



**Registration of a Charge**

Company Name: **G - TUFT LIMITED**

Company Number: **07917706**



XB9XNR40

Received for filing in Electronic Format on the: **08/08/2022**

**Details of Charge**

Date of creation: **28/07/2022**

Charge code: **0791 7706 0005**

Persons entitled: **NATIONAL WESTMINSTER BANK PLC AS SECURITY AGENT**

Brief description:

**Contains fixed charge(s).**

**Contains floating charge(s) .**

**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: **MILBANK LLP**



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

Company number: 7917706

Charge code: 0791 7706 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 28th July 2022 and created by G - TUFT LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 8th August 2022 .

Given at Companies House, Cardiff on 10th August 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** 28 July **2022**

**VICTORIA PLC as Parent**

and

**THE ENTITIES AS LISTED IN SCHEDULE 1**  
as Chargors

and

**NATIONAL WESTMINSTER BANK PLC**  
as Security Agent

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**SUPPLEMENTAL SECURITY AGREEMENT**

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**THIS SECURITY AGREEMENT** is made as a deed on 28 July 2022

**BETWEEN:**

- (1) **VICTORIA PLC** (a company incorporated under the laws of England and Wales with registered number 00282204);
- (2) **BALTA INDUSTRIES NV** (a public limited liability company incorporated under the laws of Belgium, having its registered office at Wakkensteenweg (S.B.V.) 2, 8710 Wielsbeke and registered with the Crossroads Bank for Enterprises under number 0441.533.409 RPR Ghent, section Kortrijk ("**Balta Industries**");
- (3) **ALLIANCE FLOORING DISTRIBUTION LIMITED** (a company incorporated under the laws of England and Wales with registered number 5410587) ("**Alliance**");
- (4) **DISTINCTIVE FLOORING LIMITED** (a company incorporated under the laws of England and Wales with registered number 5368429) ("**Distinctive**");
- (5) **G-TUFT LIMITED** (a company incorporated under the laws of England and Wales with registered number 7917706) ("**G-Tuft**");
- (6) **BALTA FLOORCOVERING UK LIMITED** (a company incorporated under the laws of England and Wales with registered number 11978782) ("**Balta UK**"); and
- (7) **NATIONAL WESTMINSTER BANK PLC** as trustee for each of the Secured Parties (as defined in the Intercreditor Agreement referred to below) (in such capacity, the "**Security Agent**").

**BACKGROUND:**

- (A) Pursuant to a term and revolving credit facilities agreement (the "**Facilities Agreement**") dated 25 June 2019 (as amended and/or amended and restated from time to time) and as most recently amended and restated on 27 May 2022 and made between the Victoria plc as borrower, the Security Agent and others, the Lenders agreed to make available to the Borrower the revolving credit facilities therein.
- (B) Pursuant to an intercreditor agreement (the "**Intercreditor Agreement**") dated 26 July 2019 (as amended and/or amended and restated from time to time) and made between the Security Agent, Victoria plc and others, the Security Agent has agreed, among other things, to hold the security constituted by this Deed on trust for the Secured Parties.
- (C) Pursuant to a debenture entered into by amongst others, Victoria Plc, Victoria Midco Holdings Limited and Abingdon Flooring Limited as chargors and the Security Agent, the Chargors as defined in the 2019 Debenture granted security over their assets (the "**2019 Debenture**").
- (D) Pursuant to a supplemental debenture entered into by amongst others, Victoria Plc, Victoria Midco Holdings Limited, Ezi Floor Limited and Hanover Flooring Limited as chargors and the Security Agent, the Chargors as defined in the 2021 Debenture granted security over their assets (the "**2021 Debenture**").

- (E) This Deed is supplemental to the 2019 Debenture and the 2021 Debenture which remain in full force and effect other than as supplemented by this Deed. Pursuant to accession deeds dated on or about the date of this Deed, Alliance, Distinctive, G-Tuft, Balta UK and Balta Industries have acceded to the Facilities Agreement as Additional Guarantors and to the Intercreditor Agreement as Debtors (the “**Accession Deeds**”) and this Deed is a “Relevant Document” as referred to in the Accession Deeds.
- (F) It is intended that this document shall take effect as a deed of those parties that execute it as such.

**IT IS AGREED** as follows:

## **1. DEFINITIONS AND INTERPRETATION**

### **1.1 Definitions**

Terms defined in the Intercreditor Agreement shall, unless otherwise defined in this Deed, bear the same meaning when used herein. In addition:

“**Accounts**” means the accounts specified in Schedule 2 (*Accounts*) and every other account now or hereafter maintained by the All Asset Chargors or any of them with any bank or other financial institution (irrespective of the nature, located in England and Wales).

“**Accruing Property**” means all stocks, shares or other securities, rights, benefits, proceeds and other property accruing, offered or issued in respect of any Share or any Investment (or any Accruing Property) at any time, whether by way of bonus, redemption, exchange, purchase, substitution, conversion, preference, option or otherwise.

“**All Asset Chargors**” means Balta UK, Alliance, Distinctive and G-Tuft.

“**Book and Other Debts**” means all present and future book and other debts, and all other moneys, now or hereafter due and owing to the All Asset Chargors or any of them from any person that is a member of the Group from time to time together with the benefit of all rights, guarantees and other assurances relating thereto, in each case including the proceeds thereof.

“**Chargors**” means the entities listed in Schedule 1 (*Chargors*).

“**Charged Property**” means the assets of the Chargors from time to time the subject of the security hereby constituted (including, in each case, all Related Rights relating thereto).

“**Discharge Date**” means the date on which (the Secured Obligations having been discharged in full) the Security Agent discharges the security hereby constituted pursuant to Clause 28 (*Discharge of Security*).

“**Floating Charge Assets**” means any assets subject to the creation of a floating charge pursuant to Clause 3.3 (*Floating Charges*).

“**Insurance Policy**” means each policy of insurance in which the All Asset Chargors or any of them has an interest, whether now or at any time in the future.

**"Intellectual Property"** means the material registered patents, trade and service marks and designs and the applications therefor specified in Schedule 3 (*Intellectual Property*) and all other/all patents, trademarks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests, whether registered or unregistered, now or hereafter belonging to the All Asset Chargors or any of them.

**"Investments"** means, in relation to any All Asset Chargor:

- (a) all stocks, shares, debentures, securities and other investments (excluding the Shares and any Accruing Property directly or indirectly attributable to the Shares) in which that All Asset Chargor has a direct ownership interest, whether now or in the future; and
- (b) all that All Asset Chargor's rights under, or otherwise attributable to, all present and future agreements with agents, custodians, fiduciaries, clearing systems and other intermediaries through which are held any stocks, shares, debentures, securities and other investments in respect of which that All Asset Chargor has an indirect interest, including all its rights in respect of all investment and other accounts established pursuant thereto.

**"Lease"** means any present or future lease, sub-lease, licence, tenancy or other agreement or right to occupy governing the use or occupation of any of the Real Property, whether on a fixed term basis or a periodic basis.

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

**"Planning Legislation"** means any legislation regulating the development or use of land or the erection or demolition of buildings and other structures thereon and all orders, regulations and permissions made, issued or granted thereunder.

**"Real Property"** means the freehold and leasehold property more particularly described in Schedule 5 (*Real Property*) and every other estate or interest in freehold or leasehold property now or hereafter belonging to the All Asset Chargors or any of them, together with (in each case) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated thereon or forming part thereof.

**"Receiver"** means a receiver or receiver and manager of the whole or any part of the Charged Property.

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

- (a) the proceeds of sale of that property or any part thereof;
- (b) all present and future rights under any licence in respect of that property or any agreement for the sale or the lending or leasing thereof;
- (c) all present and future rights, benefits, claims, contracts, warranties, remedies, security, indemnities and covenants for title in respect of that property; and

- (d) all present and future interest and other moneys and proceeds attributable to that property or its use.

**“Secured Obligations”** means all the Liabilities and all other present and future liabilities and obligations at any time due, owing or incurred by each member of the Group and by each Debtor to any Secured Party under the Debt Documents, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity subject to the limitations set out in the Debt Documents including, without limitation, clauses 3, 4 and 5 of the Accession Deed signed by Balta Industries.

**“Shares”** means:

- (a) the shares in each company specified in Schedule 6 (*Shares*) and any other shares in any such or any other Material Company incorporated in England and Wales that any Share Security Chargor may own from time to time; and
- (b) warrants, options and other rights to subscribe for, purchase or otherwise acquire any such shares (including any deferred shares).

**“Share Security Chargors”** means Balta Industries, Balta UK, Alliance, Distinctive and G-Tuft.

**“Tangible Moveable Property”** means any plant, machinery, office equipment, computers, vehicles and other chattels now or hereafter belonging to the All Asset Chargors or any of them (excluding any for the time being forming part of any All Asset Chargor’s stock in trade or work in progress), in each case having a value of £1,500,000 (or its equivalent) or more.

## 1.2 **Construction**

The rules of construction set forth in clause 1.2 of the Intercreditor Agreement shall apply to the construction of this Deed, *mutatis mutandis*.

## 1.3 **Third Party Rights**

A person who is not a party to this Deed may not enforce any of its terms pursuant to the Contracts (Rights of Third Parties) Act 1999 unless the contrary is specifically provided herein, but even then the parties hereto shall at all times be entitled to rescind or vary this Deed without the consent of the person concerned.

## 1.4 **Disposition of Property**

The terms of the documents under which the Secured Obligations arise (and of all side letters relating to the Secured Obligations) are incorporated into this Deed to the extent required for any purported disposition of any of the Charged Property contained herein to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.



## 1.5 **Balta Industries**

Balta Industries is party to this deed for the purposes of granting security over its shares in Balta UK as a Share Security Chargor. References to Balta Industries as Chargor in this deed are to be construed accordingly.

## 2. **COVENANT TO PAY**

Each Chargor hereby covenants with the Security Agent that it will pay the Secured Obligations on demand as and when the same become payable under the terms of the Debt Documents.

## 3. **CHARGING CLAUSE**

### 3.1 **Share Security**

Each Share Security Chargor charges to the Security Agent by way of first fixed charge, all its right, title and interest in and to the Shares and all Accruing Property directly or indirectly attributable thereto together with, in each case, all dividends, interest, redemption proceeds and other moneys payable in respect thereof.

### 3.2 **Fixed Security**

Subject to Clause 3.4 (*Excluded Assets*), each All Asset Chargor also:

- (a) charges to the Security Agent by way of first legal mortgage all its right, title and interest in and to such of the Real Property as is constituted by or referable to the freehold and leasehold property specified in Schedule 5 (*Real Property*);
- (b) charges to the Security Agent by way of first fixed charge, all its right title and interest in and to the Real Property to the extent that the same is not the subject of the legal mortgage under paragraph (a) above;
- (c) charges to the Security Agent by way of first fixed charge, all its right, title and interest in and to:
  - (i) the Tangible Moveable Property to the extent not attached to the Real Property as fixtures;
  - (ii) the Accounts;
  - (iii) the Intellectual Property;
  - (iv) the Investments (to the extent not assigned under paragraph (d) below) and all Accruing Property directly or indirectly attributable thereto together with, in each case, all dividends, interest, redemption proceeds and other moneys payable in respect thereof;
  - (v) its present and future goodwill;
  - (vi) its present and future uncalled capital;

- (vii) all present and future permissions, consents and authorisations (statutory or otherwise) held in connection with its business; and (ix) any beneficial interest, claim or entitlement which it may have now or from time to time hereafter to any assets of any pension fund; and
- (d) subject to Clause 3.4 (*Excluded Assets*), assigns to the Security Agent all its right, title and interest in and to:
  - (i) those Investments constituted by contractual rights against (or rights in respect of investment and other accounts with) agents, custodians, fiduciaries, clearing systems and other intermediaries;
  - (ii) the Book and Other Debts; and
  - (iii) the Insurance Policies,

in each case together with all Related Rights relating thereto, with full title guarantee and to secure the payment and discharge of the Secured Obligations.

### 3.3 **Floating Charges**

Subject to Clause 3.4 (*Excluded Assets*), each All Asset Chargor hereby charges to the Security Agent by way of first floating charge the whole of its undertaking and assets, present and future (other than assets effectively charged or assigned pursuant to Clause 3.2 (*Fixed Security*)), in each case with full title guarantee and to secure the payment and discharge of the Secured Obligations.

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to each floating charge hereby created to the intent that each such floating charge shall be a qualifying floating charge for the purposes of sub-paragraph (1) of such paragraph.

### 3.4 **Excluded Assets**

- (a) Unless otherwise expressly agreed in writing between the relevant Chargor and the Security Agent after the date on which it becomes a party to this Deed, there shall be excluded from the Security created by Clause 3 (*Charging Clause*), from the other provisions of this Deed and from the operation of any further assurance provisions contained in the Debt Documents:
  - (i) subject to the Agreed Security Principles, any asset or undertaking which a Chargor is at any time prohibited from creating Security on or over by reason of any contract, licence, lease, instrument or other arrangement with a third party (including any asset or undertaking which a Chargor is precluded from creating Security on or over without the prior consent of a third party) in each case to the extent of that prohibition and for so long as such prohibition is in existence or until consent has been received from the third party;
  - (ii) subject to the Agreed Security Principles, any asset or undertaking which, if subject to any such Security or the provisions of this Deed, would give a third party the right to terminate or otherwise amend any rights, benefits

and/or obligations of any member of the Group in respect of that asset or undertaking or require any member of the Group to take any action materially adverse to the interests of the Group or any member thereof in each case to the extent of that prohibition and for so long as such prohibition is in existence or until consent has been received from the third party;

- (iii) any asset or undertaking situated outside England and Wales;
  - (iv) any asset or undertaking to the extent that any such Security created or further assurance provisions would conflict with the fiduciary duties of the directors of a Chargor or contravene any legal prohibition, contractual restriction or regulatory condition or would result in (or in a significant risk of) personal or criminal liability on the part of any officer of a Chargor, provided that the relevant Chargor shall use reasonable endeavours to overcome any such obstacle;
  - (v) any Investment in a:
    - (A) joint venture (or other minority interest investment)
    - (B) subsidiary that is not a Material Company;
  - (vi) any asset or undertaking subject to security in favour of a third party (other than in relation to security under general business conditions of account banks which do not prohibit or prevent the creation of Security over such accounts or Security that is a Permitted Security (as defined in the relevant Debt Document)) provided that, for the avoidance of doubt, no Chargor may rely on the provisions of this sub-clause (vi) to grant security that would otherwise be prohibited under the Debt Documents;
  - (vii) any leasehold or freehold property:
    - (A) with less than 25 years remaining on the applicable lease as at, and at any time after, the date of this Deed; or
    - (B) is held under a rack-rent lease; or
    - (C) that has a market value of less than £5 million;
  - (viii) with respect to insurance:
    - (A) any Insurance Policy that is for the benefit of a third party; or
    - (B) cannot be secured under the terms of the relevant Insurance Policy; or
    - (C) is not a material insurance; and
  - (ix) any other asset excluded pursuant to the Agreed Security Principles.
- (b) If at any time a Chargor notifies the Security Agent in writing that an asset being subject to the Security created by this Clause 3 or any other provision of this Deed has a material adverse effect on the ability of the relevant member of the Group to conduct its operations and business as otherwise not prohibited by the Debt

Documents, the Security Agent shall promptly enter into such documentation as is required by that Chargor in order to release that asset from the Security created by this Clause 3 and the other provisions of this Deed, provided that any costs and expenses incurred by the Security Agent entering into such documentation at the reasonable request of such Chargor pursuant to this Clause 3.4 (*Excluded Assets*) shall be for the account of such Chargor (subject to clause 20 (*Costs and Expenses*) of the Facilities Agreement).

- 3.5 Each of the obligations of the Chargor set out hereafter in this Deed are subject to Clause 3.4 (*Excluded Assets*) and apply only to the extent that assets referred to below constitute Charged Property.

#### **4. CRYSTALLISATION OF FLOATING CHARGES**

##### **4.1 By Notice**

The Security Agent may at any time by notice in writing to any All Asset Chargor convert the floating charge created by that All Asset Chargor pursuant to Clause 3.3 (*Floating Charges*) with immediate effect into a fixed charge as regards any property or assets specified in the notice if:

- (a) the security hereby constituted has become enforceable as herein provided; or
- (b) the Security Agent reasonably considers that any of the Charged Property the subject of that floating charge may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process.

##### **4.2 Without Notice**

Notwithstanding Clause 4.1 (*By Notice*) and without prejudice to any rule of law which may have a similar effect, the floating charge created by each All Asset Chargor pursuant to Clause 3.3 (*Floating Charges*) shall automatically be converted with immediate effect (and without notice) into a fixed charge as regards all the assets the subject thereof if:

- (a) that All Asset Chargor creates or attempts to create any Security Interest over any of the Charged Property other than as not prohibited by the Debt Documents;
- (b) any person levies or attempts to levy any distress, execution or other process against any of the Charged Property the subject thereof;
- (c) a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of that All Asset Chargor; or
- (d) an administrator is appointed in respect of that All Asset Chargor or a person entitled to appoint an administrator in respect of that All Asset Chargor gives notice of its intention to do so or files a notice of appointment with the court.

##### **4.3 Future Floating Charge Assets**

Except as otherwise stated in any notice given under Clause 4.1 (*By Notice*) or unless the crystallisation relates to all its Floating Charge Assets, prospective Floating Charge Assets

acquired by any All Asset Chargor after crystallisation has occurred under Clause 4.1 (*By Notice*) or Clause 4.2 (*Without Notice*) shall become subject to the floating charge created by Clause 3.3 (*Floating Charges*) so that the crystallisation shall be effective only as to the specific Floating Charge Assets affected by the crystallisation.

#### 4.4 **Reconversion**

Any charge which has crystallised under Clause 4.1 (*By Notice*) or Clause 4.2 (*Without Notice*) may, by notice in writing given at any time by the Security Agent to the relevant All Asset Chargor (or to the Parent on its behalf), be reconverted into a floating charge in relation to the Assets specified in such notice.

#### 4.5 **Company voluntary arrangement moratorium**

For so long as paragraph 43 of Schedule A1 of the Insolvency Act 1986 remains in force, neither a Chargor obtaining nor doing anything with a view to obtaining a moratorium pursuant to Schedule A1 of the Insolvency Act 1986 (including any preliminary decision or investigation) shall cause the floating charge created by that All Asset Chargor pursuant to Clause 3.3 (*Floating Charges*) to crystallise until the date on which it is permitted to crystallise in accordance with paragraph 13 of Schedule A1 of the Insolvency Act 1986.

### 5. **PERFECTION OF SECURITY**

#### 5.1 **Notices of Assignment and Charge**

Each All Asset Chargor shall execute and deliver to the Security Agent:

- (a) as soon as reasonably practicable and in any event within 5 Business Days following the execution of this Deed a notice in relation to each such Book and Other Debt that is a structural Book and other Debt from a member of the Group not a party to this Deed, substantially the form of that set out in Part D (*Form of Notice of Assignment of Book and Other Debts*) of Schedule 3 (*Forms of Notice of Assignment and Charge*) (or in such other form as the Security Agent may direct);
- (b) as soon as reasonably practicable following the occurrence of an Event of Default that is continuing (and in any event within 5 Business Days following the occurrence of an Event of Default that is continuing):
  - (i) in relation to each of its Accounts specified in Schedule 1 (*Accounts*), a notice in substantially the form of that set out in Part A (*Form of Notice of Account Charge*) of Schedule 3 (*Forms of Notice of Assignment and Charge*) (or in such other form as the Security Agent may direct) addressed to the bank with whom such Account is maintained;
  - (ii) in relation to each of its Insurance Policies as at the date hereof, a notice in substantially the form of that set out in Part B (*Form of Notice of Assignment of Insurance*) of Schedule 3 (*Forms of Notice of Assignment and Charge*) (or in such other form as the Security Agent may direct);
  - (iii) in relation to each of its Investments constituted by contractual rights against (or rights in respect of investment and other accounts with) agents,

custodians, fiduciaries, clearing systems and other intermediaries, a notice in substantially the form of that set out in Part C (*Form of Notice of Assignment in relation to certain Investments*) of Schedule 3 (*Forms of Notice of Assignment and Charge*) (or in such other form as the Security Agent may direct),

and in each case shall use all reasonable endeavours to procure that such notice is acknowledged by the addressee thereof; and

- (iv) in relation to each Book and other Debt for which a notice has not been served pursuant to clause 5.1(a) above, a notice in relation to each such Book and Other Debt substantially the form of that set out in Part D (*Form of Notice of Assignment of Book and Other Debts*) of Schedule 3 (*Forms of Notice of Assignment and Charge*) (or in such other form as the Security Agent may direct); and

shall procure that each such notice is acknowledged by the addressee thereof.

## 5.2 **Intellectual Property**

Upon the occurrence of an Event of Default that is continuing, Each All Asset Chargor shall, if requested by the Security Agent and at such All Asset Chargor's cost, deliver to the Security Agent all such documents (each in form and substance satisfactory to the Security Agent) and otherwise do all acts and things as the Security Agent may require to enable it to record its interest in the Intellectual Property belonging to that All Asset Chargor as at the date hereof in any registers in which that Intellectual Property is recorded.

## 5.3 **Land Registration**

In respect of any Real Property of any All Asset Chargor that is situated in England or Wales (including any unregistered properties subject to compulsory first registration at the date of this Deed) and charged by way of legal mortgage under this Deed, such All Asset Chargor irrevocably consents to the Security Agent applying to H.M. Chief Land Registrar for:

- (a) a restriction to be entered on the Register of Title of that Real Property on the prescribed Land Registry form in the following terms:

"No disposition [*or specify details*] of the registered estate (other than a charge) by the proprietor of the registered estate [or by the proprietor of any registered charge] is to be registered without a written consent signed by the proprietor for the time being of the charge dated [•] 20[•] in favour of [•] as trustee and agent referred to in the charges register [or their conveyancer [*or specify appropriate details*]] or, if appropriate, signed on such proprietor's behalf by [its secretary or conveyancer [*or specify appropriate details*]].";

- (b) the obligation to make further advances to be entered on the register of title relating thereto.

#### 5.4 **After Acquired Real Property**

If after the date hereof an All Asset Chargor acquires any Real Property title to which is, or is required to be, registered under the Land Registration Act 2002, that All Asset Chargor shall, promptly thereafter, notify the Security Agent in writing of the title number(s) of the property and, at the time it applies to the Land Registry to be registered as the registered proprietor of the property, apply to the Land Registry to enter an agreed notice of mortgage on the Charges Register of the property.

#### 5.5 **Delivery of Share Certificates**

Each Share Security Chargor shall:

- (a) as soon as reasonably practicable and in any event within 20 Business Days following the execution of this Deed, deposit with the Security Agent all certificates and other documents of title to its Shares; and
- (b) as soon as reasonably practicable and in any event within 20 Business Days upon its receipt of any certificate or other document evidencing any entitlement to any Accruing Property directly or indirectly attributable to any of its Shares, deposit the same with the Security Agent.

#### 5.6 **Delivery of Certificates in respect of Investments**

Promptly after being requested to do so by the Security Agent, each Share Security Chargor shall deliver to the Security Agent all certificates and other documents of title representing each Investment (and all Accruing Property directly or indirectly attributable to each Investment) to which such Share Security Chargor (or its nominee(s)) is then or may thereafter become entitled together with, if so requested by the Security Agent, any other document which the Security Agent may require to enable it to register the same in its own name or the name of its nominee(s).

#### 5.7 **Control of Certificates**

The Security Agent may:

- (a) hold the certificates and other documents of title deposited with it by each Share Security Chargor pursuant to Clause 5.5 (*Delivery of Share Certificates*) or Clause 5.6 (*Delivery of Certificates in respect of investments*) until the Discharge Date; and
- (b) on the occurrence of an Event of Default that is continuing, as attorney for each Share Security Chargor by virtue of the power in Clause 22 (*Power of Attorney*), at any time execute all such instruments of transfer and otherwise do all such things as the Security Agent may elect so as to cause all or any of such Share Security Chargor's Shares and Investments (and all or any Accruing Property directly or indirectly attributable thereto) to be registered in its own name (or the name(s) of its nominee(s)).

## **6. INCOME ON SHARES AND INVESTMENTS**

### **6.1 Before the Security becomes Enforceable**

Until the security hereby constituted has become enforceable as herein provided all dividends, interest and other moneys attributable to any of a Share Security Chargor's Shares and Investments, or any Accruing Property directly or indirectly attributable thereto, which are received by that Share Security Chargor may be retained by that Share Security Chargor, but neither the Security Agent nor its nominees shall have any duty to ensure that any such dividends, interest or other moneys are duly or punctually paid or to verify that the correct amounts are paid or received or to take any action in connection with the taking up of any (or any offer of any) stocks, shares, rights, moneys 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 in respect of or in substitution for, any of such Shares, Investments or Accruing Property.

### **6.2 After the Security has become Enforceable**

At all times after the security hereby constituted has become enforceable as herein provided, all dividends, interest and other moneys attributable to any of a Share Security Chargor's Shares and Investments, or any Accruing Property directly or indirectly attributable thereto, which are received by such Share Security Chargor shall, forthwith upon receipt thereof, be paid to the Security Agent (and, pending such payment, shall be held by such Share Security Chargor on trust for the Security Agent) who may, in its discretion (and without any further consent or authority from such Share Security Chargor), apply the same, and all other dividends, interests and other moneys attributable thereto which it may receive, as though they constituted the proceeds of a sale effected under this Deed.

## **7. VOTING RIGHTS IN RELATION TO SHARES AND INVESTMENTS**

### **7.1 Voting: Before the Security becomes Enforceable**

Until the security hereby constituted has become enforceable as herein provided each Share Security Chargor shall be entitled to exercise all voting rights in relation to its Shares and Investments and any Accruing Property directly or indirectly attributable thereto (or, to the extent that any of the same shall have been registered in the name of the Security Agent or its nominee(s) pursuant to Clause 5.7 (*Control of Certificates*), to direct the Security Agent to do so (or to cause its nominee(s) to do so), for which purpose the Security Agent shall, at the request and cost of such Share Security Chargor, ensure that such Share Security Chargor is provided with such forms of proxy as it may reasonably require in the circumstances).

### **7.2 Voting: After the Security has become Enforceable**

At all times after the security hereby constituted has become enforceable as herein provided, the Security Agent may in its discretion (in the name of the relevant Share Security Chargor or otherwise and without any further consent or authority from the relevant Share Security Chargor):

- (a) exercise (or refrain from exercising) any voting rights in respect of the Shares, the Investments or any Accruing Property (and revoke, or cause to be revoked, any



proxies given pursuant to Clause 7.1 (*Voting: Before the Security becomes Enforceable*)); and

- (b) otherwise exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Shares, the Investments and the Accruing Property, including the right to concur or participate in:
  - (i) the reconstruction, amalgamation, sale or other disposal of any relevant company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence thereof);
  - (ii) the release, modification or variation of any rights or liabilities attaching thereto; and
  - (iii) the exercise, renunciation or assignment of any right to subscribe for any shares or securities, in each case in such manner and on such terms as the Security Agent may think fit.

### 7.3 **Overriding Voting Restriction**

No Share Security Chargor shall be entitled to exercise or direct the exercise of any voting rights in relation to any of its Shares or its Investments (or any Accruing Property directly or indirectly attributable thereto) if to do so would adversely affect the validity or enforceability of the Security or cause an Event of Default to occur.

## 8. **CALLS ON SHARES AND INVESTMENTS**

Each Share Security Chargor undertakes to pay (or to indemnify the Security Agent for having paid) all calls or other payments which may become due in respect of its Shares and Investments or any Accruing Property directly or indirectly attributable thereto. If a Share Security Chargor fails to pay any such call or other payment, the Security Agent may do so on its behalf, in which event (and in the event that the Security Agent shall otherwise meet such a call or other payment) any sums paid out by the Security Agent shall be reimbursed by such Share Security Chargor on demand together with interest thereon from the date of the payment by the Security Agent at the rate at which interest would have accrued thereon as an Unpaid Sum pursuant to clause 12.3 (*Default Interest*) of the Facilities Agreement.

## 9. **ACCOUNTS**

### 9.1 **Accounts: Notification and Variation**

Each All Asset Chargor shall, immediately upon opening any new Account, and promptly after becoming aware of any change in the details of any of its existing Accounts, give details thereof to the Security Agent.

### 9.2 **Accounts: Before the Security becomes Enforceable**

- (a) Until the security hereby constituted has become enforceable as herein provided (and so long as so doing is consistent with the terms of the Debt Documents), each

All Asset Chargor shall be entitled to withdraw or otherwise transfer any sums from time to time standing to the credit of each of its Accounts unless:

- (i) an Event of Default has occurred and is continuing; and
- (ii) the Security Agent (by notice to the bank with whom such Account is maintained) blocks the withdrawal of such sums, in which event, until the Security Agent directs otherwise (as it shall if no Event of Default is continuing and that All Asset Chargor so requests), such All Asset Chargor shall not be entitled to withdraw or otherwise transfer any such sums except with the prior consent of the Security Agent.

### 9.3 **Accounts: After the Security has become Enforceable**

If the security hereby constituted has become enforceable as herein provided, the Security Agent shall be entitled:

- (a) to exercise from time to time all its rights, powers and remedies as chargee of the Accounts and in particular the right to:
  - (i) demand and receive any interest or other moneys payable in respect of any credit balance on any Account; and
  - (ii) withdraw sums standing to the credit of any Account (or, by notice to the bank with whom such Account is maintained, block the withdrawal of any such sums) and otherwise exercise all such rights in relation to each of each All Asset Chargor's Accounts as that All Asset Chargor might exercise (or, but for this Deed, might exercise); and
- (b) to apply, transfer or set-off any or all of the balances from time to time standing to the credit of the Accounts in or towards the payment or other satisfaction of all or part of the Secured Obligations then due but unpaid in accordance with Clause 19 (*Application of Enforcement Proceeds*).

## 10. **INSURANCES**

### 10.1 **Insurance: Undertakings**

Each All Asset Chargor shall upon the occurrence of an Event of Default which is continuing and if so required by the Security Agent:

- (a) deposit all its Insurance Policies with the Security Agent; and
- (b) cause each of its Insurance Policies (other than those in which the Security Agent is a co-assured or in respect of which a notice of assignment has been given pursuant to Clause 5.1 (*Notices of Assignment and Charge*)) to contain an endorsement (in form and substance satisfactory to the Security Agent) naming the Security Agent as sole loss payee in respect of all claims thereunder.

## 10.2 **Failure to Insure**

If an All Asset Chargor fails to comply with its obligations under Clause 10.1 (*Insurance Undertakings*), the Security Agent may effect or renew the required insurance on such terms, in such name(s) and in such amount(s) as it considers appropriate, all moneys paid out by the Security Agent in effecting any such insurance to be reimbursed by that All Asset Chargor on demand together with interest thereon from the date of the payment by the Security Agent at the rate at which interest would have accrued thereon as an Unpaid Sum pursuant to clause 12.3 (*Default Interest*) of the Facilities Agreement.

## 10.3 **Application of Insurance Proceeds**

Subject to the rights and claims of any person having prior rights thereto, and so long as the security hereby constituted has not become enforceable as herein provided, all proceeds of each All Asset Chargor's Insurance Policies shall be applied in accordance with the Debt Documents.

# 11. **REAL PROPERTY**

## 11.1 **Notification of Acquisitions**

Each All Asset Chargor shall, as soon as reasonably practicable following entry into any contract, conveyance, transfer or other instrument providing for its acquisition of any Real Property, give notice thereof to the Security Agent.

## 11.2 **Restrictions on Leases**

- (a) No All Asset Chargor shall, except with the prior written consent of the Security Agent, exercise any of the powers reserved to a mortgagor by Sections 99 and 100 of the LPA.
- (b) Each All Asset Chargor shall obtain the prior written consent of the Security Agent (not to be unreasonably withheld or delayed) on the grant (or agreement to grant) of:
  - (i) any Lease in relation to any of its Real Property or accept (or agree to accept) any surrender, cancellation, assignment, charge or other disposal of, or agree to vary, any such Lease; or
  - (ii) any licence or consent (whether expressly or by conduct) for assignment, parting with or sharing possession or occupation, under-letting, change of use or alterations in relation to any Lease to which any part of its Real Property is subject.

Provided that no consent shall be required for any dealing specified in clause 11.2(b) (each a "**Permitted Dealing**") where:

- (i) no Event of Default is continuing;
- (ii) such Permitted Dealing is in the interests of good estate management; and

- (iii) the rental income in respect of any such Lease, licence or right or sublease of any Lease (as applicable) that is the subject of such Permitted Dealing does not exceed £1,000,000 per annum.

### 11.3 **Undertakings as Landlord**

In respect of any Real Property where an All Asset Chargor is the landlord under a Lease, each such All Asset Chargor shall:

- (a) exercise its rights and comply with its material obligations under each such Lease;
- (b) use reasonable endeavours to ensure that each tenant complies with its obligations under each such Lease; and
- (c) otherwise manage the premises the subject of each such Lease in the interests of good estate management.

### 11.4 **Undertakings as Tenant**

In respect of any Real Property where an All Asset Chargor is tenant under a Lease, each such All Asset Chargor shall:

- (a) pay the rent reserved by, and otherwise perform and observe all of its material covenants, stipulations and obligations under each such Lease;
- (b) use reasonable endeavours to ensure that each landlord complies with its obligations under each such Lease;
- (c) promptly notify the Security Agent if any such Lease has or may become subject to determination or to the exercise by the landlord of any right of re-entry or forfeiture and, if so required by the Security Agent (acting reasonably), apply for relief from forfeiture thereof; and
- (d) refrain from agreeing any upwards rent review under any such Lease without the prior written consent of the Security Agent (not to be unreasonably withheld or delayed).

### 11.5 **Repair and Alterations**

Each All Asset Chargor agrees that it shall:

- (a) (save where the requirements of this Clause 11.5(a) are the responsibility of a tenant pursuant to the terms of a Lease to which any All Asset Chargor's Real Property is subject) maintain in good and substantial repair all buildings, trade and other fixtures, plant, machinery and chattels from time to time forming part of its Real Property and, when necessary (and when non-replacement would have a materially adverse effect on the value of the Real Property in which such items are situated), replace such trade and other fixtures, plant, machinery and chattels with others of similar quality and value;

- (b) not at any time without the prior written consent of the Security Agent (not to be unreasonably withheld or delayed) carry out or permit any demolition, reconstruction or rebuilding of the whole of its Real Property or any substantial structural alteration or material change in its use, provided that:
- (c) paragraph (b) shall not apply to:
  - (i) any matter referred to in paragraph (b) undertaken by a tenant in respect of which an All Asset Chargor is under an express or implied obligation not to unreasonably withhold its consent and the withholding of its consent would be unreasonable in the opinion of that All Asset Chargor (acting reasonably), or in respect of which a tenant is permitted under the relevant Lease to act without consent of the relevant All Asset Chargor;
  - (ii) any development, refurbishing or upgrading that will not result in any material disruption to the operation of the business carried on by any All Asset Chargor at any Real Property;
  - (iii) any development or alteration required for the fitting out of the whole or any part of any Real Property in connection with any underletting or assignment permitted pursuant to the terms of this Deed; or
  - (iv) the carrying out of non-structural improvements or alterations which affect only the interior of any building at any Real Property.

#### 11.6 **Notices**

Each All Asset Chargor shall, within 14 days after receipt by any such All Asset Chargor of any material notice, requirement or order served or given by any public or local authority with respect to any Real Property:

- (a) deliver a copy to the Security Agent;
- (b) inform the Security Agent of the steps taken or proposed to be taken to comply with the relevant requirement, order or notice (if legally required); and
- (c) if properly and reasonably required by the Security Agent, to take all reasonable steps (at its own cost) to ensure compliance with, or make such objections or representations in respect of, any such requirement, order or notice.

#### 11.7 **Security Agent's Rights to Remedy**

If an All Asset Chargor fails to comply with any of the undertakings contained in this Clause 11, the Security Agent shall be entitled (with such agents, contractors and others as it sees fit), to do such things as it may properly determine to be necessary to remedy such failure, all moneys paid out by the Security Agent in the exercise of its rights under this Clause 11 to be reimbursed by that All Asset Chargor on demand together with interest thereon from the date of the payment by the Security Agent at the rate at which interest would have accrued thereon as an Unpaid Sum pursuant to clause 12.3 (*Default Interest*) of the Facilities Agreement.

## **12. REPRESENTATIONS**

Each Chargor represents to the Security Agent that:

- (a) it is the sole beneficial owner of its Charged Property free from all Security Interests except as created or permitted by this Deed or the Debt Documents;
- (b) unless otherwise not prohibited by the Debt Documents, it has not sold or disposed of all or any of its right, title and interest in and to its Charged Property, nor agreed to do any such thing; and
- (c) it has the power and authority to enter into and perform its obligations under this Deed, such obligations being legal, valid and binding obligations enforceable in accordance with the terms hereof.

## **13. GENERAL COVENANTS**

Each Chargor agrees that it will not, without the Security Agent's prior written consent or unless otherwise not prohibited by the Debt Documents create or permit to subsist any Security Interest over all or any part of its Charged Property other than the Security Interests which arise by virtue of this Deed.

## **14. PSC REGISTER**

- (a) Each Share Security Chargor shall promptly upon prior written request by the Security Agent following an Event of Default which is continuing:
  - (i) notify the Security Agent if the entity whose shares constitute Charged Property has issued any warning notice or restrictions notice under Schedule 1B of the Companies Act 2006 in respect of the Shares which has not been withdrawn; and
  - (ii) (if applicable) provide to the Security Agent a copy of any such warning notice or restrictions notice.
- (b) For the purpose of withdrawing any restrictions notice or for any application (or similar) to the court under Schedule 1B of the Companies Act 2006, in each case in connection with an enforcement of security under and in accordance with this Security Agreement, Victoria Plc, Victoria Midco Holdings Limited and the Share Security Chargors shall provide such assistance as the Security Agent may reasonably request in respect of the Shares and provide the Security Agent with all information, documents and evidence that it may reasonably request in connection with the same.
- (c) Victoria Plc, Victoria Midco Holdings Limited and the Share Security Chargors shall comply with any notice served on it pursuant to Part 21A of the Companies Act 2006 (including any timeframe specified in such notice) in respect of all or part of the Shares.

## **15. ENFORCEMENT OF SECURITY**

### **15.1 General**

For the purposes of all powers implied by statute, the Secured Obligations shall be deemed to have become due and payable on the date of this Deed.

### **15.2 Enforcement**

The security hereby constituted shall become enforceable upon the occurrence of an Event of Default which is continuing, whereupon the power of sale and other powers conferred on the Security Agent by this Deed and by law shall be immediately exercisable and the Security Agent may in its absolute discretion:

- (a) enforce all or any part of the security constituted by this Deed (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Charged Property; and
- (b) whether or not it has appointed a Receiver, exercise all or any of the powers, authorities and discretions conferred by the LPA (as varied or extended by this Deed) on mortgagees and by this Deed on any Receiver or otherwise conferred by law on mortgagees or receivers.

### **15.3 No Liability as Mortgagee in Possession**

Neither the Security Agent nor any Receiver shall be liable to account as a mortgagee in possession in respect of all or any part of the Charged Property by reason of going into possession thereof, nor shall either of them be liable (save in the case of wilful default or gross negligence) for any loss upon any realisation thereof or for any loss connected therewith to which a mortgagee in possession might otherwise be liable.

### **15.4 Appropriations**

- (a) To the extent that any of the Charged Property constitutes "financial collateral" and this Deed constitutes a "security financial collateral arrangement" (in each case as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003), the Security Agent may, at any time after the security constituted by this Deed has become enforceable, appropriate that Charged Property in or towards the discharge of the Secured Obligations.
- (b) The parties hereto agree that the value of any Charged Property appropriated in accordance with paragraph (a) above shall be:
  - (i) in the case of cash denominated in the currency of denomination of the Secured Obligations, the amount thereof (plus any accrued but unposted interest attributable thereto) on the date of the appropriation;
  - (ii) in the case of any other cash, the amount of the currency of denomination of the Secured Obligations that the Security Agent could purchase with the amount thereof (plus any accrued but unposted interest attributable thereto) on the date of the appropriation at its spot rate of exchange for

such purchase in the London foreign exchange market at or about 11:00 a.m. on that date; and

- (iii) in the case of Shares, Investments and Accruing Property, the market price thereof determined by the Security Agent by reference to the price thereof quoted at the time of the appropriation on a public index or by such other method (including independent valuation) as the Security Agent may select,

and each Chargor agrees that the methods of valuation provided for in this Clause are commercially reasonable.

## **16. EXTENSION AND VARIATION OF THE LPA**

### **16.1 Extension of Powers**

The power of sale and the other powers conferred on the Security Agent and on any Receiver by this Deed shall operate as a variation and extension of the powers under Section 101 of the LPA.

### **16.2 Restrictions**

The restrictions contained in Sections 93 and 103 of the LPA shall not apply to this Deed or to the exercise by the Security Agent of its right to consolidate all or any of the security created by or pursuant to this Deed with any other security in existence at any time or to its power of sale, which powers may be exercised by the Security Agent without notice to any All Asset Chargor at any time after the security hereby constituted has become enforceable as herein provided.

### **16.3 Power of Leasing**

The Security Agent (acting on the instructions of the All Asset Chargors) may exercise the statutory powers of leasing at any time after the security hereby constituted has become enforceable and the Security Agent (acting on the instructions of the All Asset Chargors) and any Receiver may make any lease or agreement for lease, accept surrenders of leases and grant options on such terms as it shall think fit, in each case without the need to comply with any restrictions imposed by Sections 99 and 100 of the LPA.

## **17. APPOINTMENT OF ADMINISTRATORS AND RECEIVERS**

### **17.1 Appointment of Administrators**

After the security hereby constituted has become enforceable as herein provided, the Security Agent shall be entitled to appoint an administrator of each Chargor as contemplated by paragraph 14 of Schedule B1 to the Insolvency Act 1986, and for this purpose such Chargor shall provide to the Security Agent and to the proposed administrator all such information and opinions as it or he may require in the circumstances (having regard in particular to the requirements of paragraph 18 of such Schedule).



## 17.2 **Appointment and Removal of Receivers**

The Security Agent may, by deed or otherwise (acting through an authorised officer of the Security Agent and without prior notice to any Chargor):

- (a) appoint one or more persons to be a Receiver of the whole or any part of any Chargor's Charged Property;
- (b) remove (so far as it is lawfully able) any Receiver so appointed; and
- (c) appoint one or more other persons as an additional or replacement Receiver if the security hereby constituted has become enforceable as herein provided.

## 17.3 **Capacity of Receivers**

Each person appointed to be a Receiver with respect to any of a Chargor's Charged Property pursuant to Clause 17.2 (*Appointment and Removal of Receivers*) shall:

- (a) be entitled to act individually or together with any other person so appointed;
- (b) for all purposes be deemed to be the agent of that Chargor (who shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration), and no Receiver shall at any time be or be entitled to act as agent for the Security Agent; and
- (c) be entitled to remuneration for his services at a rate to be fixed by the Security Agent from time to time (without being limited to the maximum rate specified by the LPA).

## 17.4 **Statutory Power of Appointment**

Section 109(1) of the LPA shall not apply to this Deed.

## 18. **POWERS OF RECEIVER**

Each Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of the relevant Chargor) have and be entitled to exercise, in relation to the Charged Property in respect of which he is appointed, and as varied and extended by the provisions of this Deed (in the name of or on behalf of the relevant Chargor or in his own name and, in each case, at the cost of that Chargor):

- (a) all the powers conferred by the LPA on mortgagors and on mortgagees in possession and on receivers appointed under that Act;
- (b) all the powers of an administrative receiver set out in Schedule 2 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- (c) all the powers and rights of an absolute owner, thus having the power to do or to refrain from doing anything which the relevant Chargor itself could do or refrain from doing; and

- (d) the power to do all things (including bringing or defending proceedings in the name or on behalf of the relevant Chargor) which seem to the Receiver to be incidental or conducive to:
  - (i) any of the functions, powers, authorities or discretions conferred on or vested in him; or
  - (ii) the exercise of any of the rights, powers and remedies of the Security Agent arising hereunder or by law (including the right to realise all or any part of that Charged Property); or
  - (iii) the collection of any assets or other property forming part of that Charged Property.

## **19. APPLICATION OF ENFORCEMENT PROCEEDS**

### **19.1 Application Pursuant to Intercreditor Agreement**

Save as otherwise herein provided, all moneys received or recovered by the Security Agent by virtue of this Deed after the security hereby constituted has become enforceable shall, subject to the claims of any person having prior rights thereto (and by way of variation of the provisions of the LPA), be applied in or towards the discharge of the Secured Obligations in accordance with the provisions of the Intercreditor Agreement.

### **19.2 Security Agent's Discretions**

The Security Agent shall be entitled:

- (a) for the purpose of any application of moneys in the discharge of any of the Secured Obligations as contemplated by Clause 19.1 (*Application Pursuant to Intercreditor Agreement*), to convert funds held by it in one currency into another at its spot rate of exchange for the time being for the purchase of that other currency with the one held; and
- (b) pending any application of moneys in the discharge of any of the Secured Obligations as contemplated by Clause 19.1 (*Application Pursuant to Intercreditor Agreement*), and in its discretion, to credit such moneys (including the proceeds of any conversion effected as provided in paragraph (a) above) to an interest bearing suspense account.

## **20. PROTECTION OF PURCHASERS**

### **20.1 Consideration**

The receipt of the Security Agent or any Receiver shall constitute a good discharge to a purchaser and the Security Agent and each Receiver may sell or otherwise dispose of any of the Charged Property or make any acquisition for such consideration, in such manner and on such terms as it thinks fit.

## 20.2 **Protection of Purchasers**

A certificate of an officer or agent of the Security Agent to the effect that its power of sale has arisen and is exercisable shall be conclusive evidence of that fact in favour of a purchaser of all or any part of the Charged Property and no purchaser or other person dealing with the Security Agent or any Receiver shall be bound to inquire as to the accuracy of such certificate or be in any way concerned with the propriety or regularity on the part of the Security Agent or such Receiver in such dealings.

## 21. **FURTHER ASSURANCE**

- (a) Subject to the Agreed Security Principles (as defined in the Facilities Agreement), each Chargor shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)):
  - (i) to perfect the Security created or intended to be created under or evidenced by the this Deed (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security) or for the exercise of any rights, powers and remedies of the Security Agent or the Finance Parties provided by or pursuant to this Deed or by law; and/or
  - (ii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security.

Each Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Finance Parties by or pursuant to this Deed.

## 22. **POWER OF ATTORNEY**

### 22.1 **Appointment and Powers**

Subject to Clause 22.4 (*Exercising Power of Attorney*), each Chargor, by way of security for the performance of its obligations under this Deed, irrevocably appoints the Security Agent and any Receiver (and each delegate or subdelegate of either of them) severally to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all such deeds and documents and otherwise do all things which the attorney may consider to be necessary or desirable:

- (a) to enable the Security Agent to perform any obligation imposed on such Chargor by this Deed and where the Chargor has failed to do so within the permitted timeframe (including the execution and delivery of any deeds, assignments, conveyances, transfers, mortgages, charges, notices and instructions or other documents or instruments relating to its Charged Property); and

- (b) to enable the Security Agent and any Receiver to exercise (or to authorise someone on its behalf to exercise) any of the respective rights, powers and authorities conferred on it by or pursuant to this Deed or by law (including, after the security hereby constituted has become enforceable as herein provided, the exercise of any right of a legal or beneficial owner of the Charged Property or any part thereof), provided that, in each case, security hereby constituted has become enforceable as herein provided.

## **22.2 Ratification**

Each Chargor shall ratify and confirm all things done and all documents executed by any attorney appointed pursuant to the terms of Clause 22.1 (*Appointment and Powers*) in the exercise or purported exercise of any or all of his powers.

## **22.3 Indemnity**

Each Chargor irrevocably and unconditionally undertakes to indemnify each attorney appointed pursuant to the terms of Clause 22.1 (*Appointment and Powers*) against all actions, proceedings, claims, costs, expenses and liabilities incurred by it in connection with the exercise or purported exercise of any of the powers conferred by such Clause, save where the same arises as the result of fraud, negligence or wilful default on the part of the attorney or its officers or employees.

## **22.4 Exercising Power of Attorney**

The Security Agent shall only be permitted to exercise the power of attorney under Clause 22.1 (*Appointment and Powers*) following the occurrence of an Event of Default that is continuing or if a Chargor has failed to comply with a further assurance or perfection obligation within 10 Business Days of being requested to comply.

# **23. DISCRETION AND DELEGATION**

- 23.1 Discretion All the rights and powers of the Security Agent or any Receiver hereunder may be exercised by it in its absolute and unfettered discretion, and no exercise of any such right or power shall oblige it to provide explanations in connection therewith.

## **23.2 Delegation**

Each of the Security Agent and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Deed (including the power of attorney) on such terms and conditions as it shall see fit, but no such delegation shall preclude either the subsequent exercise of such power, authority or discretion by the Security Agent or the Receiver itself or any subsequent delegation or revocation thereof.

# **24. PRESERVATION OF RIGHTS**

## **24.1 Waiver of defences**

Each Chargor shall be liable under Clause 2 (*Covenant to Pay*) as if it were a principal debtor and not merely a surety. Neither the security constituted by this Deed nor any of the obligations of any Chargor hereunder shall be discharged, impaired or otherwise affected by

(and each Chargor hereby irrevocably waives all present and future defences that might be available to it as a result of ) any act, omission, matter or thing which, but for this Clause 24.1, would reduce, release or prejudice any of its obligations under this Deed (without limitation and whether or not known to that or any other Chargor, any Obligor or any Secured Party) including:

- (a) any time, waiver or consent, or any other indulgence or concession, in each case granted to, or composition with, any other Chargor, any Obligor or any other person;
- (b) the release of any other Chargor, any Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, holding, variation, compromise, exchange, renewal, realisation or release of any rights against, or Security over assets of, any other Chargor, any Obligor or any other person, or any refusal or failure to perfect, take up or enforce any such rights or Security (including any failure to present, or otherwise comply with, any formality or other requirement in respect of any instrument or claim, or any failure to realise the full value of any such rights or Security);
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any other Chargor, any Obligor or any other person;
- (e) any amendment, variation, novation, supplement, extension, restatement or replacement of any Debt Document or any other document or any Security, guarantee or indemnity, however fundamental and of whatever nature (and including any that may change the purpose of any facility under any Debt Document, or extend its availability or maturity, or that may introduce a new facility under any Debt Document or in some other way increase the liability of any Obligor or any other Chargor);
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Debt Document or any other document or any Security, guarantee or indemnity; or
- (g) any insolvency or similar proceedings.

## 24.2 **Chargor intent**

Without prejudice to the generality of Clause 24.1 (*Waiver of defences*), each Chargor expressly confirms that it intends that its obligations under this Deed shall:

- (a) extend from time to time to any variation, increase, extension or addition of or to any Debt Document and/or any facility or amount made available under any Debt Document 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 the payment of all fees, costs and expenses associated with any of the foregoing; and

- (b) so extend however fundamental the variation, increase, extension or addition in question may be and notwithstanding that the specific nature thereof may not have been expressly enumerated herein or in any other Debt Document.

#### **24.3 Settlements and Discharges**

Any settlement or discharge given by the Security Agent to a Chargor in respect of its obligations hereunder, and any other agreement reached between the Security Agent and a Chargor in relation thereto, shall be, and be deemed always to have been, void if any act on the faith of which the Security Agent gave that Chargor that settlement or discharge or entered into that agreement is (or is agreed to have been) avoided, cancelled or otherwise negated.

### **25. EFFECTIVENESS OF SECURITY**

#### **25.1 Continuing Security**

The security hereby constituted shall remain in full force and effect as a continuing security for the Secured Obligations until the Discharge Date and shall not be released before then by any intermediate payment or satisfaction of all or any of the Secured Obligations or for any other reason.

#### **25.2 Cumulative and Independent Rights**

The security hereby constituted and the rights, powers and remedies of the Security Agent hereunder are cumulative and shall be in addition to and independent of every other security, right, power or remedy which the Security Agent or any Secured Party may at any time have in connection with the Secured Obligations, including all rights, powers and remedies provided by law, and accordingly, the Security Agent shall not be obliged before exercising any such rights, powers or remedies:

- (a) to make any demand of, or to take any action or obtain judgment in any court against, any Obligor;
- (b) to make or file any claim or proof in a winding-up or dissolution of any Obligor; or
- (c) to enforce or seek to enforce any other security held by it in respect of any of the Secured Obligations.

#### **25.3 No Merger of Security**

No prior security held by the Security Agent (whether in its capacity as Security Agent or otherwise) or any of the other Secured Parties over the whole or any part of the Charged Property shall merge into the security constituted by this Deed.

#### **25.4 Remedies and Waivers**

No failure to exercise and no delay in exercising, on the part of the Security Agent, any right, power or remedy under this Deed or arising by law shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any further or other exercise thereof or the exercise of any other such right, power or remedy.

## 25.5 **Partial Invalidity**

If at any time any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Deed nor that of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby, and the fact that any part of the security intended to be created by or pursuant to this Deed is invalid, unenforceable or ineffective for any reason shall not affect or impair any other part of the security.

## 25.6 **Permitted Transactions**

Nothing in this Deed shall operate or be construed so as to prohibit or restrict any transaction, matter or other step (or a grantor of security taking or entering into the same) or dealing in any manner whatsoever in relation to any asset (including all rights, claims, benefits, proceeds and documentation, and contractual counterparties in relation thereto) the subject of (or expressed to be the subject of) this Deed if not prohibited by the terms of the Debt Documents (and accordingly to such extent, the Security Agent shall promptly effect releases, confirmations, consents to deal or similar steps always at the cost of the relevant grantor of the security).

## 26. **SUBSEQUENT SECURITY INTERESTS**

If at any time the Security Agent (whether acting in its capacity as Security Agent or otherwise) receives notice of any subsequent Security Interest affecting all or any part of the Charged Property or any assignment, transfer or other disposal of any of the Charged Property which is prohibited by the terms of this Deed, the Facilities Agreement or any other Debt Document, all payments thereafter made by or on behalf of each Obligor to the Security Agent (whether in its capacity as Security Agent or otherwise) or any of the other Secured Parties shall be treated as having been credited to a new account of that Obligor as at the time when the Security Agent received such notice and not as having been applied in reduction of the Secured Obligations.

## 27. **SUCCESSORS AND ASSIGNEES**

### 27.1 **Successors**

This Deed shall remain in effect despite any amalgamation or merger (however effected) relating to the Security Agent and references to the Security Agent shall be construed to include its successors and assigns and any person who, under the laws of its jurisdiction of incorporation or domicile, has assumed the rights and obligations of the Security Agent hereunder (or to whom, under such laws, the same have been transferred).

### 27.2 **Assignees**

The Security Agent may assign all or any of its rights under this Deed subject to the terms of the Intercreditor Agreement.

### 27.3 **Disclosure of Information**

The Security Agent shall be entitled to disclose such information concerning each Chargor and this Deed as the Security Agent considers appropriate to any actual or proposed direct

or indirect successor or to any person to whom information may be required to be disclosed by any applicable law.

## **28. DISCHARGE OF SECURITY**

Upon the discharge in full of the Secured Obligations, and so long as none of the Secured Parties has any further actual or contingent obligations under the Debt Documents, the Security Agent will, at the request and cost of the Chargors, but without recourse or warranty, discharge the security constituted by this Deed and return to each Chargor all certificates and other documents of title to its Charged Property, together with such instruments of transfer in respect thereof as may be necessary in the circumstances, duly executed in favour of such Chargor.

## **29. COUNTERPARTS**

This Deed may be executed in counterparts, all of which when taken together shall constitute a single deed.

## **30. GOVERNING LAW**

This Deed and all non-contractual obligations arising out of or in connection with it shall be governed by English law.

## **31. ENFORCEMENT**

### **31.1 Jurisdiction of English Courts**

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to its existence, validity or termination or any non-contractual obligation arising out of or in connection with it) (a "**Dispute**").
- (b) The parties hereto agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly none of them will argue to the contrary.
- (c) Each Chargor agrees not to institute proceedings in relation to a Dispute or seeking any interim remedies before any court other than the courts of England.

**THIS SECURITY AGREEMENT** has been executed and delivered as a deed by each Chargor and executed by the Security Agent, in each case on the date specified above.



## **Schedule 1**

### **CHARGORS**

Balta Industries NV

Alliance Flooring Distribution Limited

Distinctive Flooring Limited

G-Tuft Limited

Balta Floorcovering UK Limited

**Schedule 2****ACCOUNTS BANK****Alliance Flooring Distribution Limited**

<b>Bank</b>	<b>Sort Code</b>	<b>Account Holder</b>	<b>Account Number</b>
Barclays Kidderminster, 66 Oxford Street, Kidderminster, DY10 1BL		Alliance Flooring Distribution Limited	 SwiftBIC:  IBAN:

**Distinctive Flooring Limited**

<b>Bank</b>	<b>Sort Code</b>	<b>Account Holder</b>	<b>Account Name</b>	<b>Account Number</b>
Barclays Kidderminster, 66 Oxford Street, Kidderminster, DY10 1BL		Distinctive Flooring Limited	GBP A/C	
Barclays Kidderminster, 66 Oxford Street, Kidderminster, DY10 1BL		Distinctive Flooring Limited	EUR A/C	
Barclays Kidderminster, 66 Oxford Street, Kidderminster, DY10 1BL		Distinctive Flooring Limited	USD A/C	

**G-Tuft Limited**

<b>Bank</b>	<b>Sort Code</b>	<b>Account Holder</b>	<b>Account Name</b>	<b>Account Number</b>
HSBC Bank PLC, Market Place, Dewsbury, WF13 1DH		G-Tuft Limited	G Tuft Ltd	

**Balta Floorcovering UK Limited**

<b>Bank</b>	<b>Sort Code</b>	<b>Account Holder</b>	<b>Account Name</b>	<b>Account Number</b>
KBC NV London, 111 Old Broad St, London EC2N 1BR		Balta Floorcovering UK Limited	Balta Floorcovering UK Limited	
KBC NV London, London, 111 Old Broad St, London EC2N 1BR		Balta Floorcovering UK Limited	Balta Floorcovering UK Limited	

### Schedule 3

#### INTELLECTUAL PROPERTY

##### Registered Trade and Service Marks and Applications Therefor

<b>Territory</b>	<b>Class</b>	<b>Mark</b>	<b>Registered owner</b>	<b>Number</b>
EU	Classes 23, 27 and 37	AQUA PRO-TEC (figurative mark)	Distinctive Flooring Ltd and Abingdon Flooring Limited as joint Applicants	013228648
UK	Classes 23, 27 and 37	AQUA PRO-TEC (figurative mark)	Distinctive Flooring Ltd and Abingdon Flooring Limited as joint Applicants	UK00003071188
UK	Classes 23, 27 and 37	AQUA PRO-TEC (figurative mark) Colour Claimed: Blue "(PANTONE:PMS 7690)".	Distinctive Flooring Ltd and Abingdon Flooring Limited as joint Applicants	UK00913228648

## Schedule 4

### FORMS OF NOTICE OF ASSIGNMENT AND CHARGE

#### Part A

#### Form of Notice of Account Charge

To: [Account Bank]

Date: [●]

Dear Sirs We hereby give you notice that, pursuant to a security agreement dated [●] 20[●], [●] (the "**Chargor**") charged to [●] (the "**Security Agent**") (as trustee for the persons referred to therein) all of its right, title and interest in and to the account which it maintains with you numbered [●] and entitled [●] (the "**Account**") and all rights relating thereto, including the right to receive all present and future interest and other moneys and proceeds attributable thereto.

We hereby further give you notice that:

- (d) unless the Security Agent gives you written instructions to the contrary, you may continue dealing with the Chargor in connection with the Account and sums from time to time standing to the credit thereof without reference to the Security Agent;
- (e) you are authorised (and are hereby requested) to provide to the Security Agent, without further approval from the Chargor, such information regarding the Account and matters relating to it as the Security Agent may from time to time in writing request; and
- (f) this notice and your acknowledgement hereof may only be changed if the Security Agent so agrees in writing.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy hereof and returning it to the Security Agent at [address] marked for the attention of [insert appropriate details],

Yours faithfully

.....  
for and on behalf of [Chargor]

.....  
for and on behalf of [Security Agent]

[On copy]

To: [Security Agent]

We acknowledge receipt of the foregoing notice of charge (the terms defined in which have the same meanings below) and confirm that:

- (a) no fees or periodic charges are payable in respect of the Account and there are no restrictions on the payment of sums from time to time standing to the credit thereof

(except, in the case of a sum representing a time deposit, the expiry of the relevant deposit period);

- (b) we have not received notice of any other charge in respect of the Chargor's interest in the Account (or of any assignment thereof) or of the creation of any other interest therein and will not, without the Security Agent's prior written consent:
  - (i) exercise any right to combine accounts or any right of set-off or lien (or any similar right) in relation to the Account or any sum standing to the credit thereof otherwise than by netting credit and debit balances pursuant to current account netting arrangements previously approved in writing by the Security Agent; or
  - (ii) amend or vary any rights attaching to the Account;
- (c) we have not claimed or exercised, and do not have outstanding any right to claim or exercise, any right of set-off or counter-claim, or any other right, in relation to any sum standing to the credit of the Account;
- (d) unless the Security Agent directs us in writing to act only on its instructions in connection with the Account (in which case we will only so act), we will continue to act on instructions from the Chargor in connection with the Account; and
- (e) we will send the Security Agent copies of all statements relating to the Account as well as all notices that we may give in connection with the Account, and provide to the Security Agent such other information regarding the Account and matters relating to it as the Security Agent may from time to time in writing request.

.....

for and on behalf of  
[Account Bank]  
Date:

**Part B**  
**Form of Notice of Assignment of Insurance**

To: [Insurer]

Date: [●]

Dear Sirs We hereby give you notice that, pursuant to a security agreement dated [●] 20[●], [●] (the "**Chargor**") assigned to [●] (the "**Security Agent**") (as trustee for the persons referred to therein) all of its right, title and interest in and to each policy of insurance in which the Chargor has, or may from time to time hereafter have, an interest (including, in particular, *[insert details of relevant insurance policy]* (the "**Policy**")) and all present and future claims, proceeds and other moneys paid or payable thereunder.

We hereby further give you notice that:

- (f) all payments and claims under or arising from the Policy may be made to the Chargor unless you receive written notice from the Security Agent to the contrary, in which case all such payments and claims must be made to the Security Agent by transfer to such account as it may from time to time direct in writing;
- (g) you may continue to deal with the Chargor in relation to the Policy unless you receive written notice from the Security Agent to the contrary, in which case your subsequent dealings in relation to the Policy must be with the Security Agent to the exclusion of the Chargor;
- (h) you are authorised (and are hereby requested) to disclose to the Security Agent, without further approval from the Chargor, such information regarding the Policy and matters relating to it as the Security Agent may from time to time in writing request; and
- (i) this notice and your acknowledgement hereof may only be changed if the Security Agent so agrees in writing.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy hereof and returning it to the Security Agent at [address] marked for the attention of *[insert appropriate details]*,

Yours faithfully

.....  
for and on behalf of *[Chargor]*

.....  
for and on behalf of *[Security Agent]*

[On copy]

To: [Security Agent]

We acknowledge receipt of the foregoing notice of assignment (the terms defined in which have the same meanings below) and confirm that:

- (a) we have not received notice of any other assignment of the Chargor's interest in the Policy (or of any charge thereof) or of the creation of any other interest therein;
- (b) if so directed in writing by the Security Agent, we will make all payments and claims thereunder or attributable thereto) to the Security Agent by transfer to such account as it may from time to time direct in writing;
- (c) we will note the interest of the Security Agent on the Policy;
- (d) we will not cancel the Policy, or agree to its amendment, without giving the Security Agent at least fourteen 14 days' written notice of our intention to cancel or amend it;
- (e) we will, at least 14 days before the Policy is due to expire, give written notice to the Security Agent if we are not by then in receipt of the Chargor's renewal instructions in relation thereto;
- (f) we have not claimed or exercised, and have no outstanding right to claim or exercise, any right of set-off or counter-claim, or other right, in relation any sums paid or payable under the Policy; and
- (g) we will send the Security Agent copies of all notices which we may give from time to time under or in connection with the Policy and provide to the Security Agent such information regarding the Policy and matters relating to it as the Security Agent may from time to time in writing request.

.....  
for and on behalf of

*[Insurer]*

Date:



**Part C**  
**Form of Notice of Assignment in relation to certain Investments**

To: [Counterparty]

Date: [●]

Dear Sirs We hereby give you notice that, pursuant to a security agreement dated [●] 20[●], [●] (the "**Chargor**") assigned to [●] (the "**Security Agent**") (as trustee for the persons referred to therein (the "**Secured Parties**")) all of its right, title and interest in and to *[insert details of relevant agreement]* (the "**Agreement**") and each investment or other account established pursuant thereto (each an "**Account**"), as well as all present and future rights and benefits thereof and all moneys and proceeds paid or payable thereunder including, in particular, such as are attributable to any securities (or the sale or other disposal of any securities) from time to time credited to any Account.

We hereby further give you notice that:

- (a) unless the Security Agent gives you written instructions to the contrary (in which case you shall thereafter act only as directed by the Security Agent, and subject as mentioned in paragraph (b) below), you may continue dealing with the Chargor in relation to the Agreement and each Account (and accordingly acquire and dispose of securities as the Chargor may direct) without reference to the Security Agent (although the Agreement may not be amended without the prior written consent of the Security Agent);
- (b) no payments may be made by you to the Chargor under or in connection with the Agreement otherwise than by credit to an Account except with the prior written consent of the Security Agent;
- (c) you are authorised (and are hereby requested) to provide to the Security Agent, without further approval from the Chargor, such information regarding the Agreement and matters relating to it and to each Account as the Security Agent may from time to time in writing request; and
- (d) this notice and your acknowledgement hereof may only be changed if the Security Agent so agrees in writing.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy hereof and returning it to the Security Agent at *[address]* marked for the attention of *[insert appropriate details]*.

Yours faithfully

.....  
for and on behalf of  
*[Chargor]*

.....  
for and on behalf of  
*[Security Agent]*

\* \* \*

[On copy]

To: [Security Agent]

We acknowledge receipt of the foregoing notice of assignment (the terms defined in which have the same meanings below) and confirm that:

- (a) we have not received notice of any other assignment in respect of the Chargor's interest in the Agreement or any Account (or of any charge thereof) or of the creation of any other interest therein and will not, without the Security Agent's prior written consent, exercise any right to combine accounts or any right of set-off or lien (or any similar right) in relation to any Account or any sum standing to the credit thereof otherwise than by netting credit and debit balances on different Accounts pursuant to the terms of the Agreement;
- (b) we will not make any payments under or in connection with the Agreement otherwise than by credit to an Account except with the prior written consent of the Security Agent;
- (c) we will not agree to any amendment of the Agreement (and will not exercise any termination right we may have in relation thereto) unless the Security Agent has consented thereto in writing;
- (d) we have no right to object to the assignment by the Chargor of its interest in the Agreement or any Account to the Security Agent or to the Security Agent further assigning the same to any third party;
- (e) we have not claimed or exercised, and have no outstanding right to claim or exercise, any right of set-off or counter-claim, or any other right, in relation to any sum owed to us under the Agreement or standing to the credit of any Account;
- (f) we will send the Security Agent copies of all notices that we give under or in connection with the Agreement or any Account and provide to the Security Agent such information regarding the Agreement and matters relating to it and to each Account as it may from time to time in writing request; and
- (g) we will look only to the Chargor for performance of its obligations under the Agreement (and acknowledge and agree that neither the Security Agent nor any of the other Secured Parties will be liable to perform any such obligation or have any liability for any failure on the part of the Chargor in connection therewith).

.....  
for and on behalf of

[Counterparty]

Date:

**Part D**  
**Form of Notice of Assignment of Book and Other Debts**

To: [Debtor]

Date: [●]

Dear Sirs We hereby give you notice that, pursuant to a security agreement dated [●] 20[●], [●] (the "**Chargor**") assigned to [●] (the "**Security Agent**") (as trustee for the persons referred to therein) all of its right, title and interest in and to *[insert details of relevant monetary claim or claims]* ([the "**Debt**"] / [each a "**Debt**"]).

We hereby further give you notice that:

- (a) all payments and claims under or arising from the Debt may be made to the Chargor unless you receive written notice from the Security Agent to the contrary, in which case all such payments and claims must be made to the Security Agent by transfer to such account as it may from time to time direct in writing;
- (b) you may continue to deal with the Chargor in relation to the Debt unless you receive written notice from the Security Agent to the contrary, in which case your subsequent dealings in relation to the Debt must be with the Security Agent to the exclusion of the Chargor;
- (c) you are authorised (and are hereby requested) to provide to the Security Agent, without further approval from the Chargor, such information regarding [the/each] Debt and matters relating to it as the Security Agent may from time to time in writing request; and
- (d) this notice and your acknowledgement hereof may only be changed if the Security Agent so agrees in writing.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy hereof and returning it to the Security Agent at [address] marked for the attention of *[insert appropriate details]*.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy hereof and returning it to the Security Agent at [address] marked for the attention of *[insert appropriate details]*,  
Yours faithfully

.....  
for and on behalf of  
[Chargor]

.....  
for and on behalf of  
[Security Agent]

\* \* \*

[On copy]

To: [Security Agent]

We acknowledge receipt of the foregoing notice of assignment (the defined terms in which have the same meanings below) and confirm that:

- (a) we agree to act in accordance with the provisions of the notice;
- (b) we have not received notice of any other assignment of the Chargor's interest in [any/the] Debt (or of any charge thereof) or of the creation of any other interest therein; and
- (c) we have not claimed or exercised, and have no outstanding right to claim or exercise, any right of set-off or counter-claim, or any other right, in relation to [any/the] Debt.

.....

for and on behalf of

*[Debtor]*

Date:

**Schedule 5**

**REAL PROPERTY**

<b>County and District/ London Borough</b>	<b>Description of Property</b>	<b>Title Number</b>
--	--------------------------------	---------------------

**Schedule 6****SHARES**

<b>Chargor</b>	<b>Number of Shares</b>	<b>Description of Shares</b>	<b>Company Name</b>	<b>Company Number</b>
Balta Industries NV	5000	Ordinary Share of £1	Balta Floorcovering UK Limited	11978782

Executed as a deed by  
VICTORIA PLC as Parent  
acting by

MICHAEL SCOTT

(Print name)

Director

in the presence of:

Name:

LUKE BAXTER

(block capitals)

(Signature of witness)

Address:

Occupation:

Accountant

[Signature page to the Debenture]

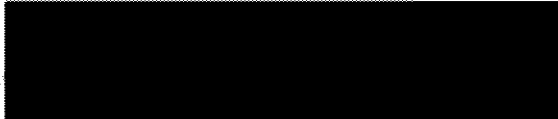
Executed as a deed by  
**BALTA INDUSTRIES NV**  
acting by

PHILIPPE HANERS  
(Print name)



in the presence of:

Name: LAURENCE DUYM  
(block capitals)



Address:



Occupation:

Right counsel

[Signature page to the Debenture]



Executed as a deed by  
**ALLIANCE FLOORING DISTRIBUTION LIMITED**  
acting by

MICHAEL SCOTT

(Print name)

Director

in the presence of:

Name:

LUKE BAXTER

(block capitals)

(Signature of witness)

Address:

Occupation:

Accountant

[Signature page to the Debenture]

Executed as a deed by  
**DISTINCTIVE FLOORING LIMITED**  
acting by

MICHAEL SCOTT

(Print name)

Director

in the presence of:

Name:

LUKE BAXTER

(block capitals)

(Signature of witness)

Address:

Occupation:

Accountant

[Signature page to the Debenture]

Executed as a deed by  
**G-TUFT LIMITED**  
acting by

MICHAEL SCOTT

(Print name)

Director

in the presence of:

Name:

LUKE BAXTER

(block capitals)

(Signature of witness)

Address:

Occupation:

Accountant

[Signature page to the Debenture]

Executed as a deed by  
**BALTA FLOORCOVERING UK LIMITED**  
acting by

*PHILIPPE HAMERS*  
(Print name)

in the presence of:

Name: *LAWRENCE DUYH*  
(block capitals)

Address:

Occupation:

*Legal counsel*

[Signature page to the Debenture]

**The Security Agent**

National Westminster Bank Plc

By:.....



Jennifer Peters