



Registration of a Charge

Company Name: **PEPCO GROUP LIMITED**

Company Number: **09127609**



Received for filing in Electronic Format on the: **04/06/2021**

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Details of Charge

Date of creation: **27/05/2021**

Charge code: **0912 7609 0010**

Persons entitled: **LLOYDS BANK PLC, 25 GRESHAM STREET, LONDON, EC2V 7HN AS SECURITY AGENT (ACTING AS SECURITY TRUSTEE FOR ITSELF AND THE OTHER SECURED PARTIES)**

Brief description:

Contains fixed 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: **CLIFFORD CHANCE LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9127609

Charge code: 0912 7609 0010

The Registrar of Companies for England and Wales hereby certifies that a charge dated 27th May 2021 and created by PEPCO GROUP LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 4th June 2021 .

Given at Companies House, Cardiff on 8th June 2021

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**

27 May 2021

Pepco Group N.V.
(as the Company)

The companies listed in Schedule 1
(as the Chargors)

and

Lloyds Bank plc
(as Security Agent)

DEBENTURE

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THIS DEED is made on 27 May 2021

BETWEEN:

- (1) **PEPCO GROUP N.V.**, a company incorporated under the laws of the Netherlands, having its official seat in Amsterdam, the Netherlands and its registered office address at 17-19 Cockspur Street, Floor 4, Pall Mall Works, London, SW1Y 5BL, United Kingdom, and is registered with the trade register of the Dutch Chamber of Commerce under number 81928491 (the *Company*);
- (2) **THE COMPANIES** listed in Schedule 1 (*The Chargors*) (each a *Chargor* and together the *Chargors*); and
- (3) **Lloyds Bank plc** as security trustee for itself and the other Secured Parties (the *Security Agent*).

IT IS AGREED AS FOLLOWS:

1. INTERPRETATION

1.1 Definitions

In this Debenture:

Charged Property means all the assets and undertakings of the Chargors which from time to time are subject of the Security created or expressed to be created in favour of the Security Agent by or pursuant to this Debenture;

Debtor has the meaning given to that term in the Intercreditor Agreement;

Debt Documents has the meaning given to that term in the Intercreditor Agreement;

Default Rate means the rate at which interest is payable under clause 13.5 (*Default Interest*) of the Senior Facilities Agreement;

Intercreditor Agreement means the intercreditor agreement dated 28 April 2021 between, among others, the Company, the Security Agent and the Senior Lenders (as defined in the Intercreditor Agreement);

Parties means each of the parties to this Debenture from time to time;

Receiver means a receiver, receiver and manager or administrative receiver appointed under this Debenture;

Related Rights means all dividends, distributions and other income paid or payable on a Share, together with all shares or other property derived from any Share and all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to that Share (whether by way of conversion, redemption, bonus, preference, option or otherwise) including any claim to contribution, indemnity or subrogation arising in relation thereto;

Secured Obligations has the meaning given to that term in the Intercreditor Agreement.

Secured Parties has the meaning given to the term in the Intercreditor Agreement;

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

Senior Acceleration Event has the meaning given to that term in the Intercreditor Agreement;

Senior Facilities Agreement means the senior facilities agreement dated 23 April 2021 under which certain lenders have made available certain term loan and revolving credit facilities to PEU (FIN) Limited and PEU (TRE) Limited (respectively);

Shares means all present and future shares owned by a Chargor in its Subsidiaries including but not limited to the shares, if any, specified in Schedule 2 (*Shares*);

1.2 Construction

In this Debenture, unless a contrary intention appears, a reference to:

- (a) an ***agreement*** includes any legally binding arrangement, concession, contract, deed or franchise (in each case whether oral or written);
- (b) an ***amendment*** includes any amendment, supplement, variation, novation, modification, replacement or restatement and ***amend***, ***amending*** and ***amended*** shall be construed accordingly;
- (c) ***assets*** includes present and future properties, revenues and rights of every description;
- (d) ***including*** means including without limitation and ***includes*** and ***included*** shall be construed accordingly;
- (e) ***losses*** includes losses, actions, damages, claims, proceedings, costs, demands, expenses (including fees) and liabilities and ***loss*** shall be construed accordingly;
- (f) a ***person*** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or any two or more of the foregoing; and
- (g) a ***regulation*** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

1.3 Other References

- (a) In this Debenture, unless a contrary intention appears, a reference to:

- (i) any Secured Party, Chargor or any other person is, where relevant, deemed to be a reference to or to include, as appropriate, that person's successors in title, permitted assignees and transferees and in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Debt Documents;
 - (ii) any Debt Document or other agreement or instrument is to be construed as a reference to that agreement or instrument as amended (howsoever fundamentally and whether or not such amendment results in new and / or more onerous obligations and liabilities), including by way of a change in the purpose of the facilities, or by way of a refinancing, deferral or extension of the facilities or by way of an addition or increase of or other changes to the facilities or other obligations or liabilities under the agreements or accession or retirement of the parties to the agreements;
 - (iii) any clause or schedule is a reference to, respectively, a clause of and schedule to this Debenture and any reference to this Debenture includes its schedules; and
 - (iv) a provision of law is a reference to that provision as amended or re-enacted.
- (b) The index to and the headings in this Debenture are inserted for convenience only and are to be ignored in construing this Debenture.
 - (c) Words importing the plural shall include the singular and vice versa.

1.4 Incorporation by reference

Unless the context otherwise requires or unless otherwise defined in this Debenture, words and expressions defined in the Intercreditor Agreement as appropriate have the same meanings when used in this Debenture.

1.5 Conflict of terms

In the event of any conflict between the terms of the Intercreditor Agreement and the terms of this Debenture, the terms of the Intercreditor Agreement shall prevail.

1.6 Miscellaneous

- (a) The terms of the documents under which the Secured Obligations arise and of any side letters between any Chargor and any Secured Party relating to the Secured Obligations are incorporated in this Debenture to the extent required for any purported disposition of the Charged Property contained in this Debenture to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (b) All Security created pursuant to the terms of this Debenture is made with full title guarantee in accordance with the Law of Property

(Miscellaneous Provisions) Act 1994, subject to any Security permitted pursuant to the terms of the Debt Documents.

- (c) The covenants set out in sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to Clause 3 (*Charging Provisions*).
- (d) It shall be implied in respect of Clause 3 (*Charging Provisions*) that each Chargor is disposing of the Charged Property free from all charges and encumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment).
- (e) Notwithstanding any other provision of this Debenture, the obtaining of a moratorium under section 1A of the Insolvency Act 1986, or anything done with a view to obtaining such a moratorium (including any preliminary decision or investigation), shall not be an event causing any floating charge created by this Debenture to crystallise or causing restrictions which would not otherwise apply to be imposed on the disposal of property by any Chargor or a ground for the appointment of a Receiver.
- (f) The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Debenture and no rights or benefits expressly or impliedly conferred by this Debenture shall be enforceable under that Act against the Parties by any other person.
- (g) The Parties hereto intend that this document shall take effect as a deed notwithstanding that a Party may only execute this document under hand.

2. COVENANT TO PAY

Each Chargor as primary obligor covenants with the Security Agent (for the benefit of itself and the other Secured Parties) that it will on demand pay, discharge and satisfy the Secured Obligations when they fall due for payment.

3. CHARGING PROVISIONS

3.1 Specific Security

Each Chargor, as continuing security for the payment of the Secured Obligations, charges in favour of the Security Agent, both present and future, from time to time owned by it or in which it has an interest, by way of first fixed charge, all the Shares and all corresponding Related Rights, and includes, in respect of each of the charged assets the benefit of all licences, consents and agreements held by each Chargor in connection with the use of the asset, any monies or income paid or payable in respect of the asset, any proceeds of the sale of the asset and any other property, rights or claims relating to, accruing to or deriving from the asset.

4. FURTHER ASSURANCE

- (a) Clause 26.14 (*Further Assurance*) of the Senior Facilities Agreement will apply in relation to this Debenture as if incorporated in this Debenture, but on the basis that the obligations of each Obligor arising under that clause will be deemed to be substituted by the obligations of each Chargor under this Debenture, and the obligations of the Company arising under that clause will be deemed to be substituted by the obligations of the Company under this Debenture.
- (b) The covenant set out in section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in paragraph (a) above.

5. NEGATIVE PLEDGE

No Chargor may:

- (a) create or agree to create or permit to subsist any Security or Quasi-Security over all or any part of the Charged Property; or
- (b) sell, transfer, lease out, lend or otherwise dispose of all or any part of the Charged Property or the right to receive or to be paid the proceeds arising on the disposal of the same, or agree or attempt to do so,

except as permitted by the Senior Facilities Agreement.

6. REPRESENTATIONS AND WARRANTIES

6.1 General

Each Chargor represents and warrants to the Security Agent as set out in this Clause 6 on the date of this Debenture and on each date that the Repeating Representations are repeated under the Senior Facilities Agreement.

6.2 Legal and beneficial owner

It is the legal and beneficial owner of the Shares, including those identified against its name in Schedule 2 (*Shares*), which represent the entire issued share capital of the relevant Subsidiaries.

6.3 Transaction Security

This Debenture validly creates the Security which is expressed to be created pursuant to Clause 3 (*Charging Provisions*) and evidences the Security it is expressed to evidence.

6.4 Ranking

The Security created by this Debenture has or will have first ranking priority and it is not subject to any prior ranking or *pari passu* Security.

6.5 The Shares

The Shares are fully paid and not subject to any option to purchase or similar rights. The constitutional documents of each company which has issued the Shares or any other document or arrangement do not and could not restrict or inhibit any transfer of the Shares on creation or on enforcement of the Security created pursuant to this Debenture.

7. PROTECTION OF SECURITY

7.1 Title Documents

- (a) Each Chargor shall, at the date of this Debenture or, if later, within 5 Business Days of becoming entitled to the relevant Shares, deposit with the Security Agent (or as it shall direct):
 - (i) all stock and share certificates and other documents of title relating to the Shares together with stock transfer forms executed in blank and left undated on the basis that the Security Agent shall be able to hold such documents of title and stock transfer forms until the Final Discharge Date and shall be entitled, at any time following the occurrence of a Senior Acceleration Event or if the Security Agent reasonably considers that the Security constituted by this Debenture is in jeopardy to complete, under its power of attorney given in this Debenture, the stock transfer forms on behalf of the relevant Chargor in favour of itself or such other person as it shall select; and
 - (ii) all other documents relating to the Charged Property which the Security Agent may from time to time reasonably require.
- (b) The Security Agent may retain any document delivered to it under this Clause 7.1 or otherwise until the Security created under this Debenture is released and, if for any reason it ceases to hold any such document before that time, it may by notice to the relevant Chargor require that the document be redelivered to it and the relevant Chargor shall promptly comply (or procure compliance) with that notice.
- (c) Any document required to be delivered to the Security Agent under paragraph (a) above which is for any reason not so delivered or which is released by the Security Agent to a Chargor shall be held on trust by the relevant Chargor for the Security Agent.

8. UNDERTAKINGS

8.1 General

Each Chargor undertakes to the Security Agent in the terms of this Clause 8 from the date of this Debenture and for so long as any of the Secured Obligations are outstanding.

8.2 Voting and Distribution Rights

- (a) Prior to the occurrence of a Senior Acceleration Event:

- (i) each Chargor shall be entitled to receive and retain all dividends, distributions and other monies paid on or derived from its Shares; and
 - (ii) each Chargor shall be entitled to exercise all voting and other rights and powers attaching to its Shares provided that it shall not exercise any such voting rights or powers in a manner which would adversely affect the validity, enforceability or existence of the Charged Property or the Security created under this Debenture (save as expressly permitted pursuant to the terms of the Debt Documents).
- (b) At any time after the occurrence of a Senior Acceleration Event, all voting rights in respect of the Shares shall be exercised by the Chargor as directed by the Security Agent (in order to preserve and/or realise the value of the security), unless the Security Agent has notified the Chargor in writing that it wishes to give up this right.
 - (c) At any time after the occurrence of a Senior Acceleration Event, each Chargor shall hold any dividends, distributions and other monies paid on or derived from the Shares on trust for the Secured Parties and pay the same to, or as directed by, the Security Agent.
 - (d) If, at any time, any Shares are registered in the name of the Security Agent or its nominee, the Security Agent will not be under any duty to ensure that any dividends, distributions or other monies payable in respect of those Shares are duly and promptly paid or received by it or its nominee, 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, monies 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 those Shares.

8.3 Payment of calls

Each Chargor shall pay when due all calls or other payments which may be or become due in respect of any part of the Charged Property, and in any case of default by it in such payment, the Security Agent may, if it thinks fit, make such payment on behalf of such Chargor. Any sums so paid by the Security Agent shall be reimbursed by the relevant Chargor to the Security Agent on demand and shall carry interest from the date of payment by the Security Agent until reimbursed, such interest to be calculated in accordance with Clause 17.3 (*Default interest*).

9. SECURITY AGENT'S POWER TO REMEDY

9.1 Power to Remedy

If any Chargor fails to comply with any obligation set out in Clause 7 (*Protection of Security*) or Clause 8 (*Undertakings*) or any of its obligations under this Debenture and that failure is not remedied to the satisfaction of the

Security Agent within 14 days of the Security Agent giving notice to the relevant Chargor or the relevant Chargor becoming aware of the failure to comply, it will allow (and irrevocably authorises) the Security Agent or any person which the Security Agent nominates to take any action on behalf of that Chargor which is necessary to ensure that those obligations are complied with.

9.2 Indemnity

Each Chargor will indemnify the Security Agent against all losses incurred by the Security Agent as a result of a breach by any Chargor of its obligations under Clause 7 (*Protection of Security*) or Clause 8 (*Undertakings*) and in connection with the exercise by the Security Agent of its rights contained in Clause 9.1 above in accordance with Clause 22 (*Other Indemnities*) of the Senior Facilities Agreement. All sums the subject of this indemnity will be payable by the relevant Chargor to the Security Agent on demand and if not so paid will bear interest at the Default Rate. Any unpaid interest will be compounded with monthly rates.

10. CONTINUING SECURITY

10.1 Continuing Security

The Security constituted by this Debenture shall remain in full force and effect as a continuing security notwithstanding any intermediate payment or settlement of all or any part of the Secured Obligations or any other act, matter or thing.

10.2 Other Security

The Security constituted by this Debenture is to be in addition to and shall neither be merged in nor in any way exclude or prejudice or be affected by any other Security or other right which the Security Agent and/or any other Secured Party may now or after the date of this Debenture hold for any of the Secured Obligations, and this Security may be enforced against each Chargor without first having recourse to any other rights of the Security Agent or any other Secured Party.

10.3 No prejudice

The Security created by or pursuant to this Debenture shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to any Chargor or any other person by the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties or by any variation of the terms of the trust upon which the Security Agent holds the Security or by any other thing which might otherwise prejudice that Security.

11. ENFORCEMENT OF SECURITY

11.1 Timing of enforcement

Any time after the occurrence of a Senior Acceleration Event; or

,the Security created by or pursuant to this Agreement is immediately enforceable and the Security Agent may, without notice to the Chargors or prior authorisation from any court, in its absolute discretion:

- (i) secure and perfect its title to all or any part of the Charged Property (including transferring the Charged Property into the name of the Security Agent or its nominees);
- (ii) enforce all or any part of the Security 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 any assets of the Chargors which, when got in, would be part of the Charged Property) at the times, in the manner and on the terms it thinks fit (including whether for cash or non-cash consideration); and
- (iii) whether or not it has appointed a Receiver, exercise all or any of the rights, powers, authorities and discretions conferred by the Law of Property Act 1925 (as varied or extended by this Debenture) on mortgagees and by this Debenture on any Receiver or otherwise conferred by law on mortgagees or Receivers.

11.2 Release of claims

After the Security created by or pursuant to this Debenture has become enforceable in accordance with Clause 11.1 (*Timing of enforcement*), the Security Agent is irrevocably authorised (on behalf of and at the cost of the Chargors and without any further consent, sanction, authority or confirmation from any of them) to release any claim which the Chargors may have against any company whose shares are comprised in the Charged Property and to execute and deliver any such release(s) on behalf of the Chargors which may, in the discretion of the Security Agent, be considered necessary or desirable.

12. EXTENTION OF POWERS AND RIGHT OF APPROPRIATION

12.1 Enforcement Powers

For the purpose of all rights and powers implied or granted by statute, the Secured Obligations are deemed to have fallen due on the date of this Debenture. The power of sale and other powers conferred by section 101 of the Law of Property Act 1925 and all other enforcement powers conferred by this Debenture shall be immediately exercisable at any time after a Senior Acceleration Event has occurred.

12.2 Statutory Powers

The powers conferred on mortgagees, receivers or administrative receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (as the case may be) shall apply to the Security created under this Debenture, unless they are expressly or impliedly excluded. If there is ambiguity or conflict between the

powers contained in those Acts and those contained in this Debenture, those contained in this Debenture shall prevail.

12.3 **Restrictions**

The restrictions contained in sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Debenture 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 Debenture 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 the Chargors on or at any time after the Security created by or pursuant to this Debenture has become enforceable in accordance with Clause 11 (*Enforcement of Security*).

12.4 **Exercise of Powers**

All or any of the powers conferred upon mortgagees by the Law of Property Act 1925 as varied or extended by this Debenture, and all or any of the rights and powers conferred by this Debenture on a Receiver (whether expressly or impliedly), may be exercised by the Security Agent without further notice to any Chargor at any time after a Senior Acceleration Event has occurred, irrespective of whether the Security Agent has taken possession or appointed a Receiver of the Charged Property.

12.5 **Disapplication of Statutory Restrictions**

The restriction on the consolidation of mortgages and on power of sale imposed by sections 93 and 103 respectively of the Law of Property Act 1925 shall not apply to the Security constituted by this Debenture.

12.6 **Appropriation under the Financial Collateral Regulations**

- (a) To the extent that any of the Charged Property constitutes “financial collateral” and this Debenture and the obligations of the Chargors hereunder constitute “security financial collateral arrangement” (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (as amended) (the “**Regulations**”)), the Security Agent shall have the right to appropriate all or any part of such financial collateral in or towards discharge of the Secured Obligations and may exercise that right to appropriate by giving notice to the relevant Chargors at any time after a Senior Acceleration Event has occurred.
- (b) The Parties agree that the value of any such appropriated financial collateral shall be: (x) in the case of securities, the price at which such securities can be disposed of by the Security Agent; and (y) in the case of any other asset, the market value of such financial collateral as determined by the Security Agent, in each case, in a commercially reasonable manner (including by way of an independent valuation). The Parties agree that the methods of valuation provided for in this paragraph shall constitute commercially reasonable methods of valuation for the purposes of the Regulations.

13. RECEIVERS

13.1 Appointment of Receiver

- (a) Following the occurrence of a Senior Acceleration Event, subject to paragraph (c) below, at any time after notice demanding payment of any sum which is then due but unpaid in respect of the Secured Obligations has been given by the Security Agent to any Chargor, or if so requested by the relevant Chargor, the Security Agent may by writing under hand signed by any officer or manager of the Security Agent, appoint any person (or persons) to be a Receiver of all or any part of the Charged Property.
- (b) Section 109(1) of the Law of Property Act 1925 shall not apply to this Debenture.
- (c) The Security Agent shall be entitled to appoint a Receiver save to the extent prohibited by section 72A Insolvency Act 1986.

13.2 Statutory powers of appointment

The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of the Security Agent under the Law of Property Act 1925 (as extended by this Agreement) or otherwise and such powers shall remain exercisable from time to time by the Security Agent in respect of any part of the Charged Property.

13.3 Powers of Receiver

Following the occurrence of a Senior Acceleration Event, each Receiver appointed under this Debenture shall have (subject to any limitations or restrictions which the Security Agent may incorporate in the deed or instrument appointing it) all the powers conferred from time to time on receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (each of which is deemed incorporated in this Debenture), so that the powers set out in schedule 1 to the Insolvency Act 1986 shall extend to every Receiver, whether or not an administrative receiver and all the powers and rights of an absolute owner and power to do or omit to do anything which each Chargor itself could do or omit to do. In addition, notwithstanding any liquidation of the relevant Chargor, each Receiver shall have power to:

- (a) manage, develop, reconstruct, amalgamate or diversify any part of the business of the relevant Chargor;
- (b) enter into or cancel any contracts on any terms or conditions;
- (c) incur any liability on any terms, whether secured or unsecured, and whether to rank for payment in priority to this security or not;
- (d) let or lease or concur in letting or leasing, and vary the terms of, determine, surrender leases or tenancies of, or grant options and licences over, or otherwise deal with, all or any of the Charged Property, without being responsible for loss or damage;

- (e) establish subsidiaries to acquire interests in any of the Charged Property and/or arrange for those subsidiaries to trade or cease to trade and acquire any of the Charged Property on any terms and conditions;
- (f) make and effect all repairs, renewals and improvements to any of the Charged Property and maintain, renew, take out or increase insurances;
- (g) exercise all voting and other rights attaching to the Shares and stocks, shares and other securities owned by the relevant Chargor and comprised in the Charged Property, but only following a written notification from either the Receiver or the Security Agent to the relevant Chargor stating that the Security Agent shall exercise all voting rights in respect of the Shares and stocks, shares and other securities owned by the relevant Chargor and comprised in the Charged Property;
- (h) redeem any prior Security on or relating to the Charged Property and settle and pass the accounts of the person entitled to that prior Security, so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the relevant Chargor and the money so paid shall be deemed to be an expense properly incurred by the Receiver;
- (i) appoint and discharge officers and others for any of the purposes of this Debenture and/or to guard or protect the Charged Property upon terms as to remuneration or otherwise as he may think fit;
- (j) settle any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the relevant Chargor or relating to any of the Charged Property;
- (k) implement or continue the development of (and obtain all consents required in connection therewith) and/or complete any buildings or structures on any real property comprised in the Charged Property;
- (l) purchase or acquire any land or any interest in or right over land;
- (m) exercise on behalf of the relevant Chargor all the powers conferred on a landlord or a tenant by any legislation from time to time in force in any relevant jurisdiction relating to rents or agriculture in respect of any part of the Property; and
- (n) do all other acts and things (including signing and executing all documents and deeds) as the Receiver considers to be incidental or conducive to any of the matters or powers in this Clause 13.2, or otherwise incidental or conducive to the preservation, improvement or realisation of the Charged Property, and use the name of the relevant Chargor for all such purposes,

and in each case may use the name of any Chargor and exercise the relevant power in any manner which he may think fit.

13.4 **Receiver as Agent**

Following the occurrence of a Senior Acceleration Event each Receiver shall be the agent of the relevant Chargor, which shall be solely responsible for his acts or defaults, and for his remuneration and expenses, and be liable on any agreements or engagements made or entered into by him. The Security Agent will not be responsible for any misconduct, negligence or default of a Receiver.

13.5 Removal of Receiver

The Security Agent may by notice remove from time to time any Receiver appointed by it (subject to the provisions of section 45 of the Insolvency Act 1986 in the case of an administrative receivership) and, whenever it may deem appropriate, appoint a new Receiver in the place of any Receiver whose appointment has terminated, for whatever reason.

13.6 Remuneration of Receiver

The Security Agent may from time to time fix the remuneration of any Receiver appointed by it.

13.7 Several Receivers

If at any time there is more than one Receiver, each Receiver may separately exercise all of the powers conferred by this Debenture (unless the document appointing such Receiver states otherwise).

14. APPLICATION OF PROCEEDS

14.1 Order of Application

All monies received or recovered by the Security Agent or any Receiver pursuant to this Debenture shall (subject to the claims of any person having prior rights thereto) be applied in the order and manner specified in Clause 14 (*Application of Proceeds*) of the Intercreditor Agreement notwithstanding any purported appropriation by any Chargor.

14.2 Section 109 Law of Property Act 1925

Sections 109(6) and (8) of the Law of Property Act 1925 shall not apply to a Receiver appointed under this Debenture.

14.3 Application against Secured Obligations

Subject to Clause 14.1 above, any monies or other value received or realised by the Security Agent from a Chargor or a Receiver under this Debenture may be applied by the Security Agent to any item of account or liability or transaction forming part of the Secured Obligations to which they may be applicable in any order or manner which the Security Agent may determine.

14.4 Suspense Account

Until the Secured Obligations are paid in full, the Security Agent or the Receiver (as applicable) may place and keep (for such time as it shall determine) any money received, recovered or realised pursuant to this Debenture or on account of any Chargor's liability in respect of the Secured Obligations in an interest

bearing separate suspense account (to the credit of either the relevant Chargor or the Security Agent or the Receiver as the Security Agent or the Receiver shall think fit) and the Security Agent or the Receiver may retain the same for the period which it considers expedient without having any obligation to apply all or any part of that money in or towards discharge of the Secured Obligations.

15. PROTECTION OF SECURITY AGENT AND RECEIVER

15.1 Exclusion of Liability

The liability of the Security Agent or any Receiver in respect of any of the Charged Property or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers, will be in accordance with the terms set out in clause 15.11 (*Exclusion of Liability*) of the Intercreditor Agreement.

15.2 Possession of Charged Property

Without prejudice to Clause 15.1 above, if the Security Agent or the Receiver enters into possession of the Charged Property, it will not be liable to account as mortgagee in possession and may at any time at its discretion go out of such possession.

15.3 Primary liability of Chargor

Each Chargor shall be deemed to be a principal debtor and the sole, original and independent obligor for the Secured Obligations and the Charged Property shall be deemed to be a principal security for the Secured Obligations. The liability of each Chargor under this Debenture and the charges contained in this Debenture shall not be impaired by any forbearance, neglect, indulgence, abandonment, extension of time, release, surrender or loss of securities, dealing, variation or arrangement by the Security Agent or any other Secured Party, or by any other act, event or matter whatsoever whereby the liability of the relevant Chargor (as a surety only) or the charges contained in this Debenture (as secondary or collateral charges only) would, but for this provision, have been discharged.

15.4 Waiver of defences

The obligations assumed, and the Security created, by the Chargors under this Debenture will not be affected by any act, omission, matter or thing which, but for this Clause 15.4 (*Waiver of defences*), would reduce, release or prejudice any of its obligations under, or the Security created by, this Debenture (whether or not known to any Chargor or the Security Agent or any Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Debtor or other person;
- (b) the release of any other Debtor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;

- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, any Debtor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of, any Debtor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (in each case, however fundamental and whether or not more onerous) or replacement of a Debt Document or any other document or Security or of the Secured Obligations including any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Debt Document or other document or Security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Debt Documents or other document or Security or of the Secured Obligations; and
- (g) any insolvency or similar proceedings.

15.5 Security Agent

The provisions set out in clause 15 of the Intercreditor Agreement shall govern the rights, duties and obligations of the Security Agent under this Debenture.

15.6 Delegation

The Security Agent may delegate all or any of the powers, authorities and discretions which are for the time being exercisable by it under this Debenture in accordance with the terms of clause 15.21 (*Delegation by the Security Agent*) of the Intercreditor Agreement.

15.7 Cumulative Powers

The powers which this Debenture confers on the Security Agent, the other Secured Parties and any Receiver appointed under this Debenture are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as the relevant person thinks appropriate. The Security Agent, the other Secured Parties or the Receiver may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever. The respective powers of the Security Agent, the other Secured Parties and the Receiver will in no circumstances be suspended, waived or otherwise prejudiced by anything other than an express consent or amendment.

15.8 Immediate recourse

Each Chargor waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other

rights or Security or claim payment from any other person before claiming from that Chargor under this Debenture or enforcing the Security created by this Debenture. This waiver applies irrespective of any law or any provision of this Debenture to the contrary.

15.9 Deferral of rights

Until all the Secured Obligations have been irrevocably paid in full and and none of the Security Agent nor any Secured Party has any actual or contingent liability to advance further monies to, or incur liability on behalf of; any Chargor, each Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under this Debenture:

- (h) to be indemnified by a Debtor or any other person;
- (i) to claim any contribution from any guarantor or other person in respect of any Debtor's obligations under the Debt Documents;
- (j) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of any Secured Party under the Debt Documents or of any other guarantee or Security taken pursuant to, or in connection with, the Debt Documents by any Secured Party;
- (k) to bring legal or other proceedings for an order requiring any Debtor or other person to make any payment, or perform any obligation, in respect of which any Debtor or other person has given a guarantee, undertaking or indemnity under any Debt Document;
- (l) to exercise any right of set-off against any Debtor or other person; and/or
- (m) to claim or prove as a creditor of any Debtor or other person in competition with any Secured Party.

If any Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to any Secured Party by the Debtors under or in connection with the Debt Documents to be repaid in full on trust for the Secured Parties and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with Clause 13 (*Application of Proceeds*).

16. POWER OF ATTORNEY

Each Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any person nominated for the purpose by the Security Agent or any Receiver (in writing and signed by an officer of the Security Agent or Receiver) as its attorney (with full power of substitution and delegation) in its name and on its behalf and as its act and deed to execute, seal and deliver (using the company seal where appropriate) and otherwise perfect and do any deed, assurance, agreement, instrument, act or thing which it ought to execute and do under the terms of this Debenture, or which may be required or deemed proper in the exercise of any rights or powers conferred on the

Security Agent or any Receiver under this Debenture or otherwise for any of the purposes of this Debenture, and each Chargor covenants with the Security Agent and each Receiver to ratify and confirm all such acts or things made, done or executed by that attorney.

17. PROTECTION FOR THIRD PARTIES

17.1 No Obligation to Enquire

No purchaser from, or other person dealing with, the Security Agent or any Receiver (or their agents) shall be obliged or concerned to enquire whether:

- (a) the right of the Security Agent or any Receiver to exercise any of the powers conferred by this Debenture has arisen or become exercisable or as to the propriety or validity of the exercise or purported exercise of any such power; or
- (b) any of the Secured Obligations remain outstanding and/or are due and payable or be concerned with notice to the contrary and the title and position of such a purchaser or other person shall not be impeachable by reference to any of those matters.

17.2 Receipt Conclusive

The receipt of the Security Agent or any Receiver shall be an absolute and a conclusive discharge to a purchaser, and shall relieve him of any obligation to see to the application of any monies paid to or by the direction of the Security Agent or any Receiver.

18. COSTS AND EXPENSES

18.1 Initial and Enforcement Expenses

Any costs and expenses incurred under or in connection with this Debenture shall be dealt with in accordance with clause 21 (*Costs and Expenses*) of the Senior Facilities Agreement.

18.2 Stamp Duties, etc

Each Chargor shall pay and, within three Business Days of demand, indemnify each Secured Party against any cost, loss or liability that Secured Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of this Debenture.

18.3 Default Interest

If not paid when due, the amounts payable under this Agreement shall carry interest compounded with monthly rates at the Default Rate (after as well as before judgment), from the date of demand and shall form part of the Secured Obligations.

19. REINSTATEMENT AND RELEASE

19.1 Amounts Avoided

If any amount paid by a Chargor in respect of the Secured Obligations is capable of being avoided or set aside on the liquidation or administration of the relevant Chargor or otherwise, then for the purposes of this Debenture that amount shall not be considered to have been paid.

19.2 Discharge Conditional

Any settlement or discharge between a Chargor and any Secured Party shall be conditional upon no security or payment to that Secured Party by that Chargor or any other person being avoided, set aside, ordered to be refunded or reduced by virtue of any provision or enactment relating to insolvency and accordingly (but without limiting the other rights of that Secured Party under this Debenture) that Secured Party shall be entitled to recover from that Chargor the value which that Secured Party has placed on that security or the amount of any such payment as if that settlement or discharge had not occurred.

19.3 Covenant To Release

Once all the Secured Obligations have been irrevocably paid in full and none of the Security Agent nor any Secured Party has any actual or contingent liability to advance further monies to, or incur liability on behalf of; any Chargor, the Security Agent and each Secured Party shall, at the request and cost of each Chargor, execute any documents (or procure that its nominees execute any documents) or take any action which may be necessary to release the Charged Property from the Security constituted by this Debenture. On the release of any of the Charged Property the Security Agent shall not be bound to return the identical securities which were deposited, lodged, held or transferred and the Chargor will accept securities of the same class and denomination or such other securities as shall then represent the Charged Property being released.

20. CURRENCY CLAUSES

20.1 Conversion

All monies received or held by the Security Agent or any Receiver under this Debenture may be converted into any other currency which the Security Agent considers necessary to cover the obligations and liabilities comprised in the Secured Obligations in that other currency at the Security Agent's spot rate of exchange then prevailing for purchasing that other currency with the existing currency.

20.2 No Discharge

No payment to the Security Agent (whether under any judgment or court order or otherwise) shall discharge the obligation or liability of the relevant Chargor in respect of which it was made unless and until the Security Agent has received payment in full in the currency in which the obligation or liability is payable or, if the currency of payment is not specified, was incurred. To the extent that the amount of any such payment shall on actual conversion into that currency fall short of that obligation or liability expressed in that currency, the Security Agent shall have a further separate cause of action against the relevant Chargor and

shall be entitled to enforce the Security constituted by this Debenture to recover the amount of the shortfall.

21. SET-OFF

21.1 Set-off rights

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

21.2 Different Currencies

The Security Agent may exercise its rights under Clause 21.1 (*Set-off rights*) notwithstanding that the amounts concerned may be expressed in different currencies and the Security Agent is authorised to effect any necessary conversions at a market rate of exchange selected by it.

21.3 Unliquidated Claims

If, at any time after notice demanding payment of any sum which is then due but unpaid in respect of the Secured Obligations has been given by the Security Agent to any Chargor, the relevant obligation or liability is unliquidated or unascertained, the Security Agent may set-off the amount which it estimates (in good faith) will be the final amount of that obligation or liability once it becomes liquidated or ascertained.

21.4 No Set-off

Each Chargor will pay all amounts payable under this Debenture without any set-off, counterclaim or deduction whatsoever unless required by law, in which event the relevant Chargor will pay an additional amount to ensure that the payment recipient receives the amount which would have been payable had no deduction been required to have been made.

22. RULING OFF

If the Security Agent or any other Secured Party receives notice of any subsequent Security or other interest affecting any of the Charged Property (except as permitted by the Senior Facilities Agreement) it may open a new account for the relevant Chargor in its books. If it does not do so then (unless it gives express notice to the contrary to the relevant Chargor), as from the time it receives that notice, all payments made by the relevant Chargor to it (in the absence of any express appropriation to the contrary) shall be treated as having been credited to a new account of the relevant Chargor and not as having been applied in reduction of the Secured Obligations.

23. REDEMPTION OF PRIOR CHARGES

The Security Agent may, at any time after a Senior Acceleration Event has occurred, redeem any prior Security on or relating to any of the Charged Property or procure the transfer of that Security to itself, and may settle and pass the accounts of any person entitled to that prior Security. Any account so settled and passed shall (subject to any manifest error) be conclusive and binding on each Chargor. Each Chargor will on demand pay to the Security Agent all principal monies and interest and all losses incidental to any such redemption or transfer.

24. NOTICES

Any communication made under or in connection with this Debenture shall be made in accordance with the provisions set out in clause 37 (*Notices*) of the Senior Facilities Agreement.

25. CHANGES TO PARTIES

25.1 Assignment by the Security Agent

The Security Agent may at any time assign or otherwise transfer all or any part of its rights under this Debenture in accordance with the Debt Documents.

25.2 Changes to Parties

Each Chargor authorises and agrees to changes to parties under clause 28 (*Changes to the Lenders*) of the Senior Facilities Agreement and authorises the Security Agent to execute on its behalf any document required to effect the necessary transfer of rights or obligations contemplated by those provisions.

26. MISCELLANEOUS

26.1 Certificates Conclusive

A certificate or determination of the Security Agent as to any amount payable under this Debenture will be conclusive and binding on each Chargor, except in the case of manifest error.

26.2 Counterparts

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

26.3 Invalidity of any Provision

If any provision of this Debenture is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way.

26.4 Failure to Execute

Failure by one or more parties (“**Non-Signatories**”) to execute this Debenture on the date hereof will not invalidate the provisions of this Debenture as between the other Parties who do execute this Debenture. Such Non-Signatories may execute this Debenture on a subsequent date and will thereupon become bound by its provisions.

27. GOVERNING LAW AND JURISDICTION

- (a) This Debenture and any non-contractual claims arising out of or in connection with it shall be governed by and construed in accordance with English law.
- (b) Subject to paragraph (c) below, the Parties agree that the courts of England shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Debenture, whether contractual or non-contractual (including a dispute regarding the existence, validity or termination of this Debenture) (a “**Dispute**”). The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.
- (c) The Parties agree that, for the benefit of the Secured Parties only, nothing in this Debenture shall limit the right of the Secured Parties to bring any legal action against any of the Chargors in any other court of competent jurisdiction.

IN WITNESS whereof this Debenture has been duly executed as a deed and is delivered on the date first above written.

**SCHEDULE 1
THE CHARGORS**

Name of Chargor	Registered Number	Registered Address
Pepco Group N.V.	81928491	17-19 Cockspur Street, Floor 4, Pall Mall Works, London, United Kingdom, SW1Y 5BL
Pepco Group Limited	09127609	Unit B, 120 Weston Street, London, United Kingdom, SE1 4GS
PEU (FIN) Limited	11808114	Unit B, 120 Weston Street, London, United Kingdom, SE1 4GS
PEU (TRE) Limited	11808312	Unit B, 120 Weston Street, London, United Kingdom, SE1 4GS
Poundland Limited	02495645	Poundland Csc, Midland Road, Walsall, United Kingdom, WS1 3TX

SCHEDULE 2 SHARES

Shares

Name of Chargor which holds the shares	Name of company issuing shares	Number and class of shares
Pepco Group N.V.	Pepco Group Limited	1,801,242 ordinary shares of £0.001
Pepco Group Limited	PEU (FIN) Limited	72,497,788,743 ordinary shares of €0.00001
PEU (FIN) Limited	PEU (TRE) Limited	20,326,838,611 ordinary shares of €0.00001
PEU (TRE) Limited	Poundland Limited	100 ordinary shares of £1.00
Poundland Limited	Pepco Group Limited	1 ordinary share of £1.00
Poundland Limited	Pepkor UK Retail Limited	37,895,808 ordinary shares of £0.0001 each

SIGNATORIES TO DEBENTURE

THE COMPANY

**EXECUTED as a DEED by
Pepco Group N.V.**

.....
Signature of Director
Name of Director: N wharton

In the presence of:

.....
Signature of witness
Name of witness: Robert swales
Address of witness:
Occupation of witness:

Notice Details

Address:

Facsimile:

Attention:

THE CHARGORS

**EXECUTED as a DEED by
Pepco Group N.V.**

.....
Signature of Director
Name of Director: N wharton

In the presence of:

.....
Signature of witness
Name of witness: Robert Swales
Address of witness:
Occupation of witness:

Notice Details

Address:

Facsimile:

Attention:

**EXECUTED as a DEED by
Pepco Group Limited**

.....
Signature of Director
Name of Director: N wharton

In the presence of:

.....
Signature of witness
Name of witness: Robert Swales
Address of witness:
Occupation of witness:

Notice Details

Address:
Facsimile:
Attention:

**EXECUTED as a DEED by
PEU (FIN) Limited**

.....
Signature of Director
Name of Director: N wharton

In the presence of:

.....
Signature of witness
Name of witness: Robert Swales
Address of witness:
Occupation of witness:

Notice Details

Address:

Facsimile:

Attention:

**EXECUTED as a DEED by
PEU (TRE) Limited**

.....
Signature of Director
Name of Director: N wharton

In the presence of:

.....
Signature of witness
Name of witness: robert swales
Address of witness:
Occupation of witness:

Notice Details

Address:

Facsimile:

Attention:

**EXECUTED as a DEED by
Poundland Limited**

.....
Signature of Director
Name of Director: David Robert Williams

In the presence of:

.....
Signature of witness
Name of witness: Kathryn Guest
Address of witness:
Occupation of witness:

Notice Details

Address:

Facsimile:

Attention:

THE SECURITY AGENT

For and on behalf of
LLOYDS BANK PLC:



Notice Details

Address:



Telephone:



Facsimile:



Email:



Attention:

