



Registration of a Charge

Company name: **PROJECT AQUA BIDCO LIMITED**

Company number: **08693650**

Received for Electronic Filing: **07/03/2017**



X61QKHTF

Details of Charge

Date of creation: **22/02/2017**

Charge code: **0869 3650 0004**

Persons entitled: **INVESTEC BANK PLC (AS SECURITY AGENT)**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **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:

REED SMITH LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8693650

Charge code: 0869 3650 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 22nd February 2017 and created by PROJECT AQUA BIDCO LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 7th March 2017 .

Given at Companies House, Cardiff on 8th March 2017

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

Certified as a true copy of the
original instrument other than material
redacted pursuant to s.859G of the
Companies Act 2006

Reed Smith LLP
Reed Smith LLP
Date 27 February 2017

Execution Version

Dated 22 February 2017

Guarantee and Debenture

Investec Bank plc (1)
and
The companies listed in Schedule 1 (2)

ReedSmith

Reed Smith LLP
The Broadgate Tower
20 Primrose Street
London EC2A 2RS
Phone +44 (0)20 3116 3000
Fax +44 (0)20 3116 3999
DX1066 City / DX18 London
reedsmith.com

CONTENTS

1	INTERPRETATION.....	1
2	COVENANT TO PAY.....	6
3	CHARGING PROVISIONS	6
4	UNDERTAKINGS, REPRESENTATIONS AND WARRANTIES.....	8
5	GUARANTEE AND INDEMNITY	14
6	FURTHER ASSURANCE AND POWER OF ATTORNEY	16
7	CONSEQUENCES OF AN ENFORCEMENT EVENT	17
8	POWER OF POSSESSION AND SALE	17
9	APPOINTMENT OF RECEIVER OR ADMINISTRATOR AND THEIR POWERS.....	18
10	VARIATIONS TO STATUTORY PROVISIONS	19
11	APPLICATION OF MONIES	20
12	PROTECTION OF THIRD PARTIES	20
13	CONTINUING AND ADDITIONAL SECURITY	21
14	EXPENSES AND INDEMNITIES.....	21
15	PAYMENTS, DISCHARGE AND SET-OFF	22
16	SERVICE OF NOTICES AND PROCESS	23
17	TRANSFERS AND DISCLOSURES.....	24
18	MISCELLANEOUS	24
19	LAW AND JURISDICTION.....	25
	SCHEDULE 1 ORIGINAL CHARGORS	27
	SCHEDULE 2 REAL PROPERTY	28
	SCHEDULE 3 PLANT AND MACHINERY	29
	SCHEDULE 4 SECURITIES	30
	SCHEDULE 5 INSURANCES	31
	SCHEDULE 6 NOTICE OF ASSIGNMENT OF INSURANCES AND FORM OF ACKNOWLEDGEMENT AND ENDORSEMENT	32
	SCHEDULE 7 FORM OF GUARANTEE & DEBENTURE ACCESSION DEED.....	35

DATE OF GUARANTEE AND DEBENTURE

22 February

2017

PARTIES

- (1) INVESTEC BANK PLC (Company Number 489604) whose registered office is at 2 Gresham Street, London EC2V 7QP, United Kingdom as Security Agent for the Secured Parties (the "Security Agent"); and
- (2) THE COMPANIES whose respective names, registered numbers and registered offices are set out in Schedule 1 (the "Original Chargors").

THIS DEED WITNESSES THAT:

1 INTERPRETATION

1.1 Definitions

In this Deed, including the Schedules, the following words and expressions have the following meanings:

Administrator: an administrator appointed under this Deed.

Agent: has the meaning set out in the Facility Agreement.

Associated Rights: in relation to any Chargor which is a Receivables Client, all Returned Goods and all proceeds of sale thereof and in relation to any Receivable or Returned Goods, all of the following:

- (a) all the rights by law of such Chargor as an unpaid vendor or under the Contract of Sale (but without any obligation on the Security Agent to complete or perform the Contract of Sale) including, without limitation, such Chargor's rights to receive or be paid interest on any unpaid Receivable, whether such interest is statutory interest or arises under any express or implied contractual term;
- (b) all evidence of the Contract of Sale, its performance or any disputes arising;
- (c) all documents of title to Goods, warehouse keepers' receipts, bills of lading, shipping documents, airway bills or similar documents;
- (d) the benefit of all Insurances and all rights and powers under insurance policies including any Insurances;
- (e) all Remittances, securities, Encumbrances, bonds, guarantees and indemnities; and
- (f) all accounting records relating to the Receivable.

Charged Assets: in relation to each Chargor, all its assets, rights and property (including its undertaking and revenues) the subject of any security created by, or pursuant to, this Deed and the proceeds of the disposal of the same.

Chargor: each Original Chargor and any other company which becomes a party to this Deed pursuant to a Supplemental Deed.

Client: each Client (as defined in the Facility Agreement) and any other company which becomes a party to the Facility Agreement as a Client.

Collateral: in relation to any person, all property and assets, whether real or personal, tangible or intangible in which that person may at any time have any right, title or interest.

Common Terms and Definitions: the common terms and definitions set out in the document entitled or otherwise referred to as the Common Terms and Definitions.

Contract of Sale: a contract in any form, including a purchase order, between a Client and a Debtor for the sale or hire of Goods or the provision of services or work done and materials supplied.

Debtor: a person who incurs or may incur any indebtedness under a present or future Contract of Sale.

Enforcement Event: the occurrence of a Termination Event.

Expenses: any of the following:

- (a) all banking, legal and other costs, charges, expenses and/or liabilities (including VAT thereon) paid or, if earlier, incurred, by or on behalf of the Security Agent or any Administrator or Receiver, as the case may be, (in each case on a full indemnity basis):
 - (i) in relation to the Charged Assets;
 - (ii) in protecting, preserving, enforcing or exercising (or considering, or attempting, any of the foregoing) any rights under or pursuant to any of the Financing Documents;
 - (iii) in procuring the payment, performance or discharge of the Secured Obligations; or
 - (iv) in stamping, perfecting or registering any of the Financing Documents (or any Encumbrance or assignment created or purported to be created pursuant thereto); and
- (b) all other expenses and liabilities of the Security Agent or any Administrator or Receiver (as the case may be) paid or incurred from time to time in relation to the exercise of any of their respective rights or powers referred to or contained in any of the Financing Documents.

Facility Agreement: the agreement entered into between, among others, the Agent and one or more Clients (as defined therein) dated on or around the date of this Deed which is entitled or otherwise referred to as the "Facility Agreement" and which incorporates the Common Terms and Definitions and, as appropriate, the Receivables Finance Terms and the Loan Terms.

Fire Claim Proceeds: the proceeds of insurance received or to be received by a member of the Group following the fire at Cross Green on 7 October 2016.

Goods: any merchandise, or where the context admits, any services, in each case the subject of a Contract of Sale.

Insurances: In relation to each Chargor, the policies of insurance in which it is interested details of which are set out in Schedule 5, and any other policies of insurance in which such Chargor may now or hereafter have an interest (to the extent that such policy is not prohibited by its terms from being charged and/or assigned under this Deed) and "Insurance" shall mean each one of the Insurances.

Intellectual Property: in relation to each Chargor, all patents (including applications for and rights to apply for patents), trademarks and service marks (whether registered or not) and applications for the same, trade names, registered designs, design rights, semi-conductor topography rights, database rights, copyrights, computer programs, know-how and trade secrets and all other intellectual or intangible property or rights and all licences, agreements and ancillary and connected rights relating to intellectual and intangible property including any renewals, revivals or extensions thereof and wherever in the world subsisting.

Loan Terms: the loan terms set out in the document entitled or otherwise referred to as the Loan Terms.

Non-Vesting Receivable: in relation to a Chargor which is a Receivables Client, any Receivable which either fails to vest absolutely or effectively in the Security Agent under the Facility Agreement for any reason, including where the assignment of that Receivable to the Security Agent is void or voidable (whether as between the Security Agent and such Chargor or as between the Agent and any third party).

Obligor: each Chargor, each Client and any other person which has entered into any agreement or instrument evidencing or creating an Encumbrance, guarantee or other assurance against loss in respect of the obligations of any such Chargor, Client or other such person to the Secured Parties.

Other Receivables: in relation to each Chargor:

- (a) all present and future book and other Receivables due or owing to such Chargor, the proceeds of the same and all other moneys due and owing to such Chargor or which may become due and owing to it in the future;
- (b) all moneys (including accrued and accruing interest) from time to time standing to the credit of each present and future account of such Chargor with any bank, financial institution or other person and the Receivables represented thereby;
- (c) all present and future sums due or owing by way of grant, subsidy or refund by any person, body, authority or institution;
- (d) the benefit of all rights, securities, Encumbrances, guarantees and other assurances against loss, indemnities of any nature whatsoever now or at any time enjoyed or held by it in relation to any of the Receivables, proceeds, moneys or sums referred to in any of paragraphs (a), (b) or (c) above; and
- (e) any Receivable which is not prohibited under its terms or by law to be charged under this Deed,

but excluding, in the case of a Chargor whilst it is a Receivables Client:

- (a) Non-Vesting Receivables; and

- (b) any Receivables whilst they remain vested in, or held on trust for, the Agent under the Facility Agreement.

Plant and Machinery: in relation to each Chargor, all now owned and hereafter acquired plant, machinery and other equipment (including the plant and machinery specified in Schedule 3) and other tangible personal property (except Inventory) wherever located and all spare parts, replacements, modifications and additions for or to the same and any manuals, logbooks or registration documents relating thereto.

Real Property: in relation to each Chargor, all freehold and leasehold properties and other real property both present and future (including the property or properties specified in Schedule 2 and set opposite its name), including all buildings and other structures from time to time erected thereon and all fixtures (trade or otherwise) from time to time thereon or therein.

Receivable: any obligation (present, future or contingent) of a Debtor to make payment under a Contract of Sale, including:

- (a) the future right to recover sums due following the determination, assessment or agreement of the amount of the obligation;
- (b) VAT; and
- (c) all duties and charges,

together with its Associated Rights and, where the context allows, a part of such obligation or its Associated Rights.

Receivables Client: each Client and any other company which becomes a party to the Facility Agreement as a Client which Notifies Receivables to the Agent.

Receivables Finance Terms: the receivables finance terms set out in the document entitled or otherwise referred to as the Receivables Finance Terms.

Receiver: a receiver appointed under this Deed.

Remittances: in relation to any Chargor which is a Client, all cash, cheques, bills of exchange, negotiable and non-negotiable instruments, letters of credit, electronic payments, BACS payments, CHAPS payments and any other form or instrument of payment received by the Agent, such Chargor or its agents towards discharge of a Receivable.

Returned Goods: in relation to any Chargor which is a Client, any Goods relating to or purporting to comply with a Contract of Sale which any Debtor will for any reason:

- (a) reject or give notice of rejection; or
- (b) return or attempt to or wish to return to such Chargor or the Agent,

or which such Chargor or the Agent recovers from a Debtor.

Secured Party: has the meaning given in the Common Terms and Definitions.

Secured Obligations: all present and future obligations and liabilities (whether actual or contingent, whether owed jointly or severally, as principal or as surety or in any capacity whatsoever) of each of the Obligor to the Secured Parties on any account whatsoever and

howsoever arising (including, without limitation, under the Financing Documents) together with all Expenses.

Securities: in relation to each Chargor, all its stocks, shares, bonds and securities of any kind whatsoever (including warrants and options to acquire or subscribe any of the same) whether marketable or otherwise (including those details which appear in Schedule 4) and all interests (including but not limited to loan capital) in any person, including all allotments, rights, benefits and advantages whatsoever at any time accruing, offered or arising in respect of or incidental to the same and all money or property accruing or offered at any time by way of conversion, redemption, bonus, preference, option, dividend, distribution, interest, or otherwise in respect thereof.

Supplemental Deed: a deed supplemental to this Deed substantially in the form appearing at Schedule 7 executed by a company in form and substance satisfactory to the Security Agent (acting reasonably) by virtue of which that company becomes bound by this Deed in the capacity of a Chargor.

Trustee Act: the Trustee Act 1925 as amended by the Trustee Investment Act 1961 and the Trustee Act 2000.

1.2 Interpretation

- (a) Words and phrases which are not defined or construed in this Deed but which are defined or construed in the Facility Agreement or the Common Terms and Definitions or in the Law of Property Act 1925 or the Insolvency Act 1986 shall be construed as having the meanings ascribed to them therein.
- (b) In construing this Deed, general words introduced by the word "other" shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things and general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words. In addition, the words "any of" shall be construed as a reference to any one or more (including all) of the rights, assets, liabilities or other things referred to.
- (c) The security constituted by, and the rights of the Security Agent under, this Deed shall be enforceable notwithstanding any change in the constitution of the Security Agent or its absorption in or amalgamation with any other person or the acquisition of all or part of its undertaking by any other person.
- (d) The headings in this Deed are inserted for convenience only and shall not affect its construction or interpretation and references to a Clause or Schedule are (unless otherwise stated) to a Clause in, or a Schedule to, this Deed.
- (e) Any reference in this Deed to "this Deed" or to any other agreement or document shall, unless the context otherwise requires, be construed as a reference to this Deed or to such other agreement or document as the same may from time to time be amended, varied, supplemented, novated or replaced and shall include any document which is supplemental to, is expressed to be collateral with, or is entered into pursuant to or in connection with, the terms of this Deed or of such other agreement or document.
- (f) Any reference in this Deed to a person being "controlled" by another means that that other (whether directly or indirectly and whether by the ownership of

share capital, the possession of voting power, contract or otherwise) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that person or otherwise controls or has the power to control the affairs and policies of that person and "control" shall be construed accordingly.

- (g) The illegality, invalidity or unenforceability of any provision of this Deed under the law of any jurisdiction shall not affect its validity or enforceability under the law of any other jurisdiction or the legality, validity or enforceability of any other provision of this Deed.
- (h) Save where the context otherwise requires, the plural of any term includes the singular and vice versa.
- (i) Any reference in this Deed to any statute or statutory provision shall, unless the context otherwise requires, be construed as a reference to such statute or statutory provision as in force at the date of this Deed and as subsequently re-enacted or consolidated and shall also include all instruments, orders and regulations for the time being made thereunder or deriving validity therefrom.
- (j) In this Deed the expressions "Client", "Chargor", "Obligor", "Agent" or "Security Agent" shall, unless the context otherwise requires, include their respective assignees, transferees or successors in title, whether immediate or derivative in relation to their respective interests.
- (k) Notwithstanding any term of this Deed nothing permitted under the Facility Agreement, the Loan Terms, the Receivables Finance Terms or the Common Terms and Definitions shall be prohibited by this Deed.

2 COVENANT TO PAY

Each Chargor hereby jointly and severally agrees that it will pay, perform and discharge to the Security Agent all the Secured Obligations on their due date in accordance with the terms of the relevant Financing Document.

3 CHARGING PROVISIONS

- 3.1 Each Chargor, as continuing security for the payment, discharge and performance of all the Secured Obligations in relation to all of the following assets whether now or in future belonging to that Chargor hereby, in each case with full title guarantee;

- (a) **Fixed charges:** charges to the Security Agent by way of separate fixed charges:
 - (i) by way of legal mortgage each property specified in Schedule 2 which is set opposite its name;
 - (ii) by way of equitable mortgage its Real Property, other than the property or properties specified in Schedule 2;
 - (iii) all of its Plant and Machinery listed in Schedule 3 and the benefit of all of its rights and claims against any person in respect of the design, construction, repair or replacement of the same;

- (iv) all of its Plant and Machinery other than that listed in Schedule 3 and the benefit of all of its rights and claims against any person in respect of the design, construction, repair or replacement of the same;
 - (v) all of its goodwill, unpaid and/or uncalled capital;
 - (vi) all of its Intellectual Property;
 - (vii) all of its Securities;
 - (viii) all loan capital, indebtedness or liabilities on any account or in any manner owing to it from any member of the Group;
 - (ix) all amounts realised by an administrator or liquidator of that Chargor upon enforcement or execution of any order of the court under Part VI of the Insolvency Act 1986;
 - (x) all of its documents of title which at any time and for any purpose have been or may be deposited with the Security Agent and the property mentioned in such documents;
 - (xi) all of its Non-Vesting Receivables to the extent not effectively assigned by way of security under Clause 3.1(c);
 - (xii) all Associated Rights pertaining to its Non-Vesting Receivables;
 - (xiii) all of its Other Receivables;
 - (xiv) all Associated Rights pertaining to its Other Receivables;
 - (xv) all monies in the accounts specified in Clause 4.2(a) and in any other account in the name of that Chargor under the control of or operated in accordance with the directions of the Security Agent.
- (b) **Floating charge:** charges to the Security Agent by way of a floating charge:
- (i) all of its undertaking, property, rights and assets whatsoever and wheresoever, both present and future (including to the extent that any of such undertaking, property, rights and assets are not effectively charged from time to time by any of the above fixed charges or assigned by way of security under Clause 3.1(c));
 - (ii) whether or not otherwise mortgaged, charged or assigned, all of its undertaking and assets of whatever type (both present and future) located in Scotland or otherwise governed by the laws of Scotland;
- (c) **Assignments by way of security:** assigns and agrees to assign by way of security to the Security Agent all its rights, title and interest in and to:
- (i) the benefits arising under the Insurances;
 - (ii) the Non-Vesting Receivables; and

- (iii) any contracts relating to or benefitting any of the Charged Assets (to the extent that such contract is not prohibited by its terms from being charged and/or assigned under this Deed).

3.2 Conversion of floating charge to a fixed charge

The Security Agent may at any time after an Enforcement Event has occurred give written notice to a Chargor immediately converting (in whole or in part) the floating charge contained in Clause 3.1(b) into a fixed charge in respect of that Chargor.

3.3 Automatic crystallisation

The floating charge created by a Chargor pursuant to Clause 3.1(b) of this Deed will, unless otherwise agreed by the Security Agent in writing and in addition to any circumstances in which the same will occur under general law, automatically and without notice be converted into a fixed charge:

- (a) upon the appointment of a Receiver or an Administrator;
- (b) upon the directors or members of any Chargor resolving to apply for an administration order to be made in relation to it or upon the presentation of a petition for an administration order to be made in relation to any Chargor;
- (c) upon a distress, attachment, execution, diligence under Scots law or other legal process is levied, enforced or sued out on or against all or any part of the assets of a Chargor but conversion will only take place in respect of the relevant Charged Assets; or
- (d) if any other floating charge created by that Chargor crystallises for any reason.

3.4 Qualifying Floating Charge

The floating charge created by this Deed is a qualifying floating charge for the purpose of paragraph 14 of schedule B1 to the Insolvency Act 1986.

3.5 Further advances

This Deed secures both present and further advances. The Security Agent covenants to make available advances and further advances to the extent (and on the terms) provided for in any agreement from time to time giving rise to the Secured Obligations.

4 UNDERTAKINGS, REPRESENTATIONS AND WARRANTIES

4.1 General Undertakings

Each Chargor agrees that, whilst this security exists:

- (a) **No disposals:** without the prior written consent of the Security Agent it will not sell, transfer, assign, lease out, license, lend or otherwise dispose of the whole or any part of its Charged Assets or any interest therein (or agree to do so) save as permitted under the Facility Agreement, the Loan Terms, the Receivables Finance Terms or the Common Terms and Definitions;

- (b) **Enquiries:** It will (and will procure that each member of the Group will) on request grant the Security Agent and any agent of the Security Agent all reasonable facilities to enable it or them to carry out, at the Chargor's own expense, such investigation of its title to, and other enquiries (including, without limitation, obtaining valuations) concerning, the whole or any part of its Charged Assets as should be carried out by a prudent mortgagee;
- (c) **Intellectual Property:** It will use its reasonable endeavours to detect any infringement of and to maintain, protect and enforce its rights in respect of its Intellectual Property and, if aware of such infringement or threat to such rights, and such infringement or threat to such rights has had or could reasonably be expected to have a Material Adverse Effect, will as soon as reasonably practicable give the Security Agent all information available to it about that infringement or threat and the actions taken and to be taken by it in respect thereof;
- (d) **Compliance with laws:** It will comply in all respects with all laws concerning its Charged Assets and with the requirements of any competent authority and every notice, order, direction, licence, consent, and permission lawfully made or given in respect of it where failure to do so would have a Material Adverse Effect and upon request it will promptly provide the Security Agent with copies and full details of all such notices, orders, directions, licences, consents and permissions;
- (e) **Carrying on business:** It will not, without the prior written consent of the Security Agent, make any material alteration to the nature of its business which would result in a material alteration to the nature of the business of the Group as a whole as carried on at the date of this Deed;
- (f) **Maintaining books:** it will (and will procure that each member of the Group will) maintain proper and up to date Accounting Records and will keep such Accounting Records and all other documents relating to its and their respective affairs at its registered office or at such other place where the same ought to be kept;
- (g) **Payment of Receivables:** it will punctually pay all its Receivables and liabilities becoming due and payable and which would, on its winding-up, have priority over any of the Encumbrances created by this Deed;
- (h) **Outgoings:** it will punctually pay all outgoings payable in respect of its Charged Assets and will promptly produce the receipts for them to the Security Agent upon request;
- (i) **Observing covenants:** it will observe and perform all restrictive and other covenants and stipulations for the time being affecting its Charged Assets or their use or enjoyment where failure to do so is reasonably likely to have a Material Adverse Effect;
- (j) **Proprietary Interests:** it will not permit any person (including, without limitation, any member of the Group which is not a Chargor) to become entitled to any proprietary right or interest which might affect the value, use or marketability of its Charged Assets and will ensure that no overriding interest arises under the Land Registration Acts 1925-2002 save as permitted under the Facility Agreement, the

Loan Terms, the Receivables Finance Terms and the Common Terms and Definitions;

- (k) **Encumbrances:** it will ensure that no Encumbrances (other than Permitted Encumbrances) will arise on or after the date of this Deed in respect of its Charged Assets without the prior written consent of the Security Agent save as permitted under the Facility Agreement, the Loan Terms, the Receivables Finance Terms and the Common Terms and Definitions;
- (l) **Moratorium:** it will notify the Security Agent in writing, forthwith upon taking any steps with a view to resolving to initiate a moratorium in respect of itself pursuant to the provisions of the Insolvency Act 2000; and
- (m) **Land Registry:** The Original Chargors and the Security Agent hereby agree that following completion of this Deed a restriction will be registered at the Land Registry on the title[s] referred to in Schedule 2 of this Deed in the following terms:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without the written consent signed by the proprietor for the time being of the charge dated [] in favour of [] as referred to in the Charges Register".

4.2 Receivables and Remittances

- (a) Each Chargor agrees that, whilst this security exists:
 - (i) **Getting in Other Receivables:** following the occurrence of an Enforcement Event until other directions are given by the Security Agent in writing it will:
 - (A) only deal with its Other Receivables by way of getting in and realising the same in the ordinary course of its business;
 - (B) give written instructions to debtors to pay Remittances in respect of its Other Receivables to such bank account, address or person as the Security Agent may specify;
 - (C) only deal with the monies in such bank account in accordance with the written directions from time to time given by the Security Agent which may include a direction to the Chargor to give written instructions to its bankers that all such monies will be forthwith paid into any other bank account as the Security Agent may specify;
 - (D) not otherwise, except as permitted by the Security Agent, withdraw any credit balance from, or otherwise deal with, any of its bank accounts;
 - (ii) **Disposals:** it will not sell, discount, factor, create any Encumbrance over, dispose of or, except in accordance with this Deed or as permitted under the Facility Agreement, the Loan Terms, the Receivables Finance Terms

or the Common Terms and Definitions, otherwise deal with its Other Receivables or the relative Remittances;

- (iii) **Non-Vesting Receivables:** if it is a Receivables Client, it will not deal with, negotiate or pay Remittances in respect of its Non-Vesting Receivables and their Associated Rights into any account other than as specified in the Facility Agreement in relation to Receivables and will otherwise deal with such Non-Vesting Receivables and their Associated Rights as if they were Receivables that had vested absolutely and effectively in the Agent under the Facility Agreement.

4.3 Securities

Each Chargor agrees that, whilst this security exists:

- (a) **Payment of monies:** all Securities will at all times be fully paid but without prejudice to such assurance it will duly and promptly pay all monies which become due in respect of any of the Securities and indemnify the Security Agent in respect of any liability it may incur in respect of the Securities;
- (b) **Deposits:** forthwith upon the execution of this Deed unless agreed otherwise in writing by the Security Agent, it will deposit with the Security Agent all certificates or documents of title in respect of the Securities listed in Schedule 4;
- (c) **Delivery:** unless the Security Agent agrees otherwise in writing, it will ensure the delivery or payment as soon as reasonably practicable to the Security Agent of any Securities created following the date of this Deed or the certificates or other documents of title to or representing the same; and
- (d) **Registration:** following an Enforcement Event the Security Agent will at any time be entitled to have any of the Securities or other moneys or property referred to in Clauses 4.3(b) and/or 4.3(c) registered either in its name or in the name of nominees selected by it.

4.4 Real Property and Plant and Machinery

Each Chargor agrees that, whilst this security exists:

- (a) **Maintenance:** it will allow the Security Agent free access, at all reasonable times, and on reasonable notice, to view the state and condition of any fixed Plant and Machinery from time to time on the property of the Chargor;
- (b) **Plant and Machinery:** it will keep all its Plant and Machinery in good and substantial repair and in good working order and condition, normal wear and tear excepted, save to the extent the relevant Chargor believes the assets to be obsolete (acting reasonably) and will immediately upon reasonable request by the Security Agent, affix nameplates or other identifying symbols or numbers indicating the Security Agent's interest on its Plant and Machinery and it will not, without the Security Agent's prior written consent, alter or remove any identifying symbol or number on the Plant and Machinery;
- (c) **Covenants:** it will observe and perform all the lessee's covenants in any lease under which any of the Charged Assets may be held where failure to do so is

reasonably likely to have a Material Adverse Effect and will take no action which might lead to such lease being surrendered or forfeited save for as a result of a Permitted Disposal; and

- (d) **Repairs:** It will, at its own expense, allow the Security Agent to carry out repairs or take any action which the Security Agent reasonably considers necessary should such Chargor fail to observe or perform any of its obligations as a lessee where such failure is reasonably likely to have a Material Adverse Effect.

4.5 Insurances

Each Chargor agrees that, whilst this security exists:

- (a) **Insuring:** it will insure and keep insured those parts of the Charged Assets as are of an insurable nature to provide cover against risks which are normally insured against by other companies in the relevant jurisdiction owning, possessing or leasing similar assets and carrying out similar business at level that are usual for a business of its size and nature as may be reasonably available in the insurance market;
- (b) **Security Agent's interest:** it will ensure that all its Insurances which are non third-party policies are endorsed (in the form set out in Schedule 6) with notice of the interest of the Security Agent in them (or, if required by the Security Agent, with the Security Agent named as a joint Insured party though without the Security Agent being liable for payment of premiums or for carrying out any other obligations under the relevant Insurance) and will produce to the Security Agent the receipts for each current premium within fifteen days of its becoming due failing which the Security Agent may effect or renew any such Insurance as the Security Agent shall think fit at the Chargor's expense;
- (c) **Dealing with proceeds:** subject always to paragraph (d) below, if any monies are received by a Chargor under any such Insurance in respect of any of the Charged Assets such monies shall be treated as part of the Charged Assets subject only to any rights of third parties having priority and to the requirements of any lease of the Charged Assets and shall be paid forthwith to such bank account as the Security Agent notifies to the Chargor from time to time (or in the event that they are paid to the Chargor, the Chargor shall immediately forward the same onto the Security Agent to be placed into such account and pending payment to the Security Agent, the Chargor shall hold such proceeds on trust for the Security Agent) and the Chargor irrevocably authorises the Security Agent to apply amounts credited to such account which have not been applied in paying the relevant third party or in the replacement, reinstatement or repair of the assets in respect of which the relevant insurance claim was made within 12 months of receipt of the relevant proceeds (or such longer time period as the Security Agent may agree) the "Reinstatement Period", to repay Loan Advances in such manner as the Security Agent sees fit. The Chargor further irrevocably authorises the Security Agent to apply amounts credited to the relevant account in repayment of the Loan Advances whether or not 12 months have elapsed since receipt of those proceeds if an Enforcement Event has occurred. Provided that the Reinstatement Period has not expired and no Enforcement Event has occurred, the Chargor may withdraw sums from the relevant account solely to pay the relevant third party or in the replacement, reinstatement or repair of the assets in respect of which the relevant insurance

claim was made. For the avoidance of doubt proceeds in relation to the credit insurance policy held by the Clients shall be paid promptly to the Security Agent upon receipt (and held on trust for the Security Agent pending such payment) and used to reduce the balance on the Current Account;

- (d) **Excluded Insurance proceeds:** the provisions of clause 4.5(c) shall not apply to:
 - (i) the Fire Claim Proceeds; and
 - (ii) the first £100,000 of the proceeds of all insurance claims received by the Group during each Financial Year (in addition to any Fire Claim Proceeds).
- (e) **Insurances:** it will punctually pay all premiums and other sums payable under or in relation to each of the Insurances (and, if requested by the Security Agent (acting reasonably), produce evidence of payment satisfactory to the Security Agent) and not omit to do or permit anything to be done which may make void, voidable or unenforceable any of the Insurances and not make any material alterations to the terms of any of the Insurances or allow any of the Insurances to lapse; and
- (f) **Notice:** It will upon the date of this Deed give notice of this security in the form set out at the beginning of Schedule 6 to the assurance or insurance company or organisation issuing any of the Insurances (to the extent any such Insurance relates to Eligible Collateral) in its favour and use reasonable endeavours to obtain and deliver the form of acknowledgement of such notice in the form set out later in Schedule 6 within 30 days.

4.6 Representations and Warranties

Each Chargor represents and warrants in favour of the Security Agent as follows (and these representations and warranties shall survive the execution of this Deed):

- (a) **Due execution:** that the execution of this Deed has been duly authorised by a resolution of its board of directors (or by a duly authorised committee of such board) and that it does not breach any provision of its memorandum and/or articles of association or of any other Encumbrance, security or agreement entered into prior to the date of this Deed or the laws of any jurisdiction applying to it in a manner which has or could reasonably be expected to have a Material Adverse Effect;
- (b) **Ownership:** that it is the sole beneficial owner with full title guarantee of all its Charged Assets and that no Encumbrances affect it other than those permitted by the Security Agent including Permitted Encumbrances;
- (c) **Validity:** that subject to the Legal Reservations, this Deed constitutes its legal, valid, binding and enforceable obligations and is an effective security over all and every part of its Charged Assets in accordance with its terms; and
- (d) **Authorisations:** that all necessary authorisations and consents to enable or entitle it to enter into this Deed and create the Encumbrances hereby created or

intended to be created have been obtained and these will remain in full force and effect during the existence of this security.

5 GUARANTEE AND INDEMNITY

5.1 Grant of guarantee and indemnity

Each Chargor unconditionally and irrevocably guarantees to the Security Agent the punctual payment, performance and discharge on demand of the Secured Obligations when they fall due. Each Chargor also agrees to hold harmless and indemnify fully the Security Agent against any loss which the Security Agent may incur as a result of any of the Secured Obligations being or becoming void, voidable or unenforceable for any reason whatsoever or any breach or non-observance by any Obligor of any obligation to the Security Agent including those under this Deed. The amount of such loss shall be the amount which the Security Agent would otherwise have been entitled to recover from such other Obligor.

5.2 Protective provisions

Each Chargor agrees that its liability under the guarantee and indemnity given under Clause 5.1 shall not be affected by:

- (a) **Variation:** any variation in, replacement of, substitution, assignment or novation of any of the Secured Obligations (even if an Obligor's liability to the Security Agent is increased or extended in time) or of any Encumbrance, guarantee, indemnity or other assurance held or to be held as security for any of the Secured Obligations (any such Encumbrance, guarantee, indemnity or other assurance being referred to in this Clause 5 as "related security");
- (b) **Indulgence:** any past, present or future failure to enforce remedies, the grant of time or indulgence, the conclusion of any agreement not to sue, any compromise or composition or the release of any related security, or any part thereof;
- (c) **Non-enforceability:** any inability to enforce the Secured Obligations or any related security;
- (d) **Defects:** any defect in any guarantee or indemnity given to the Security Agent by any other Chargor under Clause 5.1 or by any other Obligor under any related security or in any other document given for or in connection therewith;
- (e) **Failure to perfect:** any failure by the Security Agent to take or perfect any related security from an Obligor or any other person;
- (f) **Incapacity:** any incapacity or change in the constitution or control of an Obligor or of any person party to any related security;
- (g) **Waiver:** any waiver or release of any Obligor or of any person party to any related security or any termination of the obligations or liabilities to the Security Agent of any Obligor or of any person party to any related security; or
- (h) **Other acts:** any other act, event or omission which, but for this provision, would or might operate to offer any legal or equitable defence for, or impair or discharge, any of the Secured Obligations or any obligation of any person under

any related security or prejudicially affect the rights and remedies of the Security Agent under this Deed or otherwise conferred by law.

5.3 Joint and several

The liabilities of each Chargor to the Security Agent under this Deed are joint and several and if at any time there are co-sureties then each Chargor's liability to the Security Agent shall be joint and several with them.

5.4 Additional security

The guarantees or indemnities given under Clause 5.1 shall be additional to and not in substitution for any other security taken or to be taken by the Security Agent in respect of the Secured Obligations.

5.5 No competition

Until all of the Secured Obligations have been satisfied in full, no Chargor will:

- (a) **Subrogation:** exercise any right of subrogation, indemnity, set-off or counter-claim against any other Obligor or any person party to any related security (being security arising as a result of its execution of this Deed);
- (b) **Claims:** claim payment of any other monies due to it by any other Obligor or any person party to any related security (being security arising as a result of its execution of this Deed) by reason of the performance of its obligations under this Deed or under any related security or on any account whatsoever or exercise any other right or remedy or enforce any Encumbrance, guarantee, indemnity or other assurance which it has in respect thereof;
- (c) **Contribution:** claim any contribution from any other Obligor or any other person party to any related security (being security arising as a result of its execution of this Deed);
- (d) **Disposals:** negotiate, assign, charge or otherwise dispose of any monies, obligations or liabilities now or at any future time due or owing to it by any other Obligor or any person party to any related security or any Encumbrance, guarantee, indemnity or other assurance in respect thereof, other than to another Chargor; or
- (e) **Proofs:** claim or prove in the winding-up or dissolution of any other Obligor or any other person party to any related security (being security arising as a result of its execution of this Deed),

and if any Chargor receives any sums in contravention of this Clause 5.5, it will hold them on trust to be applied by the Security Agent in or towards satisfaction of the Secured Obligations in such order or manner as the Security Agent may specify.

6 FURTHER ASSURANCE AND POWER OF ATTORNEY

6.1 Further assurance

At the Security Agent's request, each Chargor will, at its own expense, promptly following the request sign, seal, execute, deliver and perfect all deeds, debentures and instruments including, without limitation, standard securities, assignments and any other documents needed in relation to assets in Scotland and any other jurisdiction and do all such other acts and things as the Security Agent or any Administrator or Receiver (as the case may be) appointed under this Deed may reasonably require in order to perfect, protect or enforce this security in respect of that Chargor or to facilitate the realisation of any of the Charged Assets or to use the powers given to each of them in this Deed or to enforce the obligations of that Chargor and/or the rights of the Security Agent under this Deed and it will take such steps as the Security Agent shall reasonably specify to make such registrations and give such notifications as the Security Agent may consider appropriate (or which may be specified by applicable law) in relation to this Deed and each Chargor authorises the Security Agent to effect the same if the Security Agent so chooses.

6.2 Execution of documents/registration

Without prejudice to Clause 6.1 each Chargor will at the request of the Security Agent (acting reasonably) and at that Chargor's own expense execute a legal mortgage, charge or assignment of any part of the Charged Assets of that Chargor, subject to or intended to be subject to any fixed security under this Deed, in such form as the Security Agent may reasonably require. In every such case the Chargor will then take such other steps as the Security Agent may require to perfect such legal mortgage, charge or assignment including, without limitation, using all reasonable endeavours to obtain the consent of any landlord or other person required for any legal mortgage.

6.3 Power of attorney

Each Chargor, by way of security and in order more fully to secure the performance of its obligations hereunder, hereby irrevocably appoints the Security Agent, any directors, officers or managers for the time being of the Security Agent and any other person authorised by the directors of the Security Agent and any Administrator or Receiver (as the case may be) appointed hereunder, jointly and each of them severally, to be the lawful attorneys of that Chargor for the purposes set out in this Clause 6. Such appointment gives each attorney the power in that Obligor's name and on its behalf to, following the occurrence of an Enforcement Event or where the Obligor has failed to take any action required by this Deed within the applicable time period (or if no such time period is prescribed within a reasonable time period), act and to carry out all acts and execute all the deeds, debentures, instruments and other documents required by Clauses 6.1 and 6.2 in the event of the relevant Chargor not having done so following the relevant request from the Security Agent. Each attorney so appointed may appoint substitute attorneys to carry out all or any of such purposes. Each Chargor agrees to ratify and confirm any instrument, act or thing which any such attorney or substitute attorney may lawfully execute or do in the name or on behalf of that Chargor.

6.4 Power of attorney on Receivables

Each Chargor which is a Client, by way of security and in order more fully to secure the performance of its obligations hereunder hereby, irrevocably appoints the Security Agent,

any directors, officers or managers for the time being of the Security Agent and any other person authorised by the directors of the Security Agent and any Administrator or Receiver (as the case may be) appointed hereunder, jointly and each of them severally, to, following the occurrence of an Enforcement Event or where the Obligor has failed to take any action required by this Deed within the applicable time period (or if no such time period is prescribed within a reasonable time period), be the lawful attorneys of each such Chargor and on each such the Chargor's behalf to take any action which each such Chargor is obliged to take under the Facility Agreement including:

- (a) execute or sign any deeds or documents (including assignments);
- (b) obtain payment of Receivables;
- (c) complete, deal with, negotiate or endorse Remittances;
- (d) institute, conduct, compromise or defend any legal proceedings;
- (e) settle each such Chargor's indebtedness to the Security Agent or to Debtors; and
- (f) perform such other lawful acts, as the Security Agent in its absolute discretion, may consider reasonably necessary or expedient.

7 CONSEQUENCES OF AN ENFORCEMENT EVENT

Upon the occurrence of an Enforcement Event:

- (a) **Enforceability:** the security constituted by this Deed shall become enforceable; and/or
- (b) **Retentions:** the Security Agent may retain any monies in any account referred to in Clause 4.2(a), for such period as the Security Agent reasonably considers necessary to ensure any Chargor's compliance with the terms of this Deed; and/or
- (c) **Voting rights:** the Security Agent may exercise in the name of any Chargor any voting rights attached to the Securities and all powers given to trustees by the Trustee Act in respect of securities, property subject to a trust and any powers or rights exercisable by the registered holder of any of the Securities or by the bearer of any of the Securities. The Security Agent will not then need any consent or authority from any Chargor.

8 POWER OF POSSESSION AND SALE

At any time after an Enforcement Event has occurred, the Security Agent and/or any Receiver or Administrator appointed under this Deed may, in their discretion, enter upon and take possession of the Charged Assets or any part of them. They may also, at their discretion, when exercising their powers given in this Deed, sell, call in, collect and convert into monies the Charged Assets or any part of them. By way of extension of these powers such sale, calling in and conversion may be done for such consideration in such form and upon such terms as to payment and otherwise as the Security Agent or any Receiver or Administrator shall think fit.

9 APPOINTMENT OF RECEIVER OR ADMINISTRATOR AND THEIR POWERS

9.1 Appointment of a Receiver or an Administrator

The restrictions in Section 109 and Section 91(2) of the Law of Property Act 1925 (restricting, *inter alia*, the power to appoint a receiver, the maximum rate of a receiver's remuneration and the power to apply to court for an order for sale of mortgaged property) shall not apply to this Deed. At any time after:

- (a) this security becomes enforceable; or
- (b) a Chargor at any time so requests in writing,

the Security Agent may, without further notice to any Chargor appoint any person to be a Receiver or an Administrator of such Chargor (as the Security Agent may in its absolute discretion determine is appropriate) in respect of the Charged Assets of such Chargor. The appointment of a Receiver may extend to the whole or any part of such Charged Assets. The Security Agent may, so far as the law permits, remove any Receiver. In case of the removal, retirement or death of any Receiver or Administrator, the Security Agent may appoint another in his place. At the time of his appointment (or at any time afterwards) the Security Agent may fix the remuneration of a Receiver on such basis as the Security Agent shall determine.

9.2 Joint and several obligations

The Security Agent may appoint more than one person to act as a Receiver or an Administrator and where it does so those so appointed shall carry out their duties, exercise their rights, and be subject to their obligations jointly as well as severally. References in this Deed to a "Receiver" or an "Administrator" shall be to each and all of them as appropriate.

9.3 Writing

The appointment of a Receiver or an Administrator or the removal or fixing of the remuneration of a Receiver shall be made in writing and may be signed by any director or officer of the Security Agent.

9.4 Appointment of Receiver or Administrator and their powers

- (a) **Appointment:** Any Receiver or Administrator shall be the agent of each Chargor to which such appointment relates. Each Chargor to which such appointment relates will, and the Security Agent will not in any way, be responsible for the acts, omissions, losses, misconduct, defaults and remuneration of such Receiver or Administrator;
- (b) **Powers of a Receiver:** A Receiver shall, without the need for the consent of any Chargor to which such appointment relates, have all of the powers described in this Clause, unless any such powers shall specifically be excluded by the written terms of his appointment. A Receiver may exercise these powers in such way, at such time and on such terms as he shall think fit, necessary or expedient and whether in his name or the name of the relevant Chargor and without being under any obligation to take or omit to take any action which any Chargor, but for the appointment of the Receiver, would or might have considered to be in that

Chargor's interests. A receiver shall have the powers granted by the Law of Property Act 1925 to any receiver appointed under such Act and all the powers of an administrative receiver under Schedule 1 of the Insolvency Act 1986. A Receiver shall also have the power on behalf and at the cost of the relevant Chargor, and in the relevant Chargor's name or otherwise, to do or omit to do anything which the relevant Chargor could do or omit to do or could have done or omitted to do but for any incapacity or the appointment of a liquidator, administrator or equivalent officer in relation to such Chargor or its Charged Assets; and

- (c) **Powers of an Administrator:** An Administrator shall have all the powers conferred from time to time on administrators by law or by statute.

9.5 Security Agent's powers

Whether or not a Receiver or an Administrator shall be appointed under this Deed, the Security Agent may at any time after this security becomes enforceable, and without giving notice, exercise all or any of the powers, authorities and discretions conferred on a Receiver or an Administrator as set out above.

10 VARIATIONS TO STATUTORY PROVISIONS

10.1 Law of Property Act

Section 103 of the Law of Property Act 1925 (restricting the power of sale) shall not apply to this Deed. However the power of sale and the other powers conferred on mortgagees by that Act shall apply to this security but without the Act's restrictions as to giving notice or otherwise. Accordingly, for the purposes of a sale or other exercise of any such powers, the whole of the Secured Obligations shall be treated as due and payable on the date hereof.

10.2 Non-consolidation

The restrictions on the right of consolidating mortgage securities, which are contained in Section 93 of the Law of Property Act 1925, shall not apply to this security.

10.3 Subsequent encumbrances

If the Security Agent receives, or is treated as having received, notice of any subsequent Encumbrance affecting any of the Charged Assets then the Security Agent may open a new account with the relevant Chargor. If it does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received, or was treated as having received, such notice. From that time all payments made by the relevant Chargor to the Security Agent shall be credited, or be treated as having been credited, to the new account. These payments shall not operate to reduce the amount secured by this Deed when the Security Agent received or was treated as having received such notice.

11 APPLICATION OF MONIES

11.1 Order of payment

All monies received by the Security Agent or by an Administrator or Receiver (as the case may be) under or by virtue of this Deed shall be applied (so far as the law permits) in the following order:

- (a) **Costs and expenses:** in payment of all costs, charges and expenses of or incidental to the appointment of an Administrator or Receiver (as the case may be), the payment of his remuneration and the payment and discharge of any other Expenses incurred by or on behalf of the Administrator or Receiver (as the case may be);
- (b) **Preferential Debts:** in or towards payment of any debts or claims which are by statute payable in preference to the Secured Obligations but only to the extent to which those debts or claims have such preference;
- (c) **Payments to Security Agent:** in payment to the Security Agent of the Secured Obligations due to the Security Agent in such order as the Security Agent in its absolute discretion thinks fit; and then
- (d) **Surplus:** in payment to the relevant Chargor of any surplus (which shall not carry interest) which may be paid into any of the relevant Chargor's bank accounts including an account opened specifically for such purpose. The Security Agent shall then have no further liability for the surplus.

11.2 Appropriation

Upon and following this security becoming enforceable, any monies received by the Security Agent may be appropriated by the Security Agent in its discretion in or towards the payment and discharge of any part of the Secured Obligations.

11.3 Suspense accounts

The Security Agent or the Administrator or Receiver (as the case may be) may credit any monies to a suspense account for so long and in such manner as the Security Agent may from time to time determine. The Administrator or Receiver (as the case may be) or the Security Agent may retain the same for such period as the Administrator or Receiver (as the case may be) and the Security Agent consider expedient.

12 PROTECTION OF THIRD PARTIES

12.1 Third party payments

No person paying or handing over monies to an Administrator or Receiver (as the case may be) and obtaining a discharge shall have any responsibility or liability to confirm the correct application of such monies.

12.2 Third party dealings

No person dealing with the Security Agent, or an Administrator or Receiver (as the case may be), need enquire:

- (a) **Powers exercisable:** whether any event has happened giving either the Security Agent or the Administrator or Receiver (as the case may be) the right to exercise any of his powers;
- (b) **Propriety of acts:** as to the propriety or regularity of any act purporting or intending to be an exercise of such powers;
- (c) **Validity of appointment:** as to the validity or regularity of the appointment of any Administrator or Receiver (as the case may be) purporting to act or to have been appointed as such; or
- (d) **Satisfaction:** whether any of the Secured Obligations remain unsatisfied.

12.3 Statutory protection

All the protections given to purchasers contained under sections 104 and 107 of the Law of Property Act 1925 shall apply to any person purchasing from or dealing with an Administrator or Receiver (as the case may be) or the Security Agent as if the Secured Obligations had become due and the statutory power of sale and appointment of the Administrator or Receiver (as the case may be) in relation to the Charged Assets had arisen, on the date of this Deed.

12.4 Express notice

No person dealing with the Security Agent or any Administrator or Receiver (as the case may be) shall be affected by express notice that any act is unnecessary or improper.

13 CONTINUING AND ADDITIONAL SECURITY

13.1 Continuing security

This security is a continuing security for all the Secured Obligations notwithstanding any interim settlement of account until a final discharge of this security shall be given by the Security Agent.

13.2 Non-merger

This security is in addition to, and shall not merge or otherwise prejudice or affect, any other right or remedy of the Security Agent or any assignment, bill, note, guarantee, Encumbrance, or other security now or in future in favour of the Security Agent or held by, or available to, the Security Agent (whether created by the Obligors or any of them or any third party).

14 EXPENSES AND INDEMNITIES

14.1 Expenses and Interest

All Expenses incurred and all payments made by the Security Agent or any Administrator or Receiver (as the case may be) in the lawful exercise of the rights created by this Deed shall carry interest at the Default Rate. Interest under this Deed shall accrue (both before and after judgment) from the date the Expenses were incurred or the sum paid became payable, whichever shall be earlier, until the date the same are paid and discharged in

full. The Security Agent may compound unpaid interest with rests at such times as it may consider appropriate. The amount of all Expenses and payments referred to in this Clause 14.1 and any interest thereon shall be payable by the relevant Chargor on demand.

14.2 General indemnity

Each Chargor jointly and severally agrees to indemnify the Security Agent (and its nominees) and any Administrator or Receiver (as the case may be) on demand against all losses, actions, claims, reasonable expenses, demands and liabilities now or in the future incurred by any of them or by any manager, agent, officer or employee for whose liability, act or omission any of them may be answerable for anything done or omitted in the exercise or purported exercise of the rights contained in this Deed or caused by any breach by a Chargor of any of its obligations under this Deed or in connection with the Charged Assets provided that the Chargor shall not be liable to the extent the losses, actions or claims occurred due to the gross negligence or wilful default of the Security Agent (and its nominees) and any Administrator or Receiver (as the case may be). The Security Agent (and its nominees) and any Administrator or Receiver (as the case may be) shall also be entitled to be indemnified out of the Charged Assets in respect of all losses, actions, claims, reasonable expenses, demands and liabilities incurred by them in the execution, or purported execution, of any of the rights vested in them under this Deed.

14.3 Currency indemnity

- (a) **Conversion:** For the purpose of, or pending, the discharge of any of the Secured Obligations the Security Agent or an Administrator or Receiver (as the case may be) may convert any monies received, recovered or realised under this Deed (including the proceeds of any previous conversion) from their existing currency into such other currency as the Security Agent or such Administrator or Receiver (as the case may be) may think fit acting in good faith. Any such conversion shall be effected at the then prevailing spot selling rate of exchange of the Security Agent's bankers for such other currency against the existing currency.
- (b) **Shortfall indemnity:** Each Chargor jointly and severally agrees to indemnify the Security Agent against any shortfall between:
 - (i) any amount received or recovered by the Security Agent in respect of any of the Secured Obligations which is converted in accordance with Clause 14.3(a) into the currency in which such liability was payable; and
 - (ii) the amount payable to the Security Agent under this Deed in the currency of such liability.

15 PAYMENTS, DISCHARGE AND SET-OFF

15.1 Discharge of security

Upon (a) payment and complete discharge and performance of all the Secured Obligations under or in relation to this Deed or (b) a Permitted Disposal being effected, the Security Agent shall, at the request and cost of a Chargor, duly discharge this security so far as it relates to that Chargor's Charged Assets (or, as appropriate, that

Chargor's Charged Assets the subject of such Permitted Disposal) and any further security given by that Chargor (or, as appropriate, that Chargor's Charged Assets the subject of such Permitted Disposal) in accordance with the terms hereof. The Security Agent will also, at the request and cost of a Chargor, transfer to that Chargor any of the Charged Assets of that Chargor (or, as appropriate, that Chargor's Charged Assets the subject of such Permitted Disposal) which have been assigned or transferred to the Security Agent. If any Charged Assets (or, as appropriate, that Chargor's Charged Assets the subject of such Permitted Disposal) transferred or assigned to the Security Agent were fungible, the Security Agent may transfer to the relevant Chargor assets of the same class, denomination and quality rather than the identical Charged Assets (or, as appropriate, that Chargor's Charged Assets the subject of such Permitted Disposal) transferred or assigned to it under this Deed.

15.2 Avoidance of payments

The right of the Security Agent to payment of the monetary obligations comprised in the Secured Obligations or to enforce the terms of this Deed shall not be affected by any payment or any act or thing which is avoided or adjusted under the laws relating to bankruptcy or Insolvency or under Part VI of the Insolvency Act 1986. Any release, or discharge given or settlement made by the Security Agent relying on any such payment, act or thing shall be void and of no effect.

16 SERVICE OF NOTICES AND PROCESS

16.1 Chargor's address for service

Unless otherwise provided in this Deed, any written notice from the Security Agent to a Chargor and any proceedings issued by the Security Agent requiring service on a Chargor may be given or served by delivering it at or posting it to:

- (a) the Chargor's address set out under its name at the end of this Deed or to such other address of that Chargor advised to and acknowledged by the Security Agent as being effective for the purposes of service;
- (b) the Chargor's registered office; or
- (c) any address last known to the Security Agent at which the Chargor carried on business.

It may also be handed to any officer of the Chargor. Such notice may also be given by facsimile transmission or electronic medium to the Chargor's number or address acknowledged by the Security Agent for communication by such means.

16.2 Time of service on Chargor

Any such notice or process shall be considered served:

- (a) if delivered – at the time of delivery;
- (b) if sent by post – 48 hours from the time of posting;
- (c) if sent by facsimile transmission or electronic medium – at the time of receipt; or

(d) if handed over – at the time of handing over.

16.3 Service on Security Agent

Any notice in writing by a Chargor to the Security Agent required hereunder shall take effect at the time it is received by the Security Agent at its registered office or at such other address as the Security Agent may advise in writing to the Chargor for this purpose unless such notice is received on a day which is not a Working Day, in which case, it shall take effect on the next Working Day.

17 TRANSFERS AND DISCLOSURES

17.1 Transfers by Security Agent

This Deed is transferable by the Security Agent to other parties as set out in clause 9.1 and 9.2 of the Common Terms and Definitions. Each Chargor consents to any such transfer (whether by novation, assignment, or otherwise) that is in accordance with clause 9.1 and 9.2 of the Common Terms and Definitions. References in this Deed to the "Security Agent" shall include its successors, assignees and transferees and any person to whom this Deed is novated.

17.2 No transfers by any Chargor

No Chargor may assign or transfer any of its obligations under this Deed nor may it enter into any transaction which would result in any such obligations passing to another person.

18 MISCELLANEOUS

18.1 Delays and omissions

No delay or omission on the part of the Security Agent in exercising any right or remedy under this Deed shall impair that right or remedy or operate as or be taken to be a waiver of it. Any single, partial or defective exercise of any such right or remedy shall not prevent the further exercise of that or any other right or remedy.

18.2 Cumulative rights

The Security Agent's rights under this Deed are cumulative. They are not exclusive of any rights provided by law. They may be exercised from time to time and as often as the Security Agent sees fit.

18.3 Waivers

Any waiver by the Security Agent of any terms of this Deed or any consent or approval given by the Security Agent under it shall only be effective if given in writing. Such consent and approval shall then only apply for the purpose stated and be subject to any written terms and conditions imposed by the Security Agent.

18.4 Illegality

If at any time any one or more of the provisions of this Deed is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction then neither the

legality, validity or enforceability of the remaining provisions of this Deed nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall be in any way affected or impaired as a result.

18.5 Security Agent's certificates

Any certificate signed by a director or authorised officer of the Security Agent as to the amount of the monetary obligations comprised in the Secured Obligations at the date of that certificate shall, in the absence of manifest error, be conclusive evidence of that amount and be binding on each Chargor to whom such certificate is addressed.

18.6 Counterparts

This Deed may be executed in any number of counterparts and by different parties on separate counterparts each of which, when executed and delivered, shall constitute an original and all the counterparts together shall constitute but one and the same instrument.

18.7 Access and Inspection

For the purpose of gaining access to or inspecting or (following any Enforcement Event) taking possession of any of the computer equipment, computer data, books, documents and other records included in or relating to the Charged Assets or for the purpose of taking copies of any of such data, books, documents and records any duly authorised official of the Security Agent and any Administrator or Receiver (as the case may be) and any person authorised by such Administrator or Receiver (as the case may be) shall have the right at any time to enter upon any premises at which a Chargor carries on business and upon any other premises in which any part or all of such computer equipment, computer data, books, documents and other records are for the time being kept or stored.

18.8 Contracts (Rights of Third Parties) Act 1999

Other than in relation to the provisions of Clause 14, the terms of this Deed may only be enforced by a party to it and the operation of the Contracts (Rights of Third Parties) Act 1999 is excluded.

19 LAW AND JURISDICTION

19.1 Law

This Deed and any dispute, proceedings or claims of whatever nature arising out of or in connection with it shall be governed by, and construed in accordance with, English law.

19.2 Jurisdiction

- (a) **Submission:** Each Chargor irrevocably agrees for the benefit of the Security Agent that the courts of England shall have jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, whether contractual or non-contractual, which may arise out of or in connection with this Deed and, for such purposes, irrevocably submits to the jurisdiction of such courts.

- (b) **Forum:** Each Chargor irrevocably waives any objection which it might now or hereafter have to the courts referred to in Clause 19.2(a) being nominated as the forum to hear and determine any suit, action or proceeding, and to settle any disputes, whether contractual or non-contractual, which may arise out of or in connection with this Deed and agrees not to claim that any such court is not a convenient or appropriate forum.
- (c) **Other competent jurisdictions:** The submission to the jurisdiction of the courts referred to in Clause 19.2(a) shall not (and shall not be construed so as to) limit the right of the Security Agent to take proceedings against any Chargor in any other court of competent jurisdiction nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.
- (d) **Consent to enforcement:** Each Chargor hereby consents generally in respect of any legal action or proceeding arising out of or in connection with this Deed to the giving of any relief or the issue of any process in connection with such action or proceeding including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such action or proceeding.

IN WITNESS whereof each Chargor has duly executed this Deed as a deed and intends to deliver and hereby delivers the same on the date first above written and, prior to such delivery, this Deed has been duly signed on behalf of the Security Agent, in the manner appearing below.

SCHEDULE 1

Original Chargors

Name	Registered Number	Registered Office
Allied Glass Containers Limited	03846688	69 South Accommodation Road, Leeds, West Yorkshire, LS10 1NQ
Allied Glass Group Limited	07258554	69 South Accommodation Road, Leeds, West Yorkshire, LS10 1NQ
Allied Glass Holdings Limited	04569074	69 South Accommodation Road, Leeds, West Yorkshire, LS10 1NQ
Gregg & Company (Knottingley) Limited	00213651	69 South Accommodation Road, Leeds, West Yorkshire, LS10 1NQ
Lax & Shaw Limited	00127795	69 South Accommodation Road, Leeds, West Yorkshire, LS10 1NQ
Project Aqua Bidco Limited	08693650	69 South Accommodation Road, Leeds, West Yorkshire, LS10 1NQ
Project Aqua Topco Limited	08693589	69 South Accommodation Road, Leeds, West Yorkshire, LS10 1NQ
Project Magnum (Bidco) Limited	07321610	69 South Accommodation Road, Leeds, West Yorkshire, LS10 1NQ

SCHEDULE 2

Real Property

Charging Company	Address	Administrative Area	Title number
Gregg & Company (Knottingley) Limited	Land and buildings on the north east side of Fernley Green Road, Knottingley	West Yorkshire Wakefield	WYK731631
Gregg & Company (Knottingley) Limited	Land lying to the north of Fernley Green Road, Knottingley	West Yorkshire Wakefield	WYK736199 (title possessory)
Lax & Shaw Limited	Lease of land and buildings on the north side of South Accommodation Road, Leeds (also known as land at Sayner Lane)	West Yorkshire Leeds	WYK732277
Lax & Shaw Limited	Land and buildings on the north side of South Accommodation Road, Leeds	West Yorkshire Leeds	WYK732275
Allied Glass Containers Limited	Land and buildings on the north side of South Accommodation Road, Leeds (also known as land at Sayner Lane)	West Yorkshire Leeds	WYK922965

SCHEDULE 3
Plant and Machinery

SCHEDULE 4

Securities

Company	Securities Held	Type of Security	Number of Shares	Nominal Value of each share
Allied Glass Containers Limited	Allied Glass Holdings Limited	Ordinary shares	28	£1
Allied Glass Group Limited	Project Aqua Bidco Limited	Ordinary shares	73,950,832	£0.01
Allied Glass Holdings Limited	Project Magnum (Bidco) Limited	Ordinary shares	983,333	£1
Gregg & Company (Knottingley) Limited	Allied Glass Containers Limited	Ordinary shares	782,600	£1
Lax & Shaw Limited	Allied Glass Containers Limited	Ordinary shares	80,800	£1
Project Aqua Bidco Limited	Project Aqua Topco Limited	Ordinary shares	1	£1
Project Magnum (Bidco) Limited	Allied Glass Group Limited	Ordinary shares	41,391,404	£0.01

SCHEDULE 5

Insurances

Insurer	Charging Company	Policy number	Policy Coverage
AIG Europe Limited	Each Original Chargor	42705910	U.K. Global Commercial Property Policy Declarations
AIG Europe Limited	Each Original Chargor	0024633047	Excess Casualty
AIG Europe Limited	Each Original Chargor	0015861218	Lifeline Plus Group Personal Accident & Travel Policy
AIG Europe Limited	Each Original Chargor	37002470	Product Recall Insurance Defective Products
AIG Europe Limited	Each Original Chargor	31640576	Business Guard – Crime Manager Compact
AIG Europe Limited	Each Original Chargor	25640374	Motor Fleet Policy
AIG Europe Limited	Each Original Chargor	B1262FI0556416	Directors and Officers Liability and Company Reimbursement Insurance
Axa Insurance UK Plc	Each Original Chargor	LS CMB 684 8807	Business Combined Insurance Policy
Axa Insurance UK Plc	Each Original Chargor	LS/FLE/6848204	General Insurance Policy
Beazley	Each Original Chargor	W1562116PNHP	Medical Malpractice Insurance
British Engineering Services	Each Original Chargor	EP11983/9	British Engineering Services Inspection
Euler Hermes	Each Original Chargor	215572101	Pre-despatch Cover
Liberty Mutual Insurance Europe Limited	Each Original Chargor	LEAACKCU007/ LEAACKCJ007	Excess Liability Policy
Royal & Sun Alliance Insurance plc	Each Original Chargor	CP17422	Engineering Construction

SCHEDULE 6

Notice of Assignment of Insurances and Form of Acknowledgement and Endorsement

To: [insert name and address of insurer]

[Date]

Dear Sirs

Policy number []

We hereby give you notice that we have assigned by way of security all our rights, title and interest in and to the above policy ("the Policy") to Investec Bank plc, 2 Gresham Street, London, EC2V 7QP ("Investec") to secure monies, obligations and liabilities due, owing or incurred to Investec.

We irrevocably and unconditionally authorise you to disclose to Investec such information relating to the Policy and the proceeds of any claim under it as Investec may at any time request you to disclose [and make all payments under or arising from the Policy to Investec or to its order] and otherwise to comply with the terms of any written notice or instructions which you receive at any time from Investec in connection with the Policy [or any such proceeds].

[Accordingly, we hereby request that, with effect from today's date, Investec be noted on the Policy as assignee and first loss payee.]¹

The terms of and the instructions and authorisations contained in this letter shall remain in full force and effect until Investec gives you notice to the contrary.

Please acknowledge receipt of this letter by signing the attached form of acknowledgement and agreement and returning it to Investec, 2 Gresham Street, London, EC2V 7QP, marked for the attention of on fax number [].

Subject to the foregoing, by countersigning this notice, Investec confirms that you may continue to deal with us in relation to the Policy until you receive written notice to the contrary from Investec. Thereafter, we will cease to have any right to deal with you in relation to the Policy and you must deal only with Investec.

Yours faithfully
for and on behalf of

.....
[CHARGOR]

Acknowledged and agreed
for and on behalf of

.....
Investec Bank plc

¹ To be included in non-third party policies only

Acknowledgement to notice of assignment of insurances

To: Investec Bank plc
2 Gresham Street
London
EC2V 7QP

Attn: _____

Fax no:

[Date]

Dear Sirs

We acknowledge receipt of a notice dated and addressed to us by Limited (the "Assignor") regarding policy number (the "Policy") and acknowledge the instructions and authorisations contained in that notice.

We acknowledge and confirm that:

- (a) until you notify us in writing to the contrary, all payments in respect of claims under the Policy shall only be paid to you to account [Investec to specify];
- (b) [we shall forthwith endorse a memorandum on the Policy noting your interest as assignee and first loss payee;]
- (c) we have not received notice that any third party has or may have any rights, title or interest in or to, or has made or may be making any claim, demand or taking any action in respect of the Policy;
- (d) no material change in any of the terms of the Policy shall be effective without the written consent of Investec Bank plc;
- (e) we shall advise you at least 30 days before any cancellation of the Policy; and
- (f) we shall advise you immediately of any default in the payment of any premium payable in respect of the Policy and shall allow 30 days during which payment of such premium shall be accepted, such that the Policy shall continue in full force and effect if made by Investec Bank plc on behalf of the Assignor and/or any other Insured party.

Yours faithfully
[name of insurer]

Form of Endorsement

Notwithstanding any other provision of this policy, the following endorsement will take effect immediately:

- 1 By an assignment of insurances effected by the Insured pursuant to a Debenture dated in favour of Investec Bank plc ("Investec") the Insured assigned by way of security to Investec all of its right, title and benefit in and to this policy, the insurance effected thereby and all the benefits thereof.

All claims in respect of loss or damage, if any, payable under this policy shall be paid first to Investec.

SCHEDULE 7

Form of Guarantee & Debenture Accession Deed

This deed is made on 20[◆]

Between:

- (1) INVESTEC BANK PLC (Company Number 489604) whose registered office is at 2 Gresham Street, London EC2V 7QP, United Kingdom (the "Security Agent"); and
- (2) [NAME OF ACCEDING COMPANY] (company number [◆]) whose registered office is at [◆] (the "New Chargor")

and is supplemental to a Guarantee and Debenture granted by [NAME OF ORIGINAL CHARGOR(S)] (registered with the number [◆]) in favour of the Security Agent on [DATE] (the "Guarantee and Debenture").

Now this Deed witnesses as follows:

- 1 **Definitions and Interpretation**
Words and expressions defined in the Guarantee and Debenture shall have the same meaning when used in this deed.
- 2 **Confirmation**
The New Chargor confirms it has been supplied with a copy of the Guarantee and Debenture.
- 3 **Accession**
The New Chargor hereby:
 - (a) covenants with the Security Agent for the benefit of the Security Agent (and the Security Agent's permitted assigns, transferees and successors in title) to be bound by all the terms of the Guarantee and Debenture;
 - (b) grants with effect from the date of this deed, each of the mortgages, charges and assignments which are stated to be created, given or granted pursuant to the Guarantee and Debenture; and
 - (c) gives in favour of the Security Agent each of the guarantees and indemnities stated in the Guarantee and Debenture as being given by the Original Chargors,as if the New Chargor had been a party to the Guarantee and Debenture as an Original Chargor.
- 4 **Security**
 - 4.1 Without prejudice to the generality of Clause 3 of this deed, the New Chargor charges with full title guarantee in favour of the Security Agent:
 - (a) by way of legal mortgage each property specified in Part 1 of the schedule hereto;
 - (b) by way of equitable mortgage its Real Property, other than the property or properties specified in Part 1 of the schedule hereto;
 - (c) by way of fixed charge all its Plant and Machinery listed in Part 2 of the schedule hereto and the benefit of all its rights and claims against any person in respect of the design, construction, repair or replacement of the same;
 - (d) by way of fixed charge all its Plant and Machinery other than that listed in Part 2 of

the schedule hereto and the benefit of all its rights and claims against any person in respect of the design, construction, repair or replacement of the same;

- (e) by way of fixed charge all its goodwill, unpaid and/or uncalled capital;
- (f) by way of fixed charge all its Intellectual Property;
- (g) by way of fixed charge all its Securities, including those listed in part 3 of the schedule hereto;
- (h) by way of fixed charge all loan capital, indebtedness or liabilities on any account or in any manner owing to it from any Subsidiary or member of the Group;
- (i) by way of fixed charge all amounts realised by an administrator or liquidator of the New Chargor upon enforcement or execution of any order of the court under Part VI of the Insolvency Act 1986;
- (j) by way of fixed charge all its documents of title which at any time and for any purpose have been or may be deposited with the Security Agent and the property mentioned in such documents;
- (k) by way of fixed charge all of its Non-Vesting Receivables to the extent not effectively assigned by way of security under clause 4.2 below;
- (l) by way of fixed charge all Associated Rights pertaining to its Non-Vesting Receivables;
- (m) by way of fixed charge all of its Other Receivables;
- (n) by way of fixed charge all Associated Rights pertaining to its Other Receivables;
- (o) by way of fixed charge all monies in any account in its name under the control of or operated in accordance with the directions of the Security Agent;
- (p) by way of a floating charge:
 - (i) all of its undertaking, property, rights and assets whatsoever and wheresoever, both present and future (including to the extent that any of such undertaking, property, rights and assets are not effectively charged from time to time by way of fixed charge or assigned by way of security in favour of the Security Agent);
 - (ii) whether or not otherwise mortgaged, charged or assigned, all of its undertaking and assets of whatever type (both present and future) located in Scotland or otherwise governed by the laws of Scotland.

4.2 Without prejudice to the generality of Clause 3 of this Deed, the New Chargor with full title guarantee assigns and agrees to assign to the Security Agent by way of security all its rights, title and interest in and to:

- (a) the benefits arising under the policies of insurance in which it is interested details of which are set out in Part 4 of the schedule hereto, and any other policies of insurance in which it may now or hereafter have an interest (to the extent that such policy is not prohibited by its terms from being charged and/or assigned under this deed);
- (b) its Non-Vesting Receivables; and

- (c) any contracts relating to or benefitting any of the assets referred to in clause 4.1(a) to (o) above inclusive (to the extent that such contract is not prohibited by its terms from being charged and/or assigned under this deed).

5 Construction

Save as specifically varied by virtue of the accession of the New Chargor, the Guarantee and Debenture shall continue and remain in full force and effect and this deed shall be read and construed as one with the Guarantee and Debenture so that all references to "this Deed" in the Guarantee and Debenture shall include reference to this deed.

6 Governing Law

This deed and any disputes, proceedings or claims of whatever nature arising out of or in connection with it shall be governed by and construed according to English law.

In witness whereof the New Chargor and the Security Agent have caused this deed to be duly executed and delivered on the date appearing above.

SCHEDULE

Part 1

Property

Short Description of Property	Title Number (if registered)
[♦]	[♦]

Part 2

Plant & Machinery

Description
[♦]

Part 3

Securities

Company in which Securities are held	Securities held
[♦]	[♦]

Part 4

Insurances

Policy number and Insurer details	Policy Coverage
[♦]	[♦]

[Name of Acceding Company]

SIGNED and delivered as a deed by)
[NAME OF ACCEDING COMPANY])
acting by a director in the presence of:)

.....
Director

Witness:

Witness's name:

Witness's address:

The Security Agent

SIGNED and delivered as a deed by

Attorney, and

Attorney

As attorneys for **INVESTEC BANK PLC**
under a power of attorney dated 4 June
2013, in the presence of:

Witness:

Witness's name:

Witness's address:

EXECUTION PAGES

THE SECURITY AGENT

SIGNED and delivered as a deed by

[REDACTED]

Attorney, and

Attorney

[REDACTED]

As attorneys for INVESTEC BANK PLC
under a power of attorney dated 4 June
2013, in the presence of:

Witness:

[REDACTED]

Witness's name:

[REDACTED]

Witness's address:

[REDACTED]

THE ORIGINAL CHARGORS

SIGNED and delivered as a deed by)
ALLIED GLASS CONTAINERS LIMITED)
acting by a director in the presence of:)

Witness's signature:

Witness's name:

Witness's address:

SIGNED and delivered as a deed by)
ALLIED GLASS GROUP LIMITED acting)
by a director in the presence of:)

Witness's signature:

Witness's name:

Witness's address:

SIGNED and delivered as a deed by)
ALLIED GLASS HOLDINGS LIMITED)
acting by a director in the presence of:)

Witness's signature:

Witness's name:

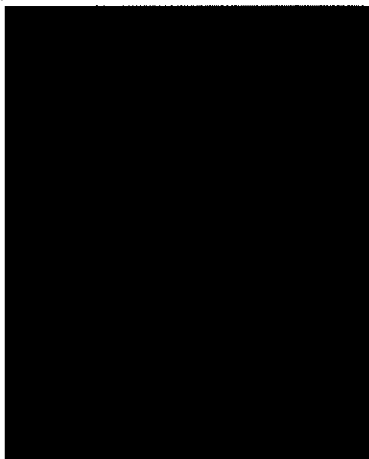
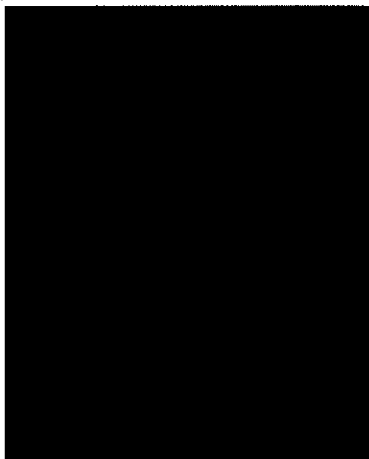
Witness's address:

SIGNED and delivered as a deed by)
GREGG & COMPANY (KNOTTINGLEY))
LIMITED acting by a director in the)
presence of:)

Witness's signature:

Witness's name:

Witness's address:



SIGNED and delivered as a deed by
LAX & SHAW LIMITED acting by a
director in the presence of:

)
)
)

Witness's signature:

Witness's name:

Witness's address:

SIGNED and delivered as a deed by
PROJECT AQUA BIDCO LIMITED acting
by a director in the presence of:

)
)
)

Witness's signature:

Witness's name:

Witness's address:

SIGNED and delivered as a deed by
PROJECT AQUA TOPCO LIMITED
acting by a director in the presence of:

)
)
)

Witness's signature:

Witness's name:

Witness's address:

SIGNED and delivered as a deed by
PROJECT MAGNUM (BIDCO) LIMITED
acting by a director in the presence of:

)
)
)

Witness's signature:

Witness's name:

Witness's address: