure that any relevant third party complies with all Environmental Law; and
- (b) implement procedures to monitor compliance with and to prevent liability under any Environmental Law applicable to it or a Property,

where failure to do so has or is reasonably likely to have a Material Adverse Effect or result in any liability for a Finance Party.

7.10.2 Each Company must, promptly upon becoming aware, notify the Security Agent of:

- (a) any Environmental Claim started, or to its knowledge, threatened; or
  - (b) any circumstances reasonably likely to result in an Environmental Claim;
- 7.10.3 Each Company must indemnify each Secured Party against any loss or liability which:
  - (a) that Secured Party incurs as a result of any actual or alleged breach of any Environmental Law by any person; and
  - (b) would not have arisen if a Finance Document had not been entered into, unless it is caused by that Secured Party's gross negligence or wilful misconduct.
- 8. **MATERIAL CONTRACTS**
- 8.1 Each Company must:
  - 8.1.1 observe and perform all its obligations under the Material Contracts;
  - 8.1.2 not terminate or materially amend any Material Contract;
  - 8.1.3 enforce the obligations of each other party to any of its Material Contracts; and
  - 8.1.4 notify the Security Agent of any material breach of any of its Material Contracts by any party to them.
- 8.2 The Security Agent appoints each Company as its agent for:
  - 8.2.1 administering and collecting all amounts payable to that Company under the Material Contracts; and
  - 8.2.2 at that Company's own expense, taking any enforcement action and legal or other proceedings necessary or that the Security Agent requires for collection of all amounts payable to that Company under the Material Contracts,

in each case for the benefit of the Secured Parties and following any directions given by the Security Agent from time to time. Each Company accepts that appointment.
- 8.3 The Security Agent may terminate the agency under clause 8.2 at any time.
- 8.4 While the agency in clause 8.2 continues, no Company will hold itself out to third parties as agent of the Security Agent other than for the purposes it is appointed for.
- 8.5 No Company may, without the Security Agent's prior written consent:
  - 8.5.1 exercise (or allow any other person to exercise) set-off against any amounts payable to that Company under the Material Contracts;
  - 8.5.2 sell, assign, charge, factor or discount or in any other manner deal with any of the amounts payable to that Company under the Material Contracts;
  - 8.5.3 extend the due date for payment of any amounts payable to that Company under the Material Contracts; or
  - 8.5.4 waive any right of recovery nor fail to do anything which may delay or prejudice recovery of any amounts payable to that Company under the Material Contracts.
- 8.6 All amounts payable to a Company under the Material Contracts collected under clause 8.2:
  - 8.6.1 will be held on trust for the Security Agent; and
  - 8.6.2 if the Security Agent requests, be promptly paid into any bank account required by the Facility Agreement or otherwise any bank account the Security Agent directs.
- 9. **INSURANCE**
- 9.1 Each Company will collect all money payable to it under the Insurance.
- 9.2 All money collected under clause 9.1:
  - 9.2.1 will be held on trust for the Security Agent; and

- 9.2.2 if the Security Agent requests, be promptly paid into any bank account required by the Facility Agreement or otherwise any bank account the Security Agent directs.

## **10. RECEIVABLES**

- 10.1 The Security Agent appoints each Company as its agent for:

- 10.1.1 administering and collecting all of that Company's Receivables; and  
10.1.2 at that Company's own expense, taking any enforcement action and legal or other proceedings necessary or that the Security Agent requires for collection of that Company's Receivables,

in each case for the benefit of the Secured Parties and following any directions given by the Security Agent from time to time. Each Company accepts that appointment.

- 10.2 The Security Agent may terminate the agency under clause 10.1 at any time.

- 10.3 While the agency in clause 10.1 continues, no Company will hold itself out to third parties as agent of the Security Agent other than for the purposes it is appointed for.

- 10.4 No Company may, without the Security Agent's prior written consent:

- 10.4.1 exercise (or allow any other person to exercise) set-off against any of that Company's Receivables;  
10.4.2 sell, assign, charge, factor or discount or in any other manner deal with any of that Company's Receivables;  
10.4.3 extend the due date for payment of any of that Company's Receivables; or  
10.4.4 waive any right of recovery nor fail to do anything which may delay or prejudice recovery of any of that Company's Receivables.

- 10.5 All Receivables collected under clause 10.1:

- 10.5.1 will be held on trust for the Security Agent; and  
10.5.2 if the Security Agent requests, be promptly paid into any bank account required by the Facility Agreement or otherwise any bank account the Security Agent directs.

## **11. BLOCKED ACCOUNTS**

No Company may attempt or be entitled to withdraw (or direct any transfer of) any money in the Blocked Accounts without the prior written consent of the Security Agent or as permitted under the Facility Agreement.

## **12. NEW PROPERTY**

- 12.1 If, after the date of this deed, a Company acquires any Property (**New Property**) it must:

- 12.1.1 notify the Security Agent immediately;  
12.1.2 promptly on the Security Agent's request and at that Company's cost, execute and deliver to the Security Agent a legal mortgage (or, in the case of New Property situated in Scotland, standard security) in favour of the Security Agent over that New Property in any form which the Security Agent may require; and  
12.1.3 complete any registration requirements or notices that the Security Agent requires in respect of this Security or such legal charge (or standard security).

- 12.2 If any New Property is leasehold property requiring the landlord's consent for the relevant Company to perform any of its obligations under this clause 12, that Company is not required to perform that obligation until it has obtained the landlord's consent. The relevant Company will use its reasonable endeavours to obtain that consent.

13. **MATERIAL INTELLECTUAL PROPERTY**

Each Company must:

- 13.1 take all necessary action to safeguard and maintain present and future rights in, or relating to, the Material Intellectual Property including by complying with all laws and obligations relating to those rights, and by paying all applicable renewal fees, licence fees and other outgoings.
- 13.2 properly register, and keep registered, all Material Intellectual Property (along with any related assignments, licences and mortgages that can be registered);
- 13.3 not allow any disclaimer, condition, restriction, memorandum or other thing to be entered on the registration of any trade mark that forms part of the Material Intellectual Property;
- 13.4 take all reasonable steps (including commencing legal proceedings) necessary to safeguard and maintain the validity, reputation, integrity, registration or subsistence of the Material Intellectual Property and not allow it to be used in such a way that it is at risk of becoming generic;
- 13.5 not permit any Material Intellectual Property to be abandoned, cancelled or to lapse;
- 13.6 when reasonably requested, promptly provide the Security Agent with a comprehensive, detailed and up-to-date record of all Material Intellectual Property; and
- 13.7 inform the Security Agent if it becomes aware of any infringement of, or challenge to, the Material Intellectual Property and take (or permit the Security Agent to take, in the name and at the expense of the Companies) whatever action is necessary to prevent that infringement, defeat that challenge and/or to recover damages or an account of profits.

14. **SECURITIES**

- 14.1 Until this Security is enforceable under clause 19:

- 14.1.1 the voting rights, powers and other rights in respect of the Securities will be exercised:
  - (a) by the relevant Company; or
  - (b) if exercisable by the Security Agent, in any manner which the relevant Company may direct the Security Agent in writing; and
- 14.1.2 all dividends, distributions or other income paid or payable in relation to any of the Securities may be received by the relevant Company.

- 14.2 When this Security has become enforceable under clause 19:

- 14.2.1 provided that the Security Agent has given notice to the relevant Company that it intends to exercise its rights under this clause 14.2.1, the Security Agent may exercise (in the relevant Company's name without further consent), any voting rights and other powers or rights exercisable by the registered holder or bearer of the Securities; and
- 14.2.2 all dividends, distributions, or other income paid or payable in relation to the Securities received by or for the relevant Company will be held on trust for the Secured Parties and promptly transferred to the Security Agent or as the Security Agent directs.

- 14.3 The exercise of voting rights and other powers or rights under clause 14.2.1 is for the purpose of preserving the value of this Security or facilitating the realisation of it.

- 14.4 The Security Agent is not under any duty to:

- 14.4.1 ensure any money payable relating to the Securities is paid or received;
- 14.4.2 verify that the correct amounts are paid or received; or
- 14.4.3 take any action relating to the taking up of any (or any offer of any) stocks, shares, rights, money or other property paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus, rights, preference, option, warrant or otherwise on or relating to, or in substitution for, any of those Securities.

- 14.5 Despite anything to the contrary contained in this deed, the relevant Company remains liable to observe and perform all conditions and obligations assumed by it relating to the Securities.
- 14.6 Each Company indemnifies the Security Agent against any loss or liability incurred by the Security Agent as a consequence of the Security Agent acting on a Company's directions in respect of any of the Securities.
15. **NOTICE OF SECURITY**
- 15.1 **Insurance**
- On execution of this deed (or in respect of any Insurance put in place after the date of this deed, promptly after it being put in place) and otherwise promptly on request by the Security Agent from time to time, each Company must immediately give notice of assignment under this Security to each counterparty to its Insurance.
- 15.2 **Material Contracts**
- On execution of this deed (or in respect of any Material Contract being designated a Material Contract after the date of this deed, promptly after such designation) and otherwise promptly on request by the Security Agent from time to time, each Company must immediately give notice of assignment under this Security to each of the other parties to its Material Contracts (or other parties to any guarantee or Security Interest for the performance of any of its Material Contracts).
- 15.3 **Bank Accounts**
- On:
- 15.3.1 execution of this deed;
  - 15.3.2 the opening of any Bank Account;
  - 15.3.3 the designation of any Bank Account as a Blocked Account; and
  - 15.3.4 request by the Security Agent from time to time,
- each Company must immediately give notice of this Security to any bank or financial institution that it holds a Bank Account with.
- 15.4 **Equipment**
- Each Company must immediately prominently affix or indorse (as appropriate) a notice of this Security on any of its Material Equipment:
- 15.4.1 on execution of this deed; or
  - 15.4.2 in respect of any Material Equipment obtained by that Company after the date of this deed, promptly after it being obtained;
  - 15.4.3 in respect of any Equipment designated Material Equipment after the date of this deed, promptly after such designation; and
  - 15.4.4 otherwise promptly on request by the Security Agent from time to time,
- and not allow that notice to be removed, obscured or defaced.
- 15.5 **Form of Notice and Acknowledgement**
- 15.5.1 Each Company must use reasonable endeavours to ensure that each addressee of a notice under this clause 15 promptly provides an acknowledgement of receipt to the Security Agent.
  - 15.5.2 Where, at the date of this deed, the addressee of a notice in respect of a Material Contract under this clause 15 is also a Party (in any capacity), that Party's execution of this deed will be deemed its acknowledgement of such notice (in its capacity as addressee of that notice) and its confirmation of the matters in the relevant form of acknowledgement.
  - 15.5.3 Any notice or acknowledgement referred to in this clause 15 will be in the form contained in schedule 7 or any other form approved by the Security Agent in writing.



**16. DEPOSIT OF DOCUMENTS**

- 16.1 Immediately on the date of this deed (or, if received by a Company later, promptly on receipt), each Company must deposit with the Security Agent:
- 16.1.1 all certificates, deeds and documents of title or evidence of ownership of its Charged Assets;
  - 16.1.2 all policy documents relating to its Insurances;
  - 16.1.3 original or certified true copies of all its Material Contracts;
  - 16.1.4 copies of all reports, notices, circulars, accounts, invoices, certificates or other material communications received relating to its Charged Assets; and
  - 16.1.5 executed transfers of its Subsidiary Shares (and any of its other Securities if required by the Security Agent) with the name of the transferee left blank,
- unless, in each case, the Security Agent confirms otherwise in writing.
- 16.2 Each Company must deposit with the Security Agent all other documents relating to its Charged Assets that the Security Agent reasonably requires from time to time.
- 16.3 At any time, the Security Agent may complete the instruments of transfer of the Subsidiary Shares (and any other Securities) and register the Subsidiary Shares (and those Securities) in its own name or in the name of any nominee or (following an Event of Default) any transferee selected by it.

**17. THE LAND REGISTRY**

Each Company shall apply to the HM Land Registry for the following restriction to be entered on to the Register of Title to any Property now or in the future owned by a Company and each Company consents to such restriction being entered on the Register of Title relating to any of its Property registered at HM Land Registry. The restriction will be as follows:

*"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 [●] in favour of Alter Domus Trustees (UK) Limited (as security agent) referred to in the charges register or their conveyancer (Standard Form P)."*

**18. FURTHER ADVANCES**

- 18.1 Subject to the Facility Agreement, the Lenders are obliged to make further advances (and that obligation is deemed to be incorporated into this deed) and this Security secures those further advances.
- 18.2 Each Company consents to a notice being entered on the Register of Title relating to any Property registered at HM Land Registry that there is an obligation to make further advances in respect of this Security.

**19. WHEN SECURITY BECOMES ENFORCEABLE**

- 19.1 This Security will become immediately enforceable if an Event of Default occurs and is continuing.
- 19.2 After this Security has become enforceable, the Security Agent may enforce all or any part of it in any manner it sees fit.
- 19.3 The power of sale and other powers conferred by section 101 LPA, as amended by this deed, will be immediately exercisable at any time after this Security has become enforceable.
- 19.4 For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this deed.

**20. ENFORCEMENT OF SECURITY**

**20.1 General**

- 20.1.1 Section 103 LPA (restricting the power of sale) and section 93 LPA (restricting the right of consolidation) do not apply to this Security.

- 20.1.2 The Security Agent's statutory powers of leasing are extended so as to authorise the Security Agent to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent considers suitable, without the need to comply with any provision of section 99 or section 100 LPA.
- 20.1.3 No person dealing with any Secured Party need enquire:
- (a) whether the Secured Liabilities have become payable;
  - (b) whether any power a Secured Party is exercising or trying to exercise:
    - (i) has become exercisable; or
    - (ii) is being exercised properly;
  - (c) whether any money remains due by any Company to any Secured Party; or
  - (d) how any money paid to that Secured Party will be applied.
- 20.2 **No liability as mortgagee in possession**
- No Secured Party will be liable, by reason of entering into possession of a Charged Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.
- 20.3 **Privileges**
- Each Secured Party is entitled to all the rights, powers, privileges and immunities conferred by the LPA on mortgagees and receivers properly appointed under the LPA, except that section 103 LPA does not apply.
21. **RECEIVER**
- 21.1 **Appointment, Remuneration and Removal of Receiver**
- 21.1.1 Except as provided below, the Security Agent or any Delegate may appoint any one or more persons to be a Receiver of the Charged Assets if:
- (a) this Security has become enforceable under clause 19; or
  - (b) the relevant Company asks the Security Agent to do so at any time.
- 21.1.2 Any appointment under clause 21.1.1 may be by deed, under seal or in writing under its hand.
- 21.1.3 Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) LPA) does not apply to this deed.
- 21.1.4 The Security Agent is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under Part A1 Insolvency Act other than in respect of a floating charge referred to in subsection (4) of section A52 of Part A1 Insolvency Act.
- 21.1.5 The Security Agent may not appoint an administrative receiver (as defined in section 29(2) Insolvency Act) over the Charged Assets if the Security Agent is prohibited from doing so by section 72A Insolvency Act and no exception to the prohibition on appointing an administrative receiver applies.
- 21.1.6 The Security Agent may fix the remuneration of any Receiver appointed by it and the maximum rate specified in section 109(6) LPA will not apply.
- 21.1.7 The Security Agent may remove any Receiver appointed by it and appoint a new Receiver in his place. If there is more than one Receiver, they will have power to act individually (unless the deeds or other instruments appointing them say otherwise).
- 21.2 **Agent of the Company**
- 21.2.1 A Receiver will be deemed to be the agent of the relevant Company for all purposes and accordingly will be deemed to be in the same position as a

Receiver properly appointed by a mortgagee under the LPA. The relevant Company is responsible for any contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver.

- 21.2.2 No Secured Party will incur any liability (either to a Company or to any other person) by reason of the appointment of a Receiver or for any other reason.

### 21.3 Relationship with Security Agent

To the fullest extent allowed by law, any right, power or discretion conferred by this deed (either expressly or impliedly) or by law on a Receiver may, after this Security becomes enforceable under clause 19, be exercised by the Security Agent or any Delegate in relation to any Charged Asset whether or not a Receiver has been appointed.

## 22. POWERS OF RECEIVER

### 22.1 General

- 22.1.1 A Receiver has all of the rights, powers and discretions set out below in this clause 22 in addition to those conferred on it by any law (but without any of the restrictions on the exercise of those powers imposed by the LPA or the Insolvency Act). This includes:

- (a) all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act, even though he may not be an administrative receiver; and
- (b) otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the LPA and the Insolvency Act.

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

### 22.2 Possession

A Receiver may take immediate possession of, collect and get in the Charged Assets and/or income for which he was appointed.

### 22.3 Carry on business

A Receiver may manage the Charged Assets and the business of the relevant Company.

### 22.4 Employees

- 22.4.1 A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others (including his partners and firms) for the purposes of this deed on any terms (as to remuneration or otherwise) he considers suitable.

- 22.4.2 A Receiver may discharge any person appointed by the relevant Company.

### 22.5 Borrow money

A Receiver may raise and borrow money either unsecured or on the security of any Charged Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose he considers suitable.

### 22.6 Sale of assets

- 22.6.1 A Receiver may (or may agree to) sell, exchange, convert into money and realise any Charged Asset by public auction or private contract and generally in any manner and on any terms he considers suitable.

- 22.6.2 The consideration for any such transaction may consist of cash or non-cash consideration and any such consideration may be payable in a lump sum or by instalments spread over any period he considers suitable.

- 22.6.3 Fixtures, (other than those belonging to a landlord), may be severed and sold separately from the relevant Property without the consent of the relevant Company.

## **22.7 Leases**

22.7.1 A Receiver may (or may agree to) let any Property for any term and at any rent (with or without a premium) he considers suitable and may accept a surrender of any lease or tenancy of any Property on any terms he considers suitable (including the payment of money to a lessee or tenant on a surrender).

22.7.2 A Receiver may operate any rent review clause for any Property and apply for any new or extended lease.

## **22.8 Compromise**

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any Claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of the relevant Company or relating in any way to any Charged Asset.

## **22.9 Legal actions**

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Charged Asset he considers suitable.

## **22.10 Receipts**

22.10.1 A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Charged Asset.

22.10.2 Only money actually paid by a Receiver to the Security Agent in satisfaction or discharge of the Secured Liabilities may be applied by the Security Agent in satisfaction of the Secured Liabilities.

22.10.3 No Secured Party needs to take any particular action relating to the Receivables.

## **22.11 Subsidiaries**

A Receiver may form a subsidiary of the relevant Company and transfer any Charged Asset to that subsidiary.

## **22.12 Delegation**

A Receiver may delegate his powers in accordance with this deed.

## **22.13 Lending**

A Receiver may lend money or advance credit to any person.

## **22.14 Protection of assets**

A Receiver may:

22.14.1 carry out any repair or put in place any insurance and do any other act which the relevant Company might do in the ordinary conduct of its business to protect or improve any Charged Asset;

22.14.2 commence and/or complete any building operation; and

22.14.3 apply for and maintain any planning permission, building regulation approval or any other Authorisation,

in each case as he considers suitable.

## **22.15 Other powers**

A Receiver may:

22.15.1 do all other acts and things he considers necessary or desirable for realising any Charged Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this deed or law;

22.15.2 exercise in relation to any Charged Asset all the powers, authorities and things he would be capable of exercising if he were the absolute beneficial owner of that Charged Asset;

- 22.15.3 agree to any arrangement or compromise he considers suitable and do any other things incidental or conducive to any of his other powers; and
- 22.15.4 use the name of the relevant Company for any of the above purposes.
- 22.16 In making any disposal a Secured Party may accept, as consideration, cash, shares, loan capital or other obligations on any terms he may agree. Any contract for disposal may contain conditions excluding or restricting the personal liability of any Secured Party.
- 22.17 No Secured Party will be liable for:
  - 22.17.1 the Charged Assets; or
  - 22.17.2 any loss or damage which arises out of the:
    - (a) exercise;
    - (b) attempted exercise; or
    - (c) failure to exercise,
 any of their respective powers, unless the loss or damage is caused by his gross negligence or wilful misconduct.
- 22.18 No Secured Party will be liable to any Company for the manner in which they deal or fail to deal with the Receivables.
- 22.19 Without prejudice to the generality of clause 22.17, entry into possession of the Charged Assets will not make the Security Agent or any Receiver or Delegate liable to account as mortgagee in possession. If the Security Agent or any Receiver or Delegate enters into possession of the Charged Assets, he may, at any time at his discretion, go out of possession.
- 22.20 All or any of the powers which a Receiver has under this deed may be exercised by the Security Agent or any Delegate without first appointing a Receiver or despite the appointment of any Receiver.
- 22.21 Except to the extent provided by law, an insolvency event for a Company will not affect any powers described in this clause 22.
- 23. **FINANCIAL COLLATERAL**
- 23.1 To the extent that:
  - 23.1.1 any of the Charged Assets constitute Financial Collateral; and
  - 23.1.2 this deed and the obligations of a Company under this deed constitute a Security Financial Collateral Arrangement,
 the Security Agent has the right, at any time after this Security becomes enforceable under clause 19, to appropriate all or any of those Charged Assets in or towards the payment or discharge of the Secured Liabilities in any order the Security Agent, in its absolute discretion, determines.
- 23.2 The value of any Charged Assets appropriated under clause 23.1 is:
  - 23.2.1 if it is listed on a recognised exchange, the value at which it could have been sold on the exchange at the date of appropriation;
  - 23.2.2 in the case of cash, the amount of cash appropriated; or
  - 23.2.3 in any other case, such value as determined by any method the Security Agent reasonably selects (including independent valuation).
- 23.3 Each Company agrees that any of its Charged Assets that are Financial Collateral may, at the Security Agent's option, be held or designated so they are under the control of the Security Agent for all purposes of the Financial Collateral Regulations.
- 23.4 Each Company agrees that the methods of valuation provided for in clause 23.2 are commercially reasonable for the purposes of the Financial Collateral Regulations.

**24. APPLICATION OF PROCEEDS AND SUSPENSE ACCOUNT**

24.1 All amounts from time to time received or recovered by the Security Agent or any Receiver or Delegate pursuant to the terms of this deed or in connection with the realisation or enforcement of all or any part of this Security shall be held by the Security Agent on trust to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law, in the following order:

24.1.1 in discharging any sums owing to the Security Agent, any Receiver or any Delegate;

24.1.2 in payment of all costs and expenses incurred by any Secured Party in connection with any realisation or enforcement of this Security taken in accordance with the terms of this deed or any other Finance Document; and

24.1.3 in payment to the Agent for application in accordance with Condition 10.5 (Partial Payments).

24.2 Until the Secured Liabilities have been irrevocably paid in full, each Secured Party (or any trustee or agent on its behalf) may:

24.2.1 refrain from applying or enforcing any other money, Security Interest or rights held or received by that Secured Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce them in any manner and order it chooses (whether against those amounts or otherwise) and no Company shall be entitled to the benefit of them; and

24.2.2 hold in an interest-bearing suspense account any money received from any Company or on account of any Company's liability under this deed.

24.3 If this Security or the Guarantee is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, a Secured Party may pay the proceeds of any recoveries or other proceeds of enforcement into a suspense account.

**25. SECURITY AND GUARANTEE PROTECTIONS**

**25.1 Continuing**

This Security is a continuing security and extends to the ultimate balance of the Secured Liabilities owing by the relevant Company regardless of any intermediate payment or discharge in whole or in part or any other matter or thing.

25.2 The Guarantee is a continuing guarantee and extends to the ultimate balance of sums payable by any other Company under or in connection with the Finance Documents regardless of any intermediate payment or discharge in whole or in part or any other matter or thing.

**25.3 No merger**

25.3.1 This Security and the Guarantee are in addition to, and independent of, any other Security Interest, guarantee or indemnity that the Security Agent holds at any time for any of the Secured Liabilities.

25.3.2 No prior Security Interest held by the Security Agent over the Charged Assets will merge with this Security or the Guarantee.

25.3.3 This Security and the Guarantee may be enforced against each Company without first having recourse to any other rights of any Secured Party.

**25.4 Remedies and Waivers**

25.4.1 No single or partial exercise, or non-exercise or non-enforcement of any right or remedy provided by this deed or by law prevents or restricts any further or other exercise or enforcement of that (or any other) right or remedy.

25.4.2 No failure to exercise, nor any delay in exercising any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any Finance Document. No election to affirm any

Finance Document on the part of any Secured Party shall be effective unless it is in writing.

- 25.4.3 The rights and remedies of the Secured Parties under this deed are cumulative and not exclusive of any rights or remedies provided by law.

**25.4.4 Reinstatement**

- 25.4.5 If the Security Agent considers that an amount paid to a Secured Party under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this deed.

- 25.4.6 If any release, discharge or arrangement (whether in respect of the obligations of any Company or any guarantee or Security Interest given for those obligations or otherwise) is made by a Secured Party in whole or in part on the basis of any payment, guarantee, Security Interest or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Company under this deed will continue or be reinstated as if the discharge, release or arrangement had not occurred.

**25.5 Redemption of prior charges**

- 25.5.1 When this Security has become enforceable under clause 19, the Security Agent may, at the sole cost of the Companies (payable to the Security Agent on demand):

- (a) redeem any prior Security Interest over any Charged Asset; and/or
- (b) ensure the transfer of that Security Interest to itself; and/or
- (c) settle and pass the accounts of any prior mortgagee, chargee or encumbrancer which, once so settled and passed, will be final and binding on each Company.

- 25.5.2 Each Company must pay to the Security Agent, immediately on demand, the costs and expenses incurred by the Security Agent in connection with any such redemption and/or transfer, including the payment of any principal or interest.

**25.6 Waiver of defences**

The obligations of each Company under this deed will not be affected by any act, omission, matter or thing which but for this clause 25.6, might reduce, release or prejudice any of its obligations under this deed (whether or not any Company or any Secured Party knows about it) including:

- 25.6.1 any time, waiver or consent granted to, or composition with, any Company or any other person;
- 25.6.2 any failure or delay in exercising a right or remedy under this deed;
- 25.6.3 the release of any other Company or any other person under the terms of any composition or arrangement;
- 25.6.4 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security Interest over assets of, any Company or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security Interest;
- 25.6.5 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Company or any other person;
- 25.6.6 any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or Security Interest including any change in the purpose of, any extension of or increase in any facility or the addition of any new facility or other document, guarantee or Security Interest;

- 25.6.7 any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security Interest; or
- 25.6.8 any insolvency or similar proceedings.

**25.7 Intent**

Without prejudice to the generality of clause 25.6, each Company expressly confirms that it intends that the Guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

**25.8 Immediate recourse**

Each Company waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or Security Interest or claim payment from any person before claiming from that Company under the Guarantee. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

**25.9 Deferral of Rights**

25.9.1 Until all amounts which may be or become payable in respect of the Secured Liabilities have been irrevocably paid in full and unless the Security Agent otherwise directs, no Company will exercise any rights it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this deed:

- (a) to be indemnified by or otherwise claim any right of contribution from any other Company or guarantor of any Company's obligations under the Finance Documents;
- (b) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Finance Documents or of any other guarantee or Security Interest taken pursuant to, or in connection with, the Finance Documents by any Secured Party;
- (c) to bring legal or other proceedings for an order requiring any Company to make any payment, or perform any Secured Liability or any other obligation in respect of which the Guarantee has been given;
- (d) to exercise any right of set-off against any Company; and/or
- (e) to claim or prove as a creditor of any Company in competition with any Secured Party.

25.9.2 If a Company receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Parties by the Companies under or in connection with the Finance Documents to be repaid in full on trust for the Secured Parties and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with clause 24.

**25.10 Release of Company's right of contribution**

If any Company (a **Retiring Company**) ceases to be a Company under the terms of the Finance Documents for the purpose of any sale or other disposal of that Retiring Company then on the date such Retiring Company ceases to be a Company:

25.10.1 that Retiring Company is released by each other Company from any liability (whether past, present or future and whether actual or contingent) to make a



- contribution to any other Company arising by reason of the performance by any other Company of its obligations under the Finance Documents; and
- 25.10.2 each other Company waives any rights it may have by reason of the performance of its obligations under the Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Security Agent under any Finance Document or of any other Security Interest or guarantee taken under, or in connection with, any Finance Document where such rights, Security Interest or guarantee are granted by or relating to the assets of the Retiring Company.
- 25.11 **New Accounts**
- 25.11.1 If any Secured Party receives notice of any subsequent Security Interest or other interest affecting any Charged Asset, it may open a new account for the relevant Company in its books.
- 25.11.2 If that Secured Party does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that Security Interest.
- 25.11.3 As from that time all payments made to that Secured Party will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability.
26. **COSTS, EXPENSES AND INDEMNITIES**
- 26.1 **Documentation costs**
- Each Company must on demand pay the Indemnified Parties all reasonable costs and expenses, including reasonable legal, valuation, accountancy and consultancy fees (and VAT) incurred by any of them relating to:
- 26.1.1 the negotiation, preparation, execution and completion of this deed, or any of the documents referred to in this deed; and
- 26.1.2 any actual or proposed amendment, replacement, restatement or extension of, or any waiver or consent under, this deed or any of the documents referred to in this deed.
- 26.2 **Enforcement Costs**
- Each Company must reimburse any Indemnified Party on demand for all Losses incurred as a result of the enforcement, attempted enforcement or preservation of any of their rights under:
- 26.2.1 this deed; or
- 26.2.2 any of the documents referred to in this deed.
- 26.3 **Further Indemnity**
- 26.3.1 Each Company must, on demand, indemnify the Indemnified Parties for all Claims and Losses which may be incurred by or made against any of them at any time relating to or arising directly or indirectly out of:
- (a) a failure by a Company to pay any amount due under this deed on its due date;
  - (b) taking, holding, protection or enforcement of this Security or the Guarantee;
  - (c) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;
  - (d) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under the Finance Documents;
  - (e) any default by a Company in the performance of any of its other obligations under the Finance Documents;

- (f) the exercise of any of the rights, powers, discretions, authorities and remedies vested in any Indemnified Party by this deed or by law;
  - (g) any actual or alleged breach of any law or regulation (including any Environmental Law) by any person which would not have arisen if this deed had not been entered into;
  - (h) any misconduct, omission or default by any substitute or delegate under clause 31.3; and
  - (i) acting as Security Agent, Receiver or Delegate under this deed or which otherwise relates to any of the Charged Assets (otherwise, in each case, than by reason of the relevant Indemnified Party's gross negligence or wilful misconduct).
- 26.3.2 Each Company expressly acknowledges and agrees that the continuation of its indemnity obligations under this clause 26.3 will not be prejudiced by any release of this Security or the Guarantee or disposal of any Charged Asset.
- 26.3.3 Each Indemnified Party may, in priority to any payment to the other Secured Parties, indemnify itself out of the Charged Assets in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this clause 26.3 and shall have a lien on this Security and the Guarantee and the proceeds of the enforcement of this Security and the Guarantee for all money payable to it.
- 26.4 **No liability**  
No Indemnified Party will in any way be liable or responsible for any loss or liability of any kind arising from any act or omission by that Indemnified Party (whether as mortgagee in possession or otherwise) relating to the Charged Assets, except to the extent caused by its own negligence or wilful misconduct.
- 26.5 **Stamp Duty costs**  
Each Company must pay all present and future stamp, registration and similar taxes or charges which may be payable, or determined to be payable, as a result of the execution, delivery, performance or enforcement of this deed or any judgment given relating to this deed.
- 27. **PAYMENTS**
  - 27.1 Subject to clause 27.2, all payments to be made by a Company under this deed, must be made:
    - 27.1.1 in immediately available funds to any account the Security Agent chooses; and
    - 27.1.2 free and clear of, and without any deduction for, or on account of, any set-off or counterclaim or, except to the extent required by law, any deduction on account of any Tax.
  - 27.2 If a Company is legally required to withhold or deduct any Tax from any payment under this deed, that sum must be increased so as to result in the receipt by the Security Agent of a net amount equal to the full amount expressed to be payable under this deed.
  - 27.3 Any demand, notification or certificate given by the Security Agent specifying amounts due and payable under or relating to this deed shall, in the absence of manifest error, be conclusive and binding on the Companies.
  - 27.4 If a Company fails to pay any amount payable by it under this deed on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at the Default Rate. Any interest accruing under this Clause 27.4 shall be immediately payable by the relevant Company on demand by the Security Agent.
- 28. **CURRENCY**
  - 28.1 **Conversion**  
All money received or held by the Security Agent or any Receiver or Delegate under this deed may be converted from its existing currency into any other currency the Security Agent

considers necessary to discharge the Secured Liabilities or any other sum payable under this deed in that other currency at a market rate of exchange then prevailing.

**28.2 No Discharge**

No payment to the Security Agent (whether under any judgment or court order or in the liquidation or dissolution of a Company or otherwise) will discharge any obligation or liability of any Company, unless and until the Security Agent has received payment in full in the currency in which the obligation or liability was incurred and, to the extent that the amount of any such payment shall on actual conversion into such currency fall short of such obligation or liability expressed in that currency, the Security Agent has a further separate cause of action in relation to the shortfall and is entitled to enforce this Security and the Guarantee to recover the amount of the shortfall.

**28.3 Change of Currency**

**28.3.1** Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:

- (a) any reference in this deed to, and any obligations arising under this deed in, the currency of that country is translated into, or paid in, the currency or currency unit of that country designated by the Security Agent (after consultation with the Companies); and
- (b) any translation from one currency or currency unit to another is at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Security Agent (acting reasonably).

**28.3.2** If a change in any currency of a country occurs, this deed will, to the extent the Security Agent (acting reasonably and after consultation with the Companies) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the London interbank market and otherwise to reflect the change in currency.

**29. SET-OFF BY SECURED PARTY**

A Secured Party may set off any matured obligation due from a Company under this deed (to the extent beneficially owned by that Secured Party) against any matured obligation owed by that Secured Party to that Company, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

**30. DELEGATION**

**30.1** Any Lender or any Receiver may, at any time, delegate by power of attorney or otherwise to any person for any period all or any right, power, authority or discretion exercisable by it under this deed.

**30.2** Any such delegation may be made upon any terms and conditions (including the power to sub delegate) and subject to any restrictions that Lender or that Receiver (as the case may be) may, in its discretion, think fit.

**30.3** Neither any Lender nor any Receiver shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such delegate or sub delegate.

**31. FURTHER ASSURANCE AND POWER OF ATTORNEY**

**31.1 Further assurance**

**31.1.1** Each Company must promptly at its own expense do all such acts or execute all such documents (including guarantees, indemnities, assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent reasonably

specifies (and in any form the Security Agent reasonably requires in favour of the Security Agent or its nominee(s)):

- (a) to perfect this Security or for the exercise of any rights, powers and remedies of the Security Agent provided by or under this deed, or by law (which may include the execution of a mortgage, charge, assignment or other Security Interest over all or any of the Charged Assets or the execution of a guarantee and/or indemnity;
- (b) to confer on the Secured Parties Security Interests over any property and assets of that Company located in any jurisdiction equivalent or similar to the Security Interest intended to be conferred by or pursuant to this deed; and/or
- (c) to facilitate the realisation of the Charged Assets.

31.1.2 Each Company must take all action available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of this Security.

## 31.2 Remedy

Without prejudice to clause 19, clause 31.3 or any other provision of this deed, if a Company does not comply with any of its obligations under this deed and that failure is not remedied to the Security Agent's satisfaction within 10 Business Days of the earlier of:

- 31.2.1 that Company becoming aware of such failure; and
- 31.2.2 the Security Agent notifying that Company that remedy is required,

that Company irrevocably authorises the Security Agent or any Delegate to take any action on behalf of that Company that is necessary to ensure those obligations are complied with.

## 31.3 Power of attorney

31.3.1 Each Company, by way of security, irrevocably and severally appoints the Security Agent, any Delegate and each Receiver (and any Receiver's delegates or sub-delegates) to be its attorney with the full power and authority of that Company to comply with any request made of it by the Security Agent under clause 31.1 to execute, deliver and perfect all deeds, instruments and other documents in its name and otherwise for that Company and to do or cause to be done all acts and things, in each case which may be required or which any attorney may in its absolute discretion deem necessary for carrying out any obligation of that Company under this deed or generally for enabling the Security Agent or any Delegate or Receiver (or Receiver's delegates or sub-delegates) to exercise the respective powers conferred on them under this deed or by law, in each case at any time:

- (a) after the occurrence of an Event of Default; or
- (b) following that Company failing to comply with any request within 5 Business Days of such request being made to it in writing.

31.3.2 Each Company ratifies and confirms whatever any attorney does or purports to do under its appointment under clause 31.3.1.

## 32. TIME DEPOSITS

Without prejudice to any right of set-off the Security Agent may have under any other Finance Document or otherwise, if any time deposit matures on any account a Company has with the Security Agent within the Security Period when:

32.1 this Security has become enforceable under clause 19; and

32.2 no Secured Liability is due and payable,

that time deposit will automatically be renewed for any further maturity which the Security Agent considers appropriate.

33. **CHANGE TO PARTIES**

- 33.1 The Security Agent may assign, charge or transfer all or any part of its rights under this deed in accordance with the Finance Documents.
- 33.2 Each Company authorises and agrees to changes of parties under and in accordance with the Facility Agreement and authorises the Security Agent to execute on its behalf any document required to effect the necessary transfer of rights or obligations contemplated by the Facility Agreement.
- 33.3 No Company may assign, transfer, charge, make the subject of a trust or deal in any other manner with this deed or any of its rights under this deed or purport to do any of the same without the prior written consent of the Security Agent.
- 33.4 Each Company consents to the accession to this deed of additional Companies and agrees that any such accession will in no way prejudice this Security or the Guarantee or affect the covenants it has given in this deed.

34. **THIRD PARTY RIGHTS**

- 34.1 Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this deed.
- 34.2 Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this deed at any time.
- 34.3 Any Receiver or Delegate may enforce and enjoy the benefit of any clause which expressly confers rights on it, subject to clause 34.2 and the provisions of the Third Parties Act.

35. **NOTICES**

The provisions of clause 16 (*Notices*) of the Facility Agreement are deemed to be incorporated into this deed, *mutatis mutandis*, as if they were set out in full within this deed.

36. **GENERAL**

- 36.1 No variation to this deed will be effective unless made in writing and signed by or for all the Parties. A waiver given or consent granted by the Security Agent under this deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.
- 36.2 Each provision of this deed is severable and distinct from the others. If at any time any provision of this deed is or becomes unlawful, invalid or unenforceable to any extent or in any circumstances for any reason, it shall to that extent or in those circumstances be deemed not to form part of this deed but (except to that extent or in those circumstances in the case of that provision) the legality, validity and enforceability of that and all other provisions of this deed will not be affected in any way.
- 36.3 If any provision of this deed is found to be illegal, invalid or unenforceable under clause 36.2 but would be legal, valid or enforceable if some part of the provision were deleted, the provision in question will apply with any modifications that may be necessary to make it legal, valid or enforceable.
- 36.4 This deed may be executed in any number of counterparts each of which when executed and delivered will be an original. All the counterparts together will form one and the same document.
- 36.5 The provisions of this deed are subject to the terms of the Intercreditor Agreement.

37. **GOVERNING LAW AND JURISDICTION**

- 37.1 This deed and any non-contractual obligations arising out of or relating to it are governed by the laws of England and Wales.
- 37.2 The English Courts have exclusive jurisdiction to settle any dispute arising out of or relating to this deed (including a dispute relating to the existence, validity or termination of this deed or any non-contractual obligation arising out of or relating to this deed) (a **Dispute**).

- 37.3 The Parties agree that the English Courts are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- 37.4 Notwithstanding clause 37.2 and 37.3, the Security Agent will not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

**EXECUTED** as a deed and delivered on the date stated at the beginning of this deed.

## SCHEDULE 1

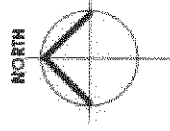
### Property

Company	Property
The Lakes Distillery Company Plc	The freehold property known as Distillery, Car park and Distillery House, Higham Estate, Setmurthy, Cockermouth as edged red on the plan attached at the appendix and forming part of title number CU333174

## APPENDIX PLAN



THE INFORMATION CONTAINED HEREIN IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TO BE USED FOR ANY OTHER PURPOSE. THE INFORMATION CONTAINED HEREIN IS NOT TO BE USED FOR ANY OTHER PURPOSE.



1. 1/1000  
2. 1/1000  
3. 1/1000  
4. 1/1000  
5. 1/1000  
6. 1/1000  
7. 1/1000  
8. 1/1000  
9. 1/1000  
10. 1/1000  
11. 1/1000  
12. 1/1000  
13. 1/1000  
14. 1/1000  
15. 1/1000  
16. 1/1000  
17. 1/1000  
18. 1/1000  
19. 1/1000  
20. 1/1000  
21. 1/1000  
22. 1/1000  
23. 1/1000  
24. 1/1000  
25. 1/1000  
26. 1/1000  
27. 1/1000  
28. 1/1000  
29. 1/1000  
30. 1/1000  
31. 1/1000  
32. 1/1000  
33. 1/1000  
34. 1/1000  
35. 1/1000  
36. 1/1000  
37. 1/1000  
38. 1/1000  
39. 1/1000  
40. 1/1000  
41. 1/1000  
42. 1/1000  
43. 1/1000  
44. 1/1000  
45. 1/1000  
46. 1/1000  
47. 1/1000  
48. 1/1000  
49. 1/1000  
50. 1/1000  
51. 1/1000  
52. 1/1000  
53. 1/1000  
54. 1/1000  
55. 1/1000  
56. 1/1000  
57. 1/1000  
58. 1/1000  
59. 1/1000  
60. 1/1000  
61. 1/1000  
62. 1/1000  
63. 1/1000  
64. 1/1000  
65. 1/1000  
66. 1/1000  
67. 1/1000  
68. 1/1000  
69. 1/1000  
70. 1/1000  
71. 1/1000  
72. 1/1000  
73. 1/1000  
74. 1/1000  
75. 1/1000  
76. 1/1000  
77. 1/1000  
78. 1/1000  
79. 1/1000  
80. 1/1000  
81. 1/1000  
82. 1/1000  
83. 1/1000  
84. 1/1000  
85. 1/1000  
86. 1/1000  
87. 1/1000  
88. 1/1000  
89. 1/1000  
90. 1/1000  
91. 1/1000  
92. 1/1000  
93. 1/1000  
94. 1/1000  
95. 1/1000  
96. 1/1000  
97. 1/1000  
98. 1/1000  
99. 1/1000  
100. 1/1000

# Lakes Distillery

## Land Registry Plan

1/1000

ARCHITECTS

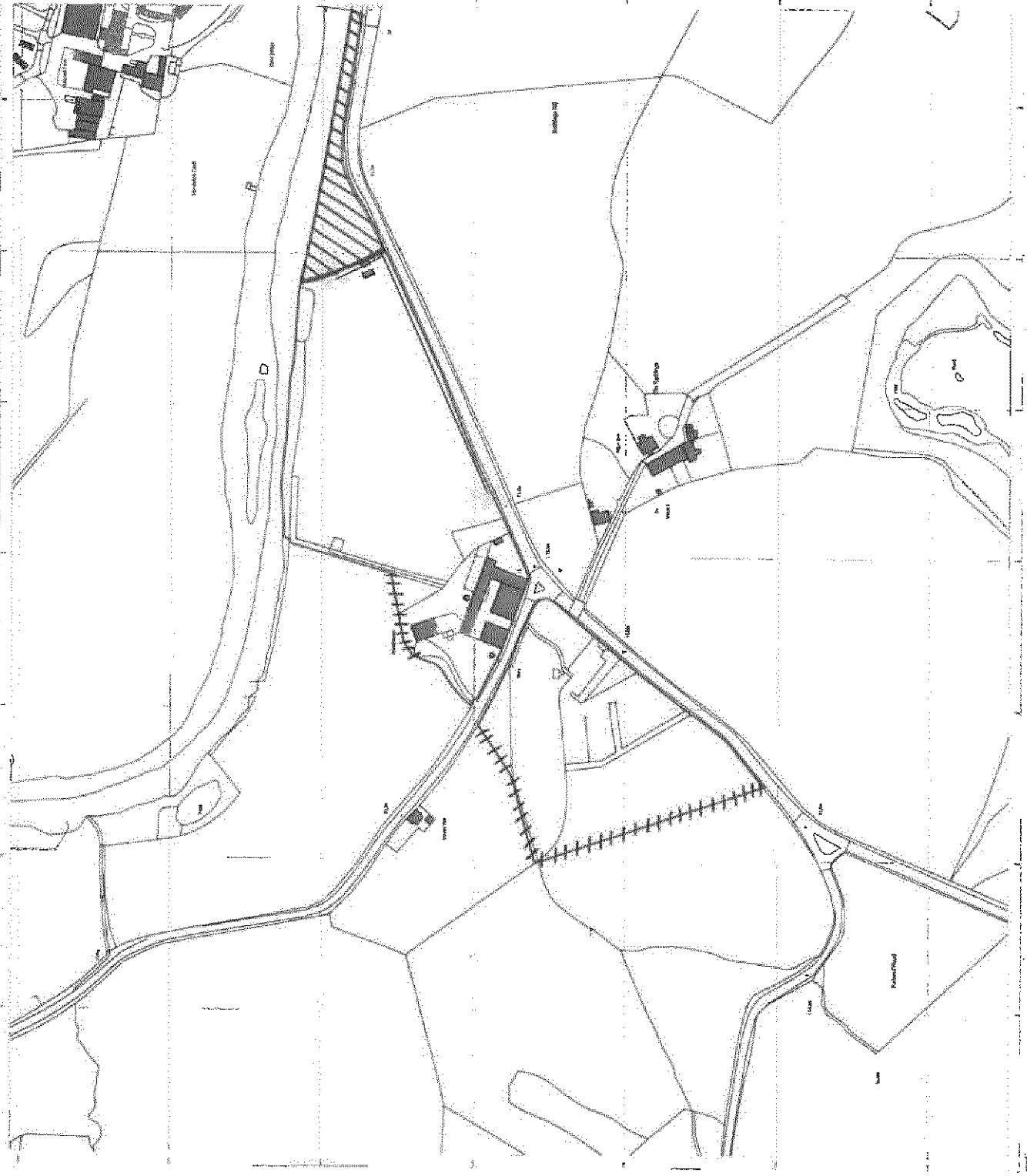
THE LAKES DISTILLERY  
BASSETTSHAW LAKE CA (13 95J)  
THE LAKES DISTILLERY

LAND REGISTRY PLAN (A1)

1/1000 13.05.22 001

23026-01

1/1000 13.05.22 001



**SCHEDULE 2**  
**Material Contracts**

*Intentionally blank*

**SCHEDULE 3**  
**Material Equipment**

*Intentionally blank*

#### **SCHEDULE 4**

##### **Part 1- Blocked Accounts**

*Intentionally blank*

##### **Part 2 - Other Bank Accounts**

*Intentionally blank*

**SCHEDULE 5**  
**Subsidiary Shares**

*Intentionally blank*

## **SCHEDULE 6**

### **Prior Charges**

The debenture dated 12 March 2020 granted by The Lakes Distillery Company Plc in favour of Secure Trust Bank Plc

## SCHEDULE 7

### Forms of Notice and Acknowledgement

#### Part 1 - Form of Notice and Acknowledgement of Assignment of Insurance

*[To be printed on the letterhead of the relevant Company]*

*[name of Insurer]*

*[address of Insurer]*

*[date]*

Dear Sirs

**Guarantee and Debenture (the Debenture) dated *[date of guarantee and debenture]* between *[relevant Company]* (the Company) (and others) and Alter Domus Trustees (UK) Limited (the Security Agent) in respect of *[insert description and number of Policy]* (the Policy)**

This letter is notice that under the Debenture we have assigned absolutely (subject to any requirement for re-assignment on redemption) and charged by way of a first fixed charge to the Security Agent (on its own behalf and on behalf of certain other parties), all our rights in respect of the Policy.

We confirm that:

1. we will remain liable under the Policy to perform all the obligations assumed by us under it;
2. none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Policy (unless, and to the extent, otherwise expressly provided for in the Policy);
3. we instruct you to disclose to the Security Agent any information relating to the Policy which the Security Agent requests;
4. *[we have agreed that we will not amend or waive any provision of or terminate the Policy without the prior written consent of the Security Agent;]*
5. unless and until you receive notice from the Security Agent to the contrary stating that the security under the Debenture has become enforceable we will remain entitled to exercise all our rights, powers and discretions under the Policy (as agent of the Security Agent) (unless, and to the extent, otherwise expressly provided for in the Policy or in any insurer letter you may have issued to the Security Agent in respect of the Policy) and you should continue to give notices *[and make payments]* under the Policy to us; and
6. once you receive notice from the Security Agent stating that the security under the Debenture has become enforceable, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Security Agent or as it directs.

**Please note, the instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.**

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

- (a) you agree to the terms of this letter and agree to comply with it;
- (b) you will give notices and make payments under the Policy as directed in this letter;
- (c) you have not received notice that the Company has assigned its rights under the Policy to a third party, or created any other interest in the Policy in favour of a third party; and
- (d) the Security Agent will not in any circumstances have any liability relating to the Policy.

This letter and any non-contractual obligations arising out of or in connection with it are governed by the laws of England and Wales.

Yours faithfully

.....

Name:

For and on behalf of

*[name of relevant Company]*

*[On acknowledgement copy]*

To: Alter Domus Trustees (UK) Limited

C/O Alter Domus (Uk) Limited, 18 St Swithin's Lane, London, United Kingdom, EC4N 8AD

Attn: Legal and Agency Departments

Copy to: *[insert name and address of relevant Company]*

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

.....

Name:

For and on behalf of

*[name of Insurer]*

Dated:



## Part 2 - Form of Notice and Acknowledgement of Assignment of Material Contracts

*[To be printed on the letterhead of the relevant Company]*

*[name of counterparty]*

*[address of counterparty]*

*[date]*

Dear Sirs

**Guarantee and Debenture (the Debenture) dated [date of guarantee and debenture] between [relevant Company] (the Company) (and others) and Alter Domus Trustees (UK) Limited (the Security Agent) in respect of [insert description of relevant material contract (the Agreement[s])]**

This letter is notice that under the Debenture we have assigned absolutely (subject to any requirement for re-assignment on redemption) and charged by way of a first fixed charge to the Security Agent (on its own behalf and on behalf of certain other parties) all our rights in respect of the Agreement[s].

We confirm that:

1. we will remain liable under the Agreement[s] to perform all the obligations assumed by us under [it]/[them];
2. none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under, or in respect of, the Agreement[s];
3. we instruct you to disclose to the Security Agent any information relating to the Agreement[s] which the Security Agent requests;
4. [we have agreed that we will not amend or waive any provision of or terminate the Agreement[s] without the prior written consent of the Security Agent;]
5. [we irrevocably instruct and authorise you to pay any sum payable by you under the Agreement[s] to our account detailed below:]

**Bank:** [•]

**Name of Account:** [•]

**Sort code:** [•]

**Account number:** [•]

6. unless and until you receive notice from the Security Agent to the contrary stating that the security under the Debenture has become enforceable we will remain entitled to exercise all our rights, powers and discretions under the Agreement[s] (as agent of the Security Agent) and you should continue to give notices [and make payments] under the Agreement[s] to us; and
7. once you receive notice from the Security Agent stating that the security under the Debenture has become enforceable, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Security Agent or as it directs.

**Please note, the instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.**

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

- (a) you agree to the terms of this letter and agree to comply with it;

### Part 3 - Form of Notice and Acknowledgement of Account Charge

*[To be printed on the letterhead of the relevant Company]*

*[name of Account Bank]*

*[address of Account Bank]*

*[date]*

Dear Sirs

**Guarantee and Debenture (the Debenture) dated [date of guarantee and debenture] between [relevant Company] (the Company) (and others) and [Security Agent] (the Security Agent)**

This letter is notice to you that under the Debenture we have charged (by way of first fixed charge) in favour of the Security Agent (on its own behalf and on behalf of certain other parties) all our rights in respect of our account with you detailed below (the **Account**) and any amount standing to the credit of the Account from time to time (including, but not limited to, entitlements to interest):

**Name of Account:**     [•]

**Sort code:**           [•]

**Account number:**   [•]

We irrevocably instruct and authorise you to:

1. disclose to the Security Agent any information relating to the Account which the Security Agent requests;
2. comply with the terms of any written notice or instructions relating to the Account received by you from the Security Agent; [and]
3. hold all sums from time to time standing to the credit of the Account to the order of the Security Agent[.]; and
4. pay or release any sum standing to the credit of the Account only in accordance with the written instructions of the Security Agent.]<sup>1</sup>

We acknowledge that you may comply with the instructions in this letter without any further permission from us.

**[EITHER]** [We are not permitted to withdraw any amount from the Account without the prior written consent of the Security Agent.]<sup>2</sup> **[NOTE: THIS PARAGRAPH MUST BE USED FOR BLOCKED ACCOUNTS]**

**OR [We are permitted to withdraw any amount from the Account for any purpose unless and until you receive a notice from the Security Agent to the contrary stating that we are no longer permitted to withdraw any amount from the Account without its consent. If and from the date on which you receive any such notice, we will not be permitted to withdraw any amount from the Account without the prior written consent of the Security Agent.]<sup>3</sup> [NOTE: THIS PARAGRAPH MUST BE USED FOR BANK ACCOUNTS OTHER THAN BLOCKED ACCOUNTS]**

**Please note, the instructions in this letter may only be revoked or amended with the prior written consent of the Security Agent.**

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

<sup>1</sup> This wording should be included if the account is to be a Blocked Account.

<sup>2</sup> This wording should be included if the account a Bank Account other than a Blocked Account.

<sup>3</sup> The latter option here should be used where the Company is allowed to continue to use the account.

- (a) you agree to the terms of this letter and agree to comply with it;
- (b) you have not received notice of any prior security over, or the interest of any third party in, the Account;
- (c) you have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of the Account;
- (d) [you will not permit any amount to be withdrawn from the Account without the Security Agent's prior written consent;]<sup>4</sup>
- (e) you will comply with any notice you may receive from the Security Agent in respect of the Account; and
- (f) the Security Agent will not in any circumstances have any liability relating to the Account.

This letter and any non-contractual obligations arising out of or in connection with it are governed by the laws of England and Wales.

Yours faithfully

.....  
Name:

For and on behalf of

*[name of relevant Company]*

*[On acknowledgement copy]*

To: Alter Domus Trustees (UK) Limited

C/O Alter Domus (Uk) Limited, 18 St Swithin's Lane, London, United Kingdom, EC4N 8AD

Attn: Legal and Agency Departments

Copy to: *[insert name and address of relevant Company]*

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

.....  
Name:

For and on behalf of

*[name of Account Bank]*

Dated:

<sup>4</sup> Only to be used for a Blocked Account.

## SCHEDULE 8

### Form of Security Accession Deed

DATE 20[•]

#### PARTIES

- (1) [•] [LIMITED/PLC] a company incorporated and registered in [England and Wales] (registered number [•]) whose registered office is at [•] (the **Acceding Company**); and
- (2) **ALTER DOMUS TRUSTEES (UK) LIMITED** (company number 09272338) as security trustee for the Secured Parties as security agent for the Secured Parties (the **Security Agent**).

#### INTRODUCTION

- (A) This accession deed is supplemental to a Guarantee and Debenture (the **Guarantee and Debenture**) dated [•] between the Companies named in that Debenture and the Security Agent (as previously supplemented and amended by earlier Security Accession Deeds, if any).
- (B) This document is intended to take effect as a deed despite the fact the Security Agent may only execute it under hand.

#### IT IS AGREED

##### 1. DEFINITIONS AND INTERPRETATION

- 1.1 Capitalised terms defined in the Guarantee and Debenture (as defined above) have the same meaning in this accession deed unless expressly defined in this accession deed.
- 1.2 The provisions of clause 1 (*Definitions and Interpretation*) of the Guarantee and Debenture apply to this accession deed as though they were set out in full in this accession deed, except that references to 'this deed' will be construed as references to this accession deed.
- 1.3 The schedules to this accession deed form part of this accession deed as if set out on the body of this accession deed.
- 1.4 For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the other Finance Documents and of any side letters between any parties relation to the Finance Document are incorporated into this accession deed to the extent necessary to ensure that any disposition of property in this accession deed is valid under that section.

##### 2. ACCESSION

The Acceding Company agrees to be a Company for the purposes of the Guarantee and Debenture with immediate effect and agrees to be bound by all of the terms of the Guarantee and Debenture as if it had originally been a party to it as a Company.

##### 3. GUARANTEE

The Acceding Company irrevocably and unconditionally jointly and severally:

- 3.1 guarantees to each Secured Party punctual performance by each other Company of all that other Company's obligations under the Finance Documents;
- 3.2 undertakes with each Secured Party that whenever another Company does not pay any amount when due under, or in connection with, any Finance Document, the Acceding Company shall immediately on demand pay that amount as if it was the principal obligor; and
- 3.3 agrees with each Secured Party that if any obligation guaranteed by it is or becomes enforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Secured Party immediately on demand against any cost, loss or liability it incurs as a result of a Company not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable under this indemnity will not exceed the amount it would have had to pay under this clause 3 if the amount claimed had been recoverable on the basis of a guarantee.

#### **4. CREATION OF SECURITY**

##### **4.1 Security**

4.1.1 The Acceding Company covenants to pay or discharge, on demand, the Secured Liabilities owed by it when they fall due.

4.1.2 This Security is:

- (a) created in favour of the Security Agent (for the benefit of itself and the other Secured Parties);
- (b) created over present and future assets of the Acceding Company;
- (c) security for payment of all the Secured Liabilities owed by the relevant Company under clause 4.1.1;
- (d) made with full title guarantee under the LMPMA; and
- (e) ranks subject only to the Prior Charges (if any).

4.1.3 Clause 4.2 and clause 4.3 shall be construed as creating a separate and distinct mortgage, fixed charge or security assignment over each Charged Asset within any particular class of assets specified.

4.1.4 Any failure to create an effective fixed Security Interest (for whatever reason) over a Charged Asset shall not affect the fixed nature of the Security Interest over any other Charged Asset, whether within the same class of assets or not.

##### **4.2 Fixed charges**

4.2.1 The Acceding Company charges by first legal mortgage its Property listed in schedule 1 to this accession deed.

4.2.2 Each Acceding Company charges by first fixed charge:

- (a) all its other interests in Property (not effectively charged by clause 4.2.1);
- (b) all its Material Equipment, including that listed in schedule 2 to this accession deed;
- (c) all its other Equipment;
- (d) its Subsidiary Shares, including those listed in schedule 3 to this accession deed;
- (e) all its Securities other than its Subsidiary Shares;
- (f) its Blocked Accounts, including those listed in schedule 4 to this accession deed;
- (g) all its other Bank Accounts;
- (h) the benefit of all Authorisations used in connection with its business or any of its Charged Assets and the right to recover and receive compensation which may be payable to it in respect of any of those Authorisations;
- (i) all its Intellectual Property;
- (j) all its goodwill and uncalled capital;
- (k) all its Receivables; and
- (l) to the extent not effectively assigned under clause 4.3:
  - (i) all its Insurance; and
  - (ii) its Material Contracts including those listed in schedule 5 to this accession deed.

#### **4.3 Assignments**

The Acceding Company assigns and will assign absolutely (subject to a condition for reassignment on irrevocable discharge in full of the Secured Liabilities) all its rights, title, interest and benefit in and to:

- 4.3.1 Insurance; and
- 4.3.2 Material Contracts and the benefit of any guarantee or Security Interest for the performance of any of its Material Contracts.

#### **4.4 Floating charge**

- 4.4.1 The Acceding Company charges by a first floating charge all its assets not effectively mortgaged, charged or assigned by fixed mortgage, fixed charge or assignment.
- 4.4.2 The floating charge created by clause 4.4.1 is a qualifying floating charge for the purpose of Paragraph 14 of Schedule B1 to the Insolvency Act.

#### **5. NEGATIVE PLEDGE AND NO DISPOSAL**

The Acceding Company may not:

- 5.1 create, purport to create or permit to exist any Security Interest over any Charged Asset (unless it is Permitted Security); or
- 5.2 dispose of any Charged Asset (unless it is a Permitted Disposal),  
except as permitted by and in accordance with the Facility Agreement or otherwise with the prior written consent of the Security Agent.

#### **6. REPRESENTATIONS AND WARRANTIES**

The Acceding Company makes the following representations and warranties to the Security Agent:

- 6.1 all Property beneficially owned by that Acceding Company at the date of this deed is identified in schedule 1 to this accession deed;
- 6.2 it is the legal and beneficial owner of the Subsidiary Shares identified against its name in schedule 3 to this accession deed (or, in the case of any held by a nominee its behalf, the beneficial owner); and
- 6.3 it is the legal and beneficial owner of the Charged Assets.

#### **7. INTENT**

Without prejudice to the generality of clause 25.6 of the Guarantee and Debenture, each Acceding Company expressly confirms that it intends that the guarantee given under clause 3 shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

#### **8. INCORPORATION INTO GUARANTEE AND DEBENTURE**

This accession deed and the Guarantee and Debenture shall be read together as one instrument and references in the Guarantee and Debenture to 'this deed' are deemed to include this accession deed.

#### **9. NOTICES**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of the Acceding Company for any communication or document to be made or delivered under or in connection with the Guarantee and Debenture (including this accession deed) is:

Address: [•]

Fax: [•]

Attention: [•]

10. **GOVERNING LAW**

This accession deed and any non-contractual obligations arising out of or relating to it are governed by the laws of England and Wales.

**EXECUTED** as a deed and delivered on the date stated at the beginning of this accession deed.

*[insert execution blocks for parties]*

**SCHEDULE 1 – PROPERTY**

[•]

**SCHEDULE 2 – MATERIAL EQUIPMENT**

[•]

**SCHEDULE 3 – SUBSIDIARY SHARES**

[•]

**SCHEDULE 4 – BANK ACCOUNTS**

**PART 1- BLOCKED ACCOUNTS**

[•]

**PART 2- OTHER BANK ACCOUNTS**

[•]

**SCHEDULE 5 – MATERIAL CONTRACTS**

[•]

**SCHEDULE 6 – PRIOR CHARGES**

[•]

EXECUTION PAGES FOR DEBENTURE

COMPANY

EXECUTED as a DEED by THE LAKES )  
DISTILLERY COMPANY PLC acting by a )  
director in the presence of: )

Director

Witness signature

Witness name *LOUISE DUFFY*

(in BLOCK CAPITALS)

Address

Occupation *Director*



**SECURITY AGENT**

.....  
For and on behalf of  
**ALTER DOMUS TRUSTEES (UK) LIMITED**  
as Security Agent for the Secured Parties

**DATED** 9 September **2022**

- (1) THE LAKES DISTILLERY COMPANY PLC AND OTHERS
- (2) ALTER DOMUS TRUSTEES (UK) LIMITED (AS SECURITY AGENT)

---

**GUARANTEE AND DEBENTURE**

---

## CONTENTS

1.	DEFINITIONS AND INTERPRETATION .....	1
2.	GUARANTEE AND INDEMNITY .....	7
3.	CREATION OF SECURITY .....	7
4.	REPRESENTATIONS AND WARRANTIES .....	9
5.	NEGATIVE PLEDGE AND NO DISPOSAL .....	10
6.	PRESERVATION AND MAINTENANCE .....	10
7.	MATERIAL CONTRACTS.....	11
8.	INSURANCE .....	15
9.	RECEIVABLES .....	16
10.	BLOCKED ACCOUNTS.....	16
11.	NEW PROPERTY .....	16
12.	MATERIAL INTELLECTUAL PROPERTY .....	17
13.	SECURITIES.....	17
14.	NOTICE OF SECURITY .....	18
15.	DEPOSIT OF DOCUMENTS .....	19
16.	THE LAND REGISTRY .....	19
17.	FURTHER ADVANCES .....	19
18.	WHEN SECURITY BECOMES ENFORCEABLE .....	19
19.	ENFORCEMENT OF SECURITY .....	19
20.	RECEIVER.....	20
21.	POWERS OF RECEIVER.....	21
22.	FINANCIAL COLLATERAL .....	23
23.	APPLICATION OF PROCEEDS AND SUSPENSE ACCOUNT.....	24
24.	SECURITY AND GUARANTEE PROTECTIONS .....	24
25.	COSTS, EXPENSES AND INDEMNITIES .....	27
26.	PAYMENTS.....	28
28.	SET-OFF BY SECURED PARTY .....	29
30.	FURTHER ASSURANCE AND POWER OF ATTORNEY .....	29
31.	TIME DEPOSITS .....	30
32.	CHANGE TO PARTIES .....	31
33.	THIRD PARTY RIGHTS.....	31
34.	NOTICES .....	31
35.	GENERAL .....	31
36.	GOVERNING LAW AND JURISDICTION .....	31
	SCHEDULE 1 - PROPERTY .....	33
	SCHEDULE 2 - MATERIAL CONTRACTS .....	35
	SCHEDULE 3 - MATERIAL EQUIPMENT .....	36
	SCHEDULE 4 - BANK ACCOUNTS.....	37

PART 1 - BLOCKED ACCOUNTS .....	37
PART 2 - OTHER BANK ACCOUNTS.....	37
SCHEDULE 5- SUBSIDIARY SHARES .....	38
SCHEDULE 6 - PRIOR CHARGES .....	39
SCHEDULE 7- FORMS OF NOTICE AND ACKNOWLEDGEMENT.....	40
PART 1 - FORM OF NOTICE AND ACKNOWLEDGEMENT OF ASSIGNMENT OF INSURANCE .....	40
PART 2 - FORM OF NOTICE AND ACKNOWLEDGEMENT OF ASSIGNMENT OF MATERIAL CONTRACTS.....	42
PART 3 - FORM OF NOTICE AND ACKNOWLEDGEMENT OF ACCOUNT CHARGE .....	44
SCHEDULE 8 - FORM OF SECURITY ACCESSION DEED .....	46

DATE 9 September 2022

**PARTIES**

- (1) **THE LAKES DISTILLERY COMPANY PLC** a company incorporated and registered in England and Wales (registered number 07769363) whose registered office is at 1st Floor Offices Grandstand Garage, Kenton Road, Gosforth, Newcastle Upon Tyne, NE3 4NB (the **Original Company**); and
- (2) **ALTER DOMUS TRUSTEES (UK) LIMITED** (company number 09272338) as security agent for the Secured Parties (the **Security Agent**).

**IT IS AGREED**

**1. DEFINITIONS AND INTERPRETATION**

**1.1** In this deed the following definitions apply:

**Administrator**

any person appointed to be an administrator of a Company under Schedule B1 Insolvency Act;

**Authorisation**

any authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;

**Bank Accounts**

in relation to a Company, all its accounts (held by it or by any trustee or nominee on its behalf) with any bank, financial institution or other person together with all sub-accounts, additions to or sub-divisions, renewals or replacements of those accounts (in whatever currency) including any account specified in Part 2 of schedule 4 or listed as a 'Bank Account' in any Security Accession Deed;

**Blocked Accounts**

any Bank Account specified in Part 1 of schedule 4 or listed as a 'Blocked Account' in any Security Accession Deed, and any other Bank Account designated a 'Blocked Account' by the relevant Company and the Security Agent (or, following an Event of Default, by the Security Agent alone) together with all sub-accounts, additions to or sub-divisions, renewals or replacements of those accounts (in whatever currency);

**Business Day**

has the meaning given in the Facility Agreement;

**Charged Assets**

in relation to a Company, all its property and assets which are, or are intended or expressed to be, subject to any Security Interest created by this deed (and references to the Charged Assets includes any part of them);

**Claim**

any action, proceeding, right, claim or demand of any nature, whether actual or contingent or otherwise;

**Companies**

the Original Company and any other company which grants security over its assets in favour of the Security Agent by executing a Security Accession Deed;

**Conditions**

the Beechbrook UK SME Credit terms and conditions version 4.0;

**Default Rate**

has the meaning given in the Facility Agreement;

**Delegate**

any delegate, agent, attorney or co-trustee appointed by the Security Agent;

**Environment**

humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following:

- (a) air (including air within natural or man-made structures, whether above or below ground);
- (b) water (including territorial, coastal and inland waters, water under or within land and water in drains and sewers); and
- (c) land (including land under water);

**Environmental Claim**

means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law;

**Environmental Law**

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 any waste;

**Equipment**

in relation to a Company, all equipment, plant, machinery, tools, vehicles, furniture, fittings, installations, apparatus and other tangible moveable property owned by it (or any trustee or nominee on its behalf), including any part of it and all spare parts, replacements, modifications and additions and the benefit of all manuals, instructions, warranties, licences and maintenance agreements relating to the equipment;

**Event of Default**

has the meaning given in the Facility Agreement;

**Facility Agreement**

the facility agreement dated 18 July 2022 and made between (1) the Original Company as Borrower, (2) Beechbrook UK SME Credit Ltd as Arranger, Agent and Original Lender (each as defined therein) and (3) the Security Agent including, for the avoidance of doubt, the Conditions;

**Finance Documents**

has the meaning given in the Facility Agreement;

**Financial Collateral**

has the meaning given in the Financial Collateral Regulations;

**Financial Collateral Regulations**

the Financial Collateral Arrangements (No 2) Regulations 2003 (SI 2003/3226);

**Fixtures**

all (trade) fixtures and fittings and fixed plant and machinery now or at any time after the date of this deed on the Property;

**Floating Charge Asset**

any Charged Asset which is subject to the floating charge created by this deed;

**Group**

has the meaning given in the Facility Agreement;

**Guarantee**

each guarantee, indemnity and undertaking given under clause 2 of this deed or in any Security Accession Deed;

**Headlease**

means a lease under which a Company holds title to all or any part of a Property;

**Indemnified Parties**

(a) the Security Agent;

(b) any Receiver, and

(c) any Delegate,

or any of them and any of their agents, officers and employees;

**Insolvency Act**

the Insolvency Act 1986;

**Insurance**

in relation to a Company,

(a) any insurance policies in which it has an interest; and

(b) any rights in respect of those policies;

**Intellectual Property**

in relation to a Company, all its intellectual property rights or equivalent (held by it or by any trustee or nominee on its behalf), including:

(a) patents, utility models, trade marks and service marks, business names, domain names, rights in get-up and trade dress, goodwill and right to sue for passing off or unfair competition, copyright and neighbouring and related rights, moral rights, rights in designs, rights in and to inventions, plant variety rights, database rights, rights in computer software and topography rights;

(b) registrations and applications for any or all of the rights in (a) above, together with the right to apply for registration of and be granted, renewals, extensions or and right to claim priority from those rights; and

(c) rights to use and protect the confidentiality of confidential information (including, know-how, trade secrets, technical information, customer and supplier lists) and any other proprietary knowledge or information of whatever nature and however arising,

in each case whether registered or unregistered and together with any rights or types of protection of the same or of a similar nature to those listed in (a), (b) or (c) above which subsist or may subsist in the future anywhere in the world and in each case for their full term (including any reversions or extensions) and effect (and any reference to Intellectual Property includes any part of it);

**Intercreditor Agreement**

has the meaning given in the Facility Agreement;

**Lenders**

has the meaning given in the Facility Agreement;

**Losses**

any loss, cost, damage, award, charge, penalty, fine, expense or any other liability which any of the Indemnified Parties have incurred or suffered, or may, directly or indirectly, incur or suffer, including legal costs and any VAT or similar tax on any of those;

**LPA**

the Law of Property Act 1925;

**LPMPA**

the Law of Property (Miscellaneous Provisions) Act 1994;

**Material Contracts**

any contracts specified in schedule 2 or listed as a 'Material Contract' in any Security Accession Deed or otherwise designated a 'Material Contract' by the relevant Company and the Security Agent;

**Material Equipment**

in relation to a Company, any of its Equipment described in schedule 3 or listed as 'Material Equipment' in any Security Accession Deed or designated 'Material Equipment' by the relevant Company and the Security Agent;

**Material Intellectual Property**

any Intellectual Property that is, becomes or is likely to become material to a Company's business or otherwise designated 'Material Intellectual Property' by the relevant Company and the Security Agent;

**New Property**

has the meaning given in clause 12.1;

**Party**

a party to this deed;

**Permitted Disposal**

has the meaning given in the Facility Agreement;

**Permitted Security**

has the meaning given in the Facility Agreement;

**Premises**

any building or erection on the Property;

**Prior Charge**

any Security Interest described in schedule 6 or listed as a 'Prior Charge' in any Security Accession Deed and any Security Interest granted to the Security Agent in respect of the Secured Liabilities from time to time;

**Property**

in relation to a Company, any of its freehold, heritable and leasehold property including any property specified in schedule 1 or in any Security Accession Deed, together with:

- (a) the benefit of all rights, easements and privileges relating to that property;
- (b) all covenants given in respect of that property;
- (c) all licences to enter or use land; and
- (d) all Premises and Fixtures on that property at any time,

(and references to Property includes any part of it);



**Property Insurances**

means any contract of insurance required under Clause 7.9.1 (*Insurances*);

**Receivables**

in relation to a Company:

- (a) all book and other debts and owing to it;
- (b) all other monetary claims or money due and owing to it;
- (c) any rights in respect of any item listed in paragraph (a) and (b) above,

but excluding any such debts or claims in relation to the Blocked Accounts, the Material Contracts and the Insurance;

**Receiver**

any receiver, manager or receiver and manager appointed under this deed;

**Related Rights**

in connection with any Securities:

- (a) all dividends, interest and other distributions paid or payable;
- (b) all rights, money or property accruing or offered at any time by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise; and
- (c) any other rights;

**Repeating Representation**

has the meaning given in the Facility Agreement;

**Secured Liabilities**

- (a) all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity) of any Company to any Secured Party under the Finance Documents; and
- (b) any amounts which would be included in paragraph (a) above but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings;

**Secured Parties**

has the meaning given in the Facility Agreement;

**Securities**

in relation to a Company, all its stocks, shares, loan capital, debentures, bonds, warrants, coupons or other securities or investments (whether or not marketable) (including its Subsidiary Shares) (held by it or by any trustee or nominee on its behalf) together with all Related Rights;

**Security Accession Deed**

a deed executed by a member of the Group substantially in the form set out in schedule 8;

**Security Financial Collateral Arrangement**

has the meaning given in the Financial Collateral Regulations;

**Security Interest**

a mortgage, charge, pledge, trust, assignment by way of security, lien, hypothecation or other encumbrance, arrangement or security interest securing any obligation of any person or any other agreement or arrangement having a similar effect or any title retention rights or set-off rights created by agreement;

**Security Period**

the period beginning on the date of this deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full;

**Subsidiary**

has the meaning given in the Facility Agreement;

**Subsidiary Shares**

in relation to a Company, any of its Securities described in schedule 5 or listed as 'Subsidiary Shares' in any Security Accession Deed and any other Securities owned by it (or held by any trustee or nominee on its behalf) in any of its Subsidiaries, in each case including all Related Rights;

**Tax**

any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of them);

**Third Parties Act**

the Contracts (Rights of Third Parties) Act 1999; and

**VAT**

value added tax provided for in the Value Added Tax Act 1994 and any other Tax of a similar nature.

- 1.2 Capitalised terms defined in the Facility Agreement have the same meaning in this deed unless expressly defined in this deed.
- 1.3 Notwithstanding any other provision in this deed, in the event of any conflict between the provisions of this deed and the Facility Agreement (including any representations and undertakings) the provisions of the Facility Agreement shall prevail.
- 1.4 In this deed, unless stated otherwise, a reference to:
- 1.4.1 a clause or schedule is to a clause or schedule to this deed;
  - 1.4.2 a paragraph is to a paragraph of a schedule;
  - 1.4.3 a provision of law includes that provision as replaced, modified or re-enacted from time to time and any secondary legislation made under that statutory provision from time to time, in each case whether before or after the date of this deed;
  - 1.4.4 a person includes any individual, firm, company, corporation, government, state or agency of state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
  - 1.4.5 a "Party", a "Company", the "Security Agent", a "Lender", a "Secured Party" or any other person includes its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Finance Documents and, in the case of the Security Agent, any person for the time being appointed as Security Agent under the Finance Documents;
  - 1.4.6 "disposal" or "dispose" includes any sale, transfer, assignment, grant, lease, licence, declaration of trust or other disposal, whether voluntary or involuntary;
  - 1.4.7 a company includes any company, corporation or other body corporate, wherever and however incorporated or established;
  - 1.4.8 writing, subject to clause 35, includes any mode of reproducing words in a legible and non-transitory form;
  - 1.4.9 this deed or any provision of this deed or any other agreement, document or instrument is to this deed, that provision or that agreement, document or instrument as amended, novated, supplemented, extended, restated or replaced; and

- 1.4.10 a time of day is to London time.
- 1.5 The contents table and headings are for convenience only and do not affect interpretation of this deed.
- 1.6 Words in the singular include the plural (and *vice versa*) and gender specific words include every gender.
- 1.7 The schedules form part of this deed as if set out in the body of this deed.
- 1.8 The words "other", "include", "including" and "in particular" (or any similar words or expression) do not limit the generality of any preceding words and any words which follow them will not be limited by any preceding words where a wider interpretation is possible.
- 1.9 For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Facility Agreement, the other Finance Documents and of any side letters between any parties relating to any Finance Document are incorporated into this deed.
- 1.10 In this deed, unless the context requires otherwise, references to :
- 1.10.1 "this Security" is to any Security Interest created or intended or expressed to be created by this deed;
- 1.10.2 "this deed" includes any Security Accession Deed;
- 1.10.3 a Charged Asset includes the proceeds of that Charged Asset;
- 1.10.4 any **rights** in respect of an asset includes:
- (a) all amounts and proceeds paid or payable;
  - (b) all rights to make any demand or Claim; and
  - (c) all powers, remedies, causes of action, security, guarantees and indemnities,
- in each case in respect of or derived from that asset.
- 1.11 "£" and "sterling" represent lawful currency of the United Kingdom.
- 1.12 The Parties intend this document to take effect as a deed despite the fact the Security Agent may only execute it under hand.
- 2. GUARANTEE AND INDEMNITY**
- Each Company irrevocably and unconditionally jointly and severally:
- 2.1 guarantees to each Secured Party punctual performance by each other Company of all that other Company's obligations under the Finance Documents;
- 2.2 undertakes with each Secured Party that whenever another Company does not pay any amount when due under, or in connection with, any Finance Document, that Company shall immediately on demand pay that amount as if it was the principal obligor; and
- 2.3 agrees with each Secured Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Secured Party immediately on demand against any cost, loss or liability it incurs as a result of a Company not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by a Company under this indemnity will not exceed the amount it would have had to pay under this clause 2 if the amount claimed had been recoverable on the basis of a guarantee.
- 3. CREATION OF SECURITY**
- 3.1 Security**
- 3.1.1 Each Company covenants to pay or discharge, on demand, the Secured Liabilities owed by it when they fall due.

- 3.1.2 This Security is:
- (a) created in favour of the Security Agent (for the benefit of itself and the other Secured Parties);
  - (b) created over present and future assets of the Companies;
  - (c) security for payment of all the Secured Liabilities owed by the relevant Company under clause 3.1.1;
  - (d) made with full title guarantee under the LPMPA; and
  - (e) ranks subject only to the Prior Charges (if any).
- 3.1.3 Clause 3.2 and clause 3.3 shall be construed as creating a separate and distinct mortgage, fixed charge or security assignment over each Charged Asset within any particular class of assets specified.
- 3.1.4 Any failure to create an effective fixed Security Interest (for whatever reason) over a Charged Asset shall not affect the fixed nature of the Security Interest over any other Charged Asset, whether within the same class of assets or not.
- 3.1.5 The Security Agent holds the benefit of this deed and this Security on trust for the Secured Parties.

## 3.2 Fixed charges

- 3.2.1 Each Company charges by first legal mortgage its Property listed in schedule 1.
- 3.2.2 Each Company charges by first fixed charge:
- (a) all its other interests in Property (not effectively charged by clause 3.2.1);
  - (b) all its Material Equipment;
  - (c) all its other Equipment;
  - (d) its Subsidiary Shares;
  - (e) all its other Securities;
  - (f) its Blocked Accounts;
  - (g) all its other Bank Accounts;
  - (h) the benefit of all Authorisations used in connection with its business or any of its Charged Assets and the right to recover and receive compensation which may be payable to it in respect of any of those Authorisations;
  - (i) all its Intellectual Property;
  - (j) all its goodwill and uncalled capital;
  - (k) all its Receivables; and
  - (l) to the extent not effectively assigned under clause 3.3:
    - (i) all its Insurance; and
    - (ii) its Material Contracts.

## 3.3 Assignments

Each Company assigns and will assign absolutely (subject to a condition for reassignment on irrevocable discharge in full of the Secured Liabilities) all its rights, title, interest and benefit in and to:

- 3.3.1 Insurance; and
- 3.3.2 Material Contracts and the benefit of any guarantee or Security Interest for the performance of any of its Material Contracts.

### **3.4 Floating charge**

3.4.1 Each Company charges by a first floating charge all its assets not effectively mortgaged, charged or assigned by fixed mortgage, fixed charge or assignment.

3.4.2 The floating charge created by clause 3.4.1 is a qualifying floating charge for the purpose of Paragraph 14 of Schedule B1 to the Insolvency Act.

### **3.5 Conversion of floating charge by notice**

3.5.1 If:

- (a) an Event of Default is continuing; or
- (b) the Security Agent, in its reasonable opinion:
  - (i) considers any Floating Charge Asset to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy; or
  - (ii) considers it desirable to protect the priority of this Security,

the Security Agent may, by written notice to any Company, convert the floating charge created by this deed into a fixed charge over those Charged Assets specified in the notice.

3.5.2 The floating charge created by this deed may not be converted into a fixed charge solely by reason of:

- (a) obtaining a moratorium; or
- (b) anything done with a view to obtaining a moratorium, under Part A1 Insolvency Act.

3.5.3 Clause 3.5.2 does not apply to any floating charge referred to in subsection (4) of section A52 of Part A1 Insolvency Act.

3.5.4 The giving by the Security Agent of a notice under clause 3.5.1 relating to any class of assets of a Company shall not be construed as a waiver or abandonment of the rights of the Security Agent to serve similar notices for any other class of assets or of any of the other rights of the Security Agent.

### **3.6 Automatic conversion of floating charge**

3.6.1 The floating charge created by this deed will (in addition to the circumstances in which this will occur under general law) automatically be converted into a fixed charge over any Floating Charge Asset:

- (a) if any Company creates or attempts to create any Security Interest in breach of clause 5 over any Floating Charge Asset;
- (b) if any person levies or attempts to levy any distress, execution, attachment or other process against any Floating Charge Asset;
- (c) if any person presents a petition to wind up a Company or an application is made to the court for an administration order in respect of a Company or a notice of intention to appoint an Administrator is filed at court or served on any party; or
- (d) upon the enforcement of this deed.

3.6.2 Clause 3.6.1 will not apply to any assets situated in Scotland if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to section 72 of the Insolvency Act by reason of such automatic conversion.

## **4. REPRESENTATIONS AND WARRANTIES**

4.1 Each Company makes the following representations and warranties to the Security Agent:

- 4.1.1 all Property beneficially owned by that Company at the date of this deed is identified in schedule 1;
  - 4.1.2 it is the legal and beneficial owner of the Subsidiary Shares identified against its name in schedule 5 or in the Security Accession Deed by which it acceded to this deed (or, in the case of any held by a nominee on its behalf, the beneficial owner); and
  - 4.1.3 it is the legal and beneficial owner of the other Charged Assets.
- 4.2 Each Company makes the representations and warranties in clause 4.1 on the date of this deed or, if later, on the date of its accession to this deed by way of a Security Accession Deed, and the representations and warranties in clause 4.1.2 and 4.1.3 on each day a Repeating Representation (under the Facility Agreement) is repeated or deemed to be repeated.
5. **NEGATIVE PLEDGE AND NO DISPOSAL**
- No Company may:
- 5.1 create, purport to create or permit to exist any Security Interest over any Charged Asset (unless it is Permitted Security); or
  - 5.2 dispose of any Charged Asset (unless it is a Permitted Disposal),
- except as permitted by and in accordance with the Facility Agreement or otherwise with the prior written consent of the Security Agent.
6. **PRESERVATION AND MAINTENANCE**
- 6.1 No Company may do (or allow to be done) anything which might:
- 6.1.1 depreciate, jeopardise or otherwise prejudice this Security; or
  - 6.1.2 materially reduce the value of any Charged Asset.
- 6.2 Each Company must:
- 6.2.1 comply with all laws, regulations, licences or consents affecting any of the Charged Assets where failure to do so would have or is reasonably likely to have a Material Adverse Effect;
  - 6.2.2 observe and perform in all material respects all covenants and stipulations from time to time affecting any Charged Assets, make all payments, carry out all registrations or renewals and generally take all steps to preserve, maintain and renew where necessary or desirable all of the Charged Assets;
  - 6.2.3 not enter into any onerous or restrictive obligations affecting the Charged Assets without the prior written consent of the Security Agent;
  - 6.2.4 produce to the Security Agent within 14 days of receipt by it, every material notice, order or proposal given or made relating to the Charged Assets by any competent authority and either comply with them or make any objections and representations against them that the Security Agent requires or approves;
  - 6.2.5 keep all Premises in a good state of repair and keep all other Charged Assets in good working order and condition (ordinary wear and tear excepted); and
  - 6.2.6 not, except with the prior written consent of the Security Agent:
    - (a) part with or share possession or occupation of the Property;
    - (b) grant any lease or other right or licence to occupy the Property or any licence to assign or sub-let the Property;
    - (c) forfeit, determine, accept or agree to accept the surrender of any lease relating to the Property;
    - (d) vary the terms of any lease or licence of the Property;
    - (e) agree any rent review of any lease or licence of the Property;

- (f) surrender or agree to surrender any leasehold interest held by it relating to the Property or allow that interest to be forfeited;
- (g) create or permit to arise on the Property any interest having overriding effect; or
- (h) permit any person to become entitled to any right, easement, covenant or other matter which might adversely affect the use, value or marketability of the Property.

## 7. PROPERTY UNDERTAKINGS

### 7.1 Title

- 7.1.1 Each Company must exercise its rights and comply in all material respects with any covenant, stipulation or obligation (restrictive or otherwise) at any time affecting its Property.
- 7.1.2 No Company may agree to any amendment, supplement, waiver, surrender or release of any covenant, stipulation or obligation (restrictive or otherwise) at any time affecting its Property.

### 7.2 Leases

- 7.2.1 No Company may without the consent of the Security Agent:
  - (a) enter into any agreement for lease in respect of its Property;
  - (b) grant or agree to grant any occupational lease in respect of its Property; or
  - (c) grant any licence or right to use or occupy any part of its Property.

### 7.3 Headleases

- 7.3.1 Each Company must:
  - (a) exercise its rights and comply with its obligations under each Headlease;
  - (b) use all reasonable endeavours to ensure that each landlord complies with its obligations under each Headlease; and
  - (c) if so required by the Security Agent, apply for relief against forfeiture of any Headlease,

in a proper and timely manner.

- 7.3.2 No Company may:
  - (a) agree to any amendment, supplement, waiver, surrender or release of any Headlease;
  - (b) exercise any right to break, determine or extend any Headlease;
  - (c) agree to any rent review in respect of any Headlease; or
  - (d) do or allow to be done any act as a result of which any Headlease may become liable to forfeiture or otherwise be terminated.

### 7.4 Maintenance

- 7.4.1 Each Company must ensure that all buildings, plant, machinery, fixtures and fittings on its Property are in, and maintained in:
  - (a) good and substantial repair and condition and, as appropriate, in good working order; and
  - (b) such repair, condition and, as appropriate, good working order as to enable them to be let in accordance with all applicable laws and regulations.
- 7.4.2 Each Company must carry out any energy efficiency improvements necessary, or take any other steps necessary, to ensure that at all times each part of its Property which is designed to be let can be let or can continue to be let without

breaching any applicable laws or regulations in respect of minimum levels of energy efficiency for properties.

7.5 Development

7.5.1 No Company may:

- (a) make or allow to be made any application for planning permission in respect of any part of its Property; or
- (b) carry out, or allow to be carried out, any demolition, construction, structural alterations or additions, development or other similar operations in respect of any part of its Property.

7.5.2 Clause 7.5.1 above shall not apply to:

- (a) the maintenance of the buildings, plant, machinery, fixtures and fittings in accordance with the Finance Documents;
- (b) the carrying out of non-structural improvements or alterations which affect only the interior of any building on a Property; or
- (c) any demolition, construction, structural alterations or additions, development or other similar operations made with the prior consent of the Agent.

7.5.3 Each Company must comply in all respects with all planning laws, permissions, agreements and conditions to which its Property may be subject.

7.6 Notices

Each Company must, within 14 days after the receipt by it of any application, requirement, order or notice served or given by any public or local or any other authority or any landlord with respect to its Property (or any part of it):

7.6.1 deliver a copy to the Security Agent; and

7.6.2 inform the Security Agent of the steps taken or proposed to be taken to comply with the relevant requirement, order or notice.

7.7 Investigation of title

Each Company must grant the Security Agent or its lawyers on request all facilities within the power of the Borrower to enable the Security Agent or its lawyers to:

7.7.1 carry out investigations of title to any Property; and

7.7.2 make such enquiries in relation to any part of any Property as a prudent mortgagee might carry out.

7.8 Power to remedy

7.8.1 If a Company fails to perform any obligations under the Finance Documents affecting its Property, that Company must allow the Security Agent or its agents and contractors:

- (a) to enter any part of its Property;
- (b) to comply with or object to any notice served on the Company in respect of its Property; and
- (c) to take any action that the Security Agent may reasonably consider necessary or desirable to prevent or remedy any breach of any such term or to comply with or object to any such notice.

7.8.2 A Company must immediately on request by the Security Agent pay the costs and expenses of the Security Agent or its agents and contractors incurred in connection with any action taken by it under this Clause 7.8.

7.8.3 No Finance Party shall be obliged to account as mortgagee in possession as a result of any action taken under this Clause 7.8.



## 7.9 Insurances

7.9.1 Each Company must ensure that at all times insurances are maintained in full force and effect, which:

- (a) insure the Company in respect of its interests in each Property and the plant and machinery on each Property (including fixtures and improvements) for their full replacement value (being the total cost of entirely rebuilding, reinstating or replacing the relevant asset if it is completely destroyed, together with all related fees and demolition costs);
- (b) provide cover against loss or damage by fire, storm, tempest, flood, earthquake, lightning, explosion, impact, aircraft and other aerial devices and articles dropped from them, riot, civil commotion and malicious damage, bursting or overflowing of water tanks, apparatus or pipes and all other normally insurable risks of loss or damage for a property of the type of the Properties;
- (c) provide cover for site clearance, shoring or propping up, professional fees and value added tax together with adequate allowance for inflation;
- (d) provide cover against acts of terrorism, including any third party liability arising from such acts;
- (e) include property owners' public liability and third party liability insurance;
- (f) insure such other risks as a prudent company or other person in the same business as the Obligors would insure; and
- (g) in each case are in an amount, and in form, and with an insurance company or underwriters, acceptable at all times to the Security Agent.

7.9.2 Each Company must procure that the Security Agent (as security trustee for the Secured Parties) is named as composite insured in respect of its own separate insurable interest under each of the Property Insurances (other than public liability and third party liability insurances) but without:

- (a) any liability on the part of the Security Agent or any other Finance Party for any premium in relation to those Insurances (unless the Security Agent has expressly and specifically requested to be made liable in respect of any increase in premium or unpaid premium in respect of any of those Property Insurances); or
- (b) any obligation on the part of the Security Agent or any other Finance Party to make any disclosure to any insurer or any insurance broker in relation to those Insurances unless and until the Security Agent becomes a mortgagee in possession of any Property, in which circumstance an obligation shall apply on the part of the Security Agent or any other Finance Party to make disclosure to any insurer or any insurance broker in relation to the Property Insurance or Property Insurances in respect of that Property pursuant to the terms of that Property Insurance or those Property Insurances.

7.9.3 Each Company must procure that the Property Insurances comply with the following requirements:

- (a) each of the Property Insurances must contain:
  - (i) a non-invalidating and non-vitiating clause under which the Insurances will not be avoided or vitiated as against any insured party as a result of any circumstances beyond the control of that insured party or any misrepresentation, non-disclosure, or breach of any policy term or condition, on the part of any other insured party or any agent of any other insured party;
  - (ii) a waiver of the rights of subrogation of the insurer as against each Company, each Secured Party and the tenants of each Property other than any such rights arising in connection with any fraud or

criminal offence committed by any of those persons in respect of any Property or any Property Insurance; and

- (iii) a loss payee clause under which the Security Agent is named as first loss payee in respect of any claim or series of connected claims in excess of £50,000 (other than in respect of any claim under any public liability and third party liability insurances);
- (b) each insurer must give at least 30 days' notice to the Security Agent if it proposes to;
  - (i) repudiate, rescind or cancel any Property Insurance;
  - (ii) treat any Property Insurance as avoided in whole or in part;
  - (iii) treat any Property Insurance as expired due to non-payment of premium; or
  - (iv) otherwise decline any claim under any Insurance by or on behalf of any insured party,and, in respect of paragraph (iii) above, must in the notice give the Security Agent the opportunity to rectify any such non-payment of premium within the notice period; and
- (c) the relevant Company must be free to assign or otherwise grant Security over all amounts payable to it under each of its Insurances and all its rights in connection with those amounts in favour of the Security Agent.

7.9.4 Each Company must use all reasonable endeavours to ensure that the Security Agent receives copies of the Property Insurances, receipts for the payment of premiums for insurance and any information in connection with the Insurances and claims under them which the Security Agent may reasonably require.

7.9.5 Each Company must:

- (a) comply with the terms of the Property Insurances;
- (b) not do or permit anything to be done which may make void or voidable any of the Property Insurances; and
- (c) comply with all reasonable risk improvement requirements of its insurers.

7.9.6 Each Company must ensure that:

- (a) each premium for the Property Insurances is paid within the period permitted for payment of that premium; and
- (b) all other things necessary are done so as to keep each of the Insurances in force.

7.9.7 If a Company fails to comply with any term of this Clause 7.9, the Security Agent may, at the expense of the Obligors, effect any insurance and generally do such things and take such other action as the Agent may reasonably consider necessary or desirable to prevent or remedy any breach of this Clause 7.9.

## 7.10 Environmental matters

7.10.1 Each Company must:

- (a) comply and ensure that any relevant third party complies with all Environmental Law; and
- (b) implement procedures to monitor compliance with and to prevent liability under any Environmental Law applicable to it or a Property,

where failure to do so has or is reasonably likely to have a Material Adverse Effect or result in any liability for a Finance Party.

7.10.2 Each Company must, promptly upon becoming aware, notify the Security Agent of:

- (a) any Environmental Claim started, or to its knowledge, threatened; or
  - (b) any circumstances reasonably likely to result in an Environmental Claim;
- 7.10.3 Each Company must indemnify each Secured Party against any loss or liability which:
  - (a) that Secured Party incurs as a result of any actual or alleged breach of any Environmental Law by any person; and
  - (b) would not have arisen if a Finance Document had not been entered into, unless it is caused by that Secured Party's gross negligence or wilful misconduct.
- 8. **MATERIAL CONTRACTS**
- 8.1 Each Company must:
  - 8.1.1 observe and perform all its obligations under the Material Contracts;
  - 8.1.2 not terminate or materially amend any Material Contract;
  - 8.1.3 enforce the obligations of each other party to any of its Material Contracts; and
  - 8.1.4 notify the Security Agent of any material breach of any of its Material Contracts by any party to them.
- 8.2 The Security Agent appoints each Company as its agent for:
  - 8.2.1 administering and collecting all amounts payable to that Company under the Material Contracts; and
  - 8.2.2 at that Company's own expense, taking any enforcement action and legal or other proceedings necessary or that the Security Agent requires for collection of all amounts payable to that Company under the Material Contracts,

in each case for the benefit of the Secured Parties and following any directions given by the Security Agent from time to time. Each Company accepts that appointment.
- 8.3 The Security Agent may terminate the agency under clause 8.2 at any time.
- 8.4 While the agency in clause 8.2 continues, no Company will hold itself out to third parties as agent of the Security Agent other than for the purposes it is appointed for.
- 8.5 No Company may, without the Security Agent's prior written consent:
  - 8.5.1 exercise (or allow any other person to exercise) set-off against any amounts payable to that Company under the Material Contracts;
  - 8.5.2 sell, assign, charge, factor or discount or in any other manner deal with any of the amounts payable to that Company under the Material Contracts;
  - 8.5.3 extend the due date for payment of any amounts payable to that Company under the Material Contracts; or
  - 8.5.4 waive any right of recovery nor fail to do anything which may delay or prejudice recovery of any amounts payable to that Company under the Material Contracts.
- 8.6 All amounts payable to a Company under the Material Contracts collected under clause 8.2:
  - 8.6.1 will be held on trust for the Security Agent; and
  - 8.6.2 if the Security Agent requests, be promptly paid into any bank account required by the Facility Agreement or otherwise any bank account the Security Agent directs.
- 9. **INSURANCE**
- 9.1 Each Company will collect all money payable to it under the Insurance.
- 9.2 All money collected under clause 9.1:
  - 9.2.1 will be held on trust for the Security Agent; and

- 9.2.2 if the Security Agent requests, be promptly paid into any bank account required by the Facility Agreement or otherwise any bank account the Security Agent directs.

**10. RECEIVABLES**

- 10.1 The Security Agent appoints each Company as its agent for:

- 10.1.1 administering and collecting all of that Company's Receivables; and  
10.1.2 at that Company's own expense, taking any enforcement action and legal or other proceedings necessary or that the Security Agent requires for collection of that Company's Receivables,

in each case for the benefit of the Secured Parties and following any directions given by the Security Agent from time to time. Each Company accepts that appointment.

- 10.2 The Security Agent may terminate the agency under clause 10.1 at any time.

- 10.3 While the agency in clause 10.1 continues, no Company will hold itself out to third parties as agent of the Security Agent other than for the purposes it is appointed for.

- 10.4 No Company may, without the Security Agent's prior written consent:

- 10.4.1 exercise (or allow any other person to exercise) set-off against any of that Company's Receivables;  
10.4.2 sell, assign, charge, factor or discount or in any other manner deal with any of that Company's Receivables;  
10.4.3 extend the due date for payment of any of that Company's Receivables; or  
10.4.4 waive any right of recovery nor fail to do anything which may delay or prejudice recovery of any of that Company's Receivables.

- 10.5 All Receivables collected under clause 10.1:

- 10.5.1 will be held on trust for the Security Agent; and  
10.5.2 if the Security Agent requests, be promptly paid into any bank account required by the Facility Agreement or otherwise any bank account the Security Agent directs.

**11. BLOCKED ACCOUNTS**

No Company may attempt or be entitled to withdraw (or direct any transfer of) any money in the Blocked Accounts without the prior written consent of the Security Agent or as permitted under the Facility Agreement.

**12. NEW PROPERTY**

- 12.1 If, after the date of this deed, a Company acquires any Property (**New Property**) it must:

- 12.1.1 notify the Security Agent immediately;  
12.1.2 promptly on the Security Agent's request and at that Company's cost, execute and deliver to the Security Agent a legal mortgage (or, in the case of New Property situated in Scotland, standard security) in favour of the Security Agent over that New Property in any form which the Security Agent may require; and  
12.1.3 complete any registration requirements or notices that the Security Agent requires in respect of this Security or such legal charge (or standard security).

- 12.2 If any New Property is leasehold property requiring the landlord's consent for the relevant Company to perform any of its obligations under this clause 12, that Company is not required to perform that obligation until it has obtained the landlord's consent. The relevant Company will use its reasonable endeavours to obtain that consent.

**13. MATERIAL INTELLECTUAL PROPERTY**

Each Company must:

- 13.1 take all necessary action to safeguard and maintain present and future rights in, or relating to, the Material Intellectual Property including by complying with all laws and obligations relating to those rights, and by paying all applicable renewal fees, licence fees and other outgoings.
- 13.2 properly register, and keep registered, all Material Intellectual Property (along with any related assignments, licences and mortgages that can be registered);
- 13.3 not allow any disclaimer, condition, restriction, memorandum or other thing to be entered on the registration of any trade mark that forms part of the Material Intellectual Property;
- 13.4 take all reasonable steps (including commencing legal proceedings) necessary to safeguard and maintain the validity, reputation, integrity, registration or subsistence of the Material Intellectual Property and not allow it to be used in such a way that it is at risk of becoming generic;
- 13.5 not permit any Material Intellectual Property to be abandoned, cancelled or to lapse;
- 13.6 when reasonably requested, promptly provide the Security Agent with a comprehensive, detailed and up-to-date record of all Material Intellectual Property; and
- 13.7 inform the Security Agent if it becomes aware of any infringement of, or challenge to, the Material Intellectual Property and take (or permit the Security Agent to take, in the name and at the expense of the Companies) whatever action is necessary to prevent that infringement, defeat that challenge and/or to recover damages or an account of profits.

**14. SECURITIES**

- 14.1 Until this Security is enforceable under clause 19:
  - 14.1.1 the voting rights, powers and other rights in respect of the Securities will be exercised:
    - (a) by the relevant Company; or
    - (b) if exercisable by the Security Agent, in any manner which the relevant Company may direct the Security Agent in writing; and
  - 14.1.2 all dividends, distributions or other income paid or payable in relation to any of the Securities may be received by the relevant Company.
- 14.2 When this Security has become enforceable under clause 19:
  - 14.2.1 provided that the Security Agent has given notice to the relevant Company that it intends to exercise its rights under this clause 14.2.1, the Security Agent may exercise (in the relevant Company's name without further consent), any voting rights and other powers or rights exercisable by the registered holder or bearer of the Securities; and
  - 14.2.2 all dividends, distributions, or other income paid or payable in relation to the Securities received by or for the relevant Company will be held on trust for the Secured Parties and promptly transferred to the Security Agent or as the Security Agent directs.
- 14.3 The exercise of voting rights and other powers or rights under clause 14.2.1 is for the purpose of preserving the value of this Security or facilitating the realisation of it.
- 14.4 The Security Agent is not under any duty to:
  - 14.4.1 ensure any money payable relating to the Securities is paid or received;
  - 14.4.2 verify that the correct amounts are paid or received; or
  - 14.4.3 take any action relating to the taking up of any (or any offer of any) stocks, shares, rights, money or other property paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus, rights, preference, option, warrant or otherwise on or relating to, or in substitution for, any of those Securities.

- 14.5 Despite anything to the contrary contained in this deed, the relevant Company remains liable to observe and perform all conditions and obligations assumed by it relating to the Securities.
- 14.6 Each Company indemnifies the Security Agent against any loss or liability incurred by the Security Agent as a consequence of the Security Agent acting on a Company's directions in respect of any of the Securities.
- 15. NOTICE OF SECURITY**
- 15.1 Insurance**
- On execution of this deed (or in respect of any Insurance put in place after the date of this deed, promptly after it being put in place) and otherwise promptly on request by the Security Agent from time to time, each Company must immediately give notice of assignment under this Security to each counterparty to its Insurance.
- 15.2 Material Contracts**
- On execution of this deed (or in respect of any Material Contract being designated a Material Contract after the date of this deed, promptly after such designation) and otherwise promptly on request by the Security Agent from time to time, each Company must immediately give notice of assignment under this Security to each of the other parties to its Material Contracts (or other parties to any guarantee or Security Interest for the performance of any of its Material Contracts).
- 15.3 Bank Accounts**
- On:
- 15.3.1 execution of this deed;
  - 15.3.2 the opening of any Bank Account;
  - 15.3.3 the designation of any Bank Account as a Blocked Account; and
  - 15.3.4 request by the Security Agent from time to time,
- each Company must immediately give notice of this Security to any bank or financial institution that it holds a Bank Account with.
- 15.4 Equipment**
- Each Company must immediately prominently affix or indorse (as appropriate) a notice of this Security on any of its Material Equipment:
- 15.4.1 on execution of this deed; or
  - 15.4.2 in respect of any Material Equipment obtained by that Company after the date of this deed, promptly after it being obtained;
  - 15.4.3 in respect of any Equipment designated Material Equipment after the date of this deed, promptly after such designation; and
  - 15.4.4 otherwise promptly on request by the Security Agent from time to time,
- and not allow that notice to be removed, obscured or defaced.
- 15.5 Form of Notice and Acknowledgement**
- 15.5.1 Each Company must use reasonable endeavours to ensure that each addressee of a notice under this clause 15 promptly provides an acknowledgement of receipt to the Security Agent.
  - 15.5.2 Where, at the date of this deed, the addressee of a notice in respect of a Material Contract under this clause 15 is also a Party (in any capacity), that Party's execution of this deed will be deemed its acknowledgement of such notice (in its capacity as addressee of that notice) and its confirmation of the matters in the relevant form of acknowledgement.
  - 15.5.3 Any notice or acknowledgement referred to in this clause 15 will be in the form contained in schedule 7 or any other form approved by the Security Agent in writing.

16. **DEPOSIT OF DOCUMENTS**

16.1 Immediately on the date of this deed (or, if received by a Company later, promptly on receipt), each Company must deposit with the Security Agent:

- 16.1.1 all certificates, deeds and documents of title or evidence of ownership of its Charged Assets;
- 16.1.2 all policy documents relating to its Insurances;
- 16.1.3 original or certified true copies of all its Material Contracts;
- 16.1.4 copies of all reports, notices, circulars, accounts, invoices, certificates or other material communications received relating to its Charged Assets; and
- 16.1.5 executed transfers of its Subsidiary Shares (and any of its other Securities if required by the Security Agent) with the name of the transferee left blank,

unless, in each case, the Security Agent confirms otherwise in writing.

16.2 Each Company must deposit with the Security Agent all other documents relating to its Charged Assets that the Security Agent reasonably requires from time to time.

16.3 At any time, the Security Agent may complete the instruments of transfer of the Subsidiary Shares (and any other Securities) and register the Subsidiary Shares (and those Securities) in its own name or in the name of any nominee or (following an Event of Default) any transferee selected by it.

17. **THE LAND REGISTRY**

Each Company shall apply to the HM Land Registry for the following restriction to be entered on to the Register of Title to any Property now or in the future owned by a Company and each Company consents to such restriction being entered on the Register of Title relating to any of its Property registered at HM Land Registry. The restriction will be as follows:

*"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 [●] in favour of Alter Domus Trustees (UK) Limited (as security agent) referred to in the charges register or their conveyancer (Standard Form P)."*

18. **FURTHER ADVANCES**

18.1 Subject to the Facility Agreement, the Lenders are obliged to make further advances (and that obligation is deemed to be incorporated into this deed) and this Security secures those further advances.

18.2 Each Company consents to a notice being entered on the Register of Title relating to any Property registered at HM Land Registry that there is an obligation to make further advances in respect of this Security.

19. **WHEN SECURITY BECOMES ENFORCEABLE**

19.1 This Security will become immediately enforceable if an Event of Default occurs and is continuing.

19.2 After this Security has become enforceable, the Security Agent may enforce all or any part of it in any manner it sees fit.

19.3 The power of sale and other powers conferred by section 101 LPA, as amended by this deed, will be immediately exercisable at any time after this Security has become enforceable.

19.4 For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this deed.

20. **ENFORCEMENT OF SECURITY**

20.1 **General**

- 20.1.1 Section 103 LPA (restricting the power of sale) and section 93 LPA (restricting the right of consolidation) do not apply to this Security.

- 20.1.2 The Security Agent's statutory powers of leasing are extended so as to authorise the Security Agent to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent considers suitable, without the need to comply with any provision of section 99 or section 100 LPA.
- 20.1.3 No person dealing with any Secured Party need enquire:
- (a) whether the Secured Liabilities have become payable;
  - (b) whether any power a Secured Party is exercising or trying to exercise:
    - (i) has become exercisable; or
    - (ii) is being exercised properly;
  - (c) whether any money remains due by any Company to any Secured Party; or
  - (d) how any money paid to that Secured Party will be applied.
- 20.2 **No liability as mortgagee in possession**
- No Secured Party will be liable, by reason of entering into possession of a Charged Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.
- 20.3 **Privileges**
- Each Secured Party is entitled to all the rights, powers, privileges and immunities conferred by the LPA on mortgagees and receivers properly appointed under the LPA, except that section 103 LPA does not apply.
21. **RECEIVER**
- 21.1 **Appointment, Remuneration and Removal of Receiver**
- 21.1.1 Except as provided below, the Security Agent or any Delegate may appoint any one or more persons to be a Receiver of the Charged Assets if:
- (a) this Security has become enforceable under clause 19; or
  - (b) the relevant Company asks the Security Agent to do so at any time.
- 21.1.2 Any appointment under clause 21.1.1 may be by deed, under seal or in writing under its hand.
- 21.1.3 Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) LPA) does not apply to this deed.
- 21.1.4 The Security Agent is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under Part A1 Insolvency Act other than in respect of a floating charge referred to in subsection (4) of section A52 of Part A1 Insolvency Act.
- 21.1.5 The Security Agent may not appoint an administrative receiver (as defined in section 29(2) Insolvency Act) over the Charged Assets if the Security Agent is prohibited from doing so by section 72A Insolvency Act and no exception to the prohibition on appointing an administrative receiver applies.
- 21.1.6 The Security Agent may fix the remuneration of any Receiver appointed by it and the maximum rate specified in section 109(6) LPA will not apply.
- 21.1.7 The Security Agent may remove any Receiver appointed by it and appoint a new Receiver in his place. If there is more than one Receiver, they will have power to act individually (unless the deeds or other instruments appointing them say otherwise).
- 21.2 **Agent of the Company**
- 21.2.1 A Receiver will be deemed to be the agent of the relevant Company for all purposes and accordingly will be deemed to be in the same position as a



Receiver properly appointed by a mortgagee under the LPA. The relevant Company is responsible for any contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver.

- 21.2.2 No Secured Party will incur any liability (either to a Company or to any other person) by reason of the appointment of a Receiver or for any other reason.

**21.3 Relationship with Security Agent**

To the fullest extent allowed by law, any right, power or discretion conferred by this deed (either expressly or impliedly) or by law on a Receiver may, after this Security becomes enforceable under clause 19, be exercised by the Security Agent or any Delegate in relation to any Charged Asset whether or not a Receiver has been appointed.

**22. POWERS OF RECEIVER**

**22.1 General**

- 22.1.1 A Receiver has all of the rights, powers and discretions set out below in this clause 22 in addition to those conferred on it by any law (but without any of the restrictions on the exercise of those powers imposed by the LPA or the Insolvency Act). This includes:

- (a) all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act, even though he may not be an administrative receiver; and
- (b) otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the LPA and the Insolvency Act.

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

**22.2 Possession**

A Receiver may take immediate possession of, collect and get in the Charged Assets and/or income for which he was appointed.

**22.3 Carry on business**

A Receiver may manage the Charged Assets and the business of the relevant Company.

**22.4 Employees**

- 22.4.1 A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others (including his partners and firms) for the purposes of this deed on any terms (as to remuneration or otherwise) he considers suitable.

- 22.4.2 A Receiver may discharge any person appointed by the relevant Company.

**22.5 Borrow money**

A Receiver may raise and borrow money either unsecured or on the security of any Charged Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose he considers suitable.

**22.6 Sale of assets**

- 22.6.1 A Receiver may (or may agree to) sell, exchange, convert into money and realise any Charged Asset by public auction or private contract and generally in any manner and on any terms he considers suitable.
- 22.6.2 The consideration for any such transaction may consist of cash or non-cash consideration and any such consideration may be payable in a lump sum or by instalments spread over any period he considers suitable.
- 22.6.3 Fixtures, (other than those belonging to a landlord), may be severed and sold separately from the relevant Property without the consent of the relevant Company.

- 22.7 Leases**
- 22.7.1 A Receiver may (or may agree to) let any Property for any term and at any rent (with or without a premium) he considers suitable and may accept a surrender of any lease or tenancy of any Property on any terms he considers suitable (including the payment of money to a lessee or tenant on a surrender).
- 22.7.2 A Receiver may operate any rent review clause for any Property and apply for any new or extended lease.
- 22.8 Compromise**
- A Receiver may settle, adjust, refer to arbitration, compromise and arrange any Claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of the relevant Company or relating in any way to any Charged Asset.
- 22.9 Legal actions**
- A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Charged Asset he considers suitable.
- 22.10 Receipts**
- 22.10.1 A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Charged Asset.
- 22.10.2 Only money actually paid by a Receiver to the Security Agent in satisfaction or discharge of the Secured Liabilities may be applied by the Security Agent in satisfaction of the Secured Liabilities.
- 22.10.3 No Secured Party needs to take any particular action relating to the Receivables.
- 22.11 Subsidiaries**
- A Receiver may form a subsidiary of the relevant Company and transfer any Charged Asset to that subsidiary.
- 22.12 Delegation**
- A Receiver may delegate his powers in accordance with this deed.
- 22.13 Lending**
- A Receiver may lend money or advance credit to any person.
- 22.14 Protection of assets**
- A Receiver may:
- 22.14.1 carry out any repair or put in place any insurance and do any other act which the relevant Company might do in the ordinary conduct of its business to protect or improve any Charged Asset;
- 22.14.2 commence and/or complete any building operation; and
- 22.14.3 apply for and maintain any planning permission, building regulation approval or any other Authorisation,
- in each case as he considers suitable.
- 22.15 Other powers**
- A Receiver may:
- 22.15.1 do all other acts and things he considers necessary or desirable for realising any Charged Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this deed or law;
- 22.15.2 exercise in relation to any Charged Asset all the powers, authorities and things he would be capable of exercising if he were the absolute beneficial owner of that Charged Asset;

- 22.15.3 agree to any arrangement or compromise he considers suitable and do any other things incidental or conducive to any of his other powers; and
- 22.15.4 use the name of the relevant Company for any of the above purposes.
- 22.16 In making any disposal a Secured Party may accept, as consideration, cash, shares, loan capital or other obligations on any terms he may agree. Any contract for disposal may contain conditions excluding or restricting the personal liability of any Secured Party.
- 22.17 No Secured Party will be liable for:
  - 22.17.1 the Charged Assets; or
  - 22.17.2 any loss or damage which arises out of the:
    - (a) exercise;
    - (b) attempted exercise; or
    - (c) failure to exercise,
 any of their respective powers, unless the loss or damage is caused by his gross negligence or wilful misconduct.
- 22.18 No Secured Party will be liable to any Company for the manner in which they deal or fail to deal with the Receivables.
- 22.19 Without prejudice to the generality of clause 22.17, entry into possession of the Charged Assets will not make the Security Agent or any Receiver or Delegate liable to account as mortgagee in possession. If the Security Agent or any Receiver or Delegate enters into possession of the Charged Assets, he may, at any time at his discretion, go out of possession.
- 22.20 All or any of the powers which a Receiver has under this deed may be exercised by the Security Agent or any Delegate without first appointing a Receiver or despite the appointment of any Receiver.
- 22.21 Except to the extent provided by law, an insolvency event for a Company will not affect any powers described in this clause 22.
- 23. **FINANCIAL COLLATERAL**
- 23.1 To the extent that:
  - 23.1.1 any of the Charged Assets constitute Financial Collateral; and
  - 23.1.2 this deed and the obligations of a Company under this deed constitute a Security Financial Collateral Arrangement,
 the Security Agent has the right, at any time after this Security becomes enforceable under clause 19, to appropriate all or any of those Charged Assets in or towards the payment or discharge of the Secured Liabilities in any order the Security Agent, in its absolute discretion, determines.
- 23.2 The value of any Charged Assets appropriated under clause 23.1 is:
  - 23.2.1 if it is listed on a recognised exchange, the value at which it could have been sold on the exchange at the date of appropriation;
  - 23.2.2 in the case of cash, the amount of cash appropriated; or
  - 23.2.3 in any other case, such value as determined by any method the Security Agent reasonably selects (including independent valuation).
- 23.3 Each Company agrees that any of its Charged Assets that are Financial Collateral may, at the Security Agent's option, be held or designated so they are under the control of the Security Agent for all purposes of the Financial Collateral Regulations.
- 23.4 Each Company agrees that the methods of valuation provided for in clause 23.2 are commercially reasonable for the purposes of the Financial Collateral Regulations.

**24. APPLICATION OF PROCEEDS AND SUSPENSE ACCOUNT**

24.1 All amounts from time to time received or recovered by the Security Agent or any Receiver or Delegate pursuant to the terms of this deed or in connection with the realisation or enforcement of all or any part of this Security shall be held by the Security Agent on trust to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law, in the following order:

24.1.1 in discharging any sums owing to the Security Agent, any Receiver or any Delegate;

24.1.2 in payment of all costs and expenses incurred by any Secured Party in connection with any realisation or enforcement of this Security taken in accordance with the terms of this deed or any other Finance Document; and

24.1.3 in payment to the Agent for application in accordance with Condition 10.5 (Partial Payments).

24.2 Until the Secured Liabilities have been irrevocably paid in full, each Secured Party (or any trustee or agent on its behalf) may:

24.2.1 refrain from applying or enforcing any other money, Security Interest or rights held or received by that Secured Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce them in any manner and order it chooses (whether against those amounts or otherwise) and no Company shall be entitled to the benefit of them; and

24.2.2 hold in an interest-bearing suspense account any money received from any Company or on account of any Company's liability under this deed.

24.3 If this Security or the Guarantee is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, a Secured Party may pay the proceeds of any recoveries or other proceeds of enforcement into a suspense account.

**25. SECURITY AND GUARANTEE PROTECTIONS**

**25.1 Continuing**

This Security is a continuing security and extends to the ultimate balance of the Secured Liabilities owing by the relevant Company regardless of any intermediate payment or discharge in whole or in part or any other matter or thing.

25.2 The Guarantee is a continuing guarantee and extends to the ultimate balance of sums payable by any other Company under or in connection with the Finance Documents regardless of any intermediate payment or discharge in whole or in part or any other matter or thing.

**25.3 No merger**

25.3.1 This Security and the Guarantee are in addition to, and independent of, any other Security Interest, guarantee or indemnity that the Security Agent holds at any time for any of the Secured Liabilities.

25.3.2 No prior Security Interest held by the Security Agent over the Charged Assets will merge with this Security or the Guarantee.

25.3.3 This Security and the Guarantee may be enforced against each Company without first having recourse to any other rights of any Secured Party.

**25.4 Remedies and Waivers**

25.4.1 No single or partial exercise, or non-exercise or non-enforcement of any right or remedy provided by this deed or by law prevents or restricts any further or other exercise or enforcement of that (or any other) right or remedy.

25.4.2 No failure to exercise, nor any delay in exercising any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any Finance Document. No election to affirm any

Finance Document on the part of any Secured Party shall be effective unless it is in writing.

- 25.4.3 The rights and remedies of the Secured Parties under this deed are cumulative and not exclusive of any rights or remedies provided by law.

**25.4.4 Reinstatement**

- 25.4.5 If the Security Agent considers that an amount paid to a Secured Party under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this deed.

- 25.4.6 If any release, discharge or arrangement (whether in respect of the obligations of any Company or any guarantee or Security Interest given for those obligations or otherwise) is made by a Secured Party in whole or in part on the basis of any payment, guarantee, Security Interest or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Company under this deed will continue or be reinstated as if the discharge, release or arrangement had not occurred.

**25.5 Redemption of prior charges**

- 25.5.1 When this Security has become enforceable under clause 19, the Security Agent may, at the sole cost of the Companies (payable to the Security Agent on demand):

- (a) redeem any prior Security Interest over any Charged Asset; and/or
- (b) ensure the transfer of that Security Interest to itself; and/or
- (c) settle and pass the accounts of any prior mortgagee, chargee or encumbrancer which, once so settled and passed, will be final and binding on each Company.

- 25.5.2 Each Company must pay to the Security Agent, immediately on demand, the costs and expenses incurred by the Security Agent in connection with any such redemption and/or transfer, including the payment of any principal or interest.

**25.6 Waiver of defences**

The obligations of each Company under this deed will not be affected by any act, omission, matter or thing which but for this clause 25.6, might reduce, release or prejudice any of its obligations under this deed (whether or not any Company or any Secured Party knows about it) including:

- 25.6.1 any time, waiver or consent granted to, or composition with, any Company or any other person;
- 25.6.2 any failure or delay in exercising a right or remedy under this deed;
- 25.6.3 the release of any other Company or any other person under the terms of any composition or arrangement;
- 25.6.4 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security Interest over assets of, any Company or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security Interest;
- 25.6.5 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Company or any other person;
- 25.6.6 any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or Security Interest including any change in the purpose of, any extension of or increase in any facility or the addition of any new facility or other document, guarantee or Security Interest;

- 25.6.7 any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security Interest; or
- 25.6.8 any insolvency or similar proceedings.

**25.7 Intent**

Without prejudice to the generality of clause 25.6, each Company expressly confirms that it intends that the Guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

**25.8 Immediate recourse**

Each Company waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or Security Interest or claim payment from any person before claiming from that Company under the Guarantee. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

**25.9 Deferral of Rights**

25.9.1 Until all amounts which may be or become payable in respect of the Secured Liabilities have been irrevocably paid in full and unless the Security Agent otherwise directs, no Company will exercise any rights it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this deed:

- (a) to be indemnified by or otherwise claim any right of contribution from any other Company or guarantor of any Company's obligations under the Finance Documents;
- (b) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Finance Documents or of any other guarantee or Security Interest taken pursuant to, or in connection with, the Finance Documents by any Secured Party;
- (c) to bring legal or other proceedings for an order requiring any Company to make any payment, or perform any Secured Liability or any other obligation in respect of which the Guarantee has been given;
- (d) to exercise any right of set-off against any Company; and/or
- (e) to claim or prove as a creditor of any Company in competition with any Secured Party.

25.9.2 If a Company receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Parties by the Companies under or in connection with the Finance Documents to be repaid in full on trust for the Secured Parties and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with clause 24.

**25.10 Release of Company's right of contribution**

If any Company (a **Retiring Company**) ceases to be a Company under the terms of the Finance Documents for the purpose of any sale or other disposal of that Retiring Company then on the date such Retiring Company ceases to be a Company:

25.10.1 that Retiring Company is released by each other Company from any liability (whether past, present or future and whether actual or contingent) to make a

- contribution to any other Company arising by reason of the performance by any other Company of its obligations under the Finance Documents; and
- 25.10.2 each other Company waives any rights it may have by reason of the performance of its obligations under the Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Security Agent under any Finance Document or of any other Security Interest or guarantee taken under, or in connection with, any Finance Document where such rights, Security Interest or guarantee are granted by or relating to the assets of the Retiring Company.
- 25.11 **New Accounts**
- 25.11.1 If any Secured Party receives notice of any subsequent Security Interest or other interest affecting any Charged Asset, it may open a new account for the relevant Company in its books.
- 25.11.2 If that Secured Party does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that Security Interest.
- 25.11.3 As from that time all payments made to that Secured Party will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability.
26. **COSTS, EXPENSES AND INDEMNITIES**
- 26.1 **Documentation costs**
- Each Company must on demand pay the Indemnified Parties all reasonable costs and expenses, including reasonable legal, valuation, accountancy and consultancy fees (and VAT) incurred by any of them relating to:
- 26.1.1 the negotiation, preparation, execution and completion of this deed, or any of the documents referred to in this deed; and
- 26.1.2 any actual or proposed amendment, replacement, restatement or extension of, or any waiver or consent under, this deed or any of the documents referred to in this deed.
- 26.2 **Enforcement Costs**
- Each Company must reimburse any Indemnified Party on demand for all Losses incurred as a result of the enforcement, attempted enforcement or preservation of any of their rights under:
- 26.2.1 this deed; or
- 26.2.2 any of the documents referred to in this deed.
- 26.3 **Further Indemnity**
- 26.3.1 Each Company must, on demand, indemnify the Indemnified Parties for all Claims and Losses which may be incurred by or made against any of them at any time relating to or arising directly or indirectly out of:
- (a) a failure by a Company to pay any amount due under this deed on its due date;
  - (b) taking, holding, protection or enforcement of this Security or the Guarantee;
  - (c) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;
  - (d) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under the Finance Documents;
  - (e) any default by a Company in the performance of any of its other obligations under the Finance Documents;

- (f) the exercise of any of the rights, powers, discretions, authorities and remedies vested in any Indemnified Party by this deed or by law;
  - (g) any actual or alleged breach of any law or regulation (including any Environmental Law) by any person which would not have arisen if this deed had not been entered into;
  - (h) any misconduct, omission or default by any substitute or delegate under clause 31.3; and
  - (i) acting as Security Agent, Receiver or Delegate under this deed or which otherwise relates to any of the Charged Assets (otherwise, in each case, than by reason of the relevant Indemnified Party's gross negligence or wilful misconduct).
- 26.3.2 Each Company expressly acknowledges and agrees that the continuation of its indemnity obligations under this clause 26.3 will not be prejudiced by any release of this Security or the Guarantee or disposal of any Charged Asset.
- 26.3.3 Each Indemnified Party may, in priority to any payment to the other Secured Parties, indemnify itself out of the Charged Assets in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this clause 26.3 and shall have a lien on this Security and the Guarantee and the proceeds of the enforcement of this Security and the Guarantee for all money payable to it.
- 26.4 **No liability**  
No Indemnified Party will in any way be liable or responsible for any loss or liability of any kind arising from any act or omission by that Indemnified Party (whether as mortgagee in possession or otherwise) relating to the Charged Assets, except to the extent caused by its own negligence or wilful misconduct.
- 26.5 **Stamp Duty costs**  
Each Company must pay all present and future stamp, registration and similar taxes or charges which may be payable, or determined to be payable, as a result of the execution, delivery, performance or enforcement of this deed or any judgment given relating to this deed.
- 27. **PAYMENTS**
- 27.1 Subject to clause 27.2, all payments to be made by a Company under this deed, must be made:
  - 27.1.1 in immediately available funds to any account the Security Agent chooses; and
  - 27.1.2 free and clear of, and without any deduction for, or on account of, any set-off or counterclaim or, except to the extent required by law, any deduction on account of any Tax.
- 27.2 If a Company is legally required to withhold or deduct any Tax from any payment under this deed, that sum must be increased so as to result in the receipt by the Security Agent of a net amount equal to the full amount expressed to be payable under this deed.
- 27.3 Any demand, notification or certificate given by the Security Agent specifying amounts due and payable under or relating to this deed shall, in the absence of manifest error, be conclusive and binding on the Companies.
- 27.4 If a Company fails to pay any amount payable by it under this deed on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at the Default Rate. Any interest accruing under this Clause 27.4 shall be immediately payable by the relevant Company on demand by the Security Agent.
- 28. **CURRENCY**
- 28.1 **Conversion**  
All money received or held by the Security Agent or any Receiver or Delegate under this deed may be converted from its existing currency into any other currency the Security Agent



considers necessary to discharge the Secured Liabilities or any other sum payable under this deed in that other currency at a market rate of exchange then prevailing.

## **28.2 No Discharge**

No payment to the Security Agent (whether under any judgment or court order or in the liquidation or dissolution of a Company or otherwise) will discharge any obligation or liability of any Company, unless and until the Security Agent has received payment in full in the currency in which the obligation or liability was incurred and, to the extent that the amount of any such payment shall on actual conversion into such currency fall short of such obligation or liability expressed in that currency, the Security Agent has a further separate cause of action in relation to the shortfall and is entitled to enforce this Security and the Guarantee to recover the amount of the shortfall.

## **28.3 Change of Currency**

28.3.1 Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:

- (a) any reference in this deed to, and any obligations arising under this deed in, the currency of that country is translated into, or paid in, the currency or currency unit of that country designated by the Security Agent (after consultation with the Companies); and
- (b) any translation from one currency or currency unit to another is at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Security Agent (acting reasonably).

28.3.2 If a change in any currency of a country occurs, this deed will, to the extent the Security Agent (acting reasonably and after consultation with the Companies) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the London interbank market and otherwise to reflect the change in currency.

## **29. SET-OFF BY SECURED PARTY**

A Secured Party may set off any matured obligation due from a Company under this deed (to the extent beneficially owned by that Secured Party) against any matured obligation owed by that Secured Party to that Company, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

## **30. DELEGATION**

30.1 Any Lender or any Receiver may, at any time, delegate by power of attorney or otherwise to any person for any period all or any right, power, authority or discretion exercisable by it under this deed.

30.2 Any such delegation may be made upon any terms and conditions (including the power to sub delegate) and subject to any restrictions that Lender or that Receiver (as the case may be) may, in its discretion, think fit.

30.3 Neither any Lender nor any Receiver shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such delegate or sub delegate.

## **31. FURTHER ASSURANCE AND POWER OF ATTORNEY**

### **31.1 Further assurance**

31.1.1 Each Company must promptly at its own expense do all such acts or execute all such documents (including guarantees, indemnities, assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent reasonably

specifies (and in any form the Security Agent reasonably requires in favour of the Security Agent or its nominee(s)):

- (a) to perfect this Security or for the exercise of any rights, powers and remedies of the Security Agent provided by or under this deed, or by law (which may include the execution of a mortgage, charge, assignment or other Security Interest over all or any of the Charged Assets or the execution of a guarantee and/or indemnity;
- (b) to confer on the Secured Parties Security Interests over any property and assets of that Company located in any jurisdiction equivalent or similar to the Security Interest intended to be conferred by or pursuant to this deed; and/or
- (c) to facilitate the realisation of the Charged Assets.

31.1.2 Each Company must take all action available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of this Security.

## 31.2 Remedy

Without prejudice to clause 19, clause 31.3 or any other provision of this deed, if a Company does not comply with any of its obligations under this deed and that failure is not remedied to the Security Agent's satisfaction within 10 Business Days of the earlier of:

31.2.1 that Company becoming aware of such failure; and

31.2.2 the Security Agent notifying that Company that remedy is required,

that Company irrevocably authorises the Security Agent or any Delegate to take any action on behalf of that Company that is necessary to ensure those obligations are complied with.

## 31.3 Power of attorney

31.3.1 Each Company, by way of security, irrevocably and severally appoints the Security Agent, any Delegate and each Receiver (and any Receiver's delegates or sub-delegates) to be its attorney with the full power and authority of that Company to comply with any request made of it by the Security Agent under clause 31.1 to execute, deliver and perfect all deeds, instruments and other documents in its name and otherwise for that Company and to do or cause to be done all acts and things, in each case which may be required or which any attorney may in its absolute discretion deem necessary for carrying out any obligation of that Company under this deed or generally for enabling the Security Agent or any Delegate or Receiver (or Receiver's delegates or sub-delegates) to exercise the respective powers conferred on them under this deed or by law, in each case at any time:

- (a) after the occurrence of an Event of Default; or
- (b) following that Company failing to comply with any request within 5 Business Days of such request being made to it in writing.

31.3.2 Each Company ratifies and confirms whatever any attorney does or purports to do under its appointment under clause 31.3.1.

## 32. TIME DEPOSITS

Without prejudice to any right of set-off the Security Agent may have under any other Finance Document or otherwise, if any time deposit matures on any account a Company has with the Security Agent within the Security Period when:

32.1 this Security has become enforceable under clause 19; and

32.2 no Secured Liability is due and payable,

that time deposit will automatically be renewed for any further maturity which the Security Agent considers appropriate.

33. **CHANGE TO PARTIES**

33.1 The Security Agent may assign, charge or transfer all or any part of its rights under this deed in accordance with the Finance Documents.

33.2 Each Company authorises and agrees to changes of parties under and in accordance with the Facility Agreement and authorises the Security Agent to execute on its behalf any document required to effect the necessary transfer of rights or obligations contemplated by the Facility Agreement.

33.3 No Company may assign, transfer, charge, make the subject of a trust or deal in any other manner with this deed or any of its rights under this deed or purport to do any of the same without the prior written consent of the Security Agent.

33.4 Each Company consents to the accession to this deed of additional Companies and agrees that any such accession will in no way prejudice this Security or the Guarantee or affect the covenants it has given in this deed.

34. **THIRD PARTY RIGHTS**

34.1 Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this deed.

34.2 Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this deed at any time.

34.3 Any Receiver or Delegate may enforce and enjoy the benefit of any clause which expressly confers rights on it, subject to clause 34.2 and the provisions of the Third Parties Act.

35. **NOTICES**

The provisions of clause 16 (*Notices*) of the Facility Agreement are deemed to be incorporated into this deed, *mutatis mutandis*, as if they were set out in full within this deed.

36. **GENERAL**

36.1 No variation to this deed will be effective unless made in writing and signed by or for all the Parties. A waiver given or consent granted by the Security Agent under this deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

36.2 Each provision of this deed is severable and distinct from the others. If at any time any provision of this deed is or becomes unlawful, invalid or unenforceable to any extent or in any circumstances for any reason, it shall to that extent or in those circumstances be deemed not to form part of this deed but (except to that extent or in those circumstances in the case of that provision) the legality, validity and enforceability of that and all other provisions of this deed will not be affected in any way.

36.3 If any provision of this deed is found to be illegal, invalid or unenforceable under clause 36.2 but would be legal, valid or enforceable if some part of the provision were deleted, the provision in question will apply with any modifications that may be necessary to make it legal, valid or enforceable.

36.4 This deed may be executed in any number of counterparts each of which when executed and delivered will be an original. All the counterparts together will form one and the same document.

36.5 The provisions of this deed are subject to the terms of the Intercreditor Agreement.

37. **GOVERNING LAW AND JURISDICTION**

37.1 This deed and any non-contractual obligations arising out of or relating to it are governed by the laws of England and Wales.

37.2 The English Courts have exclusive jurisdiction to settle any dispute arising out of or relating to this deed (including a dispute relating to the existence, validity or termination of this deed or any non-contractual obligation arising out of or relating to this deed) (a **Dispute**).

- 37.3 The Parties agree that the English Courts are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- 37.4 Notwithstanding clause 37.2 and 37.3, the Security Agent will not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

**EXECUTED** as a deed and delivered on the date stated at the beginning of this deed.

## SCHEDULE 1

### Property

Company	Property
The Lakes Distillery Company Plc	The freehold property known as Distillery, Car park and Distillery House, Higham Estate, Setmurthy, Cockermouth as edged red on the plan attached at the appendix and forming part of title number CU333174

## **APPENDIX PLAN**



**Lakes Distillery**  
**Land Registry Plan**

Table 100 shows the results of the chi-square test for independence. At a significance level of 0.05, there is no significant difference between the two groups.

SECRET

THE LAKES DISTILLERY  
BASSETT IN WAINWATER LAKE CA 1995J  
THE LAKES DISTILLERY

UNDP POLARIS (AI)

定價 120.00元  
 ISBN 957-03-0311-9  
 9 789570303119 >

22026-01



111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000 1001 1002 1003 1004 1005 1006 1007 1008 1009 1010 1011 1012 1013 1014 1015 1016 1017 1018 1019 1020 1021 1022 1023 1024 1025 1026 1027 1028 1029 1030 1031 1032 1033 1034 1035 1036 1037 1038 1039 1040 1041 1042 1043 1044 1045 1046 1047 1048 1049 1050 1051 1052 1053 1054 1055 1056 1057 1058 1059 1060 1061 1062 1063 1064 1065 1066 1067 1068 1069 1070 1071 1072 1073 1074 1075 1076 1077 1078 1079 1080 1081 1082 1083 1084 1085 1086 1087 1088 1089 1090 1091 1092 1093 1094 1095 1096 1097 1098 1099 1100 1101 1102 1103 1104 1105 1106

**SCHEDULE 2**  
**Material Contracts**

*Intentionally blank*



**SCHEDULE 3**  
**Material Equipment**

*Intentionally blank*

## **SCHEDULE 4**

### **Part 1- Blocked Accounts**

*Intentionally blank*

### **Part 2 - Other Bank Accounts**

*Intentionally blank*

**SCHEDULE 5**  
**Subsidiary Shares**

*Intentionally blank*

**SCHEDULE 6**  
**Prior Charges**

The debenture dated 12 March 2020 granted by The Lakes Distillery Company Plc in favour of Secure Trust Bank Plc

## SCHEDULE 7

### Forms of Notice and Acknowledgement

#### Part 1 - Form of Notice and Acknowledgement of Assignment of Insurance

*[To be printed on the letterhead of the relevant Company]*

*[name of Insurer]*

*[address of Insurer]*

*[date]*

Dear Sirs

**Guarantee and Debenture (the Debenture) dated *[date of guarantee and debenture]* between *[relevant Company]* (the Company) (and others) and Alter Domus Trustees (UK) Limited (the Security Agent) in respect of *[insert description and number of Policy]* (the Policy)**

This letter is notice that under the Debenture we have assigned absolutely (subject to any requirement for re-assignment on redemption) and charged by way of a first fixed charge to the Security Agent (on its own behalf and on behalf of certain other parties), all our rights in respect of the Policy.

We confirm that:

1. we will remain liable under the Policy to perform all the obligations assumed by us under it;
2. none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Policy (unless, and to the extent, otherwise expressly provided for in the Policy);
3. we instruct you to disclose to the Security Agent any information relating to the Policy which the Security Agent requests;
4. *[we have agreed that we will not amend or waive any provision of or terminate the Policy without the prior written consent of the Security Agent;]*
5. unless and until you receive notice from the Security Agent to the contrary stating that the security under the Debenture has become enforceable we will remain entitled to exercise all our rights, powers and discretions under the Policy (as agent of the Security Agent) (unless, and to the extent, otherwise expressly provided for in the Policy or in any insurer letter you may have issued to the Security Agent in respect of the Policy) and you should continue to give notices *[and make payments]* under the Policy to us; and
6. once you receive notice from the Security Agent stating that the security under the Debenture has become enforceable, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Security Agent or as it directs.

**Please note, the instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.**

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

- (a) you agree to the terms of this letter and agree to comply with it;
- (b) you will give notices and make payments under the Policy as directed in this letter;
- (c) you have not received notice that the Company has assigned its rights under the Policy to a third party, or created any other interest in the Policy in favour of a third party; and
- (d) the Security Agent will not in any circumstances have any liability relating to the Policy.

This letter and any non-contractual obligations arising out of or in connection with it are governed by the laws of England and Wales.

Yours faithfully

.....  
Name:

For and on behalf of

*[name of relevant Company]*

*[On acknowledgement copy]*

To: Alter Domus Trustees (UK) Limited

C/O Alter Domus (Uk) Limited, 18 St Swithin's Lane, London, United Kingdom, EC4N 8AD

Attn: Legal and Agency Departments

Copy to: *[insert name and address of relevant Company]*

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

.....  
Name:

For and on behalf of

*[name of Insurer]*

Dated:

## Part 2 - Form of Notice and Acknowledgement of Assignment of Material Contracts

*[To be printed on the letterhead of the relevant Company]*

*[name of counterparty]*

*[address of counterparty]*

*[date]*

Dear Sirs

**Guarantee and Debenture (the Debenture) dated *[date of guarantee and debenture]* between *[relevant Company]* (the Company) (and others) and Alter Domus Trustees (UK) Limited (the Security Agent) in respect of *[insert description of relevant material contract (the Agreement[s])]***

This letter is notice that under the Debenture we have assigned absolutely (subject to any requirement for re-assignment on redemption) and charged by way of a first fixed charge to the Security Agent (on its own behalf and on behalf of certain other parties) all our rights in respect of the Agreement[s].

We confirm that:

1. we will remain liable under the Agreement[s] to perform all the obligations assumed by us under [it]/[them];
2. none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under, or in respect of, the Agreement[s];
3. we instruct you to disclose to the Security Agent any information relating to the Agreement[s] which the Security Agent requests;
4. [we have agreed that we will not amend or waive any provision of or terminate the Agreement[s] without the prior written consent of the Security Agent;]
5. [we irrevocably instruct and authorise you to pay any sum payable by you under the Agreement[s] to our account detailed below:]

**Bank:** [•]

**Name of Account:** [•]

**Sort code:** [•]

**Account number:** [•]

6. unless and until you receive notice from the Security Agent to the contrary stating that the security under the Debenture has become enforceable we will remain entitled to exercise all our rights, powers and discretions under the Agreement[s] (as agent of the Security Agent) and you should continue to give notices [and make payments] under the Agreement[s] to us; and
7. once you receive notice from the Security Agent stating that the security under the Debenture has become enforceable, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Security Agent or as it directs.

**Please note, the instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.**

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

- (a) you agree to the terms of this letter and agree to comply with it;

- (b) there has been no amendment, waiver or release of any rights or interests in the Agreement[s] since [it was]/[they were] entered into;
- (c) you have not received notice that the Company has assigned its rights under the Agreement[s] to a third party, or created any other interest in the Agreement[s] in favour of a third party; and
- (d) the Security Agent will not in any circumstances have any liability relating to the Agreement[s].

This letter and any non-contractual obligations arising out of or in connection with it are governed by the laws of England and Wales.

Yours faithfully

.....  
Name:

For and on behalf of

*[name of relevant Company]*

*[On acknowledgement copy]*

To: Alter Domus Trustees (UK) Limited

C/O Alter Domus (Uk) Limited, 18 St Swithin's Lane, London, United Kingdom, EC4N 8AD

Attn: Legal and Agency Departments

Copy to: *[insert name and address of relevant Company]*

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

.....  
Name:

For and on behalf of

*[name of Counterparty]*

Dated:



### Part 3 - Form of Notice and Acknowledgement of Account Charge

*[To be printed on the letterhead of the relevant Company]*

*[name of Account Bank]*

*[address of Account Bank]*

*[date]*

Dear Sirs

**Guarantee and Debenture (the Debenture) dated [date of guarantee and debenture] between [relevant Company] (the Company) (and others) and [Security Agent] (the Security Agent)**

This letter is notice to you that under the Debenture we have charged (by way of first fixed charge) in favour of the Security Agent (on its own behalf and on behalf of certain other parties) all our rights in respect of our account with you detailed below (the Account) and any amount standing to the credit of the Account from time to time (including, but not limited to, entitlements to interest):

**Name of Account:**     [•]

**Sort code:**             [•]

**Account number:**    [•]

We irrevocably instruct and authorise you to:

1. disclose to the Security Agent any information relating to the Account which the Security Agent requests;
2. comply with the terms of any written notice or instructions relating to the Account received by you from the Security Agent; [and]
3. hold all sums from time to time standing to the credit of the Account to the order of the Security Agent[.]; and
4. pay or release any sum standing to the credit of the Account only in accordance with the written instructions of the Security Agent.<sup>1</sup>

We acknowledge that you may comply with the instructions in this letter without any further permission from us.

***[EITHER]*** [We are not permitted to withdraw any amount from the Account without the prior written consent of the Security Agent.]<sup>2</sup> ***[NOTE: THIS PARAGRAPH MUST BE USED FOR BLOCKED ACCOUNTS]***

***OR [We are permitted to withdraw any amount from the Account for any purpose unless and until you receive a notice from the Security Agent to the contrary stating that we are no longer permitted to withdraw any amount from the Account without its consent. If and from the date on which you receive any such notice, we will not be permitted to withdraw any amount from the Account without the prior written consent of the Security Agent.]<sup>3</sup> [NOTE: THIS PARAGRAPH MUST BE USED FOR BANK ACCOUNTS OTHER THAN BLOCKED ACCOUNTS]***

**Please note, the instructions in this letter may only be revoked or amended with the prior written consent of the Security Agent.**

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

<sup>1</sup> This wording should be included if the account is to be a Blocked Account.

<sup>2</sup> This wording should be included if the account is a Bank Account other than a Blocked Account.

<sup>3</sup> The latter option here should be used where the Company is allowed to continue to use the account.

- (a) you agree to the terms of this letter and agree to comply with it;
- (b) you have not received notice of any prior security over, or the interest of any third party in, the Account;
- (c) you have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of the Account;
- (d) [you will not permit any amount to be withdrawn from the Account without the Security Agent's prior written consent;]<sup>4</sup>
- (e) you will comply with any notice you may receive from the Security Agent in respect of the Account; and
- (f) the Security Agent will not in any circumstances have any liability relating to the Account.

This letter and any non-contractual obligations arising out of or in connection with it are governed by the laws of England and Wales.

Yours faithfully

.....  
Name:

For and on behalf of

*[name of relevant Company]*

*[On acknowledgement copy]*

To: Alter Domus Trustees (UK) Limited

C/O Alter Domus (Uk) Limited, 18 St Swithin's Lane, London, United Kingdom, EC4N 8AD

Attn: Legal and Agency Departments

Copy to: *[insert name and address of relevant Company]*

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

.....  
Name:

For and on behalf of

*[name of Account Bank]*

Dated:

<sup>4</sup> Only to be used for a Blocked Account.

## SCHEDULE 8

### Form of Security Accession Deed

DATE 20[●]

#### PARTIES

- (1) [●] [LIMITED/PLC] a company incorporated and registered in [England and Wales] (registered number [●]) whose registered office is at [●] (the **Acceding Company**); and
- (2) **ALTER DOMUS TRUSTEES (UK) LIMITED** (company number 09272338) as security trustee for the Secured Parties as security agent for the Secured Parties (the **Security Agent**).

#### INTRODUCTION

- (A) This accession deed is supplemental to a Guarantee and Debenture (the **Guarantee and Debenture**) dated [●] between the Companies named in that Debenture and the Security Agent (as previously supplemented and amended by earlier Security Accession Deeds, if any).
- (B) This document is intended to take effect as a deed despite the fact the Security Agent may only execute it under hand.

#### IT IS AGREED

##### 1. DEFINITIONS AND INTERPRETATION

- 1.1 Capitalised terms defined in the Guarantee and Debenture (as defined above) have the same meaning in this accession deed unless expressly defined in this accession deed.
- 1.2 The provisions of clause 1 (*Definitions and Interpretation*) of the Guarantee and Debenture apply to this accession deed as though they were set out in full in this accession deed, except that references to 'this deed' will be construed as references to this accession deed.
- 1.3 The schedules to this accession deed form part of this accession deed as if set out on the body of this accession deed.
- 1.4 For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the other Finance Documents and of any side letters between any parties relation to the Finance Document are incorporated into this accession deed to the extent necessary to ensure that any disposition of property in this accession deed is valid under that section.

##### 2. ACCESSION

The Acceding Company agrees to be a Company for the purposes of the Guarantee and Debenture with immediate effect and agrees to be bound by all of the terms of the Guarantee and Debenture as if it had originally been a party to it as a Company.

##### 3. GUARANTEE

The Acceding Company irrevocably and unconditionally jointly and severally:

- 3.1 guarantees to each Secured Party punctual performance by each other Company of all that other Company's obligations under the Finance Documents;
- 3.2 undertakes with each Secured Party that whenever another Company does not pay any amount when due under, or in connection with, any Finance Document, the Acceding Company shall immediately on demand pay that amount as if it was the principal obligor; and
- 3.3 agrees with each Secured Party that if any obligation guaranteed by it is or becomes enforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Secured Party immediately on demand against any cost, loss or liability it incurs as a result of a Company not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable under this indemnity will not exceed the amount it would have had to pay under this clause 3 if the amount claimed had been recoverable on the basis of a guarantee.

#### **4. CREATION OF SECURITY**

##### **4.1 Security**

4.1.1 The Acceding Company covenants to pay or discharge, on demand, the Secured Liabilities owed by it when they fall due.

4.1.2 This Security is:

- (a) created in favour of the Security Agent (for the benefit of itself and the other Secured Parties);
- (b) created over present and future assets of the Acceding Company;
- (c) security for payment of all the Secured Liabilities owed by the relevant Company under clause 4.1.1;
- (d) made with full title guarantee under the LPMPA; and
- (e) ranks subject only to the Prior Charges (if any).

4.1.3 Clause 4.2 and clause 4.3 shall be construed as creating a separate and distinct mortgage, fixed charge or security assignment over each Charged Asset within any particular class of assets specified.

4.1.4 Any failure to create an effective fixed Security Interest (for whatever reason) over a Charged Asset shall not affect the fixed nature of the Security Interest over any other Charged Asset, whether within the same class of assets or not.

##### **4.2 Fixed charges**

4.2.1 The Acceding Company charges by first legal mortgage its Property listed in schedule 1 to this accession deed.

4.2.2 Each Acceding Company charges by first fixed charge:

- (a) all its other interests in Property (not effectively charged by clause 4.2.1);
- (b) all its Material Equipment, including that listed in schedule 2 to this accession deed;
- (c) all its other Equipment;
- (d) its Subsidiary Shares, including those listed in schedule 3 to this accession deed;
- (e) all its Securities other than its Subsidiary Shares;
- (f) its Blocked Accounts, including those listed in schedule 4 to this accession deed;
- (g) all its other Bank Accounts;
- (h) the benefit of all Authorisations used in connection with its business or any of its Charged Assets and the right to recover and receive compensation which may be payable to it in respect of any of those Authorisations;
- (i) all its Intellectual Property;
- (j) all its goodwill and uncalled capital;
- (k) all its Receivables; and
- (l) to the extent not effectively assigned under clause 4.3:
  - (i) all its Insurance; and
  - (ii) its Material Contracts including those listed in schedule 5 to this accession deed.

#### **4.3 Assignments**

The Acceding Company assigns and will assign absolutely (subject to a condition for reassignment on irrevocable discharge in full of the Secured Liabilities) all its rights, title, interest and benefit in and to:

4.3.1 Insurance; and

4.3.2 Material Contracts and the benefit of any guarantee or Security Interest for the performance of any of its Material Contracts.

#### **4.4 Floating charge**

4.4.1 The Acceding Company charges by a first floating charge all its assets not effectively mortgaged, charged or assigned by fixed mortgage, fixed charge or assignment.

4.4.2 The floating charge created by clause 4.4.1 is a qualifying floating charge for the purpose of Paragraph 14 of Schedule B1 to the Insolvency Act.

### **5. NEGATIVE PLEDGE AND NO DISPOSAL**

The Acceding Company may not:

5.1 create, purport to create or permit to exist any Security Interest over any Charged Asset (unless it is Permitted Security); or

5.2 dispose of any Charged Asset (unless it is a Permitted Disposal),  
except as permitted by and in accordance with the Facility Agreement or otherwise with the prior written consent of the Security Agent.

### **6. REPRESENTATIONS AND WARRANTIES**

The Acceding Company makes the following representations and warranties to the Security Agent:

6.1 all Property beneficially owned by that Acceding Company at the date of this deed is identified in schedule 1 to this accession deed;

6.2 it is the legal and beneficial owner of the Subsidiary Shares identified against its name in schedule 3 to this accession deed (or, in the case of any held by a nominee its behalf, the beneficial owner); and

6.3 it is the legal and beneficial owner of the Charged Assets.

### **7. INTENT**

Without prejudice to the generality of clause 25.6 of the Guarantee and Debenture, each Acceding Company expressly confirms that it intends that the guarantee given under clause 3 shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

### **8. INCORPORATION INTO GUARANTEE AND DEBENTURE**

This accession deed and the Guarantee and Debenture shall be read together as one instrument and references in the Guarantee and Debenture to 'this deed' are deemed to include this accession deed.

### **9. NOTICES**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of the Acceding Company for any communication or document to be made or delivered under or in connection with the Guarantee and Debenture (including this accession deed) is:

Address: [•]

Fax: [•]

Attention: [•]

10. **GOVERNING LAW**

This accession deed and any non-contractual obligations arising out of or relating to it are governed by the laws of England and Wales.

**EXECUTED** as a deed and delivered on the date stated at the beginning of this accession deed.

***[insert execution blocks for parties]***

**SCHEDULE 1 – PROPERTY**

**[•]**

**SCHEDULE 2 – MATERIAL EQUIPMENT**

**[•]**

**SCHEDULE 3 – SUBSIDIARY SHARES**

**[•]**

**SCHEDULE 4 – BANK ACCOUNTS**

**PART 1- BLOCKED ACCOUNTS**

**[•]**

**PART 2- OTHER BANK ACCOUNTS**

**[•]**

**SCHEDULE 5 – MATERIAL CONTRACTS**

**[•]**

**SCHEDULE 6 – PRIOR CHARGES**

**[•]**

## EXECUTION PAGES FOR DEBENTURE

### COMPANY

EXECUTED as a DEED by THE LAKES )  
DISTILLERY COMPANY PLC acting by a ) Director  
director in the presence of: )

Witness signature

Witness name

(in **BLOCK CAPITALS**)

Address

Occupation

**SECURITY AGENT**



**ALTER DOMUS TRUSTEES (UK) LIMITED**  
as Security Agent for the Secured Parties